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

FORM 10-Q

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

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2021

OR

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

Commission file number 1-7933

Aon plc

(Exact Name of Registrant as Specified in Its Charter)

IRELAND

(State or Other Jurisdiction of
Incorporation or Organization)

98-1539969

(I.R.S. Employer
Identification No.)

Metropolitan Building, James Joyce Street, Dublin 1, Ireland
(Address of principal executive offices)

D01 K0Y8

(Zip Code)

+353 1 266 6000

(Registrant's Telephone Number,
Including Area Code)

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

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

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

Large accelerated filer

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

Number of Class A Ordinary Shares of Aon plc, \$0.01 nominal value, outstanding as of April 29, 2021: 225,647,250

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Ordinary Shares \$0.01 nominal value	AON	New York Stock Exchange
Guarantees of Aon plc's 4.00% Senior Notes due 2023	AON23	New York Stock Exchange
Guarantees of Aon plc's 3.50% Senior Notes due 2024	AON24	New York Stock Exchange
Guarantees of Aon plc's 3.875% Senior Notes due 2025	AON25	New York Stock Exchange
Guarantees of Aon plc's 2.875% Senior Notes due 2026	AON26	New York Stock Exchange
Guarantees of Aon plc's 4.25% Senior Notes due 2042	AON42	New York Stock Exchange
Guarantees of Aon plc's 4.45% Senior Notes due 2043	AON43	New York Stock Exchange
Guarantees of Aon plc's 4.60% Senior Notes due 2044	AON44	New York Stock Exchange
Guarantees of Aon plc's 4.75% Senior Notes due 2045	AON45	New York Stock Exchange

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

This report contains certain statements related to future results, or states our intentions, beliefs, and expectations or predictions for the future, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent management's expectations or forecasts of future events. Forward-looking statements are typically identified by words such as "anticipate," "believe," "estimate," "expect," "forecast," "project," "intend," "plan," "probably," "potential," "looking forward," "continue," and other similar terms, and future or conditional tense verbs like "could," "may," "might," "should," "will," and "would." You can also identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. For example, we may use forward-looking statements when addressing topics such as: market and industry conditions, including competitive and pricing trends; changes in our business strategies and methods of generating revenue; the development and performance of our services and products; changes in the composition or level of our revenues; our cost structure and the outcome of cost-saving or restructuring initiatives; the outcome of contingencies; dividend policy; the expected impact of acquisitions, dispositions, and other significant transactions, such as the Combination, as defined in Note 6 "Acquisitions and Dispositions of Businesses" of this report; pension obligations; cash flow and liquidity; expected effective tax rate; future actions by regulators; and the impact of changes in accounting rules. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from either historical or anticipated results depending on a variety of factors. Potential factors, which may be revised or supplemented in subsequent reports filed or furnished with the Securities and Exchange Commission (the "SEC"), that could impact results include:

- changes in the competitive environment or damage to our reputation;
 - fluctuations in currency exchange and interest rates that could impact our financial condition or results;
 - changes in global equity and fixed income markets that could affect the return on invested assets;
 - changes in the funded status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
 - the level of our debt and the terms thereof reducing our flexibility or increasing borrowing costs;
 - rating agency actions that could limit our access to capital and our competitive position;
 - our global tax rate being subject to a variety of different factors, which could create volatility in that tax rate;
 - changes in our accounting estimates and assumptions on our financial statements;
 - limits on our subsidiaries' ability to pay dividends or otherwise make payments to us;
 - the impact of legal proceedings and other contingencies, including those arising from errors and omissions and other claims against us;
 - the impact of, and potential challenges in complying with, laws and regulations of the jurisdictions in which we operate, particularly given the global nature of operations and the possibility of differing or conflicting laws and regulations, or the application or interpretation thereof, across such jurisdictions;
 - the impact of any regulatory investigations brought in Ireland, the United Kingdom (the "U.K."), the United States (the "U.S."), and other countries;
 - failure to protect intellectual property rights or allegations that we have infringed on the intellectual property rights of others;
 - general economic and political conditions in the countries in which we do business around the world, including the withdrawal of the U.K. from the European Union (the "E.U.");
 - the failure to retain, attract and develop experienced and qualified personnel;
 - international risks associated with our global operations;
 - the effects of natural or man-made disasters, including the effects of the COVID-19 and other health pandemics;
 - the potential for a system or network disruption or breach to result in operational interruption or improper disclosure of confidential, personal, or proprietary data;
 - our ability to develop and implement new technology;
-

- damage to our reputation among clients, colleagues, markets or third parties;
- the actions taken by third parties that perform aspects of our business operations and client services;
- the extent to which we are exposed to certain risks, including lawsuits, related to our actions we may take in acting in a being responsible for making decisions on behalf of clients in our investment consulting business or in other advisory services that we currently provide, or will provide in the future;
- our ability to continue, and the costs and risks associated with, growing, developing and integrating acquired business, and entering into new lines of business or products;
- changes in commercial property and casualty markets, commercial premium rates or methods of compensation;
- our ability to implement initiatives intended to yield cost savings and the ability to achieve those cost savings;
- the effects of Irish law on our operating flexibility and the enforcement of judgments against us; and
- risks and uncertainties associated with the Combination, including our ability to obtain the requisite approvals of, to satisfy the other conditions to, or to otherwise complete, the Combination on the expected time frame, or at all, the occurrence of unanticipated difficulties or costs in connection with the Combination, our ability to successfully integrate the combined companies following the Combination and our ability to realize the expected benefits from the Combination.

Any or all of our forward-looking statements may turn out to be inaccurate, and there are no guarantees about our performance. The factors identified above are not exhaustive. We and our subsidiaries operate in a dynamic business environment in which new risks may emerge frequently. Accordingly, readers should not place undue reliance on forward-looking statements, which speak only as of the dates on which they are made. We are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement that we may make from time to time, whether as a result of new information, future events or otherwise. Further information about factors that could materially affect Aon, including our results of operations and financial condition, is contained in the "Risk Factors" section in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020.

These factors may be revised or supplemented in our subsequent periodic filings with the SEC.

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Part I Financial Information
Item 1. Financial Statements

Aon plc
Condensed Consolidated Statements of Income
(Unaudited)

<i>(millions, except per share data)</i>	Three Months Ended March 31,	
	2021	2020
Revenue		
Total revenue	\$ 3,525	\$ 3,219
Expenses		
Compensation and benefits	1,719	1,522
Information technology	114	111
Premises	77	73
Depreciation of fixed assets	41	41
Amortization of intangible assets	40	97
Other general expense	289	342
Total operating expenses	2,280	2,186
Operating income	1,245	1,033
Interest income	3	2
Interest expense	(79)	(83)
Other income (expense)	(2)	28
Income before income taxes	1,167	980
Income tax expense	234	189
Net income	933	791
Less: Net income attributable to noncontrolling interests	20	19
Net income attributable to Aon shareholders	\$ 913	\$ 772
Basic net income per share attributable to Aon shareholders	\$ 4.02	\$ 3.31
Diluted net income per share attributable to Aon shareholders	\$ 4.00	\$ 3.29
Weighted average ordinary shares outstanding - basic	227.1	233.2
Weighted average ordinary shares outstanding - diluted	228.1	234.5

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

Aon plc
Condensed Consolidated Statements of Comprehensive Income
(Unaudited)

<i>(millions)</i>	Three Months Ended March 31,	
	2021	2020
Net income	\$ 933	\$ 791
Less: Net income attributable to noncontrolling interests	20	19
Net income attributable to Aon shareholders	913	772
Other comprehensive income (loss), net of tax:		
Change in fair value of financial instruments	11	(5)
Foreign currency translation adjustments	(70)	(397)
Postretirement benefit obligation	29	24
Total other comprehensive income (loss)	(30)	(378)
Less: Other comprehensive income (loss) attributable to noncontrolling interests	—	(2)
Total other comprehensive income (loss) attributable to Aon shareholders	(30)	(376)
Comprehensive income attributable to Aon shareholders	\$ 883	\$ 396

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

Aon plc
Condensed Consolidated Statements of Financial Position

<i>(millions, except nominal value)</i>	(Unaudited) March 31, 2021	December 31, 2020
Assets		
Current assets		
Cash and cash equivalents	\$ 822	\$ 884
Short-term investments	171	308
Receivables, net	3,526	3,070
Fiduciary assets	13,894	13,798
Other current assets	492	624
Total current assets	18,905	18,684
Goodwill	8,587	8,666
Intangible assets, net	594	640
Fixed assets, net	584	599
Operating lease right-of-use assets	867	911
Deferred tax assets	721	724
Prepaid pension	1,321	1,280
Other non-current assets	596	610
Total assets	\$ 32,175	\$ 32,114
Liabilities and equity		
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 1,628	\$ 2,016
Short-term debt and current portion of long-term debt	—	448
Fiduciary liabilities	13,894	13,798
Other current liabilities	1,301	1,171
Total current liabilities	16,823	17,433
Long-term debt	7,263	7,281
Non-current operating lease liabilities	849	897
Deferred tax liabilities	293	262
Pension, other postretirement, and postemployment liabilities	1,681	1,763
Other non-current liabilities	905	895
Total liabilities	27,814	28,531
Equity		
Ordinary shares - \$0.01 nominal value Authorized: 500 shares (issued: 2021 - 226.2; 2020 - 225.5)	2	2
Additional paid-in capital	6,348	6,312
Retained earnings	1,801	1,042
Accumulated other comprehensive loss	(3,891)	(3,861)
Total Aon shareholders' equity	4,260	3,495
Noncontrolling interests	101	88
Total equity	4,361	3,583
Total liabilities and equity	\$ 32,175	\$ 32,114

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

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

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2021	225.5	\$ 6,314	\$ 1,042	\$ (3,861)	\$ 88	\$ 3,583
Net income	—	—	913	—	20	933
Shares issued - employee stock compensation plans	0.9	(87)	—	—	—	(87)
Shares purchased	(0.2)	—	(50)	—	—	(50)
Share-based compensation expense	—	131	—	—	—	131
Dividends to shareholders (\$0.46 per share)	—	—	(104)	—	—	(104)
Net change in fair value of financial instruments	—	—	—	11	—	11
Net foreign currency translation adjustments	—	—	—	(70)	—	(70)
Net postretirement benefit obligation	—	—	—	29	—	29
Purchases of subsidiary shares from noncontrolling interests	—	(8)	—	—	(6)	(14)
Dividends paid to noncontrolling interests on subsidiary common stock	—	—	—	—	(1)	(1)
Balance at March 31, 2021	226.2	\$ 6,350	\$ 1,801	\$ (3,891)	\$ 101	\$ 4,361

<i>(millions)</i>	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at January 1, 2020	232.1	\$ 6,154	\$ 1,248	\$ (4,033)	\$ 74	\$ 3,443
Net income	—	—	772	—	19	791
Shares issued - employee stock compensation plans	1.2	(112)	—	—	—	(112)
Shares purchased	(2.2)	—	(463)	—	—	(463)
Share-based compensation expense	—	81	—	—	—	81
Dividends to shareholders (\$0.44 per share)	—	—	(102)	—	—	(102)
Net change in fair value of financial instruments	—	—	—	(5)	—	(5)
Net foreign currency translation adjustments	—	—	—	(395)	(2)	(397)
Net postretirement benefit obligation	—	—	—	24	—	24
Balance at March 31, 2020	231.1	\$ 6,123	\$ 1,455	\$ (4,409)	\$ 91	\$ 3,260

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

Aon plc
Condensed Consolidated Statements of Cash Flows
(Unaudited)

<i>(millions)</i>	Three Months Ended March 31,	
	2021	2020
Cash flows from operating activities		
Net income	\$ 933	\$ 791
Adjustments to reconcile net income to cash provided by operating activities:		
(Gain) from sales of businesses, net	—	(25)
Depreciation of fixed assets	41	41
Amortization and impairment of intangible assets	40	97
Share-based compensation expense	131	76
Deferred income taxes	19	(6)
Change in assets and liabilities:		
Fiduciary receivables	(166)	(808)
Short-term investments — funds held on behalf of clients	(28)	(237)
Fiduciary liabilities	194	1,045
Receivables, net	(485)	(543)
Accounts payable and accrued liabilities	(356)	(275)
Current income taxes	142	141
Pension, other postretirement and postemployment liabilities	(59)	(41)
Other assets and liabilities	155	82
Cash provided by operating activities	561	338
Cash flows from investing activities		
Proceeds from investments	11	6
Payments for investments	(18)	(43)
Net sales (purchases) of short-term investments — non-fiduciary	138	(38)
Acquisition of businesses, net of cash acquired	—	(334)
Sale of businesses, net of cash sold	—	30
Capital expenditures	(29)	(59)
Cash provided by (used for) investing activities	102	(438)
Cash flows from financing activities		
Share repurchase	(50)	(463)
Issuance of shares for employee benefit plans	(87)	(112)
Issuance of debt	250	2,060
Repayment of debt	(650)	(1,341)
Cash dividends to shareholders	(104)	(102)
Noncontrolling interests and other financing activities	(68)	40
Cash provided by (used for) financing activities	(709)	82
Effect of exchange rates on cash and cash equivalents	(16)	(82)
Net (decrease) in cash and cash equivalents	(62)	(100)
Cash and cash equivalents at beginning of period	884	790
Cash and cash equivalents at end of period	\$ 822	\$ 690
Supplemental disclosures:		
Interest paid	\$ 36	\$ 51
Income taxes paid, net of refunds	\$ 74	\$ 53

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

Notes to Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

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

Certain information and disclosures normally included in the Financial Statements prepared in accordance with U.S. GAAP have been condensed or omitted. The Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The results for the three months ended March 31, 2021 are not necessarily indicative of operating results that may be expected for the full year ending December 31, 2021, particularly in light of the continuing effect of the COVID-19 pandemic.

Reclassification

Certain amounts in the prior year's Condensed Consolidated Financial Statements have been reclassified to conform to the current year's presentation. For the quarter ended March 31, 2020, a \$1 million loss from discontinued operations and its related tax expense was recognized in Net income (loss) from discontinued operations in the Condensed Consolidated Statement of Income and Condensed Consolidated Statement of Cash Flows. This amount is now included in Other income (expense) in the Condensed Consolidated Statement of Income and Other assets and liabilities in the Condensed Consolidated Statement of Cash Flows. There was no earnings per share impact.

Additionally, for the quarter ended March 31, 2020, a \$60 million cash outflow was classified as an adjustment to Net income from Restructuring reserves in the Condensed Consolidated Statement of Cash Flows. This amount is now included in Other assets and liabilities in the Condensed Consolidated Statement of Cash Flows. There was no impact on Cash provided by operating activities.

Use of Estimates

The preparation of the Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management's best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable given the current facts available. Aon adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, foreign currency exchange rate movements, and, recently, impacts from the COVID-19 pandemic increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in estimates resulting from continuing changes in the economic environment would, if applicable, be reflected in the Financial Statements in future periods.

2. Accounting Principles and Practices

All issued, but not yet effective guidance, has been deemed not applicable or not significant to the Financial Statements.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

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

	Three Months Ended March 31,	
	2021	2020
Commercial Risk Solutions	\$ 1,289	\$ 1,146
Reinsurance Solutions	922	848
Retirement Solutions	434	397
Health Solutions	536	502
Data & Analytic Services	351	331
Elimination	(7)	(5)
Total revenue	\$ 3,525	\$ 3,219

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

	Three Months Ended March 31,	
	2021	2020
United States	\$ 1,308	\$ 1,227
Americas other than United States	250	228
United Kingdom	530	500
Ireland	33	23
Europe, Middle East, & Africa other than United Kingdom and Ireland	1,091	955
Asia Pacific	313	286
Total revenue	\$ 3,525	\$ 3,219

Contract Costs

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

	Three Months Ended March 31,	
	2021	2020
Balance at beginning of period	\$ 339	\$ 335
Additions	346	318
Amortization	(443)	(416)
Impairment	—	—
Foreign currency translation and other	(1)	(8)
Balance at end of period	\$ 241	\$ 229

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

	Three Months Ended March 31,	
	2021	2020
Balance at beginning of period	\$ 184	\$ 171
Additions	13	12
Amortization	(12)	(12)
Impairment	—	—
Foreign currency translation and other	—	(4)
Balance at end of period	\$ 185	\$ 167

4. Cash and Cash Equivalents and Short-Term Investments

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

At March 31, 2021, Cash and cash equivalents and Short-term investments were \$993 million compared to \$1,192 million at December 31, 2020, a decrease of \$199 million. Of the total balances, \$102 million was restricted as to their use at both March 31, 2021 and December 31, 2020. Included within Short-term investments as of March 31, 2021 and December 31, 2020, respectively, were £44.9 million (\$61.9 million at March 31, 2021 exchange rates) and £44.4 million (\$60.2 million at December 31, 2020 exchange rates) of operating funds required to be held by the Company in the U.K. by the Financial Conduct Authority (the "FCA"), a U.K.-based regulator.

5. Other Financial Data

Condensed Consolidated Statements of Income Information

Other Income (Expense)

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

	Three Months Ended March 31,	
	2021	2020 ⁽¹⁾
Foreign currency remeasurement	\$ 4	\$ 42
Financial instruments	(13)	(44)
Pension and other postretirement	6	4
Equity earnings	1	1
Disposal of businesses	—	25
Total	\$ (2)	\$ 28

(1) For the three months ended March 31, 2020 the Company has included \$1 million of expense that was previously classified as Net loss from discontinued operations. Refer to Note 1 "Basis of Presentation" for further information.

Condensed Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

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

	Three Months Ended March 31,	
	2021	2020
Balance at beginning of period	98	77
Provision	6	9
Accounts written off, net of recoveries	(4)	(8)
Foreign currency translation and other	1	3
Balance at end of period	\$ 101	\$ 81

Other Current Assets

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

As of	March 31, 2021	December 31, 2020
Costs to fulfill contracts with customers ⁽¹⁾	\$ 241	\$ 339
Prepaid expenses	118	111
Taxes receivable	45	95
Other	88	79
Total	\$ 492	\$ 624

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

Other Non-Current Assets

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

As of	March 31, 2021	December 31, 2020
Costs to obtain contracts with customers ⁽¹⁾	\$ 185	\$ 184
Taxes receivable	124	125
Leases	82	89
Investments	74	74
Other	131	138
Total	\$ 596	\$ 610

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

Other Current Liabilities

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

As of	March 31, 2021	December 31, 2020
Deferred revenue ⁽¹⁾	\$ 340	\$ 296
Taxes payable	137	80
Leases	222	234
Other	602	561
Total	\$ 1,301	\$ 1,171

(1) During the three months ended March 31, 2021, \$171 million was recognized in the Condensed Consolidated Statements of Income. During the three months ended March 31, 2020, \$117 million was recognized in the Condensed Consolidated Statements of Income.

Other Non-Current Liabilities

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

As of	March 31, 2021	December 31, 2020
Taxes payable ⁽¹⁾	\$ 589	\$ 561
Leases	64	65
Deferred revenue	66	76
Compensation and benefits	53	53
Other	133	140
Total	\$ 905	\$ 895

(1) Includes \$145 million for the non-current portion of the one-time mandatory transition tax on accumulated foreign earnings as of March 31, 2021 and December 31, 2020.

6. Acquisitions and Dispositions of Businesses

Completed Acquisitions

The Company completed no acquisitions during the three months ended March 31, 2021 and five acquisitions during the three months ended March 31, 2020.

2020 Acquisitions

On April 6, 2020, the Company completed the acquisition of 100% share capital of Farmington Administrative Services LLC, a U.S.-based national provider of enrollment solutions and voluntary benefits, and certain assets of other Farmington companies.

On January 31, 2020, the Company completed the acquisition of 100% share capital of Cytelligence Inc., a Canadian-based cyber security firm that provides incident response advisory, digital forensic expertise, security consulting services, and cyber security training for employees to help organizations respond to cyber security threats and strengthen their security position.

On January 3, 2020, the Company completed the acquisition of 100% share capital of CoverWallet, Inc., a U.S.-based digital insurance platform for small- and medium-sized businesses.

On January 1, 2020, the Company completed the acquisition of 100% share capital of TRIUM GmbH Insurance Broker, an insurance broker based in Germany.

On January 1, 2020, the Company completed the acquisition of 100% share capital of Assimedia SA, an insurance broker based in Switzerland.

On January 1, 2020, the Company completed the acquisition of 100% share capital of Apollo Conseil et Courtage, an insurance broker based in France.

Completed Dispositions

The Company completed no dispositions during the three months ended March 31, 2021. The Company completed one disposition during the three months ended March 31, 2020.

Total pretax gains recognized for the three months ended March 31, 2020 were \$25 million. Gains and losses recognized as a result of a disposition are included in Other income (expense) in the Condensed Consolidated Statements of Income.

Other Significant Activity

On March 9, 2020, Aon and Willis Towers Watson Public Limited Company, an Irish public limited company (“WTW”), entered into a business combination agreement (the “Business Combination Agreement”) with respect to a combination of the parties (the “Combination”). Refer to “Business Combination Agreement” within Item 2, Management’s Discussion and Analysis of Financial Condition and Results of Operations for further information.

7. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill for the three months ended March 31, 2021 are as follows (in millions):

Balance as of December 31, 2020	\$	8,666
Foreign currency translation and other		(79)
Balance as of March 31, 2021	\$	8,587

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

	March 31, 2021			December 31, 2020		
	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization and Impairment	Net Carrying Amount
Customer-related and contract-based	\$ 2,316	\$ 1,793	\$ 523	\$ 2,337	\$ 1,775	\$ 562
Tradenames	14	13	1	14	13	1
Technology and other	431	361	70	435	358	77
Total	\$ 2,761	\$ 2,167	\$ 594	\$ 2,786	\$ 2,146	\$ 640

The estimated future amortization for finite-lived intangible assets as of March 31, 2021 is as follows (in millions):

Remainder of 2021	\$	106
2022		100
2023		89
2024		72
2025		57
2026		36
Thereafter		134
Total	\$	594

8. Debt

Notes

On January 13, 2021, Aon Global Limited, a limited company organized under the laws of England and Wales and a wholly owned subsidiary of Aon plc, issued an irrevocable notice of redemption to holders of its 2.80% Senior Notes for the redemption of all \$400 million outstanding aggregate principal amount of the notes, which were set to mature in March 2021 and classified as Short-term debt and current portion of long-term debt as of December 31, 2020. The redemption date was on February 16, 2021 and resulted in an insignificant loss due to extinguishment.

On May 29, 2020, Aon Corporation, a Delaware corporation and a wholly owned subsidiary of the Company ("Aon Corporation"), issued an irrevocable notice of redemption to holders of its 5.00% Senior Notes, which were set to mature on September 30, 2020, for the redemption of all \$600 million outstanding aggregate principal amount of the notes. The redemption date was on June 30, 2020 and resulted in a loss of \$7 million due to extinguishment.

On May 12, 2020, Aon Corporation issued \$1 billion of its 2.80% Senior Notes due May 2030. Aon Corporation used a portion of the net proceeds on June 30, 2020 to repay its outstanding 5.00% Senior Notes, which were set to mature on September 30, 2020. The Company intends to use the remainder to repay other borrowings and for general corporate purposes.

Revolving Credit Facilities

As of March 31, 2021, Aon plc has two primary committed credit facilities outstanding: its \$900 million multi-currency U.S. credit facility expiring in February 2022 and its \$750 million multi-currency U.S. credit facility expiring in October 2023. In aggregate, these two facilities provide \$1.65 billion in available credit.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require Aon to maintain specified ratios of adjusted consolidated earnings before interest, taxes, depreciation, and amortization ("EBITDA") to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At March 31, 2021, Aon did not have borrowings under either of these primary committed credit facilities, and was in compliance with the financial covenants and all other covenants contained therein during the rolling 12 months ended March 31, 2021.

Commercial Paper

Aon Corporation has established a U.S. commercial paper program (the "U.S. Program") and Aon Global Holdings plc has established a European multi-currency commercial paper program (the "European Program" and, together with the U.S. Program, the "Commercial Paper Programs"). Commercial paper may be issued in aggregate principal amounts of up to \$900 million under the U.S. Program and €625 million under the European Program, not to exceed the amount of the Company's committed credit facilities, which was \$1.65 billion at March 31, 2021. The U.S. Program is fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Global Holdings plc and the European Program is fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Corporation. There was no commercial paper outstanding as of March 31, 2021 and December 31, 2020.

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

	Three Months Ended March 31,	
	2021	2020
Weighted average commercial paper outstanding	\$ 17	\$ 456
Weighted average interest rate of commercial paper outstanding	0.19 %	0.96 %

9. Income Taxes

The effective tax rate on Net income was 20.1% for the three months ended March 31, 2021. The effective tax rate on Net income was 19.3% for the three months ended March 31, 2020.

For the three months ended March 31, 2021 and March 31, 2020, the tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impact of share-based payments.

10. Shareholders' Equity

Ordinary Shares

Aon has a share repurchase program authorized by the Company's Board of Directors (the "Repurchase Program"). The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020 for a total of \$20.0 billion in repurchase authorizations.

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

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

	Three Months Ended March 31,	
	2021	2020
Shares repurchased	0.2	2.2
Average price per share	\$ 217.70	\$ 212.78
Costs recorded to retained earnings		
Total repurchase cost	\$ 50	\$ 461
Additional associated costs	—	2
Total costs recorded to retained earnings	\$ 50	\$ 463

At March 31, 2021, the remaining authorized amount for share repurchases under the Repurchase Program was \$5.2 billion. Under the Repurchase Program, the Company has repurchased a total of 137.5 million shares for an aggregate cost of approximately \$14.8 billion.

Net Income Per Share

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

	Three Months Ended March 31,	
	2021	2020
Basic weighted average ordinary shares outstanding	227.1	233.2
Dilutive effect of potentially issuable shares	1.0	1.3
Diluted weighted average ordinary shares outstanding	228.1	234.5

Potentially issuable shares are not included in the computation of Diluted net income per share attributable to Aon shareholders if their inclusion would be antidilutive. There were 0.1 million shares and no shares excluded from the calculation for the three months ended March 31, 2021 and March 31, 2020, respectively.

Accumulated Other Comprehensive Loss

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

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2020	\$ 1	\$ (1,045)	\$ (2,817)	\$ (3,861)
Other comprehensive income (loss) before reclassifications, net	10	(70)	2	(58)
Amounts reclassified from accumulated other comprehensive income				
Amounts reclassified from accumulated other comprehensive income	1	—	36	37
Tax expense	—	—	(9)	(9)
Amounts reclassified from accumulated other comprehensive income, net ⁽³⁾	1	—	27	28
Net current period other comprehensive income (loss)	11	(70)	29	(30)
Balance at March 31, 2021	\$ 12	\$ (1,115)	\$ (2,788)	\$ (3,891)

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2019	\$ (12)	\$ (1,305)	\$ (2,716)	\$ (4,033)
Other comprehensive income (loss) before reclassifications, net	(9)	(395)	1	(403)
Amounts reclassified from accumulated other comprehensive income				
Amounts reclassified from accumulated other comprehensive income	5	—	30	35
Tax expense	(1)	—	(7)	(8)
Amounts reclassified from accumulated other comprehensive income, net ⁽³⁾	4	—	23	27
Net current period other comprehensive income (loss)	(5)	(395)	24	(376)
Balance at March 31, 2020	\$ (17)	\$ (1,700)	\$ (2,692)	\$ (4,409)

- (1) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Total revenue, Interest expense, and Compensation and benefits in the Condensed Consolidated Statements of Income. Refer to Note 13 "Derivatives and Hedging" for further information regarding the Company's derivative and hedging activity.
- (2) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Other income (expense) in the Condensed Consolidated Statements of Income.
- (3) It is the Company's policy to release income tax effects from Accumulated other comprehensive loss using the portfolio approach.

11. Employee Benefits

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

	Three Months Ended March 31,					
	U.K.		U.S.		Other	
	2021	2020	2021	2020	2021	2020
Service cost	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Interest cost	16	22	14	21	3	4
Expected return on plan assets, net of administration expenses	(34)	(39)	(32)	(33)	(8)	(8)
Amortization of prior-service cost	1	—	—	—	—	—
Amortization of net actuarial loss	8	7	19	17	4	3
Total net periodic (benefit) cost	\$ (9)	\$ (10)	\$ 1	\$ 5	\$ (1)	\$ (1)

Contributions

Assuming no additional contributions are agreed to with, or required by, the pension plan trustees, the Company expects to make total cash contributions of approximately \$8 million, \$73 million, and \$19 million, (at December 31, 2020 exchange rates) to its significant U.K., U.S., and other major pension plans, respectively, during 2021. In the first quarter, the Company revised its full year expected pension contributions in the U.S. following the enactment of the American Rescue Plan Act of 2021. The following table summarizes contributions made to the Company's significant pension plans (in millions):

	Three Months Ended March 31,	
	2021	2020
Contributions to U.K. pension plans	\$ 4	\$ 2
Contributions to U.S. pension plans	38	31
Contributions to other major pension plans	8	2
Total contributions	\$ 50	\$ 35

12. Share-Based Compensation Plans

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

	Three Months Ended March 31,	
	2021	2020
Restricted share units ("RSUs")	\$ 66	\$ 58
Performance share awards ("PSAs")	61	14
Employee share purchase plans	4	4
Total share-based compensation expense	\$ 131	\$ 76

Restricted Share Units

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

The following table summarizes the status of the Company's RSUs (shares in thousands, except fair value):

	Three Months Ended March 31,			
	2021		2020	
	Shares	Fair Value ⁽¹⁾	Shares	Fair Value ⁽¹⁾
Non-vested at beginning of period	3,309	\$ 163	3,634	\$ 143
Granted	372	\$ 226	432	\$ 179
Vested	(452)	\$ 160	(583)	\$ 141
Forfeited	(70)	\$ 166	(79)	\$ 146
Non-vested at end of period	3,159	\$ 171	3,404	\$ 147

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

Unamortized deferred compensation expense amounted to \$384 million as of March 31, 2021, with a remaining weighted average amortization period of approximately 2.0 years.

Performance Share Awards

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

The following table summarizes the Company's target PSAs granted and shares that would be issued at current performance levels for PSAs granted during the three months ended March 31, 2021 and the years ended December 31, 2020 and 2019, respectively (shares in thousands and dollars in millions, except fair value):

	March 31, 2021	December 31, 2020	December 31, 2019
Target PSAs granted during period	331	500	467
Weighted average fair value per share at date of grant	\$ 220	\$ 161	\$ 165
Number of shares that would be issued based on current performance levels	331	988	895
Unamortized expense, based on current performance levels	\$ 72	\$ 101	\$ 35

13. Derivatives and Hedging

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

Foreign Exchange Risk Management

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

The Company also uses foreign exchange derivatives, typically forward contracts and options, to economically hedge the currency exposure of the Company's global liquidity profile, including monetary assets or liabilities that are denominated in a non-functional currency of an entity, typically on a rolling 90-day basis, but may be for up to one year in the future. These derivatives are not accounted for as hedges, and changes in fair value are recorded each period in Other income (expense) in the Condensed Consolidated Statements of Income.

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

	Notional Amount		Net Amount of Derivative Assets Presented in the Statements of Financial Position ⁽¹⁾		Net Amount of Derivative Liabilities Presented in the Statements of Financial Position ⁽²⁾	
	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020	March 31, 2021	December 31, 2020
Foreign exchange contracts						
Accounted for as hedges	\$ 619	\$ 633	\$ 45	\$ 33	\$ —	\$ —
Not accounted for as hedges ⁽³⁾	453	367	—	1	1	1
Total	\$ 1,072	\$ 1,000	\$ 45	\$ 34	\$ 1	\$ 1

(1) Included within Other current assets (\$20 million at March 31, 2021 and \$11 million at December 31, 2020) or Other non-current assets (\$25 million at March 31, 2021 and \$23 million at December 31, 2020).

(2) Included within Other current liabilities (\$1 million at March 31, 2021 and \$1 million at December 31, 2020).

(3) These contracts typically are for 90-day durations and executed close to the last day of the most recent reporting month, thereby resulting in nominal fair values at the balance sheet date.

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

	Three Months Ended March 31,	
	2021	2020
Gain (Loss) recognized in Accumulated other comprehensive loss	\$ 13	\$ (11)

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

	Three Months Ended March 31,	
	2021	2020
Total revenue	\$ (1)	\$ (4)
Interest expense	—	(1)
Total	\$ (1)	\$ (5)

The Company estimates that approximately \$3 million of pretax gains currently included within Accumulated other comprehensive loss will be reclassified into earnings in the next twelve months.

During the three months ended March 31, 2021 and March 31, 2020, the Company recorded a loss of \$7 million and \$35 million, respectively, in Other income (expense) for foreign exchange derivatives not designated or qualifying as hedges.

Net Investments in Foreign Operations Risk Management

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

The Company had no outstanding euro-denominated commercial paper at March 31, 2021 and December 31, 2020 designated as a hedge of the foreign currency exposure of its net investment in its European operations. The unrealized gain recognized in Accumulated other comprehensive loss related to the net investment non-derivative hedging instrument was \$29 million, as of March 31, 2021 and December 31, 2020.

The Company did not reclassify any deferred gains or losses related to net investment hedges from Accumulated other comprehensive loss to earnings during the three months ended March 31, 2021 and 2020.

14. Fair Value Measurements and Financial Instruments

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

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

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

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

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

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

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

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

The following tables present the categorization of the Company's assets and liabilities that are measured at fair value on a recurring basis at March 31, 2021 and December 31, 2020 (in millions):

	Balance at March 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,850	\$ 2,850	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Equity investments	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 51	\$ —	\$ 51	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 7	\$ —	\$ 7	\$ —

	Fair Value Measurements Using			
	Balance at December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,781	\$ 2,781	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Equity investments	\$ 3	\$ —	\$ 3	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 38	\$ —	\$ 38	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 5	\$ —	\$ 5	\$ —

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

(2) Refer to Note 13 “Derivatives and Hedging” for additional information regarding the Company’s derivatives and hedging activity.

There were no transfers of assets or liabilities between fair value hierarchy levels in the three months ended March 31, 2021 or 2020. The Company recognized no realized or unrealized gains or losses in the Condensed Consolidated Statements of Income during the three months ended March 31, 2021 or 2020 related to assets and liabilities measured at fair value using unobservable inputs.

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

	March 31, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Current portion of long-term debt	\$ —	\$ —	\$ 400	\$ 401
Long-term debt	\$ 7,263	\$ 8,244	\$ 7,281	\$ 8,752

15. Claims, Lawsuits, and Other Contingencies

Legal

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

The Company has included in the current matters described below certain matters in which (1) loss is probable, (2) loss is reasonably possible (that is, more than remote but not probable), or (3) there exists the reasonable possibility of loss greater than the accrued amount. In addition, the Company may from time to time disclose matters for which the probability of loss could be remote but the claim amounts associated with such matters are potentially significant. The reasonably possible range of loss for the matters described below for which loss is estimable, in excess of amounts that are deemed probable and estimable and therefore already accrued, is estimated to be between \$0 and \$0.8 billion, exclusive of any insurance coverage. These estimates are based on available information as of the date of this filing. As available information changes, the matters for which Aon is able to estimate, and the estimates themselves, may change. In addition, many estimates involve significant judgment and uncertainty. For example, at the time of making an estimate, Aon may only have limited information about the

facts underlying the claim, and predictions and assumptions about future court rulings and outcomes may prove to be inaccurate. Although management at present believes that the ultimate outcome of all matters described below, individually or in the aggregate, will not have a material adverse effect on the consolidated financial position of Aon, legal proceedings are subject to inherent uncertainties and unfavorable rulings or other events. Unfavorable resolutions could include substantial monetary or punitive damages imposed on Aon or its subsidiaries. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected.

Current Matters

On October 3, 2017, Christchurch City Council (“CCC”) invoked arbitration to pursue a claim that it asserts against Aon New Zealand. Aon provided insurance broking services to CCC in relation to CCC’s 2010-2011 material damage and business interruption program. In December 2015, CCC settled its property and business interruption claim for its losses arising from the 2010-2011 Canterbury earthquakes against the underwriter of its material damage and business interruption program and the reinsurers of that underwriter. CCC contends that acts and omissions by Aon caused CCC to recover less in that settlement than it otherwise would have. CCC claims damages of approximately NZD 528 million (\$370 million at March 31, 2021 exchange rates) plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

Aon Hewitt Investment Consulting, Inc, now known as Aon Investments USA, Inc. (“Aon Investments”), Lowe’s Companies, Inc. and the Administrative Committee of Lowe’s Companies, Inc. (collectively “Lowe’s”) were sued on April 27, 2018 in the U.S. District Court for the Western District of North Carolina in a class action lawsuit brought on behalf of participants in the Lowe’s 401(k) Plan (the “Plan”). Aon Investments provided investment consulting services to Lowe’s under the Employee Retirement Income Security Act of 1974 (“ERISA”). The plaintiffs contend that in 2015 Lowe’s imprudently placed the Hewitt Growth Fund in the Plan’s lineup of investments, the Hewitt Growth Fund underperformed its benchmarks, and that Aon had a conflict of interest in recommending the proprietary fund for the Plan. The plaintiffs allege the Plan suffered over \$100 million in investment losses when compared to the eight funds it replaced. The plaintiffs allege that Aon Investments breached its duties of loyalty and prudence pursuant to the ERISA statute. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims.

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

Aon faces legal action arising out of a fatal plane crash in November 2016. Aon UK Limited placed an aviation civil liability reinsurance policy for the Bolivian insurer of the airline. After the crash, the insurer determined that there was no coverage under the airline’s insurance policy due to the airline’s breach of various policy conditions. In November 2018, the owner of the aircraft filed a claim in Bolivia against Aon, the airline, the insurer and the insurance broker. The claim is for \$15.5 million plus any liability the owner has to third parties. In November 2019, a federal prosecutor in Brazil filed a public civil action naming three Aon entities as defendants, along with the airline, the insurer and the lead reinsurer. That claim seeks pecuniary damages for families affected by the crash in the sum of \$300 million; or, in the alternative, \$50 million; or, in the alternative, \$25 million; plus “moral damages” of an equivalent sum. Separately, in March 2020, the Brazilian Federal Senate invited Aon to give evidence to a Parliamentary Commission of Inquiry in an investigation into the accident. Aon is cooperating with that inquiry. Finally, in August 2020, 43 individuals (surviving passengers and estates of the deceased) filed a motion in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking permission to commence proceedings against Aon (and the insurer and reinsurers) for claims totaling \$844 million. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

Aon Investments and Allianz Global Investors U.S. LLC (“AGI”) were sued on September 16, 2020, in the U.S. District Court for the Southern District of New York by the Blue Cross and Blue Shield Association National Employee Benefits Committee (the “NEBC”). Aon Investments and its predecessors provided investment advisory services to NEBC since 2009. The NEBC contends that it suffered investment losses exceeding \$2 billion in several Structured Alpha funds managed by AGI and recommended by Aon. The NEBC is pursuing claims against Aon Investments for breach of fiduciary duty and breach of cofiduciary duty. The NEBC alleges that Aon Investments and AGI are jointly and severally liable for damages, which include

the restoration of investment losses, disgorgement of fees and profits, and attorneys' fees. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

In April 2017, the FCA announced an investigation relating to suspected competition law breaches in the aviation and aerospace broking industry, which, for Aon in 2016, represented less than \$100 million in global revenue. The European Commission assumed jurisdiction over the investigation in place of the FCA, and the European Commission has now closed its investigation. Other antitrust agencies outside the E.U. are conducting formal or informal investigations regarding these matters. Aon intends to work diligently with all antitrust agencies concerned to ensure they can carry out their work as efficiently as possible. At this time, in light of the uncertainties and many variables involved, Aon cannot estimate the ultimate impact on our company from these investigations or any related private litigation, nor any damages, penalties, or fines related to them.

Guarantees and Indemnifications

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

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

Guarantee of Registered Securities

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

On April 1, 2020, a scheme of arrangement under English law was completed, as described in the proxy statement filed with the SEC on December 20, 2019 (the "Ireland Reorganization"). In connection with the Ireland Reorganization, Aon plc and Aon Global Holdings plc entered into various agreements pursuant to which they agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Global Limited, and the obligations of Aon Global Limited arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Corporation. Those agreements include: (1) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, and Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated April 2, 2012, among Aon Corporation, Aon Global Limited and the Trustee); (2) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 12, 2012, among Aon Corporation, Aon Global Limited plc and the Trustee); (3) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated May 20, 2015, among Aon Corporation, Aon Global Limited and the Trustee); (4) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated November 13, 2015, among Aon Corporation, Aon Global Limited and the Trustee); and (5) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, Aon Global Limited and the Trustee).

Sale of the Divested Business

In 2017, Aon executed a sale of its benefits administration and business process outsourcing business (the “Divested Business”). In connection with the sale of the Divested Business, the Company guaranteed future operating lease commitments related to certain facilities assumed by the buyer. The Company is obligated to perform under the guarantees if the Divested Business defaults on such leases at any time during the remainder of the lease agreements, which expire on various dates through 2025. As of March 31, 2021, the undiscounted maximum potential future payments under the lease guarantee is \$51 million, with an estimated fair value of \$7 million. No cash payments were made in connection to the lease commitments during the three months ended March 31, 2021.

Additionally, the Company is subject to performance guarantee requirements under certain client arrangements that were assumed by the buyer. Should the Divested Business fail to perform as required by the terms of the arrangements, the Company would be required to fulfill the remaining contract terms, which expire on various dates through 2023. As of March 31, 2021, the undiscounted maximum potential future payments under the performance guarantees were \$91 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three months ended March 31, 2021.

Letters of Credit

Aon has entered into a number of arrangements whereby the Company’s performance on certain obligations is guaranteed by a third party through the issuance of letters of credit (“LOCs”). The Company had total LOCs outstanding of approximately \$76 million at March 31, 2021, and \$79 million at December 31, 2020. These LOCs cover the beneficiaries related to certain of Aon’s U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for Aon’s own workers compensation program. The Company has also obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at its international subsidiaries.

Premium Payments

The Company has certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$67 million at March 31, 2021 compared to \$113 million at December 31, 2020.

16. Segment Information

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

The Company’s reportable operating segment has been determined using a management approach, which is consistent with the basis and manner in which the CODM uses financial information for the purposes of allocating resources and evaluating performance. The CODM assesses performance and allocates resources based on total Aon results against its key four metrics, including organic revenue growth (decline), expense discipline, and collaborative behaviors, that maximize value for Aon and its shareholders, regardless of which revenue line it benefits.

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

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

EXECUTIVE SUMMARY OF FIRST QUARTER 2021 FINANCIAL RESULTS

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

Financial Results

The following is a summary of our first quarter of 2021 financial results.

- For the first quarter of 2021, revenue increased \$306 million, or 10%, to \$3.5 billion compared to the prior year period due primarily to organic revenue growth of 6% and a 4% favorable impact from translating prior year period results at current period foreign exchange rates ("foreign currency translation").
- Operating expenses for the first quarter of 2021 were \$2.3 billion, an increase of \$94 million from the prior year period. The increase was due primarily to a \$73 million unfavorable impact from foreign currency translation, an increase in expense associated with 6% organic revenue growth, and a \$17 million increase in transaction costs related to the pending combination with WTW, partially offset by a \$55 million decrease from accelerated amortization related to certain tradenames that were fully amortized in the second quarter of 2020 and expense discipline, including lower travel and entertainment expense.
- Operating margin increased to 35.3% in the first quarter of 2021 from 32.1% in the prior year period. The increase was driven by organic revenue growth of 6%, partially offset by an increase in operating expenses as listed above.
- Due to the factors set forth above, net income increased \$142 million, or 18%, to \$933 million for the first quarter of 2021 compared to the prior year period.
- Diluted earnings per share was \$4.00 per share for the first quarter of 2021 compared to \$3.29 per share for the prior year period.
- Cash flows provided by operating activities was \$561 million for the first three months of 2021, an increase of \$223 million from the prior year period, primarily due to strong operational improvement and a \$45 million decrease in restructuring cash outlays.

We focus on four key metrics not presented in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") that we communicate to shareholders: organic revenue growth (decline), adjusted operating margin, adjusted diluted earnings per share, and free cash flow. These non-GAAP metrics should be viewed in addition to, not instead of, our Financial Statements. The following is our measure of performance against these four metrics for the first quarter of 2021:

- Organic revenue growth (decline) is a non-GAAP measure defined under the caption "Review of Consolidated Results — Organic Revenue Growth (Decline)." Organic revenue growth was 6% for the first quarter of 2021. Organic revenue growth was driven by ongoing strong retention and net new business generation, as well as growth overall in the more discretionary portions of our business.
- Adjusted operating margin, a non-GAAP measure defined under the caption "Review of Consolidated Results — Adjusted Operating Margin," was 37.4% for the first quarter of 2021 compared to 35.7% in the prior year period. The increase in adjusted operating margin primarily reflects strong organic revenue growth of 6% and expense discipline, partially offset by lower fiduciary investment income. Results also reflect the absorption of investments to support long-term growth initiatives.
- Adjusted diluted earnings per share, a non-GAAP measure defined under the caption "Review of Consolidated Results — Adjusted Diluted Earnings per Share," was \$4.28 per share for the first quarter of 2021, compared to \$3.68 per share for the prior year period.
- Free cash flow, a non-GAAP measure defined under the caption "Review of Consolidated Results — Free Cash Flow," increased in the first three months of 2021 by \$253 million, or 91%, from the prior year period, to \$532 million, reflecting an increase in cash flows from operations and a \$30 million decrease in capital expenditures.

BUSINESS COMBINATION AGREEMENT

On March 9, 2020, we and WTW, entered into a Business Combination Agreement with respect to a combination of the parties. At the effective date of the Combination, WTW shareholders will be entitled to receive 1.08 newly issued Class A ordinary shares of Aon in exchange for each ordinary share of WTW held by such holders. The Combination is subject to Irish Takeover Rules. The Business Combination Agreement contains certain operating covenants relating to the conduct of business of both parties in the interim period until the transaction is completed. These covenants require both parties to operate their respective businesses in all material respects in the ordinary course of business consistent with past practice. In addition, these covenants restrict each party from engaging in certain actions unless a party obtains the prior written consent of the other party. These actions relate to, among other things, authorizing or paying dividends above a specified rate; issuing or authorizing for issuance additional securities; salary, benefits or other compensation and employment-related matters; capital management, debt and liquidity matters; engaging in mergers, acquisitions and dispositions; entering into or materially modifying material agreements; entering into material litigation-related settlements; and making other corporate, tax and accounting changes. The parties' respective shareholders approved the Combination on August 26, 2020. On October 30, 2020, we and WTW amended the Business Combination Agreement to provide that, at the effective date of the transaction, there will be 12 members of our Board of Directors, including one director mutually agreed by the parties.

The parties continue to work with regulators, including the Antitrust Division of the U.S. Department of Justice (which, as previously disclosed, has delivered a "Second Request" pursuant to the Hart-Scott-Rodino Antitrust Improvement Act) and the European Commission (which, as previously disclosed, has initiated a Phase II review of the Combination) to obtain the required approvals to close the Combination. We are working towards closing the Combination in the first half of 2021, subject to regulatory approvals and customary closing conditions.

RECENT DEVELOPMENTS

The outbreak of the coronavirus, COVID-19, was declared by the World Health Organization to be a pandemic and has continued to spread across the globe, impacting almost all countries, in varying degrees, creating significant public health concerns, and significant volatility, uncertainty and economic disruption in every region in which we operate. While countries are in various stages of business and travel restrictions to address the COVID-19 pandemic, as well as related re-openings, these policies have impacted and will continue to impact worldwide economic activity and may continue to adversely affect our business. We continue to closely monitor the situation and our business, liquidity, and capital planning initiatives. We continue to be fully operational and continue to reoccupy certain offices in phases, where deemed appropriate and in compliance with governmental restrictions considering the impact on health and safety of our colleagues, their families, and our clients. For other areas where restrictions remain in place or where we have started to see a resurgence of COVID-19, we are closely monitoring the situation and continuously reevaluating our plan to return to the workplace. We continue to deploy business continuity protocols to facilitate remote working capabilities to ensure the health and safety of our colleagues and to comply with public health and travel guidelines and restrictions.

As the situation continues to evolve, and the scale and duration of disruption cannot be predicted, it is not possible to quantify or estimate the full impact that COVID-19 will have on our business. We continue to focus on managing our cash flow to meet our short-term and long-term liquidity needs. Our results of operations, including our net revenues, earnings, and cash flows, may be adversely impacted by COVID-19, depending on the duration and severity of the downturn, as well as governmental or other regulatory policies and actions that may impact our business or operations. Our revenues can be generalized into two categories: core and more discretionary arrangements. Core revenues tend to be highly-recurring and non-discretionary, where the services are typically regulated, required, or necessary costs of managing the risk of doing business, while more discretionary revenues tend to include project-related services. As expected, in the first quarter of 2021 our core revenues did not experience a significant decrease due to the impacts of COVID-19; however, if the recent economic growth trends reverse, we expect that certain services within our core business may be negatively impacted as well. We continued to see meaningful variation across our more discretionary areas, with some recovering more quickly and some more slowly, largely driven by external factors tied to economic reopening and recovery. The impacts of the pandemic on our business operations and results of operations for the first quarter of 2021 are further described in the section entitled "Review of Consolidated Results" and "Liquidity and Financial Condition" contained in Part I, Item 2 of this report.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results are as follows (in millions):

	Three Months Ended March 31,	
	2021	2020
Revenue		
Total revenue	\$ 3,525	\$ 3,219
Expenses		
Compensation and benefits	1,719	1,522
Information technology	114	111
Premises	77	73
Depreciation of fixed assets	41	41
Amortization of intangible assets	40	97
Other general expense	289	342
Total operating expenses	2,280	2,186
Operating income	1,245	1,033
Interest income	3	2
Interest expense	(79)	(83)
Other income (expense)	(2)	28
Income before income taxes	1,167	980
Income tax expense	234	189
Net income	933	791
Less: Net income attributable to noncontrolling interests	20	19
Net income attributable to Aon shareholders	\$ 913	\$ 772
Diluted net income per share attributable to Aon shareholders	\$ 4.00	\$ 3.29
Weighted average ordinary shares outstanding - diluted	228.1	234.5

Revenue

Total revenue increased \$306 million, or 10%, in the first quarter of 2021 compared to the first quarter of 2020. This increase reflects organic revenue growth of 6% and a 4% favorable impact from foreign currency translation.

Commercial Risk Solutions revenue increased \$143 million, or 12%, to \$1,289 million in the first quarter of 2021, compared to \$1,146 million in the first quarter of 2020. Organic revenue growth was 9% in the first quarter of 2021, driven by growth across every major geography, reflecting strong retention and management of the renewal book portfolio, highlighted by double-digit growth in the U.S., Asia, and Latin America. Results in the U.S. reflect strong new business generation, including continued strength in core P&C. Results also reflect growth in the more discretionary portions of the business, including double-digit growth in transaction liability and increased project-related work. On average globally, pricing was modestly positive, while exposures were flat, resulting in a modestly positive market impact.

Reinsurance Solutions revenue increased \$74 million, or 9%, to \$922 million in the first quarter of 2021, compared to \$848 million in the first quarter of 2020. Organic revenue growth was 6% in the first quarter of 2021, driven by growth in treaty, reflecting continued net new business generation globally, and double-digit growth in facultative placements. Market impact was modestly positive on results in the first quarter.

Retirement Solutions revenue increased \$37 million, or 9%, to \$434 million in the first quarter of 2021, compared to \$397 million in the first quarter of 2020. Organic revenue growth was 5% in the first quarter of 2021, primarily for rewards solutions, and solid growth in the core Retirement business driven by an increase in project-related work resulting from new legislation. Results in Human Capital and core Retirement were positively impacted by a rebound from 2020 and higher utilization rates. Growth in Investments primarily includes growth in our delegated investment management business.

Health Solutions revenue increased \$34 million, or 7%, to \$536 million in the first quarter of 2021, compared to \$502 million in the first quarter of 2020. Organic revenue growth was 4% in the first quarter of 2021, driven by growth globally in

core health and benefits brokerage, reflecting strong retention and management of the renewal book portfolio. Results also include a modest decline in the more discretionary portions of the business, primarily due to a decline in project-related work, partially offset by strong growth in voluntary benefits.

Data & Analytic Services revenue increased \$20 million, or 6%, to \$351 million in the first quarter of 2021 compared to \$331 million in the first quarter of 2020. Organic revenue decline was 2% in the first quarter of 2021, primarily driven by a decrease in the travel and events practice globally. Results also include double-digit revenue growth generated through our CoverWallet digital platform, which has processed total premium volume of \$300 million over the last twelve months.

Compensation and Benefits

Compensation and benefits increased \$197 million, or 13%, in the first quarter of 2021 compared to the first quarter of 2020. This increase was primarily driven by an increase in expense associated with 6% organic revenue growth and a \$56 million unfavorable impact from foreign currency translation.

Information Technology

Information technology, which represents costs associated with supporting and maintaining our infrastructure, increased \$3 million, or 3%, in the first quarter of 2021 compared to the first quarter of 2020. This increase was primarily driven by a \$2 million unfavorable impact from foreign currency translation.

Premises

Premises, which represents the cost of occupying offices in various locations throughout the world, increased \$4 million, or 5%, in the first quarter of 2021 compared to the first quarter of 2020. This increase was primarily driven by a \$3 million unfavorable impact from foreign currency translation, partially offset by a decrease related to reduced office occupancy.

Depreciation of Fixed Assets

Depreciation of fixed assets primarily relates to software, leasehold improvements, furniture, fixtures and equipment, computer equipment, buildings, and automobiles. Depreciation of fixed assets was flat in the first quarter of 2021 compared to the first quarter of 2020.

Amortization and Impairment of Intangibles Assets

Amortization and impairment of intangible assets primarily relates to finite-lived tradenames and customer-related, contract-based, and technology assets. Amortization and impairment of intangibles decreased \$57 million, or 59%, in the first quarter of 2021 compared to the first quarter of 2020 reflecting a \$55 million decrease from accelerated amortization related to certain tradenames that were fully amortized in the second quarter of 2020.

Other General Expense

Other general expense in the first quarter of 2021 decreased \$53 million, or 15%, compared to the first quarter of 2020 due primarily to a temporary reduction of certain expenses, primarily travel and entertainment, partially offset by a \$17 million increase in transaction costs related to the pending combination with WTW and a \$10 million unfavorable impact from foreign currency translation.

Interest Income

Interest income represents income earned on operating cash balances and other income-producing investments. It does not include interest earned on funds held on behalf of clients. During the first quarter of 2021, Interest income was \$3 million, an increase of \$1 million compared to the prior year period.

Interest Expense

Interest expense, which represents the cost of our debt obligations, was \$79 million for the first quarter of 2021, a decrease of \$4 million, or 5%, from the first quarter of 2020. The decrease was driven primarily by lower outstanding term debt.

Other Income (Expense)

Total other expense was \$2 million for the first quarter of 2021, compared to other income of \$28 million for the first quarter of 2020. Other expense for the first quarter of 2021 primarily includes \$13 million of losses on financial instruments used to economically hedge gains and losses from changes in foreign exchange rates, partially offset by \$6 million of pension and other postretirement income, \$4 million of gains due to the favorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, and \$1 million of equity earnings. Other income for the first quarter of 2020

primarily includes \$42 million of gains due to the favorable impact of exchange rates on the remeasurement of assets and liabilities in non-functional currencies, a \$25 million gain on the sale of certain businesses, and \$4 million of pension and other postretirement income, partially offset by \$44 million of losses on financial instruments used to economically hedge gains and losses from changes in foreign exchange rates.

Income before Income Taxes

Due to the factors discussed above, income before income taxes for the first quarter of 2021 was \$1,167 million, a 19% increase from income before income taxes of \$980 million in the first quarter of 2020.

Income Taxes

The effective tax rates on net income were 20.1% and 19.3% for the first quarter of 2021 and 2020, respectively.

For the three months ended March 31, 2021 and March 31, 2020, the tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impacts of share-based payments.

On March 3, 2021, the UK proposed legislation that includes an increase in the corporate income tax rate from 19% to 25% effective April 1, 2023. Full enactment of the legislation is expected to occur in the third quarter of 2021, at which time the Company will be required to revalue our UK deferred tax assets and liabilities. The Company is evaluating the impact to its financial statements.

Net Income Attributable to Aon Shareholders

Net income attributable to Aon shareholders for the first quarter of 2021 increased to \$913 million, or \$4.00 per diluted share, from \$772 million, or \$3.29 per diluted share, in the prior year period.

Non-GAAP Metrics

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

Organic Revenue Growth (Decline)

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

	Three Months Ended March 31,			Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth (Decline) ⁽³⁾
	2021	2020	% Change				
Revenue							
Commercial Risk Solutions	\$ 1,289	\$ 1,146	12 %	5 %	(1) %	(1) %	9 %
Reinsurance Solutions	922	848	9	3	(1)	1	6
Retirement Solutions	434	397	9	4	—	—	5
Health Solutions	536	502	7	3	—	—	4
Data & Analytic Services	351	331	6	4	—	4	(2)
Elimination	(7)	(5)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 3,525	\$ 3,219	10 %	4 %	— %	— %	6 %

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

(2) Fiduciary investment income for the three months ended March 31, 2021 and 2020, respectively, was \$2 million and \$15 million.

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

Adjusted Operating Margin

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

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

	Three Months Ended March 31,	
	2021	2020
Revenue	\$ 3,525	\$ 3,219
Operating income - as reported	\$ 1,245	\$ 1,033
Amortization and impairment of intangible assets	40	97
Transaction costs ⁽¹⁾	35	18
Operating income - as adjusted	\$ 1,320	\$ 1,148
Operating margin - as reported	35.3 %	32.1 %
Operating margin - as adjusted	37.4 %	35.7 %

(1) Certain transaction costs associated with the Combination will be incurred prior to the completion of the Combination. These costs may include advisory, legal, accounting, valuation, and other professional or consulting fees required to complete the Combination.

Adjusted Diluted Earnings per Share

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

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

	Three Months Ended March 31, 2021		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income	\$ 1,245	\$ 75	\$ 1,320
Interest income	3	—	3
Interest expense	(79)	—	(79)
Other income (expense)	(2)	—	(2)
Income taxes	1,167	75	1,242
Income tax expense ⁽¹⁾	234	11	245
Net income	933	64	997
Less: Net income attributable to noncontrolling interests	20	—	20
Net income attributable to Aon shareholders	\$ 913	\$ 64	\$ 977
Diluted net income per share attributable to Aon shareholders	\$ 4.00	\$ 0.28	\$ 4.28
Weighted average ordinary shares outstanding - diluted	228.1	—	228.1
Effective tax rates ⁽¹⁾	20.1 %		19.7 %

	Three Months Ended March 31, 2020		
	U.S. GAAP	Adjustments	Non-GAAP Adjusted
Operating income	\$ 1,033	\$ 115	\$ 1,148
Interest income	2	—	2
Interest expense	(83)	—	(83)
Other income (expense)	28	—	28
Income before income taxes	980	115	1,095
Income tax expense ⁽¹⁾	189	23	212
Net income	791	92	883
Less: Net income attributable to noncontrolling interests	19	—	19
Net income attributable to Aon shareholders	\$ 772	\$ 92	\$ 864
Diluted net income per share attributable to Aon shareholders	\$ 3.29	\$ 0.39	\$ 3.68
Weighted average ordinary shares outstanding - diluted	234.5	—	234.5
Effective tax rates ⁽¹⁾	19.3 %		19.4 %

(1) Adjusted items are generally taxed at the estimated annual effective tax rate, except for the applicable tax impact associated with accelerated trade name amortization, impairment charges and certain transaction costs, which are adjusted at the related jurisdictional rate.

Free Cash Flow

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

	Three Months Ended March 31,	
	2021	2020
Cash provided by operating activities	\$ 561	\$ 338
Capital expenditures used for operations	(29)	(59)
Free cash flow provided by operations	\$ 532	\$ 279

Impact of Foreign Exchange Rate Fluctuations

Because we conduct business in over 120 countries and sovereignties, foreign exchange rate fluctuations may have a significant impact on our business. Foreign exchange rate movements may be significant and may distort true period-to-period comparisons of changes in revenue or pretax income. Therefore, to give financial statement users meaningful information about our operations, we have provided an illustration of the impact of foreign currency exchange rates on our financial results. The methodology used to calculate this impact isolates the impact of the change in currencies between periods by translating the prior year quarter's revenue, expenses, and net income using the current quarter's foreign exchange rates.

Translating prior year quarter results at current quarter foreign exchange rates, currency fluctuations had a favorable impact of \$0.17 on net income per diluted share during the three months ended March 31, 2021. Currency fluctuations had an unfavorable impact of \$0.03 on net income per diluted share during the three months ended March 31, 2020 when 2019 results were translated at 2020 rates.

Translating prior year quarter results at current quarter foreign exchange rates, currency fluctuations had a favorable impact of \$0.18 on adjusted net income per diluted share during the three months ended March 31, 2021. Currency fluctuations had an unfavorable impact of \$0.03 on adjusted net income per diluted share during the three months ended March 31, 2020 when 2019 results were translated at 2020 rates. These translations are performed for comparative and illustrative purposes only and do not impact the accounting policies or practices for amounts included in our Financial Statements.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity

Executive Summary

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

As a result of the COVID-19 pandemic, we have taken various proactive steps and continue to evaluate opportunities that will increase our liquidity and strengthen our financial position. In 2021 such actions include, but are not limited to, the early repayment of our \$400 million 2.80% Senior Notes on February 16, 2021, which were set to mature in March 2021, and reducing our discretionary spending, including limiting spending on mergers and acquisitions.

We expect to have the ability to meet our cash needs for the next 12 months and beyond through the use of Cash and cash equivalents, Short-term investments, funds available under our credit facilities and commercial paper programs, and cash flows from operations. Short-term investments included in our liquidity portfolio are expected to be highly liquid, giving us the ability to readily convert them to cash, as deemed appropriate. We believe our liquidity position at March 31, 2021 remains strong as evidenced by strong cash flows in the quarter. Given the significant uncertainties of economic conditions due to COVID-19, we will continue to closely monitor and actively manage our liquidity as economic conditions change.

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

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriters. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. In addition, some of our outsourcing agreements require us to hold funds on behalf of clients to pay obligations on their behalf. The levels of fiduciary assets and liabilities can fluctuate significantly, depending on when we collect premiums, claims, and refunds, make payments to underwriters and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Fiduciary assets, because of their nature, are generally invested in very liquid securities with highly rated, credit-worthy financial institutions. In our Condensed Consolidated Statements of Financial Position, the amounts we report for Fiduciary assets and Fiduciary liabilities are equal and offsetting. Our Fiduciary assets included cash and short-term investments of \$5.7 billion and \$5.7 billion at March 31, 2021 and December 31, 2020, respectively, and fiduciary receivables of \$8.2 billion and \$8.1 billion at March 31, 2021 and December 31, 2020, respectively. While we earn investment income on the fiduciary assets held in cash and investments, the cash and investments cannot be used for general corporate purposes.

We maintain multicurrency cash pools with third-party banks in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall global balance does not fall below zero. At March 31, 2021, non-U.S. cash balances of one or more entities may have been negative; however, the overall balance was positive.

The following table summarizes our Cash and cash equivalents, Short-term investments, and Fiduciary assets as of March 31, 2021 (in millions):

Asset Type	Statement of Financial Position Classification			Total
	Cash and Cash Equivalents	Short-term Investments	Fiduciary Assets	
Certificates of deposit, bank deposits, or time deposits	\$ 822	\$ —	\$ 3,020	\$ 3,842
Money market funds	—	171	2,679	2,850
Cash and short-term investments	822	171	5,699	6,692
Fiduciary receivables	—	—	8,195	8,195
Total	\$ 822	\$ 171	\$ 13,894	\$ 14,887

Cash and cash equivalents decreased \$62 million in 2021. A summary of our cash flows provided by and used for operations from operating, investing, and financing activities is as follows (in millions):

	Three Months Ended March 31,	
	2021	2020
Cash provided by operating activities	\$ 561	\$ 338
Cash provided by (used for) investing activities	\$ 102	\$ (438)
Cash provided by (used for) financing activities	\$ (709)	\$ 82
Effect of exchange rates changes on cash and cash equivalents	\$ (16)	\$ (82)

Operating Activities

Net cash provided by operating activities during the three months ended March 31, 2021 increased \$223 million, or 66%, from the prior year period to \$561 million. This amount represents net income reported, as adjusted, generally, for primary drivers including gains or losses on sales of businesses, share-based compensation expense, depreciation expense, amortization and impairments, and other non-cash income and expenses, as well as changes in working capital that relate primarily to the timing of payments of accounts payable and accrued liabilities and collection of receivables.

Pension Contributions

Pension contributions were \$50 million for the three months ended March 31, 2021, as compared to \$35 million for the three months ended March 31, 2020. For the remainder of 2021, we expect to contribute approximately \$50 million in cash to our pension plans, including contributions to non-U.S. pension plans, which are subject to changes in foreign exchange rates. In the first quarter, we revised our full year expected pension contributions in the U.S. following the enactment of the American Rescue Plan Act of 2021.

Investing Activities

Cash flow provided by investing activities was \$102 million during the three months ended March 31, 2021, an increase of \$540 million compared to \$438 million of cash flow used for investing activities in the prior year period. Generally, the primary drivers of cash flow used for investing activities are acquisition of businesses, purchases of short-term investments, capital expenditures, and payments for investments. Generally, the primary drivers of cash flow provided by investing activities are sales of businesses, sales of short-term investments, and proceeds from investments. The gains and losses corresponding to cash flows provided by proceeds from investments and used for payments for investments are primarily recognized in Other income (expense) in our Condensed Consolidated Statements of Income.

Short-term Investments

Short-term investments decreased \$137 million as compared to December 31, 2020. As disclosed in Note 14 "Fair Value Measurements and Financial Instruments" of our Financial Statements contained in Part I, Item 1 of this report, the majority of our investments carried at fair value are money market funds. These money market funds are held throughout the world with various financial institutions. We are not aware of any market liquidity issues that would materially impact the fair value of these investments.

Acquisitions and Dispositions of Businesses

During the first three months of 2021, we completed no acquisitions and no businesses were sold. There was no impact in the Condensed Consolidated Statement of Cash Flows related to prior year acquisitions.

During the first three months of 2020, we completed the acquisition of five businesses for a total consideration of \$334 million, net of cash acquired, and one business was sold for a net cash inflow of \$30 million.

Capital Expenditures

Our additions to fixed assets, including capitalized software, which amounted to \$29 million and \$59 million for the three months ended March 31, 2021 and 2020, respectively, primarily relate to the refurbishing and modernizing of office facilities, software development costs, and computer equipment purchases.

Financing Activities

Cash flow used for financing activities during the three months ended March 31, 2021 was \$709 million, a decrease of \$791 million compared to the prior year period. The primary drivers of cash flow used for financing activities are repayments of debt, net of issuances, dividends paid to shareholders, issuances of shares for employee benefit plans, transactions with

noncontrolling interests, share repurchases, and other financing activities, such as collection of or payments for deferred consideration in connection with prior-year business acquisitions and divestitures.

Share Repurchase Program

We have a share repurchase program authorized by our Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020 for a total of \$20.0 billion in repurchase authorizations.

The following table summarizes our share repurchase activity (in millions, except per share data):

	Three Months Ended March 31,	
	2021	2020
Shares repurchased	0.2	2.2
Average price per share	\$ 217.70	\$ 212.78
Costs recorded to retained earnings		
Total repurchase cost	\$ 50	\$ 461
Additional associated costs	—	2
Total costs recorded to retained earnings	\$ 50	\$ 463

At March 31, 2021, the remaining authorized amount for share repurchases under the Repurchase Program was \$5.2 billion. Under the Repurchase Program, we have repurchased a total of 137.5 million shares for an aggregate cost of approximately \$14.8 billion. For further information regarding the Repurchase Program, see Part II, Item 2 of this report.

Borrowings

Total debt at March 31, 2021 was \$7.3 billion, a decrease of \$0.4 billion compared to December 31, 2020. Further, commercial paper activity during the three months ended March 31, 2021 and 2020 is as follows (in millions):

	Three Months Ended March 31,	
	2021	2020
Total issuances ⁽¹⁾	\$ 250	\$ 2,060
Total repayments	(250)	(1,341)
Net issuances	\$ —	\$ 719

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

On January 13, 2021, Aon Global Limited, a limited company organized under the laws of England and Wales and a wholly owned subsidiary of Aon plc, issued an irrevocable notice of redemption to holders of its 2.80% Senior Notes for the redemption of all \$400 million outstanding aggregate principal amount of the notes, which were set to mature in March 2021 and classified as Short-term debt and current portion of long-term debt as of December 31, 2020. The redemption date was on February 16, 2021 and resulted in an insignificant loss due to extinguishment.

On May 29, 2020, Aon Corporation, a Delaware corporation and a wholly owned subsidiary of Aon, issued an irrevocable notice of redemption to holders of its 5.00% Senior Notes, which were set to mature on September 30, 2020, for the redemption of all \$600 million outstanding aggregate principal amount of the notes. The redemption date was on June 30, 2020 and resulted in a loss of \$7 million due to extinguishment.

On May 12, 2020, Aon Corporation issued \$1 billion of its 2.80% Senior Notes due May 2030. Aon Corporation used a portion of the net proceeds on June 30, 2020 to repay its outstanding 5.00% Senior Notes, which were to mature on September 30, 2020, and intends to use the remainder to repay other borrowings and for general corporate purposes.

Other Liquidity Matters

Distributable Profits

We are required under Irish law to have available “distributable profits” to make share repurchases or pay dividends to shareholders. Distributable profits are created through the earnings of the Irish parent company and, among other methods, through intercompany dividends or a reduction in share capital approved by the High Court of Ireland. Distributable profits are not linked to a U.S. GAAP reported amount (e.g., retained earnings). As of March 31, 2021 and December 31, 2020, we had

distributable profits in excess of \$90 million and \$251 million, respectively. We believe that we have the ability to create sufficient distributable profits for the foreseeable future.

Credit Facilities

We expect cash generated by operations for 2021 to be sufficient to service our debt and contractual obligations, finance capital expenditures, and continue to pay dividends to our shareholders. Although cash from operations is expected to be sufficient to service these activities, we have the ability to access the commercial paper markets or borrow under our credit facilities to accommodate any timing differences in cash flows. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

As of March 31, 2021, we had two primary committed credit facilities outstanding: our \$900 million multi-currency U.S. credit facility expiring in February 2022 and our \$750 million multi-currency U.S. credit facility expiring in October 2023. In aggregate, these two facilities provide \$1.65 billion in available credit.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to consolidated adjusted EBITDA, tested quarterly. At March 31, 2021, we did not have borrowings under either facility, and we were in compliance with the financial covenants and all other covenants contained therein during the rolling 12 months ended March 31, 2021.

Shelf Registration Statement

On May 12, 2020, we filed a shelf registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of, among other securities, debt securities, preference shares, Class A Ordinary Shares and convertible securities. Our ability to access the market as a source of liquidity is dependent on investor demand, market conditions, and other factors.

Rating Agency Ratings

The major rating agencies' ratings of our debt at April 30, 2021 appear in the table below.

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

On March 19, 2021, Fitch upgraded our 'BBB+' outlook to Stable, as compared to a Negative outlook at February 19, 2021 as reported in our Annual Report on Form 10-K for the year ended December 31, 2020.

Guarantees in Connection with the Sale of the Divested Business

In connection with the 2017 sale of the Divested Business, we guaranteed future operating lease commitments related to certain facilities assumed by the buyer. We are obligated to perform under the guarantees if the Divested Business defaults on the leases at any time during the remainder of the lease agreements, which expire on various dates through 2025. As of March 31, 2021, the undiscounted maximum potential future payments under the lease guarantee were \$51 million, with an estimated fair value of \$7 million. No cash payments were made in connection to the lease commitments during the three months and ended March 31, 2021.

Additionally, we are subject to performance guarantee requirements under certain client arrangements that were assumed by the buyer. Should the Divested Business fail to perform as required by the terms of the arrangements, we would be required to fulfill the remaining contract terms, which expire on various dates through 2023. As of March 31, 2021, the undiscounted maximum potential future payments under the performance guarantees were \$91 million, with an estimated fair value of \$1 million. No cash payments were made in connection to the performance guarantees during the three months ended March 31, 2021.

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a letter of credit. We had total LOCs outstanding of approximately \$76 million at March 31, 2021, compared to \$79 million at December 31, 2020. These LOCs cover the beneficiaries related to certain of our U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for our own workers compensation program. We also have obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at our international subsidiaries.

We have certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$67 million at March 31, 2021, compared to \$113 million at December 31, 2020.

Off-Balance Sheet Arrangements

Apart from commitments, guarantees, and contingencies, as disclosed herein and Note 15 "Claims, Lawsuits, and Other Contingencies" to our Financial Statements contained in Part I, Item 1 of this report, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations, or liquidity. Our cash flows from operations, borrowing availability, and overall liquidity are subject to risks and uncertainties. See "Information Concerning Forward-Looking Statements."

Guarantee of Registered Securities

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

In connection with the Ireland Reorganization, on April 1, 2020 Aon plc and Aon Global Holdings plc, a company incorporated under the laws of England and Wales, entered into various agreements pursuant to which they agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Global Limited and the obligations of Aon Global Limited arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Corporation. Those agreements included: (1) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, and Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated April 2, 2012, among Aon Corporation, Aon Global Limited and the Trustee); (2) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 12, 2012, among Aon Corporation, Aon Global Limited plc and the Trustee); (3) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated May 20, 2015, among Aon Corporation, Aon Global Limited and the Trustee); (4) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated November 13, 2015, among Aon Corporation, Aon Global Limited and the Trustee); and (5) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, Aon Global Limited and the Trustee).

After the Ireland Reorganization, newly issued and outstanding debt securities by Aon Corporation are guaranteed by Aon Global Limited, Aon plc, and Aon Global Holdings plc, and include the following (collectively, the "Aon Corporation Notes"):

Aon Corporation Notes

2.20% Senior Notes due November 2022
8.205% Junior Subordinated Notes due January 2027
4.50% Senior Notes due December 2028
3.75% Senior Notes due May 2029
2.80% Senior Notes due 2030
6.25% Senior Notes due September 2040

All guarantees of Aon plc, Aon Global Limited, and Aon Global Holdings plc of the Aon Corporation Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of Aon Corporation. There are no subsidiaries other than those listed above that guarantee the Aon Corporation Notes.

After the Ireland Reorganization, newly issued and outstanding debt securities by Aon Global Limited are guaranteed by Aon plc, Aon Global Holdings plc, and Aon Corporation, and include the following (collectively, the "Aon Global Limited Notes"):

Aon Global Limited Notes

4.00% Senior Notes due November 2023
3.50% Senior Notes due June 2024
3.875% Senior Notes due December 2025
2.875% Senior Notes due May 2026
4.25% Senior Notes due December 2042
4.45% Senior Notes due May 2043
4.60% Senior Notes due June 2044
4.75% Senior Notes due May 2045

All guarantees of Aon plc, Aon Global Holdings plc, and Aon Corporation of the Aon Global Limited Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of Aon Global Limited. There are no subsidiaries other than those listed above that guarantee the Aon Global Limited Notes.

Aon Corporation, Aon Global Limited, and Aon Global Holdings plc are indirect wholly owned subsidiaries of Aon plc. Aon plc, Aon Global Limited, Aon Global Holdings plc, and Aon Corporation together comprise the "Obligor group". The following tables set forth summarized financial information for the Obligor group.

Adjustments are made to the tables to eliminate intercompany balances and transactions between the Obligor group. Intercompany balances and transactions between the Obligor group and non-guarantor subsidiaries are presented as separate line items within the summarized financial information. These balances are presented on a net presentation basis, rather than a gross basis, as this better reflects the nature of the intercompany positions and presents the funding or funded position that is to be received or owed. No balances or transactions of non-guarantor subsidiaries are presented in the summarized financial information, including investments of the Obligor group in non-guarantor subsidiaries.

		Obligor Group	
		Summarized Statement of Income Information	
		Three Months Ended	
		March 31, 2021	
<i>(millions)</i>			
Revenue		\$	—
Operating income		\$	(55)
Income (expense) from non-guarantor subsidiaries before income taxes		\$	(205)
Net income (loss)		\$	(283)
Net income (loss) attributable to Aon shareholders		\$	(283)

		Obligor Group	
		Summarized Statement of Financial Position Information	
		As of	As of
		March 31, 2021	December 31, 2020
<i>(millions)</i>			
Receivables due from non-guarantor subsidiaries		\$ 2,505	\$ 1,196
Other current assets		122	137
Total current assets		\$ 2,627	\$ 1,333
Non-current receivables due from non-guarantor subsidiaries		\$ 507	\$ 516
Other non-current assets		893	894
Total non-current assets		\$ 1,400	\$ 1,410
Payables to non-guarantor subsidiaries		\$ 16,658	\$ 15,167
Other current liabilities		260	1,695
Total current liabilities		\$ 16,918	\$ 16,862
Non-current payables to non-guarantor subsidiaries		\$ 5,397	\$ 5,396
Other non-current liabilities		8,798	8,871
Total non-current liabilities		\$ 14,195	\$ 14,267

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

There have been no changes in our critical accounting policies, which include revenue recognition, pensions, goodwill and other intangible assets, contingencies, share-based payments, and income taxes, as discussed in our Annual Report on Form 10-K for the year ended December 31, 2020.

NEW ACCOUNTING PRONOUNCEMENTS

As described in Note 2 “Accounting Principles and Practices” to our Financial Statements contained in Part I, Item 1, all issued, but not yet effective guidance, has been deemed not applicable or not significant to the Financial Statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

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

The following discussion describes our specific exposures and the strategies we use to manage these risks. There have been no changes in our critical accounting policies for financial instruments and derivatives as discussed in our 2020 Annual Report on Form 10-K.

Foreign Exchange Risk

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

Additionally, some of our non-U.S. brokerage subsidiaries receive revenue in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars, euro, and Japanese yen, but most of their expenses are incurred in British pounds. At March 31, 2021, we have hedged approximately 45% of our U.K. subsidiaries' expected exposures to U.S. dollar, euro, and Japanese yen transactions for the years ending December 31, 2021 and 2022, respectively. We generally do not hedge exposures beyond three years.

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

The translated value of revenues and expenses from our international brokerage operations are subject to fluctuations in foreign exchange rates. If we were to translate prior year results at current quarter exchange rates, diluted earnings per share would have a favorable \$0.17 impact during the three months ended March 31, 2021. Further, adjusted diluted earnings per share, a non-GAAP measure as defined and reconciled under the caption "Review of Consolidated Results — Adjusted Diluted Earnings Per Share," would have a favorable \$0.18 impact during the three months ended March 31, 2021 if we were to translate prior year results at current quarter exchange rates.

Interest Rate Risk

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

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures. We have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of the end of the period covered by this quarterly report of March 31, 2021. Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures were effective such that the information relating to Aon, including our consolidated subsidiaries, required to be disclosed in our SEC reports is recorded, processed, summarized and reported within the time periods specified in appropriate statute, SEC rules and forms, and is accumulated and communicated to Aon's management, including our chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in internal control over financial reporting. No changes in Aon's internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) occurred during the quarter ended March 31, 2021 that have materially affected, or that are reasonably likely to materially affect, Aon's internal control over financial reporting.

Part II Other Information

Item 1. Legal Proceedings

See Note 15 “Claims, Lawsuits, and Other Contingencies” to our Financial Statements contained in Part I, Item 1 of this report, which is incorporated by reference herein.

Item 1A. Risk Factors

The risk factors set forth in the “Risk Factors” section in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020 reflect certain risks associated with existing and potential lines of business and contain “forward-looking statements” as discussed in “Information Concerning Forward-Looking Statements” elsewhere in this report. Readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks actually occur.

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

Issuer Purchases of Equity Securities.

The following information relates to the purchase of equity securities by Aon or any affiliated purchaser during each month within the first quarter of 2021:

Period	Total Number of Shares Purchased	Average Price Paid per Share ⁽¹⁾	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs ⁽²⁾	Maximum Dollar Value of Shares that May Yet Be Purchased Under the Plans or Programs ⁽¹⁾⁽²⁾
1/1/21 - 1/31/21	96,900	\$ 206.80	96,900	\$ 5,242,784,627
2/1/21 - 2/28/21	81,000	\$ 223.21	81,000	\$ 5,224,704,661
3/1/21 - 3/31/21	51,775	\$ 229.46	51,775	\$ 5,212,824,151
	<u>229,675</u>	\$ 217.70	<u>229,675</u>	\$ 5,212,824,151

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

(2) The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020 for a total of \$20.0 billion in repurchase authorizations.

Unregistered Sales of Equity Securities

We did not make any unregistered sales of equity in the first quarter of 2021.

Item 3. Defaults Upon Senior Securities

Not Applicable.

Item 4. Mine Safety Disclosures

Not Applicable.

Item 5. Other Information

Aon Corporation entered into a transition and separation agreement with John Bruno, effective as of April 27, 2021, with respect to Mr. Bruno’s continued employment during a transition period until his separation from the Company on December 31, 2021 (the “Separation Date”).

The agreement provides that Mr. Bruno will continue to receive his current base salary until the Separation Date. In connection with Mr. Bruno’s transition, and subject to customary conditions, he will receive a cash payment of \$6,000,000, payable in installments, in exchange for carrying out duties and responsibilities prior to the Separation Date and for agreeing to certain restrictive covenants. Mr. Bruno’s stock awards will be given normal treatment under the applicable plan documents, but will continue to vest on their original dates, notwithstanding his separation from employment on the Separation Date.

Item 6. Exhibits

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

Signature

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

Aon plc
(Registrant)

April 30, 2021

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

Exhibit Index

Exhibit Number	Description of Exhibit
10.1#	Aon plc Leadership Performance Program (as amended and restated, effective January 1, 2021)
10.2#	Aon plc Senior Executive Incentive Compensation Plan (as amended and restated, effective January 1, 2021)
10.3#	Transition and Separation Agreement, effective April 27, 2021, between Aon Corporation and John Bruno
22.1	Subsidiary Guarantors and Issuers of Guaranteed Securities
31.1*	Certification of CEO.
31.2*	Certification of CFO.
32.1*	Certification of CEO Pursuant to section 1350 of Title 18 of the United States Code.
32.2*	Certification of CFO Pursuant to section 1350 of Title 18 of the United States Code.
101*	Interactive Data Files. The following materials are filed electronically with this Quarterly Report on Form 10-Q: 101.SCH XBRL Taxonomy Extension Schema Document 101.CAL XBRL Taxonomy Calculation Linkbase Document 101.DEF XBRL Taxonomy Definition Linkbase Document 101.PRE XBRL Taxonomy Presentation Linkbase Document 101.LAB XBRL Taxonomy Calculation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith

Indicates a management contract or compensatory plan or arrangement

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

I, Gregory C. Case, the Chief Executive Officer of Aon plc (the "*Company*"), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2021 (the "*Report*") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ GREGORY C. CASE

Gregory C. Case
Chief Executive Officer
April 30, 2021

Exhibit 31.2

CERTIFICATIONS

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

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

Date: April 30, 2021

/s/ CHRISTA DAVIES

Christa Davies
Chief Financial Officer

CERTIFICATIONS

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

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

Date: April 30, 2021

/s/ GREGORY C. CASE

Gregory C. Case
Chief Executive Officer

Subsidiary Guarantors and Issuers of Guaranteed Securities

The table below sets forth the respective issuers and guarantors of the notes issued by Aon Global Limited and Aon Corporation and the jurisdiction of incorporation of each such entity.

		Aon Corporation	Aon Global Limited
Entity	Jurisdiction of Incorporation	2.20% Senior Notes due 2022 8.205% Junior Subordinated Notes due 2027 4.50% Senior Notes due 2028 3.75 Senior Notes due 2029 2.8% Senior Notes due 2030 6.25% Senior Notes due 2040	4.00% Senior Notes due 2023 3.50% Senior Notes due 2024 3.875% Senior Notes due 2025 2.875% Senior Notes due 2026 4.25% Senior Notes due 2042 4.45% Senior Notes due 2043 4.60% Senior Notes due 2044 4.75% Senior Notes due 2045
Aon plc	Ireland	Guarantor	Guarantor
Aon Global Limited	UK	Guarantor	Issuer
Aon Global Holdings plc	UK	Guarantor	Guarantor
Aon Corporation	US	Issuer	Guarantor

TRANSITION AND SEPARATION AGREEMENT

This Transition and Separation Agreement (this "Agreement"), is entered into on the date set forth beneath the Executive's signature and is effective as of April 27, 2021 (the "Effective Date"), by and between Aon Corporation, a Delaware corporation (the "Company"), and John Bruno (the "Executive").

WHEREAS, the Company and the Executive previously entered into a letter agreement confirming certain terms and conditions of employment effective as of November 6, 2018 (the "Employment Letter"), which superseded an earlier employment agreement setting out certain terms and conditions of employment dated as of August 4, 2014 (the "Employment Agreement") (collectively and individually, such agreements are referred to herein as the "Prior Agreements");

WHEREAS, Executive is an eligible executive under the Aon plc Amended and Restated Senior Executive Combined Severance and Change in Control Plan (the "SE Plan");

WHEREAS, the Employment Letter specifies that Executive is employed at will, and the Company and Executive desire to enter into an agreement regarding: (a) the Executive's continued employment during the period (the "Transition Period") from the Effective Date to December 31, 2021 (the "Separation Date") or to an earlier date pursuant to Section 3(c) of this Agreement; (b) the Executive's agreement to certain restrictive covenants; and (c) the Executive's release of claims, all upon the terms and conditions set forth herein;

WHEREAS, Executive's assistance is required with certain aspects of the Company's combination with Willis Towers Watson ("WTW") and certain payments hereunder therefore are contingent upon the close of that combination and take effect on the date of the closing (the "Transition Date") or in the event of no closing by a certain date, those payments convert to a retention bonus and are contingent upon Executive remaining employed by the Company until the Separation Date; and

WHEREAS, upon execution of this Agreement by the Company and the Executive, the Prior Agreements, and any other agreement between Executive and the Company (including its affiliates), shall be superseded in their entirety and shall have no further force or effect (except as otherwise explicitly set forth herein);

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

1. Transition. The Company will continue to employ Executive throughout the Transition Period, subject to the terms and conditions of this Agreement. During the Transition Period, Executive shall no longer be an officer (*i.e.*, Named Executive Officer, Section 16 Officer, or any other type of officer) or director of the Company or any of its affiliates, parent companies, or subsidiaries (collectively, "Aon") or a member of the Company's Governance and Policy Team; instead, Executive's title will be Special Advisor to the CEO.
2. Transition Period Salary, Benefits, and Duties.
 - a. Transition Period Salary. During the Transition Period, the Company will continue to pay the Executive a base salary of \$950,000 per year (the "Base

Salary”), payable in accordance with the Company’s payroll policies. From January 1, 2021 to the Separation Date, Executive shall not be entitled to any annual bonus or incentive payment (including a bonus with respect to 2020 payable in 2021), and Executive shall not be entitled to any additional long-term incentive award under the Aon plc Amended and Restated 2011 Incentive Plan (the “2011 Incentive Plan”).

- b. Transition Benefits. During the Transition Period, the Executive will continue to be entitled to participate in the Company’s regular employee and executive benefit plans commensurate with his pre-Transition Period position, in accordance with the terms of such plans, subject to the provisions of Section 2(b) of the SE Plan. Nothing in this Agreement will require the Company to establish, maintain, or continue any of the benefits already in existence or hereafter adopted for employees of the Company, and nothing in this Agreement will restrict the right of the Company to amend, modify, or terminate such programs. For the avoidance of doubt, Executive’s benefits during the Transition Period shall not include any Company assurance of coverage under the United Airlines Global Services program, but shall include the Northwestern Executive Health program.
- c. Transition Duties. During the Transition Period, Executive will focus his efforts on assisting his successor as COO, ensuring the effective transition of responsibilities and providing coaching and guidance as needed, and the majority of his time as Special Advisor shall include (without limitation) driving revenue growth, assisting in the WTW integration, coaching/mentoring to other employees, assisting with strategic opportunities, as well as performing other duties on behalf of the Company and its subsidiaries as may from time to time be authorized or directed by Aon’s CEO (collectively, the “Duties and Responsibilities”).
- d. Transition Expense Policy. During the Transition Period, Executive shall continue to be subject to the Company’s standard expense policy and travel management programs. After the Separation Date, Executive shall not be subject to, or able to incur or submit expenses under, the Company’s standard expense policy or travel management programs.
- e. Transition Bonus.
 - i. In exchange for the Executive (A) successfully carrying out the Duties and Responsibilities, (B) assisting with certain pre- and post-Transition Date activities in connection with the WTW combination, (C) foregoing other paid employment opportunities during the Transition Period, (D) agreeing to the Restrictive Covenants in Section 6, (E) agreeing to (and not revoking) the release in Section 8 (the “Agreement Release”), and (F) executing and returning (and not revoking) a general release of claims agreement in the form attached hereto as Exhibit A within 21 calendar days of, but not before, the Separation Date (the “Separation Release,” and together with the Agreement Release, the “Releases”), the Executive shall be eligible to receive a special cash bonus in the amount of \$6,000,000 (the “Transition Bonus”), subject to applicable withholdings

and under the terms and conditions of this Section 2(e), payable as set forth in Section 2(e)(iii) below.

- ii. The Transition Bonus is intended to be contingent upon the close of the Company's combination with WTW. In the event, however, that the WTW combination does not close by June 30, 2021, the Transition Bonus will at that time be converted to a retention bonus in order to incent the Executive to remain employed by the Company, and not exercise his termination rights under Section 3(c), until the Separation Date. Accordingly, the installment payments of the Transition Bonus have been deferred to commence on the earlier of 30 days after the Transition Date or June 30, 2021.
 - iii. The Transition Bonus will be payable in four installments as follows: (A) \$1,050,000 payable on the earlier of (1) within 30 days of the Transition Date or (2) June 30, 2021; (B) \$1,650,000 on January 14, 2022; (C) \$1,650,000 on June 30, 2022; and (D) \$1,650,000 on January 13, 2023; provided, however, that should the Executive violate the provisions of Section 6 of this Agreement, including without limitation Section 6(d), as determined by the Company in its reasonable discretion, then the Company, in addition to any other remedy available for breach of Section 6, shall be entitled to immediately cease paying any further installments of the Transition Bonus; and provided further, however, that the installment specified in Section 2(e)(iii)(A) is conditioned upon the Company's receipt of an executed, non-revoked Agreement Release, and the installments specified in Sections 2(e)(iii)(B), (C) & (D) are conditioned upon the Company's receipt of an executed, non-revoked Separation Release,
- f. Legal Fees. The Company agrees to reimburse Executive for all reasonable legal fees and expenses in connection with the negotiation and execution of this Agreement up to a maximum amount of \$30,000. Reimbursement will be made within thirty (30) days of the Company's receipt of an appropriate invoice from the Executive's counsel and the reimbursement payment shall be provided directly to the Executive's counsel.

3. Separation.

- a. Separation on the Separation Date. This Agreement and the Executive's employment thereunder will terminate on the Separation Date, or an earlier date pursuant to Section 3(c) of this Agreement. Without limiting the Executive's entitlement to the payments and benefits provided in this Agreement, such termination of the Executive's employment shall be deemed a termination of employment by mutual consent between the Executive and the Company or without cause if more favorable to the Executive. The Company will pay the Executive all accrued but unpaid base salary and vested benefits as of the Separation Date or an earlier date pursuant to Section 3(c) of this Agreement, payable in accordance with the applicable Company policy, plan, or program, and unreimbursed business expenses incurred in accordance with Section 2(d).

Executive's eligibility to participate in the Company's employee benefit plans generally available to senior employees of the Company, including without limitation health care plans, shall terminate as of the Separation Date or an earlier date pursuant to Section 3(c) of this Agreement, subject to any applicable rights pursuant to COBRA.

- b. Death or Disability. During the Transition Period, this Agreement and the Executive's employment hereunder will terminate upon the death or total disability of the Executive (as defined under the Aon Long Term Disability Plan or its successor plan). In the event of such a termination, the Company will pay or provide the Executive (or his Beneficiary, as defined in Section 7): (i) his Base Salary for the remaining balance of the Transition Period; (ii) any vested benefits as of the date of the termination under this Section 3(b); (iii) any unreimbursed business expenses incurred in accordance with Section 2(d); and (iv) any unpaid portion of the Transition Bonus. For the avoidance of doubt, any other benefits shall cease as of the Executive's termination under this Section 3(b).
- c. By the Executive. During the Transition Period, this Agreement may be terminated by the Executive on no less than sixty (60) days advance written notice by the Executive. The notice will specify the date that this Agreement shall terminate; provided, however, (i) that the Company may require the Executive to leave Company premises immediately upon giving of notice; (ii) that the Executive's Base Salary and benefits entitlements shall cease as of the termination date specified in his notice pursuant to this Section 3(c) instead of on the Separation Date, but the Separation Date otherwise shall be unchanged; (iii) the treatment of Executive's equity specified in Section 4 shall not be impacted by Executive's termination of the Agreement prior to the Separation Date; and (iv) in the event the Transition Date has not occurred prior to the date specified in Executive's notice pursuant to this Section 3(c), then any unpaid installments of the Transition Bonus shall be forfeited. In the event of such a termination pursuant to this Section 3(c), the Company will pay the Executive all accrued but unpaid Base Salary and vested benefits as of the termination date, payable in accordance with the applicable Company policy, plan, or program, and any unreimbursed business expenses incurred in accordance with Section 2(d).
- d. For Cause. During the Transition Period, the Company may terminate this Agreement for Cause, by written notice of termination given to the Executive setting forth the basis for such termination and giving Executive an opportunity to cure within thirty (30) days. If the Executive does not effect a cure within this time period, as determined by the Company in its reasonable discretion, the termination shall become effective. For the purposes of this Agreement, "Cause" will mean the Executive's: (i) performing a deliberate act of dishonesty, fraud, theft, embezzlement, or misappropriation involving the Executive's employment with the Company, or breach of the duty of loyalty to the Company; (ii) performing an alleged act of race, sex, national origin, religion, disability, or age-based discrimination, or sexual harassment, if after a reasonable investigation, outside or in-house counsel to the Company reasonably concludes

that the allegations are substantiated; (iii) material violation of Company policies and procedures including, but not limited to, the Aon Code of Business Conduct; (iv) material non-compliance with the terms of this Agreement, including without limitation the non-disparagement obligations of Section 9(a), or any other agreement between the Executive and Aon; (v) any breach of Executive's Restrictive Covenant obligations; or (vi) performing any criminal act resulting in a criminal felony charge brought against the Executive or a criminal conviction of the Executive (other than a conviction of a minor traffic violation). In the event of a termination for Cause, the Company will only be required to pay or provide to the Executive all accrued but unpaid Base Salary and vested benefits as of the date of such termination, payable in accordance with the applicable Company policy, plan, or program.

- e. Effecting Termination on the Separation Date. As of the Transition Date, the Executive agrees that the Secretary of the Company may, as an irrevocable proxy and in the Executive's name and stead, execute all documents and things which the Company deems necessary and desirable to effect the Executive's resignation as an officer or director of Aon.
 - f. Obligations Upon Separation. Upon the Separation Date, the obligations of the parties under this Agreement and the Prior Agreements will cease, except as otherwise explicitly set forth in this Agreement (including without limitation under Sections 2, 4, 5, 6, 8 and 9). The Executive will continue to be indemnified and held harmless to the maximum extent provided under the Company's charter, by-laws and applicable law for his acts and omissions to act through the Separation Date, which indemnification shall survive his termination of employment. Executive will continue to be insured under policies of directors and officers liability insurance to the fullest extent provided for former officers or directors under the applicable policy(ies); provided, such insurance coverage may be terminated if Aon terminates coverage generally for all officers and directors. Anything in this Agreement or its Exhibits to the contrary notwithstanding the Executive's right to make any claim under any director and officer liability insurance coverage provided by the Company for acts or omissions by Executive while an executive officer of the Company or any affiliate shall survive the Separation Date.
 - g. Copy of Restrictive Covenants. The Executive agrees that, prior to the commencement of any new employment in the Business (as defined below), the Executive will furnish the prospective new employer with a complete and accurate copy of the text of the restrictive covenant obligation the Executive has to Aon (the "Restrictive Covenant Text") under Section 6 of this Agreement. The Executive also agrees that the Company may advise any prospective new employer of the Executive of the existence and terms of such restrictive covenants and furnish the prospective new employer with a copy of the Restrictive Covenant Text.
4. Equity Awards. The Executive's equity awards issued under the 2011 Incentive Plan in connection with the Leadership Performance Program ("LPP") for the 2019-2021 performance cycle ("LPP14"), and the 2020-2022 performance cycle ("LPP15") will

continue to be governed by the terms and conditions of the applicable plan documents; provided, however, that notwithstanding the foregoing provisions of this Section 4 and anything to the contrary contained in the 2011 Incentive Plan, LPP14 or LPP15 plan documents, and contingent upon the Executive's (a) continued compliance with the Restrictive Covenants, and (b) execution and return (and non-revocation) of the Separation Release, the Executive's LPP14 and LPP15 awards shall be determined and paid as though the Executive had continued employment with the Company through any applicable vesting and payment date. The Executive's awards under the Incentive Stock Plan ("ISP") will continue to be governed by the terms and conditions of the applicable plan documents.

5. Acknowledgments. The Executive understands and agrees that he would not otherwise be eligible for, or entitled to, the payments, plan treatment, or other employment benefits set forth in Section 2 above, if he did not enter into this Agreement. Further, by signing this Agreement, the Executive acknowledges and agrees that he is not entitled to, and waives any claims with respect to, any additional payments and/or benefits that are not specifically identified in this Agreement; this acknowledgement and waiver includes, but is not limited to, any benefits under the Prior Agreements, the SE Plan, any additional payments related to annual incentive plans, and/or any applicable Aon bonus or incentive plan, except for those benefits in which he has a vested right pursuant to the terms of the applicable incentive, retirement, and other employee benefit plans in which he is a participant and applicable law. Executive also agrees that he will execute both the Agreement Release and the Separation Release.
6. Restrictive Covenants.
 - a. General. The Executive acknowledges that in the course of his employment with the Company and any predecessor or affiliated company, the Executive has become familiar with trade secret and other confidential information concerning Aon. The Executive further acknowledges and agrees that his services as a senior executive of the Company have been, and are, of special, unique, and extraordinary value to Aon, and that his material employment duties and responsibilities (including without limitation with respect to Aon strategic and other business operations, clients, prospective clients, and other employees) are global in nature and span geographic areas that extend well beyond the locations in which the Executive has been physically employed and resided. The Executive further acknowledges and agrees that it therefore is reasonable to protect Aon against certain competitive activities by the Executive for a limited period of time after the Executive leaves employment to protect Aon's legitimate business interests in all of the geographic areas in which Aon does business, and that the covenants contained in Section 6 are necessary for the protection of Aon and are reasonably limited with respect to the activities prohibited, duration, geographical scope and their effect on the Executive and the public.
 - b. Confidential Information. The Executive acknowledges that Aon's business depends to a significant degree upon the possession of confidential, proprietary and trade secret information which is not generally known to others, and that the profitability of the Business of Aon requires that this information remain proprietary to Aon. The Executive recognizes that, by virtue of the Executive's

employment by the Company and/or its affiliates, and to assist the Executive in the solicitation, production and servicing of client business, the Executive has had otherwise prohibited access to such information. This information (hereinafter referred to as "Confidential Information") includes, without limitation: lists of clients and prospective clients; contract terms and conditions; client information relating to services, insurance, benefits programs, executives, finances, and compensation; copyrighted materials; corporate, management and business plans and strategies; compensation and revenues; methods and strategies of marketing; market research and data; technical know-how; computer software and manuals; policies and procedures; and the conduct of the affairs of Aon. Confidential Information does not include any information that lawfully is or has become generally or publicly known other than through the Executive's breach of this Agreement or a breach by another person of some other obligation. The Executive will not disclose or use during or after his employment, any Confidential Information, except as required in the course of his employment or as provided by applicable law or in Section 10 below. Executive acknowledges that any and all records of this kind in Executive's custody, possession, or control, will be returned to the Company on or prior to Executive's Separation Date and that Executive should have no records of this kind in Executive's possession as of the Separation Date.

If, and only if, the controlling state law applicable to Executive requires a time limit to be placed on restrictions concerning the post-employment use of Confidential Information in order for the restriction to be enforceable, then this restriction on Executive's use or disclosure of Confidential Information that is not a trade secret will expire three (3) years after the Separation Date. This time limit will not apply to (a) Confidential Information that qualifies as a trade secret, or (b) third party information. The Company's trade secrets will remain protected for as long as they qualify as trade secrets under applicable law. Items of third party information will remain protected for as long as allowed under the laws and/or separate agreements that make them confidential. Executive understands that Executive should have no records of this kind in Executive's possession or control with which to refresh Executive's memory after Executive's Separation Date.

- c. Noncompetition. The Executive agrees that during the Transition Period and for two (2) years following the Separation Date, up to December 31, 2023, (the "Restricted Period"), the Executive will not work in any manner, directly or indirectly, in the United States, alone or as a member of a partnership or as an officer, director, stockholder, investor, or employee of, or as a consultant for, or otherwise provide services to or engage or be engaged, or assist any Competitive Business in any management, consulting, supervisory, business development, producing or recruiting role, including any role that would involve similar duties and responsibilities that he performed for the Company or that would lead or be likely to lead to the disclosure of the company's confidential information. . Executive agrees that the scope of this restricted activity, in duration, subject and geography, is necessary and reasonable based on his role as a senior executive reporting to Aon's CEO which allowed Executive widespread and extensive access to Confidential Information about Aon's business. A "Competitive

Business” means any person, firm, corporation, partnership, entity or organization which is engaged in or is preparing to become engaged in the Business (defined below). Examples of a Competitive Business include, without limitation: Alight Solutions, Alliant Insurance Services, Inc., Marsh & McLennan Companies, Inc., Arthur J. Gallagher & Co., Lockton Companies, Inc., and Willis Towers Watson.

- d. Covenant Not to Solicit Clients and Prospective Clients. The Executive hereby covenants and agrees that, except with the prior written consent of the Company, he (on his own behalf or on behalf of any other person or entity) will not, during the Restricted Period, directly or indirectly, call upon, solicit, accept, engage in, service or perform, other than on behalf of the Company, any business of the same type or kind as the business performed by the Company from or with respect to (i) clients of the Company with respect to whom the Executive provided services, either alone or with others, or on whose account the Executive worked or became familiar, or supervised directly or indirectly the servicing activities related to such clients, during the twenty-four (24) months prior to the termination of the Executive's employment (the “Look Back Period”) and, further provided, such clients were clients of the Company either on the date of termination of the Executive's employment with the Company or within twelve (12) months prior to such termination date and (ii) prospective clients of the Company which the Executive alone, in combination with others, or in a supervisory capacity, solicited during the six (6) months prior to the end of the Executive's employment and to which a proposal for services was rendered by the Company during the six (6) months prior to the termination of the Executive's employment. At all times, however, Executive is prohibited from using the Company's Confidential Information or trade secret information to solicit a client of the Company on behalf of a Competitive Business. “Solicit”, for the purposes of this Agreement, is understood to include any knowing direct or indirect interaction between Executive and another person or entity that takes place in an effort to develop or further a business relationship, irrespective of which party first initiates contact, and expressly includes notifying a client that Executive has left Company's employ to go to a Competitive Business; provided, however, that general postings, such as an update to a LinkedIn profile, a statement on a social media site, a posting on a website of a new employer or a press release issued by a new employer, are not considered “notifying a client that Executive has left Company's employ to go to a Competitive Business.”
- e. Covenant Not to Solicit Referral Sources. The Executive hereby covenants and agrees that, except with the prior written consent of Aon, the Executive (on the Executive's own behalf or on behalf of any other person or entity) will not, during the Restricted Period, directly or indirectly, call upon or solicit a Referral Source, other than on behalf of Aon, for the purpose of securing referrals for business of the same type or kind as the business performed by Aon for the clients sourced to Aon from the Referral Source. “Referral Source” means (i) each and every entity from whom Aon has received referrals with regard to its products and services at any time during the Look Back Period, and about whom Executive had gained Confidential Information or with whom Executive had personal contact during the Look Back Period; and (ii) each and every entity that

is a source of referrals for business for Aon and to whom Executive submitted or assisted in a proposal for referral services, or otherwise solicited or assisted in the solicitation of referrals from such entity, at any time during the Look Back Period.

- f. Covenant Not to Solicit Employees. During the Restricted Period, the Executive will not directly or indirectly solicit, hire or assist with hiring, or retain any of Company's employees to work for or perform services on behalf of himself or any other party, nor shall Executive solicit, induce or encourage any of Company's employee(s) to terminate their employment with Company or cooperate with any others in doing or attempting to do so. As used herein, the term "solicit, induce or encourage" includes, but is not limited to, (i) initiating or continuing communications with a Company employee relating to possible employment, (ii) offering bonuses or additional compensation to encourage Company employees to terminate their employment with Company, or (iii) referring Company's employees to personnel or agents of others for purposes of employment. Executive understands that this non-solicitation obligation is limited to employees who the Executive worked with, supervised, had knowledge of through his employment or was provided Confidential Information about in the last twenty-four months of his employment.
- g. Other Restrictive Covenants. Notwithstanding any other language in the Agreement, this Agreement does not preclude the enforceability of any restrictive covenant provision contained in any prior or subsequent agreement entered into by the Executive (any such covenant, an "Other Covenant"). Further, no Other Covenant precludes the enforceability of any provision contained in this Agreement. No subsequent agreement entered into by the Executive may amend, supersede, or override the covenants contained herein unless such subsequent agreement specifically references Section 6 of this Agreement. The Executive further acknowledges and agrees that, in addition to the provisions of this Section 6, he remains subject to certain restrictive covenants by virtue of his receipt of certain stock benefits under the 2011 Incentive Plan. Nothing in this Agreement limits or reduces any common law or statutory duty Executive owes to the Company, nor does this Agreement limit or eliminate any remedies available to the Company for a violation of such duties.
- h. Acknowledgments. Aon and the Executive acknowledge and agree that the covenants contained in subsections of this Section are necessary and reasonable for the protection of Aon and are reasonably limited with respect to the activities prohibited, duration, geographical scope and their effect on the Executive and the public. The parties acknowledge that the purpose and effect of the covenants simply are to protect Aon for a limited period of time from unfair competition by the Executive.

The Executive acknowledges that there is no general geographical restriction contained in the preceding paragraphs because the restrictions apply only to the specified clients of Aon and because the Executive's material duties, responsibilities and relationships with Aon clients, prospective clients and employees are not limited to any particular geographic area. Nonetheless, the

non-solicitation obligations are understood to be inherently and reasonably limited by geography to those locations and/or places of business where the Client or employee is located and available for solicitation.

- i. Inventions. The Executive hereby assigns to the Company the Executive's entire right, title and interest in and to all discoveries and improvements, patentable or otherwise, trade secrets and ideas, writings and copyrightable material, which may be conceived by the Executive or developed or acquired by the Executive during the Executive's employment and which may pertain directly or indirectly to the business of the Company or any of its subsidiaries or affiliates, and which the Executive hereby agrees is work for hire performed in the scope of the Executive's employment. The Executive agrees to disclose fully all such developments to the Company upon its request, which disclosure will be made in writing promptly following any such request. The Executive will upon the Company's request, execute, acknowledge and deliver to the Company all instruments and do all other acts which are necessary or desirable to enable the Company or any of its subsidiaries or affiliates to file and prosecute applications for, and to acquire, maintain and enforce, all patents, trademarks, and copyrights in all countries. The Executive acknowledges and agrees that the Executive hereby is and has been notified by the Company, and understands, that the foregoing provisions of this Section 6(e) do not apply to an invention for which no equipment, supplies, facilities or trade secret information of the Company or any of its parent companies, subsidiaries or other affiliates was used and which was developed entirely on the Executive's own time, unless: (i) the invention relates (x) to the business of the Company or any of its subsidiaries or other affiliates or (y) to the Company's or any of its subsidiaries' or other affiliates' actual or demonstrably anticipated research and development, or (ii) the invention results from any work performed by the Executive for the Company or any of its subsidiaries or other affiliates.

- j. Exceptions. Nothing in this Section 6 will prohibit the Executive from being (i) a stockholder in a mutual fund or a diversified investment company; (ii) a passive owner of not more than two percent of the outstanding stock of any class of a corporation, any securities of which are publicly traded, so long as the Executive has no active participation in the business of such corporation; and (iii) a member of boards of directors of public for-profit companies or non-profit organizations that are not engaged in the Company's Business, as that term is defined in the Leadership Performance Program awards under the 2011 Incentive Plan. For the avoidance of doubt, under that definition, "Business" shall mean the business of providing conventional and alternative risk management products and services covering the business of insurance brokerage, reinsurance brokerage, benefits consulting, compensation consulting, human resources consulting, human resources and benefits outsourcing management, retirement consulting, investment consulting, investigatory and security consulting, managing underwriting and related services, including accounting, actuarial, claims management and handling, and information systems on behalf of commercial and individual clients which are national and international and are not confined to any geographic area.

- k. Reformation. If, at any time of enforcement of this Section 6, a court holds that the restrictions stated herein are unreasonable under circumstances then existing, the parties hereto agree that the maximum period, scope, or geographical area reasonable under such circumstances will be substituted for the stated period, scope or area and that the court will be allowed to revise the restrictions contained herein to cover the maximum period, scope, and area permitted by law. This Agreement will not authorize a court to increase or broaden any of the restrictions of this Section 6.
- l. Consideration; Breach. The Company and the Executive agree that the payments to be made by the Company to the Executive pursuant to Section 2 hereof will be made and provided expressly in consideration of the Executive's agreements contained in, and continued compliance with, this Section 6. The Executive acknowledges and agrees that the Company would not have agreed to provide any of the payments in Section 2 but for the Executive's promises in this Section 6. In the event that the Executive has committed a material breach of any provision of this Section 6, on written notice to the Executive setting forth the basis for such determination, such notice provided to the Executive 21 days in advance of any action pursuant to this Section 6(j) or within seven days of the Company becoming aware of the action constituting a material breach, whichever is later, without limiting or otherwise affecting any other available remedy to the Company or any of its subsidiaries or affiliates, the Company will be entitled, subject to the duty of good faith, immediately to terminate making all remaining payments pursuant to Section 2 hereof, and upon such termination the Company will have no further liability to the Executive under this Agreement; provided, however, that if a court of law determines that no such material breach occurred, the Company then will be obligated to make such payments in a timely manner together with interest compounded monthly at the prime rate (as published in The Wall Street Journal online) as in effect from time to time commencing on the date such payments cease. The Executive further acknowledges and agrees that a material breach by him of any provision of Section 6 of this Agreement will result in immediate and irreparable harm to the Company and any of its subsidiaries or affiliates for which full damages cannot readily be calculated and for which damages are an inadequate remedy. Accordingly, the Executive agrees that the Company and its affiliates shall be entitled to injunctive relief to prevent any such actual or threatened breach or any continuing breach by the Executive (without posting a bond or other security), without limiting any other remedies that may be available to them. In the event that the Company brings an action to enforce the terms and conditions of Section 6 of the Agreement, the Executive shall pay the costs and expenses incurred by Aon in bringing such action, including without limitation attorneys' and other legal fees; provided however, if applicable law requires the provision regarding attorneys' fees and costs be interpreted as reciprocal, it shall be modified such that all parties bear their own attorneys' fees and costs. If the Executive violates one of the post-employment restrictions in this Agreement on which there is a specific time limitation, the time period for that restriction will be extended by one day for each day the Executive violates it, up to a maximum extension equal to the time period originally prescribed for the restrictions up to a maximum extension of one year,

so as to give the Company the full benefit of the bargained-for length of forbearance.

- m. Return of Property. Upon the Separation Date or upon the Company's request (whichever is earlier), the Executive will promptly return to the Company all Confidential Information and all materials and all copies or tangible embodiments of materials involving Confidential Information, and all other Aon property, in the Executive's possession or control, except as otherwise provided by law or in Section 10 below. Notwithstanding the foregoing, Executive shall retain his mobile phone, mobile phone number, and laptop, subject to satisfaction of necessary security protocols. The Company agrees that Executive may work with its Information Technology staff to ensure, to the extent feasible, that he is provided copies of his personal contacts and emails from his devices. The Executive agrees to represent in writing to Aon upon termination of employment that Executive has complied with the provisions of this Section 6.

- 7. Mergers and Consolidations; Assignability. The rights and obligations under this Agreement will inure to the benefit of and be binding upon the Company and its successors and assigns so long as any assignee, successor, or transferee of the Company has provided an express written and unconditional assumption of the Company's obligations under this Agreement. This Agreement will not be assignable by the Executive, but in the event of the Executive's death it will be binding upon and inure to the benefit of the Executive's legal representatives to the extent required to effectuate its terms. In the event of the Executive's death after terminating employment and before all payments and benefits otherwise due to him had been paid to him (had he not died), such amounts will be paid to the Executive's designated beneficiary (per a written designation signed by the Executive and received by the Company prior to the Executive's death), or, if none, the Executive's surviving spouse, or, if none, the Executive's estate (as applicable, the "Beneficiary").

- 8. Release.
 - i. For and in consideration of the payments and benefits provided, or to be provided, to the Executive under this Agreement, the Executive, and anyone claiming through him or on his behalf, hereby waives and releases the Released Parties (as defined below) with respect to any and all claims, whether currently known or unknown, that the Executive now has or ever has had against a Released Party arising from or related to any act, omission, or thing occurring or existing at any time prior to or on the date on which the Executive signs this Agreement, except as otherwise expressly provided in this Agreement. "Released Parties" include (A) the Company and its past, present, and future parents, divisions, subsidiaries, partnerships, affiliates, and other related entities, (B) each of the foregoing entities' and persons' past, present, and future owners, trustees, fiduciaries, administrators, shareholders, directors, officers, partners, members, associates, agents, executives, employees, and attorneys, and (C) the predecessors, successors and assigns of each of the foregoing persons and entities. Without limiting the generality of the foregoing, the claims waived and released by the Executive hereunder include, but are not limited to:

- a. All claims arising out of or related in any way to his employment, compensation, other terms and conditions of employment, or termination from employment, including, without limitation, claims with respect to any advance notice of termination and claims arising out of the Prior Agreements or any other employment agreements, incentive plans, severance plans or policies, stock plans or policies, or any other employee benefit plans;
 - b. All claims that were or could have been asserted by the Executive or on his behalf: (A) in any federal, state, or local court, commission, or agency; or (B) under any common law theory (including without limitation all claims for breach of contract (oral, written or implied), wrongful termination, defamation, invasion of privacy, infliction of emotional distress, tortious interference, fraud, estoppel, unjust enrichment, and any other contract, tort or other common law claim of any kind); and
 - c. All claims that were or could have been asserted by the Executive or on his behalf under: (A) the Age Discrimination in Employment Act (the "ADEA") and the Older Workers Benefit Protection Act (the "OWBPA"); and (B) any other federal, state, local, employment, services or other law, regulation, ordinance, constitutional provision, executive order or other source of law, including without limitation under any of the following laws, as amended from time to time: Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 1981 & 1981a, the Americans with Disabilities Act, the Equal Pay Act, Employee Retirement Income Security Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act and all applicable state, county or other local fair employment laws.
- ii. Exceptions. Notwithstanding the foregoing, the releases and waivers in this Agreement shall not apply to any claim: (i) for unemployment or workers' compensation; (ii) for vested benefits under any employee benefit plan; (iii) that by law is non-waivable; (iv) for the Transition Bonus or any other payments or benefits set forth in this Agreement; (v) as a stockholder of Aon plc; or (vi) for indemnification pursuant to Section 3(f) of this Agreement or applicable law and for coverage as an insured under directors and officers liability insurance.
- iii. No Further Obligations; Additional Representations. In the event of any further proceedings based upon any released matter, Aon shall have no further monetary or other obligation of any kind to the Executive, and the Executive hereby waives any such monetary or other recovery (provided that nothing limits the Executive's rights under Section 10 below). The Executive represents and warrants that: (i) there has not been filed by the Executive or on the Executive's behalf any legal or other proceedings against any of the Released Parties (provided, however, that the Executive need not disclose to the Company, and the foregoing representation and warranty in this subpart do not apply to, conduct or matters described in Section 10 below); (ii) the Executive is the sole owner of the claims that are released in this Section 8; (iii) none of these claims has been transferred or assigned or caused to be transferred or assigned to any other person, firm or

other legal entity; and (iv) the Executive has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Agreement.

- iv. Specific Rights Under OWBPA. The Executive understands and agrees that: (A) this is the full and final release of all claims against the Company and the other Released Parties through the date he signs this Agreement; (B) the Executive knowingly and voluntarily releases claims hereunder for valuable consideration; (C) the Executive hereby is and has been advised of his right to have his attorney review this Agreement before signing it; (D) the Executive has twenty-one (21) days to consider whether to sign this Agreement; and (E) the Executive may, at his sole option, revoke this Agreement upon written notice within seven (7) days after signing it. This Agreement will not become effective until this seven (7) day period has expired and will be void if he revokes it within such period. Although the Executive is releasing claims that he may have under the ADEA and the OWBPA, he understands that he may challenge the knowing and voluntary nature of this Agreement under the OWBPA and the ADEA before a court, the EEOC, the NLRB, or any other federal state or local agency charged with the enforcement of any employment laws.

9. Future Conduct.

- a. Each of the Executive and the Company agree that the Executive, on the one hand, and the Company (through any authorized public statement), on the other, shall refrain from all conduct, verbal or otherwise, that disparages or damages the reputation, goodwill, or standing in the community of the other such party or, with respect to the Executive's conduct any of the other Released Parties, provided that nothing herein shall prohibit the Executive from exercising his rights detailed in Section 10 or prohibit either party from giving truthful testimony or evidence to a governmental entity, or if properly subpoenaed or otherwise required to do so under applicable law.
- b. The Executive agrees that, as of the Separation Date, he will have no present or future right to employment with the Company or any of the other Released Parties and will not apply for employment with any of them.
- c. Subject to and except as otherwise provided in Section 10 of this Agreement: (i) the Executive shall cooperate fully with the Company and the other Released Parties in transitioning his responsibilities as requested by the Company; (ii) the Executive agrees, subject to the advice of legal counsel, to voluntarily make himself available to the Company and its legal counsel, at the Company's request without the necessity of obtaining a subpoena or court order, in the Company's investigation, preparation, prosecution and/or defense of any actual or potential legal proceeding, regulatory action, or internal matter; and (iii) subject to the advice of legal counsel, the Executive agrees to provide any information reasonably within the Executive's recollection. The Executive's obligation to cooperate hereunder shall include, without limitation, meeting and conferring with such persons at such times and in such places as the Company and the other Released Parties may reasonably require and not unreasonably interfering with the Executive's other professional endeavors, and giving truthful evidence and truthful testimony and executing and delivering to the Company and any of the

other Released Parties any truthful papers reasonably requested by any of them. Notwithstanding anything to the contrary in Section 2(d) of this Agreement, the Executive shall be reimbursed for reasonable out-of-pocket expenses, including attorney's fees, that he incurs in rendering cooperation during the Transition Period or after the Separation Date pursuant to this Section 9.

10. Protected Rights. Nothing in this Agreement is intended to limit in any way the Executive's right or ability to report possible violations of law or regulation to, or file a charge or complaint with, the U.S. Securities and Exchange Commission, the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, or other federal, state or local agencies or commissions (collectively, "Government Agencies"). The Executive further understands that nothing in this Agreement limits the Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agencies, including providing documents or other information, without notice to the Company. Nothing in this Agreement shall limit the Executive's ability under applicable United States federal law to (i) disclose in confidence trade secrets to federal, state, and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or (ii) disclose trade secrets in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Federal law also provides that an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding if the individual files any document containing the trade secret under seal and does not disclose the trade secret except as permitted by court order.
11. Miscellaneous.
 - a. Integration; Amendment; Counterparts. Except as is otherwise provided herein, this Agreement contains all of the terms and conditions agreed upon by the parties relating to the subject matter of this Agreement and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties, whether oral or written, respecting the subject matter of this Agreement. This Agreement may not be amended, altered, or modified without the prior written consent of both parties and such instrument must acknowledge that it is an amendment or modification of this Agreement. Counterpart signature pages to this Agreement transmitted by facsimile transmission, by electronic mail in portable document format (.pdf), or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document (such as DocuSign or AdobeSign), will have the same effect as physical delivery of the paper document bearing an original signature.
 - b. Waiver. Waiver of any term or condition of this Agreement by any party will not be construed as a waiver of a subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. Any waiver must be in writing.

- c. Captions. The captions in this Agreement are not part of its provisions, are merely for reference and have no force or effect. If any caption is inconsistent with any provision of this Agreement, such provision will govern.
- d. Governing Law. The validity, interpretation, construction, performance, enforcement and remedies of, or relating to, this Agreement, and the rights and obligations of the parties hereunder, will be governed by and construed in accordance with the substantive laws of the State of Illinois, without regard to the conflict of law principles, rules or statutes of any jurisdiction. The parties hereby irrevocably consent to, and agree not to object or assert any defense or challenge to, the jurisdiction and venue of the federal and state courts located in Chicago, Illinois, and agree that any claim which may be brought in a court of law or equity may be brought in any such Chicago, Illinois court.
- e. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held by a court of competent jurisdiction to be prohibited or unenforceable for any reason, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of this Agreement.
- f. Notice. All notices given hereunder will be in writing and will be sent by registered or certified mail or delivered by hand and, if intended for the Company, will be addressed to it or delivered to it at its principal office for the attention of the General Counsel. If intended for the Executive, notices will be delivered personally or will be addressed (if sent by mail) to the Executive's then current residence address as shown on the Company's records, or to such other address as the Executive directs in a notice to the Company. All notices will be deemed to be given on the date received at the address of the addressee or, if delivered personally, on the date delivered.
- g. Code Section 409A. The parties intend that this Agreement and the benefits provided hereunder be interpreted and construed to comply with or be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and all regulatory and interpretative guidance issued thereunder ("Code Section 409A") to the extent applicable thereto. The time and form of payment of incentive compensation, disability benefits, severance payments, expense reimbursements and payments of in-kind benefits described herein will be made in accordance with the applicable sections of this Agreement, provided that with respect to termination of employment for reasons other than death, the payment at such time can be characterized as a "short-term deferral" for purposes of Code Section 409A or as otherwise exempt from the provisions of Code Section 409A, or if any portion of the payment cannot be so characterized, and the Executive is a "specified employee" under Code Section 409A, such portion of the payment will be delayed until the earlier to occur of the Executive's death or the date that is six months and one day following the Executive's termination of employment (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this section will be paid or reimbursed to the Executive in a lump sum, and any remaining payments due under this Agreement

will be payable at the same time and in the same form as such amounts would have been paid. Further, if the Executive is a "specified employee" and if any equity-based awards granted to the Executive by the Company, pursuant to this Agreement or otherwise, continue to vest upon the Executive's termination of employment, and are deemed a "deferral of compensation" (as such term is described under Code Section 409A), the equity-based awards will not be settled or released until the expiration of the Delay Period. For purposes of applying the provisions of Code Section 409A, each separately identifiable amount to which the Executive is entitled will be treated as a separate payment. The time or schedule of any payment or amount scheduled to be paid pursuant to the terms of this Agreement, including but not limited to any restricted stock unit or other equity-based award, payment or amount that provides for the "deferral of compensation" (as such term is described under Code Section 409A), may not be accelerated except as otherwise permitted under Code Section 409A and the guidance and Treasury regulations issued thereunder.

Reimbursements that are exempt or may be excluded from Section 409A shall be excluded from Section 409A to the maximum extent possible. All other reimbursements provided under this Agreement shall be made or provided in accordance with the requirements of Code Section 409A, including, where applicable, the requirement that (A) any reimbursement is for expenses actually incurred during the Executive's lifetime (or during a shorter period of time specified in this Agreement), (B) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (C) the reimbursement of an eligible expense will be made on or before the last day of the taxable year following the year in which the expense is incurred, and (D) the right to reimbursement is not subject to liquidation or exchange for another benefit.

For purposes of this Agreement, the terms "retirement," "termination of employment," "terminated," "termination," "this Agreement will be terminated" and variations thereof, as used in this Agreement, are intended to mean a termination of employment that constitutes a "separation from service" under Code Section 409A.

If the sixty (60)-day period following a "separation from service" begins in one calendar year and ends in a second calendar year (a "Crossover 60-Day Period") and if there are payments due the Executive that are subject to Code Section 409A (and not exempt from Code Section 409A) that are: (i) conditioned on the Executive signing and not revoking a release of claims and (ii) otherwise due to be paid during the portion of the Crossover 60-Day Period that falls within the first year, then such payments will be delayed and paid in a lump sum during the portion of the Crossover 60-Day Period that falls within the second year.

Although the Company intends to administer the Agreement so that it will comply with the requirements of Code Section 409A, the Company does not represent or warrant that the Agreement will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its subsidiaries, nor their respective directors, officers, Executives or

advisers will be liable to the Executive (or any other individual claiming a benefit through the Executive) for any tax, interest, or penalties the Executive may owe as a result of compensation paid under the Agreement, and the Company and its subsidiaries will have no obligation to indemnify or otherwise protect the Executive from the obligation to pay any taxes pursuant to Code Section 409A.

The provisions of this Agreement will be construed in a manner in favor of complying with any applicable requirements of Code Section 409A to avoid taxation under Code Section 409A. If any compensation or benefits provided by this Agreement result in the application of Code Section 409A, the Company will modify this Agreement in the least restrictive manner necessary in order to comply with the provisions of Code Section 409A, other applicable provisions of the Code and/or any rules, regulations or other regulatory guidance issued under such statutory provisions and, in each case, without material diminution in the value of the payments or benefits to the Executive.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement and intend to be bound by its terms.

AON CORPORATION

By: /s/ Julie Cho
Printed Name: Julie Cho
Its: Vice President and Secretary
Date: April 27, 2021

I have read the above Agreement and understand and agree to be bound by its terms.

By: /s/ John Bruno
John Bruno
Date: April 27, 2021

EXHIBIT A

GENERAL RELEASE OF CLAIMS

This General Release of Claims Agreement (this "Release") is entered into by and between Aon Corporation, a Delaware corporation (the "Company"), and John Bruno (the "Executive").

WHEREAS, the Company and the Executive previously entered into a Transition and Separation Agreement effective on April 27, 2021 (the "Separation Agreement"); and

WHEREAS, the Separation Agreement provides that a certain Transition Bonus (as defined in the Separation Agreement) and other amounts and benefits are to be paid or provided to the Executive in exchange for, and contingent upon, among other things, the Executive's execution (and non-revocation) of this Release as set forth in the Separation Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained in the Separation Agreement and herein and for other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, the parties hereby agree as follows:

1. Release. The Executive, and anyone claiming through his or on his behalf, hereby waives and releases the Released Parties (as defined below) with respect to any and all claims, whether currently known or unknown, that the Executive now has or ever has had against a Released Party arising from or related to any act, omission, or thing occurring or existing at any time prior to or on the date on which the Executive signs this Release, except as otherwise expressly provided in this Release. "Released Parties" include (A) the Company and its past, present, and future parents, divisions, subsidiaries, partnerships, affiliates, and other related entities, (B) each of the foregoing entities' and persons' past, present, and future owners, trustees, fiduciaries, administrators, shareholders, directors, officers, partners, members, associates, agents, executives, employees, and attorneys, and (C) the predecessors, successors and assigns of each of the foregoing persons and entities. Without limiting the generality of the foregoing, the claims waived and released by the Executive hereunder include, but are not limited to:
 - a. All claims arising out of or related in any way to his employment, compensation, other terms and conditions of employment, or termination from employment, including, without limitation, claims with respect to any advance notice of termination and claims arising out of the Prior Agreements (as defined in the Separation Agreement) or any employment agreements, severance plans or policies, stock plans or policies, or any other employee benefit plans;
 - b. All claims that were or could have been asserted by the Executive or on his behalf: (A) in any federal, state, or local court, commission, or agency; or (B) under any common law theory (including without limitation all claims for breach of contract (oral, written or implied), wrongful termination, defamation, invasion of privacy, infliction of emotional distress, tortious interference, fraud, estoppel, unjust enrichment, and any other contract, tort or other common law claim of any kind); and
 - c. All claims that were or could have been asserted by the Executive or on his behalf under: (A) the Age Discrimination in Employment Act (the "ADEA") and
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the Older Workers Benefit Protection Act (the "OWBPA"); and (B) any other federal, state, local, employment, services or other law, regulation, ordinance, constitutional provision, executive order or other source of law, including without limitation under any of the following laws, as amended from time to time: Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 1981 & 1981a, the Americans with Disabilities Act, the Equal Pay Act, Employee Retirement Income Security Act, the Lilly Ledbetter Fair Pay Act of 2009, the Family and Medical Leave Act, the Worker Adjustment and Retraining Notification Act and all applicable state, county or other local fair employment laws.

2. Exceptions. Notwithstanding the foregoing, the releases and waivers in this Release shall not apply to any claim: (i) for unemployment or workers' compensation, (ii) for vested benefits under any employee benefit plan, (iii) that by law is non-waivable, (iv) for the Transition Bonus or any other payments or benefits set forth in the Separation Agreement, (v) as a stockholder of Aon plc, or (vi) for indemnification pursuant to Section 3(f) of the Separation Agreement or applicable law and for coverage as an insured under directors and officers liability insurance.
3. No Further Obligations; Additional Representations. In the event of any further proceedings based upon any released matter, the Company, its affiliates, parent companies, and subsidiaries (collectively, "Aon") shall have no further monetary or other obligation of any kind to the Executive, and the Executive hereby waives any such monetary or other recovery (provided that nothing limits the Executive's rights under Section 5 below). The Executive represents and warrants that: (i) there has not been filed by the Executive or on the Executive's behalf any legal or other proceedings against any of the Released Parties (provided, however, that the Executive need not disclose to the Company, and the foregoing representation and warranty in this subpart do not apply to, conduct or matters described in Section 5 below); (ii) the Executive is the sole owner of the claims that are released in Section 1 above; (iii) none of these claims has been transferred or assigned or caused to be transferred or assigned to any other person, firm or other legal entity; and (iv) the Executive has the full right and power to grant, execute, and deliver the releases, undertakings, and agreements contained in this Release.
4. Specific Rights Under OWBPA. The Executive understands and agrees that: (A) this is the full and final release of all claims against Aon through the date he signs this Release; (B) the Executive knowingly and voluntarily releases claims hereunder for valuable consideration; (C) the Executive hereby is and has been advised of his right to have his attorney review this Release before signing it; (D) the Executive has twenty-one (21) days to consider whether to sign this Release; and (E) the Executive may, at his sole option, revoke this Release upon written notice within seven (7) days after signing it. This Release will not become effective until this seven (7) day period has expired and will be void if he revokes it within such period. Although the Executive is releasing claims that he may have under the ADEA and the OWBPA, he understands that he may challenge the knowing and voluntary nature of this Release under the OWBPA and the ADEA before a court, the EEOC, the NLRB, or any other federal state or local agency charged with the enforcement of any employment laws.
5. Protected Rights. Nothing in this Release is intended to limit in any way the Executive's right or ability to report possible violations of law or regulation to, or file a charge or

complaint with, the U.S. Securities and Exchange Commission, the U.S. Equal Employment Opportunity Commission, the National Labor Relations Board, or other federal, state or local agencies or commissions (collectively, "Government Agencies"). The Executive further understands that nothing in this Release limits the Executive's ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Release does not limit the Executive's ability to receive an award from a Government Agency for information provided by the Executive to such Government Agency.

IN WITNESS WHEREOF, the parties hereto have executed this Release and intend to be bound by its terms.

AON CORPORATION

By: _____
Printed Name:
Its:
Date:

I have read the above Release and understand and agree to be bound by its terms.

John Bruno
Date:

AON PLC
SENIOR EXECUTIVE INCENTIVE COMPENSATION PLAN
(Amended and Restated Effective January 1, 2021)

1. Overview

This Senior Executive Incentive Compensation Plan (the “Plan”) of Aon plc (the “Company”) has been adopted by the Organization and Compensation Committee (the “Committee”) of the Company’s Board of Directors as a sub-plan of the Amended and Restated Aon plc 2011 Incentive Plan, as amended from time to time (the “Stock Plan”). This amendment and restatement of the Plan is effective as of January 1, 2021 (the “Effective Date”). Capitalized terms not defined herein will have the meanings assigned to them under the Stock Plan. The Plan and all Awards issued hereunder are subject to the terms and conditions of the Stock Plan. In the event of any inconsistency between the Plan and the Stock Plan, the Stock Plan will control to the extent consistent with applicable law.

2. Performance Period

The performance period under the Plan is the calendar year (the “Plan Year”).

3. Eligibility

The Company’s Chief Executive Officer (the “CEO”) and members of the Company’s Governance & Policy Team are eligible to participate in the Plan.

4. Participation

The Committee will approve in writing, within the first 90 days of the Plan Year (unless determined otherwise by the Committee), the specific individuals eligible to participate in the Plan (the “Participants”), the Corporate Performance Metric (as defined below) and threshold level of achievement for the Plan Year, and each Participant’s Target Incentive Award (as defined below), and will communicate to each Participant the terms of the Participant’s individual award. The Participants designated by the Committee for a particular Plan Year will be eligible to receive distribution of an Award with respect to such Plan Year if they (a) are actively employed by the Company or one of its Subsidiaries as of the last day of the Plan Year, (b) are on an approved leave of absence as of the last day of the Plan Year, or (c) terminated employment during the Plan Year due to the Participant’s death or Total and Permanent Disability.

5. Performance-Based Compensation

Notwithstanding anything to the contrary herein, Awards under the Plan are intended to serve as an incentive for performance to occur over a specified period of time (the Plan Year), and will be administered by the Committee accordingly.

6. Corporate Performance Metric

Awards under the Plan will be funded contingent upon the Company’s attainment of a threshold level of achievement under the applicable Corporate Performance Metric. If the threshold level of achievement is not attained with respect to a Plan Year, no Awards will be payable under the Plan for the Plan Year. If the threshold level of achievement is attained with respect to a Plan Year, the Committee will approve funding of an incentive pool pursuant to a formula determined within the first 90 days of each Plan Year (unless determined otherwise by the Committee); provided that the CEO may elect to (a) reduce funding of the incentive pool by up to 20%, subject to the CEO’s sole discretion and without Committee consent, and (b) increase funding of the incentive pool by up to 10%, subject to Committee consent. Notwithstanding the foregoing, in no event will any individual Award to a Participant exceed 200% of the applicable Target Incentive Award.

7. Target Incentive Awards

The Committee will approve and communicate each Participant's "Target Incentive Award," formulated as a percentage of the Participant's base salary; provided that, for Participants serving on international assignments, the Committee may include the Participant's foreign service allowance in the calculation of the Target Incentive Award. Business unit, functional, and individual performance metrics may (but need not) be established and assigned weights to guide the Committee in its allocation of Awards to Participants.

8. Determination of Awards

As soon as practicable after the close of the Plan Year, the Committee will determine and certify in writing whether the threshold level of achievement of the Corporate Performance Metric has been achieved and the resulting funding of the incentive pool. To the extent the incentive pool is funded, the Awards payable to Participants will be determined in the sole discretion of the Committee taking into account, among other facts, the Participants' Target Incentive Awards and achievement against any designated metrics or goals. Awards will be paid pursuant to the terms and conditions of the Stock Plan no later than March 15 of the year following the applicable Plan Year.

9. Payout Process

Unless the Committee determines otherwise: (a) an Award up to \$100,000 in value will be distributed entirely in cash; (b) an Award exceeding \$100,000 in value will be paid 65% in cash and 35% in restricted stock units awarded pursuant to the Stock Plan, unless the Company is obligated (pursuant to a written contract or agreement entered into before the start of the Plan Year) to provide a Participant's Award fully in cash; and (c) such restricted stock units will vest in three equal installments on each of the first, second, and third anniversaries of the grant date, and will be subject to such other terms and conditions established by the Committee.

10. Administration

It is expressly understood that the Committee has the authority to administer, construe, and make all determinations necessary or appropriate to the administration of the Plan, all of which will be in the Committee's sole discretion and binding upon the Participant. The Committee has the sole discretion to set the Target Incentive Award for each Participant and to determine any final Award payment taking into account factors it selects in its sole discretion, including the duration of a Participant's employment with the Company during the Plan Year. For the avoidance of doubt, a Participant will have no right to an Award until it is paid.

11. Nominal Value

As required under the Aon Ireland Constitution and the Irish Companies Act, at the time of settlement of Shares under the Plan, such settlement will be subject to the Participant's payment of a nominal value (as determined in the sole discretion of the Company and in accordance with such law, as amended from time to time), and such obligation may be satisfied by the Participant in any manner to be established by the Company in its sole discretion.

12. General Provisions

The Plan, together with the Stock Plan, constitutes a legal document which governs all matters involved with its interpretation and administration and supersedes any writing or representation inconsistent with its terms. To the extent not preempted by federal law, the Plan will be construed in accordance with, and subject to, the laws of the state of Illinois without regard to any conflict of laws principles. Any legal action related to the Plan must be brought in a federal or state court located in Illinois. All Awards will be subject to applicable withholding taxes and other required deductions. Participants may not assign,

transfer, sell, pledge, or otherwise alienate their Award opportunities, other than by will or by the laws of descent and distribution. Any Award payable on behalf of a deceased Participant will be paid to the Participant's estate.

The Company is not required to establish a separate account or fund or to make any other segregation of its assets in connection with Awards that could become payable under the Plan.

13. Reservation and Retention of Company Rights

The selection of any individual for participation in the Plan will not give that Participant any right to be retained in the employ of the Company. No Participant will at any time have a right to be selected for participation in a future compensation program despite having been selected for participation in the Plan or a previous version of the Plan. The Committee reserves the right to amend or terminate the Plan, prospectively or retroactively, at any time and for any reason, to the extent consistent with and permitted by applicable law. Awards under the Plan are gratuitous in nature and are not intended to be part of any employment condition or contract.

14. Code Section 409A

The Company intends that the Plan and the Awards granted hereunder to U.S. participants be interpreted and construed to be exempt from, or otherwise comply with, Code Section 409A to the extent applicable thereto. Notwithstanding any provision of the Plan to the contrary, the Plan will be interpreted and construed consistent with this intent, provided that the Company will not be required to assume any increased economic burden in connection therewith. Although the Committee intends to administer the Plan so that it will comply with the applicable requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that the Plan will comply with Code Section 409A or any other provision of federal, state, local, or non-U.S. law. None of the Company, its Subsidiaries, or any of their respective directors, officers, employees, or advisers will be liable to any Participant (or any other individual claiming a benefit through any Participant) for any tax, interest, or penalties any participant may owe as a result of compensation paid under the Plan, and the Company and its Subsidiaries will have no obligation to indemnify or otherwise protect any Participant from any obligation to pay any taxes pursuant to Code Section 409A.

15. Clawback

All Awards, amounts, or benefits received or outstanding under the Plan will be subject to clawback, cancellation, recoupment, rescission, payback, repayment, reduction, or other similar action in accordance with any Company clawback or similar policy or any applicable law related to such actions. A Participant's acceptance of an Award will constitute the Participant's acknowledgement of and consent to the Company's application, implementation, and enforcement of any applicable Company clawback or similar policy that may apply to the Participant, whether adopted before or after the Effective Date, and any applicable law relating to clawback, cancellation, recoupment, rescission, payback, or reduction of compensation, and the Participant's agreement that the Company may take any actions that may be necessary to effectuate any such policy or applicable law, without further consideration or action.

16. Definitions

(a) "Code Section 409A" means Section 409A of the Internal Revenue Code of 1986 and all valid and binding regulatory or other interpretive guidance issued thereunder, in each case as amended from time to time.

(b) "Corporate Performance Metric" means a Company-wide performance metric designated by the Committee with respect to a Plan Year, which will satisfy the requirements applicable to Performance Criteria under the Stock Plan. The Committee will make appropriate adjustments to the pre-

determined Corporate Performance Metric to take into account material and/or significant items or events as publicly reported in the Company's annual Form 10-K or quarterly Form 10-Q, including the following and to the extent consistent with the Stock Plan: gain/loss on disposition of assets or business; extraordinary legal/regulatory judgments, settlements, fines, penalties, and other related expenses; extraordinary market conditions; effects of natural or man-made disasters (e.g., World Trade Center); hyperinflation (e.g., >15%); foreign exchange impact; changes in applicable laws, regulations, or accounting principles; and items that are unusual in nature and/or infrequently occurring.

(c) "Governance & Policy Team" means the management committee consisting of the Company's most senior executive officers, as designated by the CEO from time to time.

(d) "Total and Permanent Disability" means (i) for U.S. employees, entitlement to long-term disability benefits under the Company's program as amended from time to time, and (ii) for non-U.S. employees, as established by applicable Company policy or as required by local law or regulations.

AON PLC

LEADERSHIP PERFORMANCE PROGRAM

As Amended and Restated Effective January 1, 2021

1. Overview

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

2. Performance Cycle

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

3. Eligibility

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

4. Participation

The Committee will approve in writing the specific individuals eligible to participate in the Program (the "Participants"), each Participant's Award (denominated as described below), the Target Earnings Per Share (as defined below), the Threshold Earnings Per Share (as defined below), and the Payout Scale (as defined below). [Participants approved by the Committee shall be eligible to participate in the full Performance Cycle, retroactive to the first day of the Performance Cycle.] A change in a Participant's position or role during the Performance Cycle shall not affect the terms of any outstanding Award held by the Participant, subject to the Participant's continued employment with the Company.

5. Performance Share Units

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

6. Rules Applicable to Performance Share Units

- (a) To the extent earned, the Performance Share Units will vest as of the date the Committee determines and certifies in writing whether and to what extent the applicable performance criteria have been achieved and the resulting payout (the "Settlement Date"), which shall occur as soon as administratively practicable following the end of the Performance Cycle.
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- (b) The number of Ordinary Shares into which the Performance Share Units settle upon vesting of such Performance Share Units (i) will be determined based on the Company's actual cumulative Adjusted Earnings Per Share during the Performance Cycle, as compared to the Target Earnings Per Share, and (ii) will range from 0% to 200% of the target number of Performance Share Units awarded, as set forth in the Payout Scale.
- (c) The Performance Share Units will settle into Ordinary Shares during the calendar year immediately following the end of the Performance Cycle.
- (d) The Company shall have the right to satisfy all federal, state and local withholding tax requirements with respect to a settled Award by withholding Ordinary Shares equivalent in value to the amount of the required withholding (based on the Fair Market Value of an Ordinary Share on the Settlement Date).
- (e) The Performance Share Units are not transferable and may not be sold, assigned, pledged, hypothecated or otherwise encumbered.
- (f) Until the Settlement Date, the Participant will not be treated as a shareholder as to those Ordinary Shares relating to the Performance Share Units. No cash payments will be provided for dividend equivalents or other distributions.
- (g) Each Award will be evidenced by a Performance Award Certificate (the "Certificate") issued to the Participant. The Certificate, inclusive of its appendices, will set forth the target number of Performance Share Units granted to the Participant, among other terms and conditions. The Participant must sign and return to the Company the Certificate to indicate that he or she agrees to be bound by the provisions of the Program, including any restrictive covenants set forth in the Certificate. Failure to return a signed Certificate to the Company will result in forfeiture of the Performance Share Units.
- (h) Notwithstanding anything herein to the contrary, if a Participant's employment with the Company terminates before the last day of the Performance Cycle, the following rules will apply to the vesting and settlement of the Performance Share Units, unless determined otherwise by the Committee:

Termination Event	Impact on Performance Share Units
Retirement (solely for Participants whose principal place of work is outside the EU or UK)	The Participant will vest in a fraction (determined based on the number of full calendar quarters completed in the Performance Cycle as of the Participant's termination date, as compared to the total number of calendar quarters in the Performance Cycle) of the Performance Share Units that would have vested and settled following the end of the Performance Cycle based on actual cumulative Adjusted EPS achieved during the Performance Cycle determined in accordance with the Payout Scale, as follows:
Termination by Company without Cause	$\left(\frac{\text{Number of completed calendar quarters as of term date}}{(12)} \right) \times \text{Applicable Percentage} \times \text{Award}$
Termination by Participant for Good Reason	To the extent earned, Performance Share Units will be settled in Ordinary Shares in accordance with Section 6(c) above.

Death or Total and Permanent Disability	<p>If the Participant's death or Total and Permanent Disability occurs in the first or second calendar years of the Performance Cycle, the Participant (or the Participant's estate) will vest in the target number of Performance Share Units, which will be settled in Ordinary Shares as soon as administratively feasible following such death or Total and Permanent Disability.</p> <p>If the Participant's death or Total Permanent Disability occurs in the third calendar year of the Performance Cycle, the Participant (or the Participant's estate) will vest in the target number of Performance Share Units or, if greater, the number of Performance Share Units earned based on actual cumulative Adjusted EPS during the Performance Cycle, determined in accordance with the Payout Scale.</p> <p>Performance Share Units will be settled in Ordinary Shares in accordance with Section 6(c) above.</p>
Voluntary Resignation (other than for Good Reason)	Performance Share Units will be forfeited in their entirety.
Termination by Company for Cause	Performance Share Units will be forfeited in their entirety.
Certain Terminations Following a Change in Control	<p>Following a Change in Control, the Performance Share Units will be subject to the following rules:</p> <p>(i) If the Participant's employment is terminated by the Company without Cause or by the Participant for Good Reason after the Change in Control but prior to the end of the Performance Cycle, the Participant's Performance Share Units will immediately vest at the greater of the target Performance Share Units or the number of units that would have been earned based on the proportion of achievement of the Target Earnings Per Share as of the last full calendar quarter preceding or on the Participant's termination date. Performance Share Units will be settled in Ordinary Shares upon, or as soon as administratively feasible following, the Participant's termination of employment.</p> <p>(ii) If the Participant's employment is terminated by the Company for Cause, by the Participant other than for Good Reason, or by reason of the Participant's death or Total and Permanent Disability, the terms of the Program shall continue to apply to the Performance Share Units as if the Change in Control had not occurred.</p> <p>(iii) If the Company is not the ultimate parent entity following the Change in Control, then all Performance Share Units will be converted into rights to acquire shares of the ultimate parent entity in accordance with Section 5.2 of the Stock Plan, and performance measures will be based on performance of the ultimate parent company (subject to adjustment in accordance with Section 5.2 of the Stock Plan), and not the Company.</p>

- (i) Notwithstanding the foregoing, in the event an individual employment agreement or other binding individual written arrangement between a Participant and the Company provides for more favorable vesting of Performance Share Units upon termination of employment or includes restrictive covenants specifically intended to apply to Awards under the Program, the provisions
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of such employment agreement or binding written arrangement will control if such provisions are approved by the Committee on or before the Grant Date.

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

7. Performance Measure for Performance Share Units

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

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

8. Adjustments to Performance Measures or Results

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

9. Nominal Value

As required under the Aon Ireland Constitution and the Irish Companies Act, at the time of settlement of Ordinary Shares under this Program, the settlement of Ordinary Shares shall be subject to the Participant's payment of a nominal value (as determined in the sole discretion of the Company and in

accordance with such law, as amended from time to time), and such obligation may be satisfied by the Participant in any manner to be established by the Company in its sole discretion.

10. Restrictive Covenants

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

11. Administration

It is expressly understood by the Participant that the Committee has the discretionary authority to administer, construe, and make all determinations necessary or appropriate to the administration of the Program, all of which will be binding upon the Participant. The Committee may delegate its authority to one or more of its members, or to one or more members of the Company's senior management team, to offer participation in this Program to eligible individuals. The Company shall, as necessary, adopt conforming amendments to this Program as are necessary to comply with applicable law.

12. General Provisions

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

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

13. Reservation and Retention of Company Rights

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

14. Code Section 409A

The Company intends that this Program and the Awards granted hereunder to U.S. participants be interpreted and construed to be exempt from, or otherwise comply with, Code Section 409A to the extent applicable thereto. Notwithstanding any provision of the Program to the contrary, the Program shall be interpreted and construed consistent with this intent, provided that the Company shall not be required to assume any increased economic burden in connection therewith. With respect to any payment subject to Code Section 409A that is triggered by a "specified employee's" "separation from service" under Code Section 409A (as such terms are defined under Code Section 409A), such payment shall be delayed until the earlier to occur of the Participant's death or the date that is six months and one day following the Participant's termination of employment (the "Delay Period"). Upon the expiration of the Delay Period, all payments delayed pursuant to this section shall be paid to the Participant. For purposes of the Program, the terms "retirement," "termination of employment," "terminated," "termination," and variations thereof, as used in this Program, shall mean a "separation from service" under Code Section 409A. The time or schedule of any payout of Ordinary Shares pursuant to Performance Share Units may not be accelerated for U.S. participants except as otherwise permitted under Code Section 409A. Although the Committee intends to administer the Program so that it will comply with the applicable requirements of Code Section 409A, neither the Company nor the Committee represents or warrants that

the Program will comply with Code Section 409A or any other provision of federal, state, local, or non-United States law. Neither the Company, its Subsidiaries, nor their respective directors, officers, employees or advisers shall be liable to any Participant (or any other individual claiming a benefit through any Participant) for any tax, interest, or penalties any participant may owe as a result of compensation paid under the Program, and the Company and its subsidiaries shall have no obligation to indemnify or otherwise protect the Participant from the obligation to pay any taxes pursuant to Code Section 409A.

15. Definitions

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

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

I, Christa Davies, the Chief Financial Officer of Aon plc (the "*Company*"), certify that (i) the Quarterly Report on Form 10-Q of the Company for the quarter ended March 31, 2021 (the "*Report*") fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ CHRISTA DAVIES

Christa Davies
Chief Financial Officer
April 30, 2021