COMPANY REGISTRATION NUMBER 07876075

Aon plc

Annual Report and Accounts

For the year ended December 31, 2015

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STRATEGIC REPORT

Strategy and Business Model

OVERVIEW

Aon plc's strategy is to be the preeminent professional service firm in the world, focused on the topics of risk and people. Aon plc (which may be referred to as "Aon," "the Company," "we," "us," or "our") is the leading global provider of risk management services, insurance and reinsurance brokerage, and human resource consulting and outsourcing, delivering distinctive client value via innovative and effective risk management and workforce productivity solutions. Our predecessor, Aon Corporation, was incorporated in 1979 under the laws of Delaware. In 2012, we reincorporated in the U.K. and moved our corporate headquarters to London. The Company's registered office is located at the Aon Centre, 122 Leadenhall Street, London, England. As a result of this reorganization of our corporate structure, Aon plc became the publicly-held parent company of the Aon group. We sometimes refer to this transaction herein as the Redomestication.

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

We serve clients through the following reportable segments:

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

- **HR Solutions** partners with organizations to solve their most complex human capital and related financial challenges in the areas of health, retirement and talent. We are dedicated to improving business performance and our client's employees, experience by designing, implementing, communicating and administering a wide range of human capital, retirement, investment consulting, health care, compensation and talent management strategies.

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

We have continued to focus our portfolio on higher margin, capital light professional services businesses that have high recurring revenue streams and strong cash flow generation. Aon drives its capital allocation decision making process around return on invested capital ("ROIC").

In 2015, 64% of our consolidated total revenues were in Risk Solutions and 37% of our consolidated total revenues were in HR Solutions, before intersegment eliminations.

BUSINESS SEGMENTS

Risk Solutions

The Risk Solutions segment generated approximately 64% of our consolidated total revenues in 2015, and has approximately 32,000 employees worldwide. We provide risk and insurance, as well as reinsurance, brokerage and related services in this segment.

Principal Products and Services

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

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

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

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

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

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

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

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

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

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

We also provide actuarial, enterprise risk management, catastrophe management and rating agency advisory services. We have developed tools and models that help our clients understand the financial implications of natural and man-made catastrophes around the world. Aon Securities Inc. provides global capital management transaction and advisory services for insurance and reinsurance clients. In this capacity, Aon Securities Inc. is recognized as a leader in:

- the structuring, underwriting and trading of insurance-linked securities;
- the arrangement of financing for insurance and reinsurance companies, including Lloyd's syndicates; and
- providing advice on strategic and capital alternatives, including mergers and acquisitions.

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

Revenue and Compensation

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

Fiduciary Funds

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

Competition

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

Seasonality

Our Risk Solutions segment typically experiences higher revenues in the first and fourth quarters of each year, primarily due to the timing of policy renewals.

HR Solutions

Our HR Solutions segment generated approximately 37% of our consolidated total revenues in 2015, and has approximately 31,000 employees worldwide with operations in the U.S., Canada, the U.K., Europe, and the Asia Pacific regions.

Principal Products and Services

We provide products and services in this segment primarily under the Aon Hewitt brand.

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

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

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

Retirement specializes in providing global actuarial services, defined contribution consulting, pension de-risking, tax and ERISA consulting, and pension administration.

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

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

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

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

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

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

Revenue and Compensation

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

Competition

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

Seasonality

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

Licensing and Regulation

Our business activities are subject to licensing requirements and extensive regulation under the laws of countries in which we operate, as well as U.S. federal and state laws. See the discussion contained in the "Risk Factors" section within this Strategic Report for information regarding how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have an adverse effect on our business.

Risk Solutions

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

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

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

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

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

HR Solutions

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

Clientele

Our clients operate in many businesses and industries throughout the world. No one client accounted for more than 1% of our consolidated total revenues in 2015. Additionally, we place insurance with many insurance carriers, none of which individually accounted for more than 10% of the total premiums we placed on behalf of our clients in 2015.

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

Financial information relating to the types of services provided by us and the geographic areas of our operations is incorporated herein by reference to Note 15 "Segment Information" of the Notes to Consolidated Financial Statements in this report.

Employees

At December 31, 2015, we employed approximately 69,000 employees.

Information Concerning Forward-Looking Statements

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

- general economic and political conditions in different countries in which we do business around the world;
- changes in the competitive environment;
- fluctuations in exchange and interest rates that could influence revenue and expense;
- changes in global equity and fixed income markets that could affect the return on invested assets;
- changes in the funding status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the level of our debt limiting financial flexibility;
- rating agency actions that could affect our ability to borrow funds;

- changes in estimates or assumptions on our financial statements;
- limits on our subsidiaries to make dividend and other payments to us;
- the impact of lawsuits and other contingent liabilities and loss contingencies arising from errors and omissions and other claims against us;
- the impact of, and potential challenges in complying with, legislation and regulation in the jurisdictions in which we operate, particularly given the global scope of our businesses and the possibility of conflicting regulatory requirements across jurisdictions in which we do business;
- the effect of the change in global headquarters and jurisdiction of incorporation, including differences in the anticipated benefits;
- the impact of any investigations brought by regulatory authorities in the U.S., U.K. and other countries;
- the impact of any inquiries relating to compliance with the U.S. Foreign Corrupt Practices Act and non-U.S. anti-corruption laws and with U.S. and non-U.S. trade sanctions regimes;
- failure to protect intellectual property rights or allegations that we infringe on the intellectual property rights of others;
- the effects of English law on our operating flexibility and the enforcement of judgments against us;
- the failure to retain and attract qualified personnel;
- international risks associated with our global operations;
- the effect of natural or man-made disasters;
- the potential of a system or network breach or disruption resulting in operational interruption or improper disclosure of personal data;
- our ability to develop and implement new technology;
- the damage to our reputation among clients, markets or third parties;
- the actions taken by third parties that preform aspects of our business operations and client services;
- the extent to which we manage certain risks created in connection with the various services, including fiduciary and investments and other advisory services and business process outsourcing services, among others, that we currently provide, or will provide in the future, to clients;
- our ability to grow, develop and integrate companies that it acquires or new lines of business;
- changes in commercial property and casualty markets, commercial premium rates or methods of compensation;
- changes in the health care system or our relationships with insurance carriers; and
- our ability to implement initiatives intended to yield cost savings and the ability to achieve those cost savings.

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

Principal Risks and Uncertainties

RISK FACTORS

The risk factors set forth below reflect material risks associated with existing and potential lines of business and contain "forward-looking statements" as discussed in the "Business" Section of this Strategic Report. Readers should consider them in addition to the other information contained in this report as our business, financial condition or results of operations could be adversely affected if any of these risks were to actually occur.

The following are material risks related to our businesses specifically and the industries in which we operate generally that could adversely affect our business, financial condition and results of operations and cause our actual results to differ materially from those stated in the forward-looking statements in this document and elsewhere. These risks are not presented in order of importance or probability of occurrence.

Risks Relating to the Company Generally

Competitive Risks

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

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

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

We face significant competitive pressures in each of our businesses.

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

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

Our competitors may have greater financial, technical and marketing resources, larger customer bases, greater name recognition, stronger presence in certain geographies and more established relationships with their customers and suppliers than we have. In addition, new competitors, alliances among competitors or mergers of competitors could emerge and gain significant market share, and some of our competitors may have or may develop a lower cost structure, adopt more aggressive pricing policies or provide services that gain greater market acceptance than the services that we offer or develop. Large and well-capitalized competitors may be able to respond to the need for technological changes and innovate faster, or price their services more aggressively. They may also compete for skilled professionals, finance acquisitions, fund internal growth and compete for market share more effectively than we do. To respond to increased competition and pricing pressure, we may have to lower the cost of our services or decrease the level of service provided to clients, which could have an adverse effect on our financial condition or results of operations.

Financial Risks

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

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

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

Operating funds available for corporate use were $740 million at December 31, 2015 and are reported in Cash and cash equivalents and Short-term investments. Funds held on behalf of clients and insurers were $3.4 billion at December 31, 2015 and are reported in Fiduciary assets. We also carry an investment portfolio of other long-term investments. As of December 31, 2015, these long-term investments had a carrying value of $155 million Adverse changes in interest rates and counterparty credit quality, including default, could reduce the value of these funds and investments, thereby adversely affecting our financial condition or results. We may continue to experience reduced investment earnings on our cash and short-term investments of fiduciary and operating funds if the yields on investments deemed to be low risk remain at or near their current low levels, or if negative yields on deposits or investments, as we have experienced in Japan and certain jurisdictions in the European Union, continue or arise in the jurisdictions in which we operate. On the other hand, higher interest rates could result in a higher discount rate used by investors to value our future cash flows thereby resulting in a lower valuation of the Company. In addition, during times of stress in the banking industry, counterparty risk can quickly escalate, potentially resulting in substantial losses for us as a result of our cash or other investments with such counterparties, as well as substantial losses for our clients and the insurance companies with which we work.

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

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

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

We currently plan to contribute approximately $150 million to our major pension plans in 2016, although we may elect to contribute more. Total cash contributions to these pension plans in 2015 were $194 million, which was a decrease of $122 million compared to 2014.

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

As of December 31, 2015, we had total consolidated debt outstanding of approximately $5.7 billion. The level of debt outstanding could adversely affect our financial flexibility by reducing our ability to use cash from operations for other purposes, including working capital, dividends to shareholders, share repurchases, acquisitions, capital expenditures and general corporate purposes. We also are subject to risks that, at the time any of our outstanding debt matures, we will not be able to retire or refinance the debt on terms that are acceptable to us, or at all.

As of December 31, 2015, we had two committed credit facilities outstanding: our $400 million U.S. credit facility expiring in March 2017 (the "2017 Facility") and our $900 million multi-currency U.S. credit facility expiring in February 2020 (the "2020 Facility"), which on February 2, 2015 was extended to February 2021. Each of these facilities is intended to support our commercial paper obligations and our general working capital needs. In addition, each of these facilities included customary representations, warranties and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, tested quarterly. During 2015, we had no borrowings under, and were in compliance with these financial covenants and all other covenants contained in, the 2017 Facility and 2020 Facility.

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

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

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

A downgrade in the credit ratings of our senior debt and commercial paper could increase our borrowing costs, reduce or eliminate our access to capital, reduce our financial flexibility, and limit our ability to implement on corporate strategy. Our senior debt ratings at December 31, 2015 were A- with a stable outlook (Standard & Poor's), BBB+ with a stable outlook (Fitch, Inc), and Baa2 with a stable outlook (Moody's Investor Services). Our commercial paper ratings were A-2 (S&P), F-2 (Fitch) and P-2 (Moody's). During 2014, Moody's Investor Services changed their outlook from positive to stable.

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

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

Our operations in countries undergoing political change or experiencing economic instability are subject to uncertainty and risks that could materially adversely affect our business. These risks include, particularly in emerging markets, the possibility we would be subject to undeveloped or evolving legal systems, unstable governments and economies, and potential governmental actions affecting the flow of goods, services and currency. Furthermore, seemingly nationally or regionally localized political and economic changes could have a wider, negative impact on our businesses that expands beyond our operations in the immediately affected jurisdiction. The continued concerns regarding the ability of certain European countries to service their outstanding debt have given rise to instability in the global credit and financial markets. This instability has in turn led to questions regarding the future viability of the Euro as the common currency for the area as various scenarios could result in some countries choosing to return to their former local currencies in an effort to regain control over their domestic economies and monetary policies. This uncertainty has had a dampening effect on growth potential in Europe, and if it deteriorates, may have a material negative impact on our European business as well as that of our clients. Further, any development that has the effect of devaluing or replacing the Euro could meaningfully reduce the value of our assets or profitability denominated in that currency, potentially result in charges to our statement of operations and reduce the usefulness of liquidity alternatives denominated in that currency such as our multicurrency U.S. credit facility. We also deposit some of our cash, including cash held in a fiduciary capacity, with certain European financial institutions. While we continuously monitor and manage exposures associated with those deposits, to the extent the uncertainty surrounding economic stability in Europe and the future viability of the Euro suddenly and adversely impacts those financial institutions, some or all of those cash deposits could be at risk.

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

There can be no assurance that all of the goals of our Redomestication will be achievable, particularly as the achievement of the benefits are, in many important respects, subject to factors that we do not control. These factors would include such things as the reactions of third parties with whom we enter into contracts and do business and the reactions of investors, analysts, and U.K. and U.S. taxing and other authorities.

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

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

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

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

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

We also could be subject to future audits conducted by foreign and domestic tax authorities, and the resolution of such audits could impact our tax rate in future periods, as would any reclassification or other matter (such as changes in applicable accounting rules) that increases the amounts we have provided for income taxes in our consolidated financial statements. There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in law, audits and other matters. Our inability to mitigate the negative consequences of any changes in the law, audits and other matters could cause our global tax rate to increase, our use of cash to increase and our financial condition and results of operations to suffer.

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

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

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

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

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

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

Legal and Regulatory Risks

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

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

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

In addition, we provide a variety of guarantees and indemnifications to our customers and others. The maximum potential amount of future payments represents the notional amounts that could become payable under the guarantees and indemnifications if there were a total default by the guaranteed parties, without consideration of possible recoveries under recourse provisions or other methods. Any anticipated payment amounts under guarantees and indemnifications that are deemed to be probable and reasonably estimable are included in our consolidated financial statements. These amounts may not represent actual future payments, if any, for these guarantees and indemnifications.

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

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

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

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

For example, FATCA has resulted in, and will likely continue to result in, increased compliance costs. FATCA requires certain of our subsidiaries, affiliates and other entities to obtain valid FATCA documentation from payees prior to remitting certain payments to such payees. In the event we do not obtain valid FATCA documents, we may be obliged to withhold a portion of such payments. This obligation is shared with our customers and clients who may fail to comply, in whole or in part.

In such circumstances, we may incur FATCA compliance costs including withholding taxes, interest and penalties. In addition, regulatory initiatives and changes in the regulations and guidance promulgated under FATCA may increase our costs of operations, and could adversely affect the market for our services as intermediaries, which could adversely affect our operations, results of operations and financial condition.

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

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

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

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

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

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

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

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

In addition, our businesses and operations are subject to heightened regulatory oversight and scrutiny, which may lead to additional regulatory investigations or enforcement actions. As regulators and other government agencies continue to examine the operations of the Company and its subsidiaries, there is no assurance that consent orders or other enforcement actions will not be issued by them in the future. These and other initiatives from national, state and local officials may subject the Company to judgments, settlements, fines or penalties, or cause the Company to be required to restructure its operations and activities, all of which could lead to reputational issues, or higher operational costs, thereby adversely affecting our business, financial condition or operating results.

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

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

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

As a result of increased shareholder approval requirements, we have less flexibility as an English public limited company with respect to certain aspects of capital management.

English law imposes some restrictions on certain corporate actions by which previously, as a Delaware corporation, we were not constrained. For example, English law provides that a board of directors may only allot, or issue, securities with the prior authorization of shareholders, such authorization being up to the aggregate nominal amount of shares and for a maximum period of five years, each as specified in the articles of association or relevant shareholder resolution. The current authorization is effective until the earlier of our next annual general meeting or August 31, 2016. This authorization will need to be renewed by our shareholders periodically and we intend to renew this authorization at each annual general meeting.

English law also generally provides shareholders with preemptive rights when new shares are issued for cash; however, it is possible for the articles of association, or shareholders in general meeting, to exclude preemptive rights. Such an exclusion of preemptive rights may be for a maximum period of up to five years as specified in the articles of association or relevant shareholder resolution. The current exclusion is effective until the earlier of our next annual general meeting or August 31, 2016. This exclusion would need to be renewed by our shareholders periodically and we intend to renew this exclusion at each annual general meeting.

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

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

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

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

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

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

Operational and Commercial Risks

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

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

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

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

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

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

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

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

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

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

We regularly assess and take steps to improve upon our existing business continuity plans and key management succession. However, a disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships or legal liability.

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

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

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

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

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

In many jurisdictions, including in the European Union and the United States, we are subject to laws and regulations relating to the collection, use, retention, security and transfer of this information. These laws and regulations are frequently changing and are becoming increasingly complex and sometimes conflict among the various jurisdictions and countries in which we provide services both in terms of substance and in terms of enforceability. This makes compliance challenging and expensive. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace. Further, regulatory initiatives in the area of data protection are more frequently including provisions allowing authorities to impose substantial fines and penalties, and therefore, failure to comply could also have a significant financial impact.

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

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

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

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

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

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

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

Our reputation is a key asset of the Company. We advise our clients on and provide services related to a wide range of subjects and our ability to attract and retain clients is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters or others could erode trust and confidence and damage our reputation among existing and potential clients, which could make it difficult for us to attract new clients and maintain existing ones as mentioned above. Negative public opinion could also result from actual or alleged conduct by us or those currently or formerly associated with us in any number of activities or circumstances, including operations, regulatory compliance, and the use and protection of data and systems, satisfaction of client expectations, and from actions taken by regulators or others in response to such conduct. This damage to our reputation could further affect the confidence of our clients, rating agencies, regulators, stockholders and the other parties in a wide range of transactions that are important to our business having a material adverse effect on our business, financial condition and operating results.

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

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

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

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

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

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

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

Risks relating Primarily to our Risk Solutions Segment

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

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

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

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

In addition, our increasing focus on new product offerings within the Risk Solutions space exposes us to additional risks. For example, Inpoint and GRIP are relatively new offerings, which may face challenges within the insurance industry or conversely, if successful, may face increasing pressure from competitors who develop competing offerings. As our business, like the economy as a whole, becomes more technology focused, the speed at which our products are subject to challenge or becoming outdated is consistently increasing.

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

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

Risks relating Primarily to our HR Solutions Segment

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

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

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

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

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

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

We provide our outsourcing services over long terms for variable or fixed fees that generally are less than our clients' historical costs to provide for themselves the services we contract to deliver. Also, clients' demand for cost reductions may increase over the term of the agreement. As a result, we bear the risk of increases in the cost of delivering HR outsourcing services to our clients, and our margins associated with particular contracts will depend on our ability to control our costs of performance under those contracts and meet our service commitments cost-effectively. Over time, some of our operating expenses will increase as we invest in additional infrastructure and implement new technologies to maintain our competitive position and meet our client service commitments. We must anticipate and respond to the dynamics of our industry and business by using quality systems, process management, improved asset utilization and effective supplier management tools. We must do this while continuing to grow our business so that our fixed costs are spread over an increasing revenue base. If we are not able to achieve this, our ability to sustain and increase profitability may be reduced.

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

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

Risks Related to Our Ordinary Shares

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

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

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

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

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

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

The facilities of DTC are a widely-used mechanism that allow for rapid electronic transfers of securities between the participants in the DTC system, which include many large banks and brokerage firms. We believe that prior to the merger approximately 99% of the outstanding shares of common stock of Aon Corporation were held within the DTC system. The Class A Ordinary Shares of Aon plc are, at present, eligible for deposit and clearing within the DTC system. In connection with the closing of the Redomestication, we entered into arrangements with DTC whereby we agreed to indemnify DTC for any stamp duty and/or SDRT that may be assessed upon it as a result of its service as a depository and clearing agency for our Class A Ordinary Shares. In addition, we have obtained a ruling from HMRC in respect of the stamp duty and SDRT consequences of the reorganization, and SDRT has been paid in accordance with the terms of this ruling in respect of the deposit of Class A Ordinary Shares with the initial depository. DTC will generally have discretion to cease to act as a depository and clearing agency for the Class A Ordinary Shares. If DTC determines at any time that the Class A Ordinary Shares are not eligible for continued deposit and clearance within its facilities, then we believe the Class A Ordinary Shares would not be eligible for continued listing on a U.S. securities exchange or inclusion in the S&P 500 and trading in the Class A Ordinary Shares would be disrupted. While we would pursue alternative arrangements to preserve our listing and maintain trading, any such disruption could have a material adverse effect on the trading price of the Class A Ordinary Shares.

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. See Note 2 "Summary of Significant Accounting Principles and Practices" of the Notes to Consolidated Financial Statements for a discussion of our accounting policies for financial instruments and derivatives.

Foreign Exchange Risk

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

Additionally, some of our non-U.S. brokerage subsidiaries receive revenues in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars and euros, but most of their expenses are incurred in British pounds. At December 31, 2015, we have hedged approximately 45% of our U.K. subsidiaries' expected exposures to both U.S. dollar and euro transactions for the years ending December 31, 2016 and 2017, respectively. We generally do not hedge exposures beyond three years.

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

The potential loss in future earnings from foreign exchange derivative instruments resulting from a hypothetical 10% adverse change in year-end exchange rates would be $32 million and $14 million at December 31, 2016 and 2017 respectively.

Interest Rate Risk

Our fiduciary investment income is affected by changes in international and domestic short-term interest rates. We monitor our net exposure to short-term interest rates, and as appropriate, hedge our exposure with various derivative financial instruments. This activity primarily relates to brokerage funds held on behalf of clients in the North America, continental Europe, and the Asia Pacific region. A hypothetical, instantaneous parallel decrease in the year-end yield curve of 100 basis points would cause a decrease, net of derivative positions, of $39 million and $41 million to 2016 and 2017 pretax income, respectively. A corresponding increase in the year-end yield curve of 100 basis points would cause an increase, net of derivative positions, of $39 million and $41 million to 2016 and 2017 pretax income, respectively.

We have long-term debt outstanding with a fair market value of $5.4 billion, $5.2 billion, and $3.9 billion at December 31, 2015 and 2014, and January 1, 2014, respectively. This fair value was greater than the carrying value by 0.2 billion at December 31, 2015, 0.5 billion at December 31, 2014, and $0.2 billion at January 1, 2014. A hypothetical 1% increase or decrease in interest rates would change the fair value by a decrease of 10% or an increase of 11%, respectively, at December 31, 2015.

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

Business Review

Selected Financial Data

	December 31,	
(millions except shareholders, employees and per share data)	**2015**	**2014**
Income Statement Data		
Commissions, fees and other	**$ 11,661**	$ 12,019
Fiduciary investment income	**21**	26
Total revenue	**$ 11,682**	$ 12,045
Net income	**1,325**	1,404
Less: Net income attributable to noncontrolling interest	**37**	34
Net income attributable to Aon shareholders	**$ 1,288**	$ 1,370
Basic Net Income (Loss) Per Share Attributable to Aon Shareholders	**$ 4.58**	$ 4.63
Diluted Net Income (Loss) Per Share Attributable to Aon Shareholders	**$ 4.50**	$ 4.53
Balance Sheet Data		
Fiduciary assets (1)	**$ 9,932**	$ 11,638
Intangible assets including goodwill	**10,963**	11,711
Total assets	**27,067**	29,629
Long-term debt	**5,138**	4,768
Total equity	**6,226**	6,772
Class A Ordinary Shares and Other Data		
Price range, per share:		
High	**$ 107.08**	$ 98.10
Low	**86.38**	76.49
At year-end:		
Market price, per share	**$ 92.21**	$ 94.83
Common shareholders of record	**242**	255
Shares outstanding	**269.8**	280.0
Number of employees	**68,790**	68,633

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

EXECUTIVE SUMMARY OF 2015 FINANCIAL RESULTS

During 2015, we continued to face headwinds that had adversely impacted our business in prior periods. In our Risk Solutions segment, these headwinds included adverse changes in foreign currency exchange rates, economic weakness in continental Europe and a negative market impact in our Reinsurance business. In our HR Solutions segment, these headwinds included price compression in our benefits administration business and economic weakness in continental Europe.

The following is a summary of our 2015 financial results:

- Revenue decreased $363 million, or 3%, compared to the prior year to $11.7 billion in 2015 due primarily to a 6% unfavorable impact from changes in foreign currency exchange rates, partially offset by organic revenue growth of 3% in the Risk Solutions segment and 4% in the HR Solutions segment. Organic revenue for the year was driven by strong new business generation and solid management of the renewal book portfolio across our Risk Solutions segment, as well as solid growth in both our Consulting and Outsourcing businesses within HR Solutions.

- Operating expenses decreased $152 million, or (2)%, compared to the prior year to $10.0 billion in 2015 due primarily to a $593 million favorable impact from changes in foreign currency exchange rates, a decrease in intangible asset amortization of $39 million, and a $35 million decrease in expense related to legacy litigation incurred in the prior year, partially offset by a $176 million increase in expense related to legacy litigation in the current year, a $19 million increase in expense resulting from acquisitions, net of divestitures, and an increase in expense associated with 3% organic revenue growth.

- Operating margin decreased to 14.8% in 2015 from 16.1% in 2014. The decrease in operating margin from the prior year is primarily related to expense related to legacy litigation and the unfavorable impact from changes in foreign currency exchange rates, partially offset by organic revenue growth of 3% and return on investments across the portfolio. Risk Solutions operating margin decreased to 19.4% in 2015 from 20.4% in 2014. HR Solutions operating margin increased to 12.0% in 2015 from 11.2% in 2014.

- Net income attributable to Aon shareholders was $1.3 billion, a decrease of $82 million, or 6%, from $1.4 billion in 2014. Diluted earnings per share decreased 1% to $4.50 in 2015 from $4.53 in 2014.

- Cash flow provided by operating activities was $2.1 billion in 2015, an increase of $258 million, or 14%, from $1.8 billion in 2014, due primarily to declines in pension contributions, restructuring related payments, and cash paid for taxes, as well as working capital improvements, partially offset by cash paid to settle legacy litigation, and strong organic revenue growth in the fourth quarter.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results of operations follow (in millions):

Years ended December 31,	2015	2014
Revenue:		
Commissions, fees and other	**$ 11,661**	$ 12,019
Fiduciary investment income	**21**	26
Total revenue	**11,682**	12,045
Expenses:		
Compensation and benefits	**6,953**	7,072
Other general expenses	**3,004**	3,037
Total operating expenses	**9,957**	10,109
Operating income	**1,725**	1,936
Interest income	**14**	10
Interest expense	**(272)**	(259)
Other income	**104**	49
Income before income taxes	**1,571**	1,736
Income taxes	**246**	332
Net income	**1,325**	1,404
Less: Net income attributable to noncontrolling interests	**37**	34
Net income attributable to Aon shareholders	**$ 1,288**	$ 1,370

Consolidated Results for 2015 Compared to 2014

Revenue

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

Compensation and Benefits

Compensation and benefits decreased $119 million, or 2%, compared to 2014. The decrease was driven by a $430 million favorable impact from changes in foreign currency exchange rates, partially offset by a $14 million increase in expenses resulting from acquisitions, net of divestitures and an increase in expense associated with 3% organic revenue growth.

Other General Expenses

Other general expenses decreased $33 million, or 1%, compared to 2014 due largely to a $163 million favorable impact from changes in foreign currency exchange rates, a $39 million decrease in intangible amortization, and a $35 million reduction in expense related to legacy litigation incurred in the prior year, partially offset by a $176 million increase in expense related to legacy litigation incurred in the current year and an increase in expense to support 3% organic growth.

Interest Income

Interest income represents income earned on operating cash balances and other income-producing investments. It does not include interest earned on funds held on behalf of clients. Interest income increased $4 million, or 40%, from 2014, due to marginally higher average interest rates globally.

Interest Expense

Interest expense, which represents the cost of our worldwide debt obligations, increased $13 million, or 5%, from 2014. The increase in interest expense primarily reflects an increase in total debt outstanding.

Other Income

Other income increased $55 million from $49 million in 2014 to $104 million in 2015. Other income in 2015 includes, among other things, $82 million in net gains on disposal of businesses, foreign exchange gains of $30 million, and equity earnings of $5 million, partially offset by a $12 million loss from derivatives and a $5 million net loss on certain long term investments. Other income in 2014 include $24 million in net gains on disposal of businesses, foreign exchange gains of $18 million, equity earnings of $6 million, and a $4 million net gain on certain long term investments, partially offset by a $3 million loss from derivatives.

Income before Income Taxes

Income before income taxes was $1.6 billion in 2015, a decrease of $165 million, or 10%, from $1.7 billion in 2014 due to drivers identified above.

Income Taxes

The effective tax rate on net income was 15.7% in 2015 and 19.1% in 2014. The 2015 and 2014 rates reflect changes in the geographical distribution of income, a reduction in U.S. income resulting from the settlement of a legacy legal matter in the second quarter of 2015, and the impact of certain discrete items, none of which were individually material.

Net Income Attributable to Aon Shareholders

Net income decreased to $1.29 billion ($4.50 diluted net income per share) in 2015, compared to $1.37 billion ($4.53 diluted net income per share) in 2014.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity

Executive Summary

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

Cash on our balance sheet includes funds available for general corporate purposes, as well as amounts restricted as to their use. Funds held on behalf of clients in a fiduciary capacity are segregated and shown together with uncollected insurance premiums in Fiduciary assets in the Consolidated Statement of Financial Position, with a corresponding amount in Fiduciary liabilities. Fiduciary funds generally cannot be used for general corporate purposes, and are not a source of liquidity for us.

Cash and cash equivalents and Short-term investments decreased $28 million to $740 million in 2015. During 2015, cash flow from operating activities increased $258 million to $2.1 billion. Additional sources of funds in 2015 included net sales of short term investments of $9 million, $205 million of proceeds from the sale of businesses, and issuances of debt, net of repayments of $253 million. The primary uses of funds in 2015 included share repurchases of $1.6 billion, cash contributions to our major defined benefit plans of $194 million, acquisition of businesses of $16 million, dividends paid to shareholders of $323 million, and capital expenditures of $290 million.

Our investment grade rating is important to us for a number of reasons, the most important of which is preserving our financial flexibility. If our credit ratings were downgraded to below investment grade, the interest expense on any outstanding balances on our credit facilities would increase and we could incur additional requests for pension contributions. To manage unforeseen situations, we have committed credit lines of approximately $1.3 billion and we endeavor to manage our obligations to ensure we maintain our current investment grade ratings. At December 31, 2015, we had no borrowings on these credit lines.

Operating Activities

Net cash provided by operating activities during 2015 increased $258 million, or 14%, to $2.1 billion. This amount represents net income reported by the Company, as adjusted for gains or losses on sales of businesses, financial instruments and foreign exchange, and our non-cash expenses, which include share-based compensation, depreciation, and amortization, as well as changes in working capital that relate primarily to the timing of payments of accounts payable and accrued liabilities and collection of receivables. The increase from the prior year was primarily driven by reductions in pension contributions, cash taxes paid, and restructuring payments, as well as working capital improvements, partially offset by an increase in payments for legacy litigation.

Pension contributions were $194 million during 2015 compared to $316 million during 2014. In 2016, we expect to contribute approximately $150 million to our pension plans, with the majority attributable to non-U.S. pension plans, which are subject to changes in foreign exchange rates

We expect cash generated by operations for 2015 to be sufficient to service our debt and contractual obligations, fund the cash requirements of our restructuring programs, finance capital expenditures, continue purchases of shares under our share repurchase program, and continue to pay dividends to our shareholders. Although cash from operations is expected to be sufficient to service these activities, we have the ability to access the commercial paper markets or borrow under our credit facilities to accommodate any timing differences in cash flows. We have committed credit facilities of approximately $1.3 billion, of which all was available at December 31, 2015, and can access these facilities on a same day or next day basis. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

Investing Activities

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

Cash used for investing activities in 2014 was $545 million. The primary drivers of the cash flow used for investing activities were $479 million for acquisitions of businesses, net of cash acquired and $256 million for capital expenditures, partially offset by net sales of short-term investments of $110 million, sale of businesses of $48 million, and $32 million for net sales of long-term investments.

Financing Activities

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

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

Cash and Investments

At December 31, 2015, our cash and cash equivalents and short-term investments were $740 million, a decrease of $28 million from December 31, 2014, primarily related to share repurchases of $1.6 billion and dividends of $323 million, partially offset by $2.1 billion in cash flow from operating activities and the net issuances of debt of $253 million. Of the total balance as of December 31, 2015, $105 million was restricted as to its use, which was comprised of $65 million of operating funds in the U.K., as required by the FCA, and $40 million held as collateral for various business purposes. At December 31, 2015, $2.6 billion of cash and cash equivalents and short-term investments were held in the U.S. and overdrawn cash and cash equivalents and short-term investments of $1.9 billion were held in other countries. Due to differences in tax rates, the repatriation of funds from certain countries into the U.S., if repatriated, could have an unfavorable tax impact.

We maintain a multicurrency cash pool with a third party bank in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall balance does not fall below zero. At December 31, 2015 and 2014, non-U.S. cash balances of one or more entities were negative; however, the overall balance was positive.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriter. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. In addition, some of our outsourcing agreements require us to hold funds on behalf of clients to pay obligations on their behalf. The levels of fiduciary assets and liabilities can fluctuate significantly, depending on when we collect the premiums, claims and refunds, make payments to underwriters and insureds, collect funds from clients and make payments on their behalf, and foreign currency movements. Fiduciary assets, because of their nature, are generally invested in very liquid securities with highly-rated, credit-worthy financial institutions. In our Consolidated Statements of Financial Position, the amount we report for Fiduciary assets and Fiduciary liabilities are equal. Our Fiduciary assets included cash and investments of $3.4 billion and $4.0 billion and fiduciary receivables of $6.5 billion and $7.7 billion at December 31, 2015 and 2014, respectively. While we earn investment income on the fiduciary assets held in cash and investments, the cash and investments cannot be used for general corporate purposes.

As disclosed in Note 13 "Fair Value Measurements and Financial Instruments" of the Notes to Consolidated Financial Statements, the majority of our investments carried at fair value are money market funds. Money market funds are carried at cost as an approximation of fair value. Consistent with market convention, we consider cost a practical and expedient measure of fair value. These money market funds are held throughout the world with various financial institutions. We are not aware of any market liquidity issues that would materially impact the fair value of these investments.

As of December 31, 2015, our investments in money market funds and highly liquid debt instruments had a fair value of $1.4 billion and are reported as Short-term investments or Fiduciary assets in the Consolidated Statements of Financial Position depending on their nature and initial maturity.

The following table summarizes our Fiduciary assets and non-fiduciary Cash and cash equivalents and Short-term investments as of December 31, 2015 (in millions):

	Statement of Financial Position Classification			
Asset Type	**Cash and Cash Equivalents**	**Short-term Investments**	**Fiduciary Assets**	**Total**
Certificates of deposit, bank deposits or time deposits	$ 384	$ —	$ 2,354	$ 2,738
Money market funds	—	356	1,040	1,396
Highly liquid debt instruments	—	—	—	—
Other investments due within one year	—	—	—	—
Cash and investments	384	356	3,394	4,134
Fiduciary receivables	—	—	6,538	6,538
Total	$ 384	$ 356	$ 9,932	$ 10,672

Share Repurchase Program

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

During 2015, the Company repurchased 16.0 million shares at an average price per share of $97.04 for a total cost of $1.6 billion. During 2014, we repurchased 25.8 million shares at an average price per share of $87.18 for a total cost of $2.3 billion. In August 2015, the $5.0 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program was exhausted. At December 31, 2015, the remaining authorized amount for share repurchase under the 2014 Share Repurchase Program is $4.1 billion. Under the Repurchase Programs, the Company has repurchased a total of 78.1 million shares for an aggregate cost of $5.9 billion.

Dividends

During 2015, 2014, and 2013, we paid dividends on our Class A Ordinary Shares of $323 million, $273 million, and $212 million, respectively. Dividends paid per Class A Ordinary Share were $1.15, $0.92, and $0.68 for the years ended December 31, 2015, 2014, and 2013, respectively.

In January 2016, the Board of Directors approved the declaration of a dividend to shareholders of $0.30 per ordinary share. In February 2016, we paid those dividends in the amount of $81.0 million.

Future dividends on Aon plc ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of Aon plc and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors of Aon plc may deem relevant, as well as our ability to pay dividends in compliance with the Companies Act 2006.

Distributable Reserves

As a U.K. incorporated company, we are required under U.K. law have available "distributable reserves" to make share repurchases or pay dividends to shareholders. Distributable reserves may be created through the earnings of the U.K. parent company. Distributable reserves are not linked to an IFRS reported amount (e.g., retained earnings). As of December 31, 2015 and 2014, we had distributable reserves in excess of $3.2 billion and $4.0 billion, respectively. We believe that we will have sufficient distributable reserves to fund shareholder dividends for the foreseeable future.

Borrowings

Total debt at December 31, 2015 was $5.7 billion, which represents an increase of $149 million compared to December 31, 2014. This increase is primarily due to issuances of debt, net of repayments, of $253 million, which is net of a decrease in commercial paper outstanding of $118 million compared to December 31, 2014.

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

On May 20, 2015, Aon plc issued $600 million of 4.750% Senior Notes due May 2045. The 4.750% Notes due May 2045 are fully and unconditionally guaranteed by Aon Corporation. We used the proceeds of the issuance for general corporate purposes.

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

On November 13, 2015, Aon plc issued $400 million of 2.80% Senior Notes due March 2021. The 2.80% Notes due March 2021 are fully and unconditionally guaranteed by Aon Corporation. We used the proceeds of the issuance for general corporate purposes.

Credit Facilities

As of December 31, 2015, we had two committed credit facilities outstanding: our $400 million U.S. credit facility expiring in March 2017 (the "2017 Facility") and $900 million multi-currency U.S. credit facility expiring in February 2020 (the "2020 Facility"). The 2020 Facility was entered into on February 2, 2015 and replaced the previous €650 million European credit facility. Each of these facilities is intended to support our commercial paper obligations and our general working capital needs. In addition, each of these facilities includes customary representations, warranties and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, tested quarterly. At December 31, 2015, we did not have borrowings under either the 2017 Facility or the 2020 Facility, and we were in compliance with the financial covenants and all other covenants contained therein during the twelve months ended December 31, 2015.

Effective February 2, 2016, the 2020 Facility terms were extended for 1 year and will expire in February 2021.

Shelf Registration Statement

On September 3, 2015, we filed a shelf registration statement with the SEC, registering the offer and sale from time to time of an indeterminate amount of, 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 March 31, 2016 appear in the table below.

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

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

Letters of Credit and Other Guarantees

We had total letters of credit ("LOCs") outstanding of approximately $58 million at December 31, 2015, compared to $95 million at December 31, 2014. These letters of credit 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 issued 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 $104 million at December 31, 2015, compared to $112 million at December 31, 2014.

We have provided commitments to fund certain limited partnerships in which we have an interest in the event that the general partners request funding. Some of these commitments have specific expiration dates and the maximum potential funding under these commitments was $12 million at December 31, 2015 compared to $14 million at December 31, 2014. During 2015, we funded $2 million of these commitments.

Other Liquidity Matters

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

Contractual Obligations

Summarized in the table below are our contractual obligations and commitments as of December 31, 2015 (in millions):

	Payments due in				
	2016	2017 – 2018	2019 – 2020	2021 and beyond	Total
Short- and long-term borrowings	$ 562	$ 274	$ 599	$ 4,302	$ 5,737
Interest expense on debt	248	478	459	2,651	3,836
Operating leases	325	558	434	828	2,145
Pension and other postretirement benefit plans (1) (2)	120	384	351	700	1,555
Purchase obligations (3) (4) (5)	502	540	213	134	1,389
Insurance premiums payable	9,932	—	—	—	9,932
	$ 11,689	$ 2,234	$ 2,056	$ 8,615	$ 24,594

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

(2) In 2013, our principal U.K subsidiary agreed with the trustees of one of the U.K. plans to contribute an average of $11 million per year to that pension plan for the next three years. The trustees of the plan have certain rights to request that our U.K. subsidiary advance an amount equal to an actuarially determined winding-up deficit. As of December 31, 2015, the estimated winding-up deficit was £240 million ($360 million at December 31, 2015 exchange rates). The trustees of the plan have accepted in practice the agreed-upon schedule of contributions detailed above and have not requested the winding-up deficit be paid.

(3) Purchase obligations are defined as agreements to purchase goods and services that are enforceable and legally binding on us, and that specifies all significant terms, including what is to be purchased, at what price and the approximate timing of the transaction. Most of our purchase obligations are related to purchases of information technology services or other service contracts.

(4) Excludes $12 million of unfunded commitments related to an investment in a limited partnership due to our inability to reasonably estimate the period(s) when the limited partnership will request funding.

(5) Excludes $218 million of liabilities for uncertain tax positions due to our inability to reasonably estimate the period(s) when potential cash settlements will be made.

Financial Condition

At December 31, 2015, our net assets were $6.2 billion, representing total assets minus total liabilities, a decrease from $6.8 billion at December 31, 2014. The decrease was due primarily to share repurchases of $1.6 billion, dividends of $323 million, and an increase in other comprehensive loss of $433 million related primarily to an increase in the post-retirement benefit obligation, partially offset by Net income of $1.3 billion for the year ended December 31, 2015. Working capital increased by $95 million from $389 million at December 31, 2014 to $484 million at December 31, 2015.

Other reserves loss decreased $433 million at December 31, 2015 as compared to December 31, 2014, which was primarily driven by the following:

- negative net foreign currency translation adjustments of $434 million, which are attributable to the strengthening of the U.S. dollar against certain foreign currencies,
- a decrease of $245 million in net post-retirement benefit obligations, and
- net financial instrument gains of $2 million.

REVIEW BY SEGMENT

General

We serve clients through the following segments:

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

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

Risk Solutions

Years ended December 31 (millions, except percentage data)	**2015**	**2014**
Revenue	**$7,426**	$7,834
Operating income	**1,438**	1,600
Operating margin	**19.4%**	20.4%

The demand for property and casualty insurance generally rises as the overall level of economic activity increases and generally falls as such activity decreases, affecting both the commissions and fees generated by our brokerage business. The economic activity that impacts property and casualty insurance is described as exposure units, and is most closely correlated with employment levels, corporate revenue and asset values. During 2015, pricing was modestly negative on average globally, and we still consider this a "soft market." In a soft market, premium rates flatten or decrease, along with commission revenues, due to increased competition for market share among insurance carriers or increased underwriting capacity. Changes in premiums have a direct and potentially material impact on the insurance brokerage industry, as commission revenues are generally based on a percentage of the premiums paid by insureds.

Additionally, continuing through 2015, we faced difficult conditions as a result of continued weakness in the global economy, and the repricing of credit risk. Weak economic conditions in many markets around the globe have reduced our customers' demand for our retail brokerage and reinsurance brokerage products, which have had a negative impact on our operational results.

Risk Solutions generated approximately 64% of our consolidated total revenues in 2015. Revenues are generated primarily through fees paid by clients, commissions and fees paid by insurance and reinsurance companies, and investment income on funds held on behalf of clients. Our revenues vary from quarter to quarter throughout the year as a result of the timing of our clients' policy renewals, the net effect of new and lost business, the timing of services provided to our clients, and the income we earn on investments, which is heavily influenced by short-term interest rates.

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

Revenue

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

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

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

In 2015, commissions, fees and other revenue decreased $403 million, or 5%, compared to 2014 due to an 8% unfavorable impact from foreign currency exchange rates, partially offset by 3% organic revenue growth.

Reconciliation of organic revenue growth to reported commissions, fees and other revenue growth for 2015 versus 2014 is as follows:

	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures & Other	Organic Revenue
Retail brokerage:				
Americas	—%	(4)%	—%	4%
International (1)	(10)	(12)	(1)	3
Total retail brokerage	(5)	(8)	(1)	4
Reinsurance brokerage	(8)	(6)	(1)	(1)
Total	(5)%	(8)%	—%	3%

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

Retail brokerage Commissions, fees and other revenue decreased 5% in 2015 driven by an 8% impact from unfavorable foreign currency exchange rates and a 1% decrease in commissions and fees resulting from acquisitions, net of divestitures, partially offset by 4% organic revenue growth, reflecting revenue growth in both the Americas and International businesses.

Americas Commissions, fees and other revenue was flat in 2015 reflecting 4% organic revenue growth driven by strong growth across all regions and product lines, including strong new business generation in US Retail, offset by a 4% impact from unfavorable foreign currency exchange rates.

International Commissions, fees and other revenue decreased 10% in 2015 reflecting a 12% impact from unfavorable foreign currency exchange rates and a 1% decrease in commissions and fees resulting from acquisitions, net of divestitures, partially offset by 3% organic revenue growth driven by solid growth across Asia, the Pacific, and emerging markets, and strong management of the renewal book portfolio in continental Europe despite economic weakness.

Reinsurance Commissions, fees and other revenue decreased 8% in 2015 reflecting a 6% impact from from unfavorable foreign currency exchange rates, a 1% decrease in commissions and fees resulting from acquisitions, net of divestitures, and a 1% decline in organic revenue due primarily to an unfavorable market impact in treaty and a decline in capital markets transactions and advisory business, partially offset by net new business growth in treaty placements globally and modest growth in facultative placements.

Operating Income

Operating income decreased $162 million, or (10)%, from 2014 to $1.4 billion in 2015. In 2015, operating income margins in this segment were 19.4%, a decrease of 100 basis points from 20.4% in 2014. The decline in operating margin was driven by an increase in expense related to legacy litigation, which more than offset solid organic revenue growth for the year.

HR Solutions

Years ended December 31	2015	2014
Revenue	**$4,303**	$4,264
Operating income	**515**	479
Operating margin	**12.0%**	11.2%

Our HR Solutions segment generated approximately 37% of our consolidated total revenues in 2015 and provides a broad range of human capital services, as follows:

- *Retirement* specializes in global actuarial services, defined contribution consulting, tax and ERISA consulting, and pension administration.

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

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

- *Investment consulting* advises public and private companies, other institutions and trustees on developing and maintaining investment programs across a broad range of plan types, including defined benefit plans, defined contribution plans, endowments and foundations.

- *Benefits Administration* applies our human resource expertise primarily through defined benefit (pension), defined contribution (401(k)), and health and welfare administrative services. Our model replaces the resource-intensive processes once required to administer benefit plans with more efficient, effective, and less costly solutions.

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

- *Human Resource Business Processing Outsourcing* provides market-leading solutions to manage employee data; administers benefits, payroll and other human resources processes; and records and manages talent, workforce and other core human resource process transactions as well as other complementary services such as flexible spending, dependent audit and participant advocacy.

Revenue

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

Years ended December 31	2015	2014
Consulting services	**$ 1,686**	$ 1,700
Outsourcing	**2,658**	2,607
Intrasegment	**(41)**	(43)
Total	**$ 4,303**	$ 4,264

Commissions, fees and other revenue for HR Solutions increased $39 million, or 1%, in 2015 compared to 2014 due to 4% organic growth in commissions and fees, partially offset by a 3% impact from unfavorable foreign currency exchange rates.

Reconciliation of organic revenue growth to reported commissions, fees and other revenue growth for 2015 versus 2014 is as follows:

Year ended December 31	Percent Change	Less: Currency Impact	Less: Acquisitions, Divestitures & Other	Organic Revenue
Consulting services	(1)%	(5)%	1%	3%
Outsourcing	2	(1)	(1)	4
Total	1%	(3)%	—%	4%

Consulting services revenue decreased $14 million, or 1%, due primarily to a 5% impact from unfavorable foreign currency exchange rates, partially offset by organic revenue growth of 3% driven by strong growth in retirement solutions, including investment consulting and delegated investment solutions, as well as compensation consulting, and a 1% increase in commissions and fees resulting from acquisitions, net of divestitures.

Outsourcing revenue increased $51 million, or 2%, due to 4% organic revenue growth driven by strong growth in health care exchanges, new client wins in HR BPO for cloud based solutions, and project related revenue in benefits administration, partially offset by a 1% decrease in commissions and fees resulting from acquisitions, net of divestitures, and a 1% impact from unfavorable foreign currency exchange rates.

Operating Income

Operating income was $515 million, an increase of $36 million, or 8%, from 2014. Margins in this segment for 2015 were 12.0%, an increase of 80 basis points from 11.2% in 2014. Operating margin improvement was driven by solid organic revenue growth and return on investments, partially offset by investments in long-term growth opportunities.

Unallocated Income and Expense

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

Years ended December 31	2015	2014
Operating income (loss):		
Risk Solutions	**$ 1,438**	$ 1,600
HR Solutions	**515**	479
Unallocated expense	**(228)**	(143)
Operating income	**1,725**	1,936
Interest income	**14**	10
Interest expense	**(272)**	(259)
Other income	**104**	49
Income before income taxes	**$ 1,571**	$ 1,736

Unallocated operating expense includes corporate governance costs not allocated to the operating segments. Net unallocated expenses increased $85 million in 2015 compared to 2014 due to the timing of certain employee incentive and employee benefit related expenses, as well as certain investments in shared services.

Interest income, Interest expense and Other income. For a discussion of the components of Interest income, Interest expense and Other income, see Review of Consolidated Results.

Environment

The Company recognizes the importance of its environmental responsibilities, generally monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by its activities. The Company's commitment to environmental issues is explained on its website at www.aon.com/about-aon/global-citizenship.

Employees

Disabled Employees

The Company endeavors to provide full and fair consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Company's policy where practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion as appropriate.

Employee Involvement

The Company's policies and practices are designed to keep employees informed on matters relevant to them as employees through regular updates of its internal employee website. The Company generally considers the needs of its employees when agreeing to policies which affect them. During the year, the Company continued its training and development scheme covering technical, personal and management development programs. Additionally, employees are encouraged to gain professional qualifications with the active support of the Company.

In order to foster diversity within the workforce the Company has continued its Aon Diversity Council. The Council's mission is to champion initiatives throughout the Company by raising awareness of the value of having a diverse workforce and the value of inclusion. Its aim is to create an environment where every employee feels valued, and where their talents are fully utilized. The Council's membership consists of representatives of relevant diversity groups across Aon's businesses as well as representatives of Aon's senior management and human resources department. For the purpose of this initiative, diversity groups are made up of Aon's employees who help us identify and understand the diversity issues facing our workforce. Aon's diversity initiative has several objectives, including encouraging an environment where everyone feels valued and free to be open about their diversity and to widen our talent pool to be seen as an employer of choice by people from all backgrounds.

Diversity

Employee Gender

As of December 31,	**2015**		2014	
	Male	**Female**	Male	Female
Directors	**8**	**3**	8	3
Senior Managers	**17**	**4**	16	5
Employees of the Company	**33,000**	**36,000**	33,000	36,000

Social and Community Issues

The Company is committed to the health and safety and the human rights of its employees and communities in which it operates. The Aon Foundation is the principal vehicle for Aon's charitable donations. The Foundation's charitable giving is focused primarily on promoting access to and excellence in education. The Company believes that education sets the foundation for future success, for individuals as well as the business community. Therefore, the Company invests in programs that make a marked difference in the academic achievement of young people and help to develop our future workforce.

The Foundation also supports the enrichment of our society through arts and cultural programs and community and human service projects that serve diverse communities, with emphasis on organizations that foster the development of at-risk youth.

In 2002, the Company established The Aon Memorial Education Fund to provide post-secondary educational financial assistance to the dependent children of the Aon employees who were killed in the World Trade Center attacks.

Details of the Company's charitable work and service in local communities can be found at www.aon.com/about-aon/global-citizenship.

For and on behalf of the Board

P Lieb
Company Secretary
Date: March 31, 2016
Registered Number 07876075

REPORT OF THE DIRECTORS

The directors present their annual report together with the audited consolidated financial statements for the year ended December 31, 2015, as well as the audited parent company financial statements for the year ended December 31, 2015.

Basis of Presentation

The directors have elected to prepare the Consolidated Financial Statements and the Parent Company Financial Statements in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and IFRIC interpretations and the Companies Act 2006 applicable to Companies reporting under IFRS. Aon transitioned to IFRS on January 1, 2014. Refer to Note 2.2 First Time Adoption of the Consolidated and Parent Company Notes to the Financial Statements for information on how the Company adopted IFRS.

The accompanying Consolidated Financial Statements include the accounts of Aon plc, a U.K. company, and its controlled subsidiary companies (collectively, the "Company"). In this Report of the Directors, we use the terms "Aon," "we," the "Company," "our" and "us" to refer to Aon plc and its subsidiaries.

The Consolidated Financial Statements include the Consolidated Statement of Financial Position and Shareholders' Equity of Aon plc and its subsidiaries as of December 31, 2015, December 31, 2014, and January 1, 2014, and the related Consolidated Statements of Income, Comprehensive Income, and Cash Flows for the period ended December 31, 2015 and December 31, 2014. The Parent Company Financial Statements include the Statement of Financial Position and Shareholders' Equity of the Aon plc as of December 31, 2015, December 31, 2014, and January 1, 2014, and the related Cash Flows as of December 31, 2015 and December 31, 2014.

Redomestication

On 2 April 2012, a reorganization of the corporate structure of the group of companies controlled by the Company's predecessor, Aon Corporation, was completed, pursuant to which an indirect, wholly-owned subsidiary of the Company merged with Aon Corporation, and Aon plc became the group's publicly-held parent company (the "Redomestication").

Directors

L B Knight	(appointed April 2, 2012)
G C Case	(appointed January 9, 2012)
F Conti	(appointed April 2, 2012)
C A Francis	(appointed April 2, 2012)
J W Leng	(appointed March 19, 2014)
J M Losh	(appointed April 2, 2012)
R S Morrison	(appointed April 2, 2012)
R B Myers	(appointed April 2, 2012)
R C Notebaert	(appointed April 2, 2012)
G Santona	(appointed April 2, 2012)
C Y Woo	(appointed April 2, 2012)

Acquisition of Own Shares

Aon's Class A Ordinary Shares, $0.01 nominal value per share, are traded on the New York Stock Exchange. We hereby incorporate by reference Note 9, "Shareholders' Equity" of the Notes to Consolidated Financial Statements.

In April 2012, the Company's Board of Directors authorized a share repurchase program under which up to $5.0 billion of Class A Ordinary Shares may be repurchased ("2012 Share Repurchase Program"). In November 2014, the Company's Board of Directors authorized a new $5.0 billion share repurchase program in addition to the existing program ("2014 Share Repurchase Program" and, together, the "Repurchase Programs"). Under each program, shares may be repurchased through the open market or in privately negotiated transactions, based on prevailing market conditions, funded from available capital.

During 2015, we repurchased 16.0 million shares at an average price per share of $97.04 for a total cost of $1.6 billion. The remaining authorized amount for share repurchase under our Share Repurchase Programs is $4.1 billion.

Information relating to the compensation plans under which equity securities of Aon are authorized for issuance is set forth under the Directors' Remuneration section of this report and is incorporated herein by reference.

Greenhouse Gas Emissions

The Company is committed to reducing its impact on the environment. Since 2007, Aon has had a network of Eco-Champions to drive internal change. Since 2009, Aon has had a sustainability strategy led by Aon's Head of Sustainability. This strategy was and is supported up by both operational and product strategies, including an energy management strategy and a membership in the ClimateWise initiative for the insurance industry.

Reporting Period - January 1, 2015 to December 31, 2015.

Operational Control Methodology - The Company has adopted the operational control method of reporting which includes those entities over which the Company has operational control. The emissions reported below are for the 760 Aon plc offices around the world where the Company exercises direct operational control.

Emissions Scopes - Mandatory greenhouse gas ("GHG") reporting requires emissions associated with Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity, heating and cooling) to be reported[1]. It is not obligatory to report Scope 3 (indirect emissions from the inputs and outputs to the main business activity - i.e. supply chain and consumer/ end-user related emissions). While the Company has not collected and presented Scope 3 data in this year's report, there is potential to do this in future years.

1 Scope 1 emissions relate to gas combustion and refrigerant usage.
Scope 2 emissions relate to purchased electricity.
Scope 3 emissions relate to water usage, commercial air travel and office waste.

Exclusions - The Company has collected as much data as possible from its 760 office portfolio. In cases where electricity or gas consumption data was not available, it has been estimated using one of the following techniques:

- Extrapolating data where offices were not able to provide usage figures for the full 12 month period (January 1, 2015 to December 31, 2015).
- Where extrapolation was not possible as no data was provided by the office, a "medium-high reliability" benchmark by country was selected as a basis for estimate electricity and gas consumption.
- Where no data was provided for a site and this was located within the same property address as a part of the same building where there is another area where energy data was provided, a estimation was carried out based on it (this was carried out in just two cases).
- No emissions have been reported in some sites either because the occupied floor space of an office was not known or the lease area was the same than the sublease. This applies to 130 leases.

Where travel data (in terms of mileage and/or fuel use) was not reasonably available, this data has been excluded from the emissions reported as it was not determined to make accurate estimates.

Refrigerant data has been provided for 2015; however this does not represent the full usage across Aon's global sites. Where only refrigerant stock data was available, and it was not accompanied by associated recharges that would indicate leakage, these were excluded from the total emissions. Aon will make further efforts to collect this data from its global office portfolio in future reporting periods.

Methodology - All data has been collected and analysed in a manner consistent with the GHG Protocol Corporate Accounting and Reporting Standard. The Defra U.K. and international 2015 emission factors have been used to calculate GHG emissions for the Company's 2015 operations. Due to limitations of international emissions factors for natural gas, all natural gas is calculated utilizing the U.K. emissions factor provided by Defra. The data inputs and outputs have been reviewed by Coldwell Banker Richard Ellis ("CBRE") on behalf of the Company.

The Company's Emissions - Purchased electricity accounts for the greatest amount of overall emissions (2015: 93,932 CO2e, 75%; 2014: 163,155 CO2e, 75%). Diesel usage (for non-travel related) accounts for the lowest level of emissions.

Comparison to the 2014 reporting period - The Company's emissions have decreased by approximately 42% over 2014 which can be mainly attributed to changes in methodology and improved data collection processes carried out in 2015 that the Company believes are more accurate and better reflect the emissions produced by Aon's offices and through its operations.

The emissions have also been calculated using an intensity metric, which will enable Aon to monitor how well it is controlling emissions on an annual basis, independent of fluctuations in the levels of its activity. For Aon the most suitable metric is emissions per $ turnover. Aon's emissions per $ turnover for the 2014 and 2015 reporting periods are shown in the table below.

Aon plc's Emissions by Scope for the year ended December 31 (in CO2e):

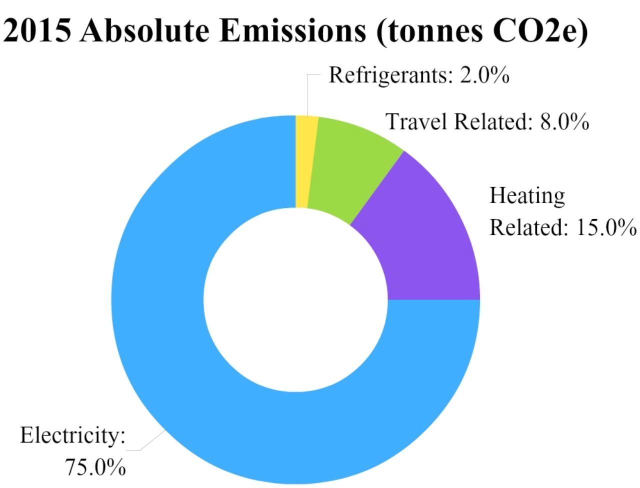
	For the Year Ended December 31,	
Scope	**2015**	**2014**
Scope 1	**31,196**	54,431
Scope 2	**94,667**	163,155
Total	**125,863**	217,586

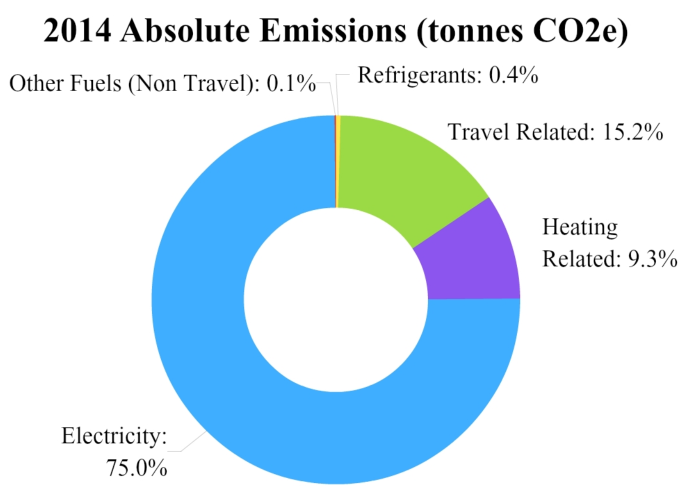
Aon plc's Emissions

Emission Sources	Scope	Unit	For the Year Ended December 31, 2015 Entered Value	2015 C02e	2014 Entered Value	2014 C02e
Travel Related Emissions						
Corporate jet - Aviation turbine fuel (1)	1	litres	—	—	606,472	1,543
Car - Average (All fuel types - miles)	1	miles	2,168,070	650	7,102,032	2,165
Car - Average (diesel - miles)	1	miles	623,437	183	11,851,417	6,116
Car - Average (petrol - miles)	1	miles	3,029,300	932	17,227,944	15,695
Diesel (litres)	1	litres	1,758,112	4,543	1,520,751	3,712
Petrol (litres)	1	litres	1,721,467	3,778	1,814,379	3,980
LPG car usage	1	kWh	28,045	6	—	—
Electricity Related Emissions						
Purchased electricity	2	kWh	196,146,692	93,932	352,972,887	156,151
Heat and steam	2	kWh	3,285,616	735	469,182,280	7,004
Heating Related Emissions						
Natural Gas	1	kWh	44,434,227	14,211	131,535,983	19,640
Oil	1	kWh	1,599,954	4,654	2,043,145	552
Other Fuels (Non-Travel)						
Diesel	1	litres	33,362	86	87,324	237
Refrigerants / Other Fuels						
HCFC-22/R22 = chlorodifluoromethane	1	kg	459	831	5	4
HFC-134	1	kg	—	—	224	224
HFC-134a	1	kg	224	320	83	82
R404A	1	kg	45	178	40	134
R407C	1	kg	34	60	173	287
R410A	1	kg	365	762	120	60
TOTAL CO2e (tonnes)				**125,861**		**217,586**

(1) During 2014, Aon sold its corporate jet and therefore no emissions are reported for 2015.

Aon plc's Emissions by Source





Emissions Intensity - Emissions have also been calculated using an "intensity metric," which will assist the Company in monitoring how well it is controlling emissions on an annual basis, independent of fluctuations in the levels of its activity. For the Company the most suitable metric is "emissions per $M turnover" and "emissions per employee." The Company's emissions per $M turnover are shown in the table below.

	Tonnes CO2e/$M Turnover	
Scope	**2015**	**2014**
Scope 1	2.67	4.52
Scope 2	8.10	13.55
Total	**10.77**	**18.07**

The Company's emissions per employee are shown in the table below.

	Tonnes CO2e/Employee	
Scope	**2015**	**2014**
Scope 1	0.45	0.79
Scope 2	1.38	2.38
Total	**1.83**	**3.17**

Political Donations

No political donations were made by the Company during 2015 or 2014.

Employees

Information relating to employees is incorporated herein by reference to the Employees section of the Strategic Report contained in this report.

Dividends

In January 2016, the Board of Directors approved the declaration of a dividend to shareholders of $0.30 per ordinary share. In February 2016, we paid those dividends in the amount of $81.0 million.

Future dividends on Aon plc ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of Aon plc and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors of Aon plc may deem relevant, as well as our ability to pay dividends in compliance with the Companies Act 2006.

Future Developments

The directors do not anticipate that the Company's significant/material activities will change in the foreseeable future.

Directors - Indemnity

The Company has entered into deeds of indemnity with each of its directors effective upon the director's appointment to the Board of Directors (other than with respect to Mr. Case, who entered into a deed of indemnity with the Company on March 29, 2012). The Company has also entered into deeds of indemnity with certain executive officers. The deeds of indemnity provide that the Company will indemnify such persons to the maximum extent permitted by applicable law against all losses suffered or incurred by them, among other things, that arise out of or in connection with his or her appointment as a director or officer, an act done, concurred in or omitted to be done by such person in connection with such person's performance of his or her functions as a director or officer, or an official investigation, examination or other proceedings ordered or commissioned in connection with the affairs of the company of which he or she is serving as a director or officer at the request of the indemnifying company.

Use of financial Instruments

Information on the Company's risk management process and the policies for mitigating certain types of risk are set out on pages 8 to 24. Details of the financial instruments used for these purposes are set out in Notes 12 and 13 to the Consolidated Financial Statements.

Disclosure of Information to the Auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow directors and the group's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Statement of Going Concern

The Directors have undertaken a going concern assessment in accordance with "Going Concern and Liquidity Risk: Guidance for U.K. Directors of U.K. Companies 2009," published by the Financial Reporting Council in 2009. As a result of this assessment, and after making inquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Auditor

Ernst & Young LLP were re-appointed as auditors of the Company on June 30, 2015. In accordance with s.485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

Significant Events Since Year End

This report was issued on March 31, 2016. The Company has evaluated events and transactions subsequent to the balance sheet date.

During the period from January 1, 2016 to March 30, 2016, the Company repurchased 7.2 million shares at an average price per share of $97.56 for a total cost of $706.8 million. At March 30, 2016, the remaining authorized amount for share repurchase under the Share Repurchase Programs is 3.4 billion.

As of March 30, 2016, the Company had €165 million ($183 million at March 31, 2016 exchange rates) of commercial paper borrowings outstanding. The proceeds from the issuance of commercial paper will be used to fund short-term working capital needs.

The Company is not aware of any events or transactions (other than those disclosed above) that occurred subsequent to the balance sheet date but prior to March 31, 2016 that would require recognition or disclosure in its Consolidated Financial Statements or Parent Company Financial Statements.

For and on behalf of the Board

P Lieb
Company Secretary
Date: March 31, 2016
Registered Number 07876075

DIRECTORS' REMUNERATION REPORT

This report sets out the relevant disclosures in relation to directors' remuneration for the financial year ended December 31, 2015. The report has been prepared in accordance with the requirements of the U.K. Large and Medium-sized Companies & Groups (Accounts & Reports) (Amendment) Regulations 2013 (the "Regulations") which apply to the Company. The relevant sections of the report have been audited by Ernst & Young LLP. This report does not set out the Company's Remuneration Policy for directors (the "Remuneration Policy") which was put to shareholders for approval in a binding vote at its 2014 Annual General Meeting on June 24, 2014. The Remuneration Policy, as approved, is included with the Company's 2013 U.K. Annual Report and Accounts, available at http://ir.aon.com/about-aon/investor-relations/financial-reports/proxy-materials/default.aspx. The Statement of the Chairman of the Organization & Compensation Committee and discussion of Governance and the Company's Report on Remuneration for 2015 will be subject to an advisory vote at the forthcoming Annual General Meeting.

On April 2, 2012, the Company completed the reorganization of the corporate structure of the group of companies controlled by the predecessor holding company of the Aon group, Aon Corporation, pursuant to which Aon Corporation merged with one of its indirect, wholly owned subsidiaries and Aon plc became the publicly-held parent company of the Aon group. This transaction is referred to as the redomestication. References in this report to the actions of "the Company", "us", "we" or "Aon" (or its board of directors, committees of its board of directors, or any of its directors and/or officers) or any similar references relating to periods before the date of the redomestication should be construed as references to the actions of Aon Corporation (or, where appropriate, its board of directors, committees of its board of directors or its directors and/or officers), being the previous parent company of the Aon group.

STATEMENT OF THE CHAIRMAN OF THE ORGANIZATION & COMPENSATION COMMITTEE

We continue our journey to build, and continuously improve upon, the leading global provider of risk and human resource solutions. To achieve our objectives, we must be the destination of choice for the best talent. Our remuneration programs support this vision and business strategy and are designed to align the financial interests of our executives with those of our shareholders in both the short and long term.

The core principle of our executive compensation program continues to be pay for performance. That core principle dictates that performance-based pay elements (which constitute the bulk of our executive officers' total direct compensation) will not be earned or paid unless our shareholders benefit first.

As discussed elsewhere in this annual report, in respect of 2015, we again delivered a strong performance despite both macro-economic and industry specific headwinds. Results reflect solid earnings per share growth and operating cash flow generation. We continue to execute on our goals of strategically investing in client-serving capabilities and long term growth opportunities across our portfolio, managing expenses and effectively allocating capital to the highest return. Further, we returned $1.9 billion of capital to shareholders in 2015 through share repurchase and dividends, highlighting our strong cash flow generation and effective allocation of capital. We believe we are strongly positioned for continued long term value creation through further improvements in operating performance and strong free cash flow generation coupled with significant financial flexibility.

At our annual general meeting on June 24, 2014, we presented the Remuneration Policy to our shareholders for approval. We consulted with shareholder representatives on the Remuneration Policy. However, following publication the shareholder representatives expressed concern in relation to the way the Committee would exercise its discretion (i) to offer remuneration in excess of the maximums stated in the policy and (ii) grant uncapped equity-based awards which are not necessarily subject to performance conditions in special circumstances. In response, on June 6, 2014, we issued an assurance to clarify the basis on which such discretion would be exercised, and our shareholders approved the Remuneration Policy with over 96% of the votes cast at the meeting voting in favor of the policy. We are required to seek shareholder approval for our Remuneration Policy at least every three years, except in certain circumstances where an earlier vote would be required. As our Remuneration Policy remains unchanged from prior years, we are not seeking approval for the Remuneration Policy this year. The implementation of our remuneration programs in 2015 and to date in 2016 is consistent with Remuneration Policy as approved by our shareholders.

During 2015, we made no adjustments from the previously established levels for base salaries or benefits for our senior executive officers, favoring instead to continue to link pay for performance through our Leadership Performance Program and our annual incentive scheme. In the first quarter of 2015, we granted performance share units under our Leadership Performance Program to our executive officers, including Mr. Case, our sole executive director. This program began on January 1, 2015 and ends on December 31, 2017, and is intended to further strengthen the relationship between capital accumulation for our executives and long term financial performance of the Company and the generation of shareholder value. The target levels for this program have been omitted from this directors' remuneration report as such targets are considered commercially sensitive. The target levels will be disclosed in the directors' remuneration report after the completion of the applicable performance period.

During 2015, we again made no adjustments to target bonuses. In the first quarter of 2015, we determined that the Company's 2015 incentive compensation pool would equal the budgeted accruals for aggregate target annual incentive payments for members of the Company's management executive committee, multiplied by the percentage increase in operating income from 2014 to 2015 (reduced by 200 basis points). We set the minimum achievement threshold at 70% of 2014 operating income, or $1,647 million, as adjusted for extraordinary, unusual or infrequently occurring items. We selected operating income, as adjusted, as the measure to emphasize performance of the Company as a whole and directly link executives' awards to our key business initiatives of delivering distinctive client value and achieving operational excellence.

We believe that the combination with the performance metrics established under our annual incentive program and each of each of our Leadership Performance Programs reflect our core operating performance and balance our executives' short and long term perspective appropriately.

In early 2016, we determined the actual achievement under the cycle of our Leadership Performance Program, covering the performance period from January 1, 2013 through December 31, 2015, and the performance share units granted under this program vested. The Company's cumulative adjusted earnings per share from continuing operations targets for this program ranged from $13.01, below which no payout was due to occur, to $14.51 or higher, which would have yielded shares equal to 200% of the target number. A result of $13.80 in cumulative adjusted earnings per share from continuing operations would have yielded shares equal to 100% of the target number. This target represented a 6% increase over the adjusted target for the prior cycle of our Leadership Performance Program established for the performance period from 2012 through 2014. Our actual cumulative adjusted earnings per share from continuing operations for the three year period was $16.51, resulting in a payout at 200% of target. In addition, adjusted operating income in 2015 was $2,338 million. After application of the operating income metric approved in March 2015, the total incentive pool for participants, including Mr. Case, in the Executive Committee Incentive Compensation Plan was determined to be funded at 97.4%. The Board, on the recommendation of the Committee, approved a bonus for Mr. Case under the plan of $3,000,000.

With regard to the compensation of our non-executive directors, after reviewing market conditions, the Board approved changes to the non-executive director compensation program, effective January 1, 2016. The annual retainer for each non-executive Board member will increase by $5,000 to $120,000 annually. In addition, the annual equity award to each of our non-executive directors will increase by $5,000, resulting in an annual equity award of $160,000 to each of our non-executive directors other than our non-executive chairman and an award of $385,000 in the aggregate to our non-executive chairman.

Finally, in January 2015, the Company entered into an amended and restated employment agreement with Mr. Case. Prior to approving such agreement, the Committee consulted with its independent compensation consultant, Frederic W. Cook & Co., Inc. Among other factors, the Committee and its consultant reviewed market data on total compensation of the chief executive officers of the Company's peer group, and Mr. Case's performance over the nearly ten years he has been leading the Company, including the Company's significant total shareholder return over such period as compared to the S&P 500 and its direct peers. The agreement extended the term of Mr. Case's employment for five years, through April 1, 2020, unless terminated earlier. Prior to such extension, Mr. Case's employment was due to expire on April 5, 2015. The agreement continued Mr. Case's current base salary (which remains unchanged since his hire in 2005) of $1,500,000 and his annual bonus target at 200% of annual base salary. Under the agreement, Mr. Case agreed to maintain an investment position in the Company's Ordinary Shares equal to no less than twenty times his annual base salary. In connection with the renewal of Mr. Case's employment agreement, the Company granted him an additional award under the Leadership Performance Program for the 2015 through 2017 performance period with a target value of $15,000,000. The additional award is intended to recognize Mr. Case's commitment to the Company in entering into a five-year renewal of his employment agreement. In addition, the Committee considered the additional award as appropriate to bring Mr. Case in line with the pay for performance objectives established by the Committee.

The Committee believes that the Company is well positioned for long-term value creation through improvements in operating performance and strong free cash flow generation and that the Company's remuneration programs achieved their purposes of linking pay to performance in 2015.

R. Notebaert

Chairman
Organization and Compensation Committee

GOVERNANCE

Operation of the Organization & Compensation Committee

The Organization & Compensation Committee (the "Committee") assists the Company's Board of Directors (the "Board") in carrying out its overall responsibilities with regard to executive compensation, including oversight of the determination and administration of the Company's compensation philosophy, policies, and schemes for the Company's executive officers and non-executive directors. The Committee annually reviews and determines the compensation of the Company's executive officers, including Mr. Case, the Company's President and Chief Executive Officer and sole executive director, subject to the input of the other independent members of the Board. The Committee consults with Mr. Case on, and directly approves, the compensation of other executive officers, including special hiring and severance arrangements. The Committee administers the Aon plc 2011 Incentive Plan (and its predecessor plans), including granting equity (other than awards to Mr. Case, which awards are approved by the independent members of the Company's Board in accordance with applicable law) and interpreting the plan, and has general administrative responsibility with respect to the Company's other U.S. employee benefit programs. In addition, the Committee reviews and makes recommendations to the Board concerning the non-executive directors' compensation and certain amendments to U.S. employee benefit plans or equity plans. The Committee also reviews and discusses the compensation disclosures contained in the Company's Annual Report on Form 10-K, proxy statement and this directors' remuneration report. The Committee may delegate its authority to sub-committees when appropriate.

During 2015, the members of the Committee were:

- R C Notebaert (chair)
- C A Francis
- R S Morrison
- R B Myers
- C Y Woo

None of the members of the Committee is an executive officer and each member is independent as such term is defined under the rules of the New York Stock Exchange and the Company's own independence standards. The remuneration of the Company's non-executive directors is considered by the Board as a whole with recommendations made by the Committee. In 2015, the Committee met seven times and acted by written consent on two occasions.

Committee Advisors

The Committee has retained Frederic W. Cook & Co., Inc. ("FW Cook") as its independent remuneration consultant. The consultant is engaged by, and reports directly to, the Chairman of the Committee. The consultant does not advise Company management or receive other remuneration from the Company. The Committee annually reviews the independence of FW Cook pursuant to United States Securities & Exchange Commission and New York Stock Exchange rules. The Committee has determined that no conflict of interest exists that would prevent FW Cook from serving as an independent consultant to the Committee. George Paulin, the Chairman of FW Cook, typically participates in all meetings of the Committee during which remuneration matters for Mr. Case, other executive officers or non-executive directors are discussed and the consultant communicates between meetings with the Chairman of the Committee. During 2015, the consultant assisted the Committee by:

- providing insights and advice regarding our compensation philosophy, objectives and strategy;
- developing criteria for identification of our peer group for executive and Board compensation and Company performance review purposes;
- reviewing management's design proposals for short term cash and long term equity incentive compensation programs;
- providing insights and advice regarding our analysis of risks arising from our compensation policies and practices;
- providing change in control severance calculations for our senior executive officers in the Company's 2015 annual proxy disclosure;
- providing compensation data from the Company's peer group proxy and other disclosures;
- advising on the terms and conditions of Mr. Case's employment agreement renewal; and
- advising on and providing comments on management's recommendations regarding executive officers' annual incentives for 2015 and equity based awards granted in 2015.

FW Cook charges the Company on an hourly rate plus expenses basis. During the year ended December 31, 2015, the Company paid FW Cook $228,093 for its services.

The Committee has delegated certain governance responsibilities related to the Company's retirement plans globally to the Retirement Plan Governance and Investment Committee ("RPGIC"), and the Committee delegated certain administrative responsibilities under the Company's U.S. employee benefit plans to the Administrative Committee. Each of the members of the RPGIC and the Administrative Committee are employees of the Company or its subsidiary undertakings. In addition the following officers and employees of the Company and its subsidiary undertakings provide assistance to the Committee as required:

- Mr. Anthony Goland, Executive Vice President and Chief Human Resources Officer;
- Mr. Gregory Besio, Executive Vice President;
- Ms. Christa Davies, Executive Vice President and Chief Financial Officer;
- Mr. Peter Lieb, Executive Vice President, General Counsel and Company Secretary;
- Ms. Beth Burk, former Chief Counsel - Global Employment;
- Mr. Michael Wolf, Vice President, Chief Counsel - Corporate; and
- Ms. Sherene Jodrey, Assistant General Counsel.

The Committee is also supported by the Company Secretary and Compensation functions. No individuals provide input to the Committee with regard to their own remuneration.

Note Regarding Financial Measures

For purposes of our remuneration programs, the financial metrics used to measure performance are set based upon the Company's financial results under United States generally accepted accounting principles ("U.S. GAAP"). The Company uses these results as the basis of its programs because the Company is listed in the New York Stock Exchange and files its financial statements that have been prepared in accordance with U.S. GAAP with the United States Securities & Exchange Commission (the "SEC"). For further information, please see the Company's Annual Report on Form 10-K for the year ended December 31, 2015, as filed with the SEC.

THE COMPANY'S REMUNERATION REPORT FOR 2015

Directors' Remuneration (audited)

	Salary and Fees		Benefits[1]		Annual Bonus[2]		LPP Vesting[3]		Pension		Total	
($000)	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Executive												
Gregory C. Case[4]	1,500	1,500	709	676	3,000	3,000	27,234	35,222	28	25	32,471	40,423
Non-Executive												
Lester B. Knight	515	490	91	72	—	—	—	—	—	—	606	562
Fulvio Conti	290	280	25	37	—	—	—	—	—	—	315	317
Cheryl A. Francis	270	260	12	13	—	—	—	—	—	—	282	273
James W. Leng	270	273	—	—	—	—	—	—	—	—	270	273
J. Michael Losh	295	285	43	6	—	—	—	—	—	—	338	291
Robert S. Morrison	270	260	28	22	—	—	—	—	—	—	298	282
Richard B. Myers	270	260	4	34	—	—	—	—	—	—	274	294
Richard C. Notebaert	290	280	15	21	—	—	—	—	—	—	305	301
Gloria Santona	290	280	19	15	—	—	—	—	—	—	309	295
Carolyn Y. Woo	270	260	—	6	—	—	—	—	—	—	270	266
Total	**4,530**	**4,428**	**946**	**902**	**3,000**	**3,000**	**27,234**	**35,222**	**28**	**25**	**35,738**	**43,577**

Notes

(1) For Mr. Case, "Benefits" consists of accompanied travel, tax preparation services and certain allowances in connection with his relocation to London. See the description of "Executive and Relocation Benefits" below. For accompanied travel, the amount included is the amount charged to income tax for Mr. Case in accordance with United States Internal Revenue Service regulations. Allowances related to Mr. Case's relocation totaled $614,513 in 2015 and $587,757 in 2014. For each non-executive director, "Benefits" consists of tax equalization for incremental individual income taxes paid in the United Kingdom as a result of the Company's redomestication.

(2) 35% of the bonus award ($1,050,000 in each of 2015 and 2014) was paid in restricted share units under the ISP.

(3) The LPP vests upon certification of the achievement of performance criteria following the completion of the performance period. The amount shown is determined by multiplying the actual number of shares delivered (287,980 for 2015 and 351,236 for 2014) by the closing share price on the date of vesting ($94.57 for 2015 and $100.28 for 2014).

(4) Mr. Case serves as the Company's President and Chief Executive Officer, and receives his remuneration for serving in that role.

Determination of 2015 Annual Bonus

Annual bonus payments were determined with reference to performance over the year ended December 31, 2015. The performance measures and targets are based on 2015 adjusted operating income as compared to 2014 adjusted operating income of $2,353 million, less 200 basis points. Actual performance for 2015 is shown in the table below.

Performance Criteria	Funding Formula	Actual OI	Pool Funding	Percentage of Target Bonus Paid
Adjusted operating income	Growth in OI less 200 bps	$2,338 million	97.4%	100.0%

The Committee has sole discretion to determine each executive officer's actual bonus amount as long as the corporate performance threshold was achieved. The threshold performance level was 2015 adjusted operating income of $1,647 million. As the threshold was achieved, the Committee had discretion to pay bonuses at the cap level of the lesser of three times the target bonus or $10 million, or a lesser amount. For 2015, in support of the annual incentive award paid to Mr. Case, the Committee determined that under his leadership, the Company achieved strong business and financial results across the four key metrics that we report to shareholders: organic revenue growth, adjusted operating margins, adjusted diluted earnings per share, and free cash flow. In addition, the Company's cash flow from operations increased 11% to a record $2.0 billion. During 2015, the Company also achieved a record share price of $104.52 and returned $1.9 billion of capital to shareholders through share repurchases and dividends. Over the last ten years, and exclusively during Mr. Case's leadership which began in April 2005, our average annual total shareholder return was 11%, compared to the return of the benchmark S&P 500 of 5% and 8% for our direct peers. Under Mr. Case's leadership, we also made key progress on strategic initiatives including divestiture of non-core businesses to optimize our portfolio, embedding a focus on return on capital in our firm-wide decision-making processes. The independent members of the board also determined that Mr. Case demonstrated leadership behavior that aligned with Aon's leadership model for colleague, market, and client interactions. In light the above considerations, Mr. Case's bonus was approved at 100% of target.

In accordance with the Company's Remuneration Policy, 65% of the bonus was paid in cash and 35% of the bonus was deferred into restricted share units vesting over three years. The restricted share units are not subject to any performance measures.

Determination of Vesting of LPP Award

	Performance Target				
Performance Criteria	Threshold (50%)	Target (100%)	Maximum (200%)	Actual Performance	PSUs Vested
Adjusted cumulative earnings per share	$13.01	$13.80	$14.51	$16.51	200%

In February 2016, we determined the actual achievement under the eighth cycle of the LPP, covering the performance period January 1, 2013 through December 31, 2015 ("LPP 8") and settled the performance share units in Aon plc ordinary shares. The target level represented a 6% increase over the adjusted target for the seventh cycle of the LPP established for the performance period from 2012 through 2014 ("LPP 7"). The target number of shares granted to Mr. Case under LPP 8 was 143,990. The actual number of shares ultimately vesting could range from 50% of the target number of shares if the threshold amount was met, to 200% of the target number of shares if the maximum amount was met or exceeded. The adjusted EPS from continuing operations results for LPP 8 include adjustments detailed by the plan governing LPP 8 and approved by the Committee. For each year of the performance period associated with LPP 8 adjustments to EPS from continuing operations were approved by the Committee to address the impact of extraordinary legal settlements and an error in deferred tax purchase accounting related to the Hewitt acquisition. Any permissible adjustment will be made on a comparable basis across the other Leadership Performance Programs then in progress.

Director Pension Scheme

No director who served during the year ended December 31, 2015 has any prospective entitlement to a defined benefit pension or a cash balance benefit arrangement (as defined in s152, Finance Act 2004).

The Company operates the Aon Savings Plan and the Aon Supplemental Savings Plan, which are U.S. defined contribution plans. During the year ended December 31, 2015, for Mr. Case, the Company made matching contributions of $15,900 to the Aon Savings Plan and $11,750 the Aon Supplemental Savings Plan on behalf of Mr. Case. No other director participates in the Aon Savings Plan or the Aon Supplemental Savings Plan

Scheme Interests Awarded During the Year

In line with the Company's Remuneration Policy, Mr. Case was granted awards under the ISP in February 2015 and under the LPP in March 2015. Included in this award were PSUs with a nominal value of $15 million attributable to the renewal of Mr. Case's employment agreement. The resulting number of restricted share units and performance share units and the associated performance conditions are set forth below.

Leadership Performance Plan

	Target Number of PSUs(1)	Nominal Value	Threshold Vesting	End of Performance Period	Performance condition
Gregory C. Case	255,790	$25,400,000	50%	December 31, 2017	Cumulative adjusted earnings per share(2)

Notes

(1) The target number of PSUs is determined by dividing the nominal value of $25,400,000 by the closing share price at the date of grant (March 20, 2015) of $99.30, rounded to the nearest whole share.

(2) Vesting occurs based upon the achievement of earnings per share targets for the performance periods. The performance targets have been omitted from this directors' remuneration report as such targets are considered commercially sensitive. The target levels will be disclosed in the directors' remuneration report after the completion of the applicable performance period.

Incentive Stock Program

	Number of RSUs(1)	Nominal Value	Threshold Vesting	End of Vesting Period	Performance condition
Gregory C. Case	10,464	$ 1,050,000	100%	February 20, 2018	Continued employment (2)

Notes

(1) Valued with a nominal value of $1,050,000 and the closing share price at the date of grant (February 20, 2015) of $100.34, rounded to the nearest whole share.

(2) Vesting occurs per the vesting schedule below.

Date	Number of Shares
February 20, 2016	3,488
February 20, 2017	3,488
February 20, 2018	3,488

Remuneration Decisions in 2015

The Committee sets executive compensation at levels that it believes to be appropriate and competitive for global professional services firms within the Company's market sector and the general industry marketplace. The Committee also strives to link a significant portion of Mr. Case's remuneration and the remuneration of the Company's other senior executives to performance. Overall, the Committee's intent is to manage the various elements of total remuneration together so that the emphasis of the Company's remuneration program is on the Company's variable components of pay, including long-term share-based awards and annual cash incentives that fluctuate based on the Company's performance.

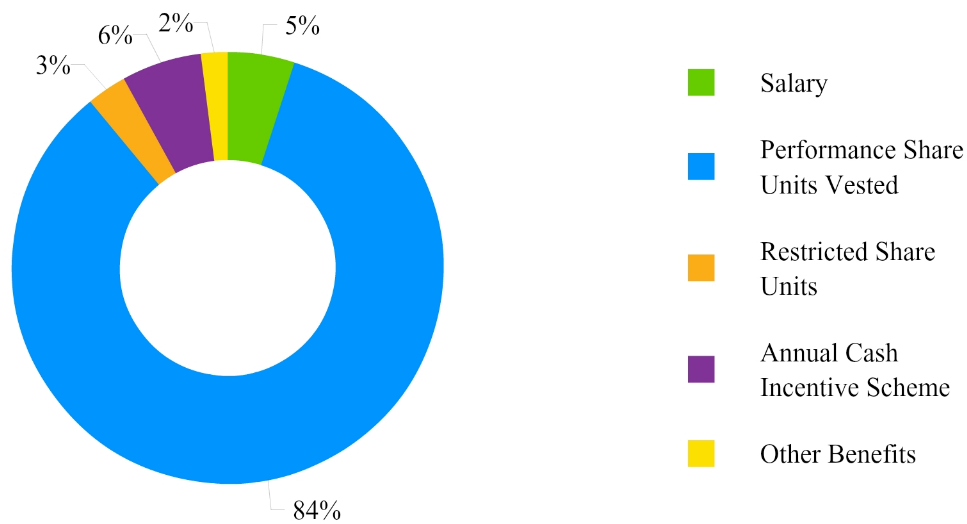
For 2015, the Committee did not have a specific market target to set total remuneration for Mr. Case or other executive officers or particular components of it. The Committee does not use a specific formula to set total remuneration either in relation to market data, the relative mix of pay components or otherwise. Rather, the Committee uses its judgment and business experience. A decision regarding one component of remuneration has only an indirect link to decisions regarding other pay components.

In January 2015, the Company entered into an amended and restated employment agreement with Mr. Case, which commenced on January 16, 2015. The agreement will expire on April 1, 2020, unless terminated earlier. The agreement is consistent with the terms of Mr. Case's prior agreement with the Company, and provides for no changes to his position, salary or bonus or benefits. In addition, the agreement makes no changes to payments that would be due to Mr. Case in the event of loss of office. Under the agreement, Mr. Case will continue to participate in the Company's long-term incentive compensation plans, and he is entitled to an award with a nominal value of $15 million in addition to his annual long-term incentive award under the tenth cycle of the LPP ("LPP 10"). The agreement also provides that Mr. Case must maintain an investment position in the Company with a market value equal to or greater than 20 times his annual base salary.

In setting remuneration for 2015, the Committee took into account the pay and employment conditions of other employees within the group, as follows:

- The Committee oversees the general funding of the annual cash incentive scheme for other eligible employees within the group, and the funding of that scheme is similarly linked to the Company's performance; and
- The Committee oversees the long-term share-based schemes available to other employees within the group and, where applicable, the Committee links those awards to the performance of the Company's business.

The chart below summarizes the actual total remuneration for Mr. Case received for 2015 as reported in the single figure table above.



Long-Term Share-Based Awards

The Company awarded two forms of long-term share-based awards to Mr. Case and other executive officers- performance share unit awards and restricted share units granted in settlement of a proportion of the annual incentive scheme. In prior years, the Organization and Compensation Committee of Aon Corporation awarded share options as part of the LPP, with the use of share options discontinued in 2010. The Committee believes that performance share units should be the exclusive form of award under the LPP because performance share units utilize fewer shares and are, therefore, a more efficient form of award than share options, while allowing the Committee to maintain a strong performance focus.

Performance Share Units

In the first quarter of 2015, we granted performance share units to our executive officers, including Mr. Case, pursuant to the tenth cycle of the LPP ("LPP 10"). LPP 10 is the tenth layer of consecutive three-year performance cycles for certain of our executive officers. It is intended to further strengthen the relationship between capital accumulation for our executives and long-term Aon financial performance and shareholder value.

The performance share units awarded under LPP 10 are payable in Aon plc ordinary shares. The nominal value of the awards was determined and approved by the Committee. The number of target performance share units granted was calculated on the date of grant based on that day's closing price of the Company's ordinary shares on the New York Stock Exchange.

The performance share units under LPP 10 will be earned and settled in a range of 0% to 200% of the target value based on performance results over a three-year performance period. The performance period began January 1, 2015, and will end on December 31, 2017. As was the case under the ninth cycle of our Leadership Performance Program established for the performance period from 2014 through 2016 ("LPP 9"), the performance results for LPP 10 will be measured against three year publicly reported adjusted cumulative EPS growth rate, subject to limited adjustments set forth in the program documentation. The adjustments are intended to exclude the impact of items of a discrete or non-operating nature, such as amortization of intangibles, so as to provide a target that while challenging, does not factor in events outside of the control of the relevant executive officers. The target levels for LPP 10 have been omitted from this directors' remuneration report as such targets are considered commercially sensitive. The target levels will be disclosed in the directors' remuneration report after the completion of the applicable performance period.

In determining the individual awards under LPP 10, the Committee considered internal pay fairness factors, the award recipient's compensation mix and total direct compensation. In addition, the market data relevant to Mr. Case supported a larger award to him than the awards granted to the other executive officers generally, as did Mr. Case's entry into a new employment agreement with the Company. The Committee does not use a specific formula to set total remuneration either in relation to market data, the relative mix of pay components or otherwise.

The Committee's selection under LPP 10 of the three year performance period and cumulative adjusted EPS financial performance metric provides the award recipients a reasonable period of time within which to achieve and sustain challenging long term growth objectives. The Committee believes adjusted EPS more effectively aligns executives to improve Aon performance, rather than EPS calculated in accordance with U.S. GAAP, as the adjusted measure provides a target that is within their control and area of accountability. Further, the Committee believes that as adjusted, the EPS measure provides a perspective on the Company's core operating performance that is more consistent with that of its shareholders and creates transparency and clarity for participants.

Restricted Share Units

At the beginning of 2015, the Company granted 10,464 time-vested restricted share units to Mr. Case and smaller awards to the Company's other executive officers in connection with the Company's ISP. These time-vested restricted share units are awarded based upon the achievement of performance goals related solely to the Company's past financial performance measured under the annual incentive plan; however, the time based vesting of the restricted share units is intended to further focus the attention of Mr. Case and other executive officers on the Company's longer-term performance as a whole, and to further promote employee retention and equity ownership. The Committee believes this strikes a fair balance between reward for past performance and incentive for future improvements.

Each of the time-vested restricted share units granted in connection with the program will vest ratably over a three-year period subject to continued employment. Awards are subject to forfeiture if an employee voluntarily terminates employment but in the event of termination by the Company without cause vesting continues over the same three-year period. Vesting is not subject to personal or corporate performance conditions. The restricted share units are settled in the Company's Ordinary Shares.

Performance-Based Annual Cash Incentive

In the first quarter of 2015, the Committee determined that 2015 Company-wide performance would be measured by growth in adjusted operating income ("OI") for 2015 as compared to 2014 adjusted OI of $2,353 million. The Committee set the minimum achievement threshold at 70% of OI from 2014, or $1,647 million, as adjusted for extraordinary, unusual or infrequently occurring items. The Committee selected adjusted OI as the measure to emphasize performance of Aon as a whole and directly link executives' awards to Aon's key business initiatives of delivering distinctive client value and achieving operational excellence. The Committee believed that the 2015 target was achievable but challenging. The Committee set the minimum threshold at 70% because we believed performance below that level would not create sufficient value for the Company's shareholders and, therefore, should not result in annual incentive payments.

The annual incentive scheme for Mr. Case and other executive officers does not provide guidelines or formulas for determining the actual incentives payable once the metric is achieved. Rather, the Committee retains sole discretion for determining the actual incentives payable. If the metric is achieved, the scheme would allow the Committee to award an incentive up to 300% of the executive's target incentive or to exercise negative discretion to award a lesser amount. Mr. Case's target incentive for 2015 was 200% of his base salary, or $3 million.

2015 Performance

During the first quarter of 2016, the Committee determined that the Company's 2015 adjusted OI was $2,338 million. This exceeded the minimum threshold established under the scheme and resulted in the pool funding at 97.4%.

The actual size of the incentive pool equals the aggregate target bonuses of all participants multiplied by the percentage the pool was funded after application of the formula, as described above. In February 2016, the independent members of the Board approved an annual incentive award to Mr. Case for 2015 performance in the aggregate value of $3 million, 65% to be paid in cash and 35% to be provided in the form of time-vested restricted share units (as described above).

Implementation of Policy in 2016

In 2016, the Committee intends to continue to provide remuneration in accordance with the Remuneration Policy approved at the Company's 2014 annual general meeting, as supplemented by the Committee's statement dated June 6, 2014.

For 2016, the Committee determined that adjusted earnings per share should continue to be the sole Performance Criteria for LPP 11. The PSUs awarded under LPP 11 are payable in Aon plc ordinary shares. Mr. Case was granted an award under LPP 11 with a target value of $10.4 million. The nominal value of the annual award for Mr. Case was based upon internal pay fairness factors, Mr. Case's compensation mix and his total direct compensation. The number of target PSUs was calculated on the date of grant based on that day's closing price of Ordinary Shares on the New York Stock Exchange.

The performance period applying to the PSUs began January 1, 2016, and will end on December 31, 2018. The performance results will be measured against the specified cumulative adjusted EPS target for the years 2016 through 2018. The target levels for LPP 11 have been omitted from this directors' remuneration report as such targets are considered commercially sensitive. The target levels will be disclosed in the directors' remuneration report after the completion of the applicable performance period.

In addition, the Committee determined that adjusted operating income should be the sole Performance Criteria for our annual bonus scheme. The Committee selected operating income because it is a broad-based metric that aligns the annual bonus scheme with the key metrics the Company measures against externally to deliver value to its shareholders. Year over year operating income growth will be used to determine the 2016 funding level. An increase in funding from the prior year will only occur when adjusted operating income increases by more than 2%. The Committee set the minimum achievement threshold at 70% of 2015 adjusted operating income, or $1,637 million, as adjusted for extraordinary, unusual or infrequently occurring items. Mr. Case's target bonus in 2016 remained at $3 million in accordance with the terms of his employment agreement.

Base Salary

Base salary is a fixed component of remuneration and is initially set at a level based primarily upon the executive's job scope or level of responsibility. The base salaries of the Company's most senior executives are adjusted infrequently. No base salary adjustment was made for Mr. Case during 2015 or is otherwise proposed.

Incentive Repayment Policy

Under the Company's Incentive Repayment Policy, the Board is permitted to cancel or require reimbursement of any incentive payment or equity-based award received by the Company's executive officers if the payment or award is based on the achievement of financial results that are subsequently restated.

If the Board determines that an executive officer engaged in fraud that caused or partially caused the need for financial restatement, the incentive payment or equity-based award is required to be forfeited in full.

If the restatement is not the result of fraud by the executive officer, the Board may, to the extent allowable under applicable law, require forfeiture or reimbursement of the amount by which the incentive payment or equity-based award exceeded the lower amount that would have been made based on the restated financial results.

Executive and Relocation Benefits

During 2015, the Company provided few personal benefits to Mr. Case as a component of his total compensation. Over the years, the Committee has taken significant steps to de-emphasize personal benefits in the Company's executive remuneration schemes.

Retirement Benefits

Mr. Case is eligible to participate in broad-based employee benefit programs that are available to the Company's employees generally (such as health coverage and 401(k) salary deferrals for the Company's U.S.-based employees). In addition, the Company provides an executive health screening program to Mr. Case and other executive officers. Mr. Case does not participate in the defined benefit pension plan or the supplemental pension program of the Company's predecessor, Aon Corporation. Mr. Case was hired by Aon Corporation after participation in the plans was frozen in 2004.

The Company also maintains a Supplemental Savings Plan, in which Mr. Case participates. It is a non-qualified, deferred compensation plan that provides eligible employees, including Mr. Case, with the opportunity to receive contributions that could not be credited under the base U.S. tax-qualified plan because of tax limitations and the specific provisions of such plan. If an executive officer contributes the maximum permissible amount to the Aon Savings Plan, the Supplemental Savings Plan provides for a company allocation as a percentage of compensation in excess of the United States Internal Revenue Service limit ($265,000 in 2015), with such compensation capped at $500,000. The percentage allocation varies by length of service but in the first four years of employment the allocation percentage is 3% and increases to 6% after 15 years of service.

Relocation Benefits

In connection with the Company's relocation of its headquarters to London, England, the Committee approved relocation benefits for the executive officers that relocated to the new corporate headquarters and, in consideration of executive officers' renewals of their commitments to their international assignments, the Committee approved the renewal of these letters with modest changes to each executive officer's relocation benefits. In each case, the Committee approved the relocation benefits after consulting with its independent remuneration consultant, FW Cook, and each relocating executive officer signed an international assignment letter with the Company's predecessor, Aon Corporation (the "Letter") dated January 12, 2012 and a renewal letter with the Company dated July 1, 2014, which describe the relocation benefits available to them.

The terms of the Letter for Mr. Case provide for the following benefits:

- relocation and housing benefits;
- cost of living differential benefits;
- a monthly foreign service allowance; and
- tax preparation benefits.

Relocation benefits are customary for expatriate assignments for the Company and other employers in its industry. The relocation packages approved are intended to keep the executive "whole" on a total rewards basis, to be transparent and equitable and to reflect best practices and benchmarks of industry counterparts. The Committee will periodically review the relocation packages of all relocated executive officers.

All of the relocation benefits are subject to recoupment if an executive officer resigns employment with the Company within two years of commencing the international assignment, or twelve months after the end thereof, and becomes employed by a direct competitor of the Company.

Non-Executive Director Remuneration

Fees

Non-executive director fees are set by the Board as a whole. In 2015, the Company provided its non-executive directors with the following cash compensation:

- an annual retainer of $115,000, payable in periodically in arrears;
- an additional annual retainer of $20,000 to the chairperson of each Board committee other than the Audit Committee; and
- an additional annual retainer of $25,000 to the chairperson of the Audit Committee.

In 2015, after reviewing market conditions, the Board approved an increase in the annual cash retainer of $5,000, to $120,000 annually. This increase was effective on January 1, 2016.

Equity Awards

Each non-executive director is entitled to receive an annual grant of fully-vested Aon plc ordinary shares on the date of the Company's annual general meeting of shareholders. In 2015, the annual grant of Aon plc ordinary shares had an initial value of $155,000 and the non-executive chairman of the Board received a grant in addition to the annual grant awarded to all non-executive directors with a $225,000 initial value. The number of Aon plc ordinary shares to be granted was determined by dividing $155,000 (or in the case of the non-executive chairman of the Board, $380,000) by the fair market value of an Aon plc ordinary share on the date of grant.

In 2015, after reviewing market conditions, the Board approved an increase in the initial value of the grant to each non-executive director of $5,000 annually to $160,000 (or in the case of the non-executive chairman of the Board, $385,000).

Payments to Past Directors and Payments for Loss of Office

There have been no payments made to directors for loss of office or to past directors during the year ended December 31, 2015 with respect to service as a director of the Company.

Director Shareholdings and Share Ownership Guidelines

The Board has adopted share ownership guidelines. The guidelines are designed to increase the Company's executives' equity stakes and to align the Company's executives' interests more closely with those of its shareholders. The guidelines provide that Mr. Case should attain an investment position in the Aon plc ordinary shares equal to six times his annual base salary and each other executive officer should attain an investment position in the Aon plc ordinary shares equal to three times his or her annual base salary. While there is no specific period of time for an executive officer to reach these levels, each executive officer is expected to make consistent progress toward these levels. In connection with the amendment and restatement of his employment agreement in January 2015, Mr. Case agreed that he will attain an investment position in the Aon plc ordinary shares equal to twenty times his annual base salary. Mr. Case's shareholdings in the Company exceed the amount required under the guidelines and his employment agreement.

The guidelines also set out equity retention rules generally requiring that net profit shares received upon the exercise of options to purchase Aon plc ordinary shares, the vesting of restricted stock units and the vesting of performance share units be retained until the required investment position is achieved. Aon plc ordinary shares counted toward these guidelines include:

- any shares owned outright;
- shares owned through an Aon-sponsored savings or retirement plan;
- shares purchased through an Aon-sponsored employee stock purchase plan;
- shares obtained through the exercise of share options;
- shares issued upon the vesting of restricted share units or performance share units; and
- "phantom stock" held in the Aon Supplemental Savings Plan.

The Board also has adopted share ownership guidelines for the Company's non-executive directors. These guidelines require each non-executive director to hold an investment position in Aon plc ordinary shares equal to five times the annual director retainer. The guidelines provide a transition period of seven years for non-executive directors to achieve the ownership guidelines level; provided, however that each new non-executive director is expected to hold 1,000 Aon plc ordinary shares within the first year of joining the Board or transitioning from an executive director to a non-executive director. The shareholdings of each non-executive director, other than Mr. Leng, who joined the Board in 2015, exceed the amount required under the guidelines.

Share Options

As of December 31, 2015, no director has received any share option granted in respect of their service as a director of the Company or otherwise in respect of any "qualifying services" in respect of the Company.

Mr. Case held options as set forth below which were granted in respect of his prior service as President, Chief Executive Officer and Director of Aon Corporation which were assumed by the Company on April 2, 2012 and relate to Aon plc ordinary shares. Mr. Case exercised all of his outstanding options during 2015. As a result, Mr. Case held no options at December 31, 2015.

	At Jan 1, 2015	Granted During Year	Exercised During Year	Lapsed During Year	At Dec 31, 2015	Exercise Price ($)	Market Price at Date of Exercise ($)	Date from Which Exercisable	Expiry Date
Gregory	1,000,000	—	1,000,000	—	—	22.86	(1)	April 4, 2007[2]	April 4, 2015
C. Case	107,582	—	107,582	—	—	39.04	(3)	March 20, 2010 [4]	March 20, 2015

Notes

(1) Share options were exercised between February 13, 2015 and March 13, 2015. The closing price ranged from $96.02 per share to $100.71 per share on the dates of exercise.

(2) One-third of the options vested on each of April 4, 2007, April 4, 2008 and April 4, 2009.

(3) Share options were exercised between February 10, 2015 and February 12, 2015. The closing price ranged from $98.19 per share to $100.74 per share on the dates of exercise.

(4) One-third of the options vested on each of March 20, 2010, March 20, 2011 and March 20, 2012.

Long-Term Incentive Schemes

As of December 31, 2015, Mr. Case had the awards set forth below outstanding under the Company's LPP and ISP. Awards made prior to April 2, 2012 were made by Aon Corporation and were assumed by the Company on April 2, 2012 and relate to Aon plc ordinary shares. The awards set forth below vest in future years and the Aon plc ordinary shares will become receivable under the plans in respect of qualifying service. None of the Company's non-executive directors has any scheme interest in respect of qualifying service.

	Award Date	At Jan 1, 2015 Maximum number of shares under Award	At Dec 31, 2015 Maximum number of shares under Award	End of Performance Period/Latest Vesting Date	Vesting Date	Number of Shares Vested in 2015/2016	Market Price on Award Date ($)	Market Price on Vesting Date ($)
				LPP Awards[1]				
Gregory C. Case	Mar 16, 2012	351,236	—	Dec 31, 2014	Feb 19, 2015	351,236(2)	48.97	100.28
	Mar 15, 2013	287,980	287,980	Dec 31, 2015	Feb 18, 2016	287,980(3)	59.90	94.57
	Mar 14, 2014	215,776	215,776	Dec 31, 2016	Feb 2017	—	83.42	n/a
	Mar 20, 2015	—	511,580	Dec 31, 2017	Feb 2018	—	99.30	n/a
				ISP Awards[4]				
	Feb 17, 2012	4,899	—	Feb 17, 2015	Feb 17, 2015	4,899	47.62	100.71
	Feb 15, 2013	12,076	6,038	Feb 15, 2016	Feb 15, 2015	6,038	57.00	100.56
					Feb 15, 2016	6,038		93.80
	Feb 14, 2014	12,936	8,624	Feb 14, 2017	Feb 14, 2015	4,312	85.23	100.56
					Feb 14, 2016	4,312		93.80
					Feb 14, 2017	—		n/a
	Feb 20, 2015	—	10,464	Feb 20, 2018	Feb 20, 2016	3,488	100.34	93.58
					Feb 20, 2017	—		n/a
					Feb 20, 2016	—		n/a

Notes

(1) For performance shares awarded under the LPP, the actual number of shares issued to Mr. Case is determined based upon the adjusted earnings per share of the Company during the performance period. For all awards, the maximum potential number of shares that may vest is shown. See "The Company's Remuneration Policy".

(2) Represents the actual number of shares awarded to Mr. Case on February 19, 2015.

(3) Represents the actual number of shares awarded to Mr. Case on February 18, 2016.

(4) For restricted share units awarded under our ISP, the shares awarded are the restricted share portion of awards approved by the independent members of the Board based upon the achievement of certain performance measures by Mr. Case during the year prior to the award date under the annual incentive plan. The restricted share units vest in equal amounts on the first through the third anniversary date of the award date subject to continued employment. No other performance conditions apply to the vesting of the restricted share units.

Directors' Interests in Aon plc Ordinary Shares

The table below provides details on the directors' interests in shares of the Company at December 31, 2015, including interests of connected persons (as defined for the purposes of section 96B(2) of the Financial Services and Markets Act 2000).

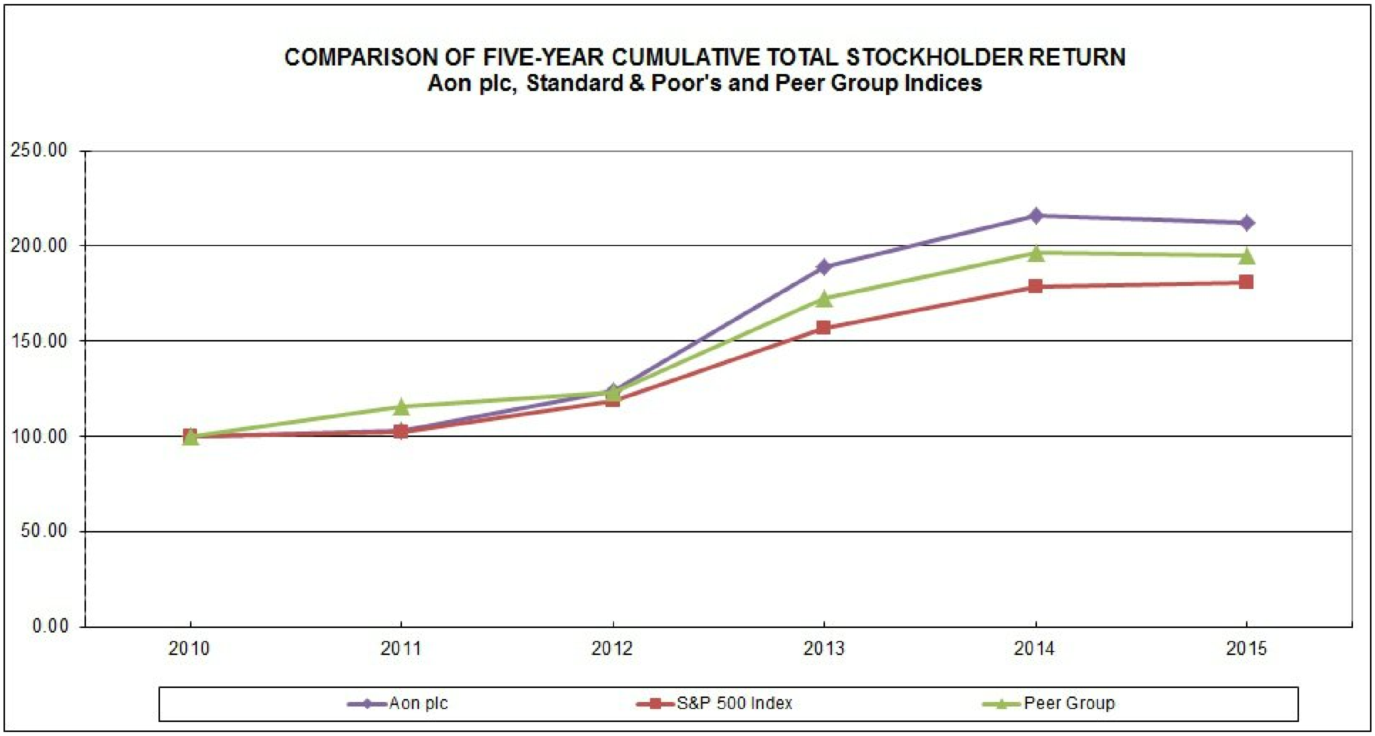
	Beneficially Owned Shares	LPP	ISP	Options	Total
Executive Director					
Gregory C. Case	1,050,809	1,015,336	25,126	—	2,091,271
Non-Executive Directors					
Lester B. Knight	335,946	—	—	—	335,946
Fulvio Conti	23,532	—	—	—	23,532
Cheryl A. Francis	19,769	—	—	—	19,769
James W. Leng	3,651	—	—	—	3,651
J. Michael Losh	34,664	—	—	—	34,664
Robert S. Morrison	53,361	—	—	—	53,361
Richard B. Myers	20,973	—	—	—	20,973
Richard C. Notebaert	53,382	—	—	—	53,382
Gloria Santona	30,673	—	—	—	30,673
Carolyn Y. Woo	21,382	—	—	—	21,382

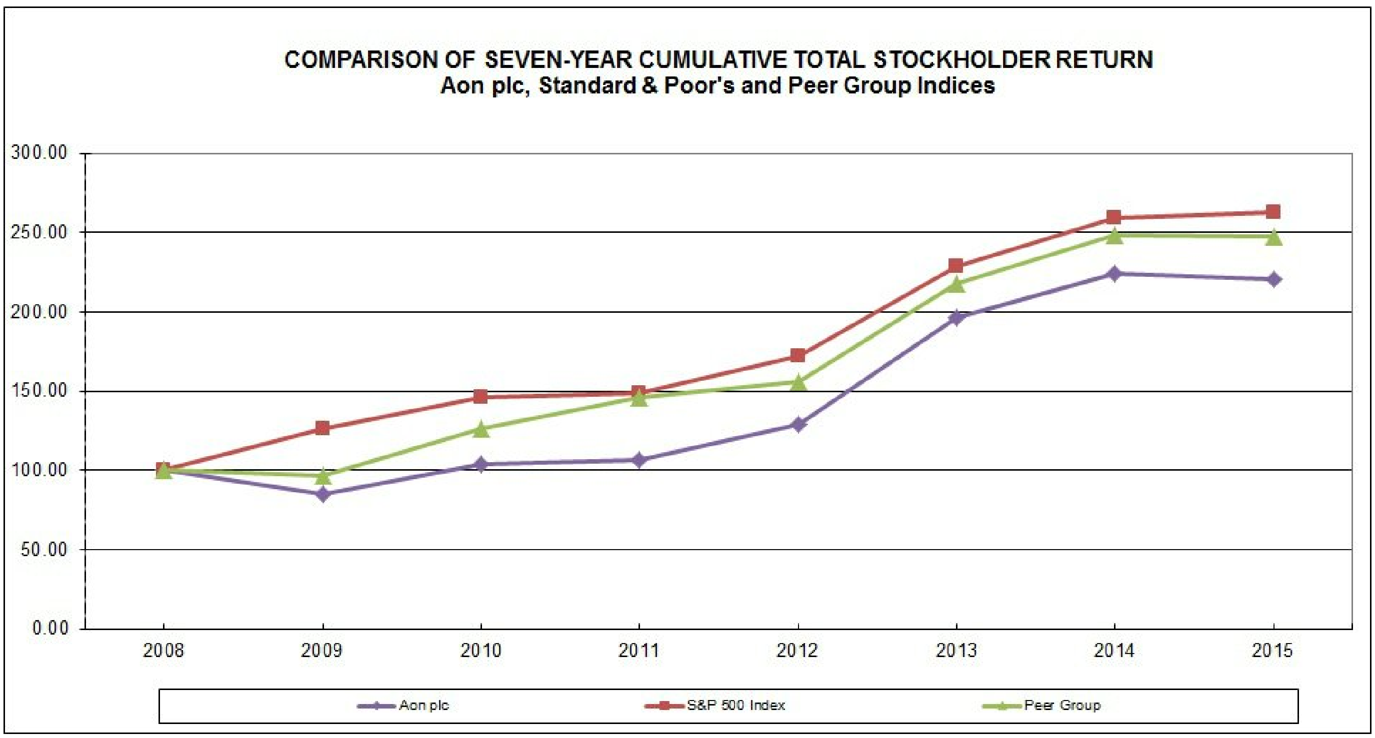
Performance Graph

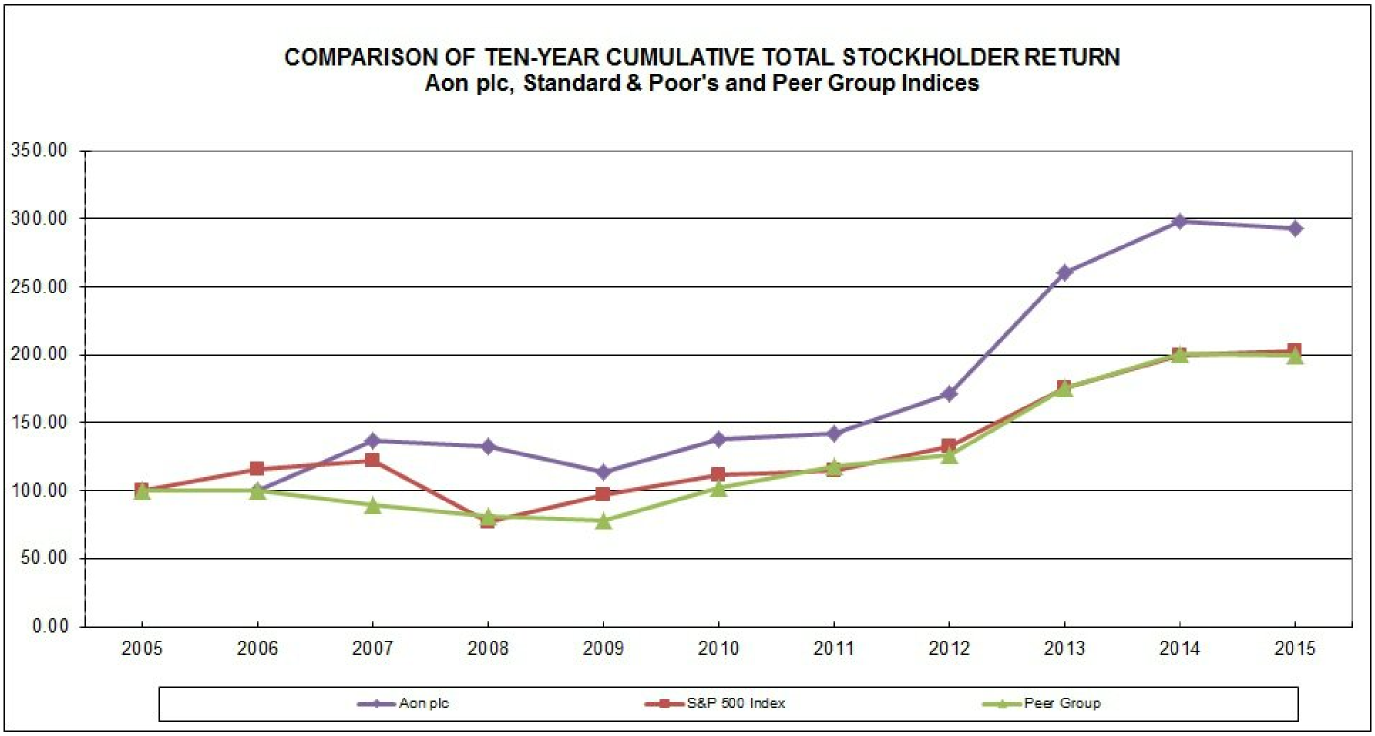
The graph below shows the total shareholder return of the Company (and its predecessor Aon Corporation) for the five, seven, and ten years ended December 31, 2015 on an assumed investment of $100 on December 31, 2010, 2008, and 2005, respectively, in Aon plc, the Standard & Poor's S&P 500 Stock Index and an index of peer group companies.

The Standard & Poor's S&P 500 Stock Index has been chosen because the Company is a part of this index, and as a result the Company is required to use this index in its performance graph under U.S. Securities and Exchange Commission rules.

The peer group index reflects the performance of the following peer group companies which are, taken as a whole, in the same industry or which have similar lines of business as Aon: Arthur J. Gallagher & Co.; Marsh & McLennan Companies, Inc.; Brown & Brown, Inc.; Towers Watson & Co. and Willis Group Holdings Public Limited Company. The peer group returns are weighted by market capitalization at the beginning of each year. The performance graph assumes that the value of the investment of Aon plc ordinary shares and the peer group index was allocated pro rata among the peer group companies according to their respective market capitalizations, and that all dividends were reinvested.


COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL STOCKHOLDER RETURN
Aon plc, Standard & Poor's and Peer Group Indices
250.00
200.00
150.00
100.00
50.00
0.00
2010
2011
2012
2013
2014
2015
Aon plc
S&P 500 Index
Peer Group


COMPARISON OF SEVEN-YEAR CUMULATIVE TOTAL STOCKHOLDER RETURN
Aon plc, Standard & Poor's and Peer Group Indices
300.00
250.00
200.00
150.00
100.00
50.00
0.00
2008
2009
2010
2011
2012
2013
2014
2015
Aon plc
S&P 500 Index
Peer Group



Chief Executive Officer Remuneration

	2009	2010	2011	2012	2013	2014	2015
Total Remuneration(1) ($,000)	14,287	13,180	11,959	25,323	22,322	40,423	32,471
Annual bonus as a percentage of maximum(2)	60%	60%	22%	33%	35%	33%	33%
Shares vesting as a percentage of maximum	100%	65%	62%	44%	63%	100%	100%

Notes

(1) For all periods prior to April 2, 2012, the remuneration shown includes remuneration paid to Mr. Case for serving as an executive director of Aon Corporation.

(2) In 2011, the maximum bonus under the Shareholder Approved Plan was increased from the lesser of $5 million or three times target bonus to the lesser of $10 million or three times target bonus.

Percentage Change in Chief Executive Officer Remuneration Compared to Average

The table below shows the percentage change in the remuneration of our chief executive officer from 2014 to 2015 compared to the average percentage change for the Company's employees who participate in similar compensation schemes to our chief executive officer and are based in the United Kingdom and the United States. The Company believes that this is an appropriate comparator group because the remuneration arrangements for this group allow for a meaningful comparison.

	Salary	Benefits	Annual Bonus
Chief Executive Officer	—%	5%	—%
Comparator Employees	1%	1%	3%

Relative Importance of Spend on Pay

During the years ended December 31, 2014 and 2015, the Company's remuneration paid to its employees and distributions to shareholders were as follows:

($ millions)	Year ended 31 December, 2014	2015	Percentage Change
Employee remuneration	7,072	6,953	(1.7)%
Dividends	273	323	18.3 %
Share buyback	2,250	1,550	(31.1)%

Votes on Remuneration in 2014 and 2015

At the Company's annual general meeting held on June 24, 2014, the Company's Remuneration Policy received the following votes from shareholders:

	Votes	%
For	229,581,797	89.7%
Against	7,833,104	3.1%
Withheld	2,906,488	1.1%
Broker Non-Votes	15,712,875	6.1%

At the Company's annual general meeting held on June 17, 2015, the director's remuneration report received the following votes from shareholders:

	Votes	%
For	215,778,810	90.5%
Against	4,383,136	1.8%
Withheld	1,604,882	0.7%
Broker Non-Votes	16,765,794	7.0%

For and on behalf of the Board

P Lieb
Company Secretary
Date: March 31, 2016
Registered Number 07876075

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the Group and parent company financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law, the directors have elected to prepare both financial statements in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and IFRIC interpretations effective for the 2015 year end.

Under Company law the directors must not approve the Group or parent company financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and parent company and of the profit or loss of the Group and parent company for that period.

In preparing the Group and parent company financial statements, the directors are required to:

- for the financial statements, present fairly the financial position, financial performance and cash flows;
- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the Group and parent company financial statements have been prepared in accordance with IFRS subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and parent company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and parent company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and parent company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for preparing the Report of the Directors and Strategic Report in accordance with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the U.K. governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AON PLC

We have audited the financial statements of Aon plc for the year ended December 31, 2015 which comprise the Consolidated Statements of Income and Comprehensive Income and the Consolidated and Parent Company Statements of Financial Position, Statements of Cash Flow, and Statements of Changes in Equity and the related Notes 1 to 21 for the Consolidated financial statements and the related Notes 1 to 16 for the Parent Company financial statements. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page 61, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at December 31, 2015 and of the group's profit for the year then ended;
- the consolidated financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Report of the Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ed Jervis (Senior statutory auditor)
for and on behalf of Ernst &Young LLP, Statutory Auditor
London
March 31, 2016

Notes:
1. The maintenance and integrity of the Aon plc web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.
2. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

CONSOLIDATED STATEMENTS OF INCOME

(millions, except per share data)	*Notes*	*Years ended December 31,* 2015	2014
Revenue			
Commissions, fees and other		**$ 11,661**	$ 12,019
Fiduciary investment income		**21**	26
Total revenue		**11,682**	12,045
Expenses			
Compensation and benefits	18	**6,953**	7,072
Other general expenses		**3,004**	3,037
Total operating expenses		**9,957**	10,109
Operating income		**1,725**	**1,936**
Interest income		**14**	10
Interest expense		**(272)**	(259)
Other income	3	**104**	49
Income before income taxes		**1,571**	1,736
Income taxes	8	**246**	332
Net income		**1,325**	1,404
Net income attributable to:			
Aon shareholders		**1,288**	1,370
Noncontrolling interests		**37**	34
		$ 1,325	$ 1,404
Basic net income per share attributable to Aon shareholders		**$ 4.58**	$ 4.63
Diluted net income per share attributable to Aon shareholders		**$ 4.50**	$ 4.53
Weighted average ordinary shares outstanding — basic	9	**281.1**	295.7
Weighted average ordinary shares outstanding — diluted	9	**286.1**	302.6

The notes on pages 69 to 139 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(millions)	*Notes*	*Years ended December 31,* 2015	2014
Net income		**$ 1,325**	$ 1,404
Other comprehensive gain (loss), net of tax:			
Items that will not be reclassified subsequently to profit or loss:			
Post-retirement benefit obligation		**245**	(228)
Items that will be reclassified subsequently to profit or loss:			
Foreign currency translation adjustments [1]	9	**(440)**	(501)
Change in fair value of financial instruments	9	**1**	1
		(439)	(500)
Total other comprehensive gain (loss), net of tax		**(194)**	(728)
Total comprehensive income		**$ 1,131**	$ 676
Total comprehensive income attributable to:			
Aon shareholders		**$ 1,100**	$ 645
Noncontrolling interests		**31**	31
		$ 1,131	**$ 676**

(1) Foreign currency translation adjustments includes $(3) million and $(6) million, respectively, related to noncontrolling interests during 2014 and 2015.

The notes on pages 69 to 139 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(millions, except nominal and par value)	*Notes*	*As of December 31,* 2015	2014	*As of January 1,* 2014
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	2.1	**$ 384**	$ 374	$ 477
Short-term investments	13	**356**	394	523
Receivables	13	**2,733**	2,815	2,896
Fiduciary assets	13	**9,932**	11,638	11,871
Other current assets		**329**	385	464
Total Current Assets		**13,734**	15,606	16,231
NON-CURRENT ASSETS				
Goodwill	5	**8,448**	8,860	8,997
Intangible assets	5	**2,515**	2,851	2,927
Fixed assets	19	**429**	434	442
Deferred tax assets	8	**334**	280	324
Prepaid pension	10	**1,027**	926	560
Other non-current assets		**580**	672	747
Total Non-Current Assets		**13,333**	14,023	13,997
TOTAL ASSETS		**$ 27,067**	$ 29,629	$ 30,228
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Fiduciary liabilities	13	**$ 9,932**	$ 11,638	$ 11,871
Short-term debt and current portion of long-term debt	6	**562**	783	699
Accounts payable and accrued liabilities	13	**1,747**	1,754	1,843
Short-term provisions	14	**199**	133	154
Other current liabilities		**810**	909	973
Total Current Liabilities		**13,250**	15,217	15,540
NON-CURRENT LIABILITIES				
Long-term debt	6	**5,138**	4,768	3,666
Pension, other post retirement, and post employment liabilities	10	**1,878**	2,167	1,620
Deferred tax liabilities	8	**33**	40	301
Long-term provisions	14	**104**	177	223
Other non-current liabilities		**438**	488	561
Total Non-Current Liabilities		**7,591**	7,640	6,371
TOTAL LIABILITIES		**20,841**	22,857	21,911
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: December 31, 2015 - 269.8; 2014 - 280.0; January 1, 2014 - 300.7)		**3**	3	3
Share premium account		**308**	236	179
Retained earnings		**6,768**	6,955	8,071
Other reserves	9	**(910)**	(477)	20
TOTAL AON SHAREHOLDERS' EQUITY		**6,169**	6,717	8,273
Noncontrolling interests		**57**	55	44
TOTAL EQUITY		**6,226**	6,772	8,317
TOTAL LIABILITIES AND EQUITY		**$ 27,067**	$ 29,629	$ 30,228

The financial statements were approved by the Board of Directors on March 31, 2016.

Gregory C. Case, Director

The notes on pages 69 to 139 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

(millions)	Shares	Ordinary Shares	Share Premium Account	Retained Earnings	Other Reserves	Shareholders' Equity	Noncontrolling Interest	Total
Balance at January 1, 2014	300.7	$ 3	$ 179	$ 8,071	$ 20	**$ 8,273**	$ 44	**$ 8,317**
Profit for the year	—	—	—	1,370	—	**1,370**	34	**1,404**
Other comprehensive loss for the year	—	—	—	(228)	(497)	**(725)**	(3)	**(728)**
Total comprehensive income (expense) for the year	**—**	**—**	**—**	**1,142**	**(497)**	**645**	**31**	**676**
Shares issued — employee benefit plans	0.4	—	19	7	—	**26**	—	**26**
Shares issued — employee compensation	4.7	—	38	(169)	—	**(131)**	—	**(131)**
Shares purchased	(25.8)	—	—	(2,250)	—	**(2,250)**	—	**(2,250)**
Tax benefit - employee benefit plans	—	—	—	93	—	**93**	—	**93**
Share-based compensation expense	—	—	—	334	—	**334**	—	**334**
Dividends to shareholders	—	—	—	(273)	—	**(273)**	—	**(273)**
Sales of subsidiary shares to non-controlling interest	—	—	—	—	—	—	4	**4**
Dividends paid to non-controlling interests on subsidiary common stock	—	—	—	—	—	—	(24)	**(24)**
Balance at December 31, 2014	**280.0**	**3**	**236**	**6,955**	**(477)**	**6,717**	**55**	**6,772**
Profit for the year	—	—	—	1,288	—	**1,288**	37	**1,325**
Other comprehensive loss for the year	—	—	—	245	(433)	**(188)**	(6)	**(194)**
Total comprehensive income (expense) for the year	**—**	**—**	**—**	**1,533**	**(433)**	**1,100**	**31**	**1,131**
Shares issued — employee benefit plans	0.5	—	32	—	—	**32**	—	**32**
Shares issued — employee compensation	5.3	—	40	(228)	—	**(188)**	—	**(188)**
Shares purchased	(16.0)	—	—	(1,550)	—	**(1,550)**	—	**(1,550)**
Tax benefit — employee benefit plans	—	—	—	34	—	**34**	—	**34**
Share-based compensation expense	—	—	—	347	—	**347**	—	**347**
Dividends to shareholders	—	—	—	(323)	—	**(323)**	—	**(323)**
Sales of subsidiary shares to non-controlling interest	—	—	—	—	—	—	(2)	**(2)**
Dividends paid to non-controlling interests on subsidiary common stock	—	—	—	—	—	—	(27)	**(27)**
Balance at December 31, 2015	**269.8**	**$ 3**	**$ 308**	**$ 6,768**	**$ (910)**	**$ 6,169**	**$ 57**	**$ 6,226**

The notes on pages 69 to 139 are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions)	*Notes*	Years ended December 31, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		**$ 1,325**	$ 1,404
Adjustments to reconcile net income to cash provided by operating activities:			
Gain from sales of businesses and investments, net	3	**(82)**	(44)
Depreciation of fixed assets	19	**121**	132
Amortization of intangible assets	5	**423**	462
Share-based compensation expense	11	**347**	334
Deferred income taxes		**(174)**	(150)
Change in assets and liabilities:			
Fiduciary receivables		**599**	(19)
Short-term investments — funds held on behalf of clients		**350**	(403)
Fiduciary liabilities		**(949)**	422
Receivables, net		**(82)**	(25)
Accounts payable and accrued liabilities		**83**	3
Restructuring reserves		**(31)**	(83)
Current income taxes		**115**	41
Pension, other post-retirement and other post-employment liabilities		**(120)**	(284)
Other assets and liabilities		**175**	52
CASH PROVIDED BY OPERATING ACTIVITIES		**2,100**	1,842
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investments		**213**	63
Payments for investments		**(262)**	(61)
Net sales (purchases) of short-term investments — non-fiduciary		**9**	110
Acquisition of businesses, net of cash acquired		**(16)**	(479)
Proceeds from sale of businesses		**205**	48
Capital expenditures		**(290)**	(256)
CASH (USED FOR) PROVIDED BY INVESTING ACTIVITIES		**(141)**	(575)
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchase	9	**(1,550)**	(2,250)
Issuance of shares for employee benefit plans		**(122)**	(105)
Issuance of debt		**5,351**	5,239
Repayment of debt		**(5,098)**	(3,918)
Cash dividends to shareholders	9	**(323)**	(273)
Noncontrolling interests and other financing activities		**(35)**	4
CASH USED FOR FINANCING ACTIVITIES		**(1,777)**	(1,303)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		**(172)**	(67)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**10**	(103)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		**374**	477
CASH AND CASH EQUIVALENTS AT END OF YEAR		**$ 384**	$ 374

The notes on pages 69 to 139 are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying Consolidated Financial Statements and Notes thereto have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and the Companies Act 2006 applicable to Companies reporting under IFRS. The Consolidated Financial Statements include the accounts of Aon plc and all controlled subsidiaries ("Aon", the "Company", or the "Group"). All intercompany accounts and transactions have been eliminated. The Consolidated 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.

Aon transitioned to IFRS on January 1, 2014. Refer to Note 2.2 for information on how the Company adopted IFRS.

The Consolidated Financial Statements have been prepared on a historical cost basis unless otherwise noted. A summary of the IFRS accounting policies adopted by the Company in preparing the Consolidated Financial Statements have been included in Note 2.1 "Summary of Significant Accounting Principles and Practices".

Use of Estimates, Judgments and Assumptions

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

A summary of key estimates, assumptions and judgments that affect what the Company reports as assets and liabilities and what is disclosed as contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the periods presented have been included in Note 2.1 "Summary of Significant Accounting Principles and Practices."

2.1 Summary of Significant Accounting Principles and Practices

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Risk Solutions segment revenues primarily include insurance commissions and fees for services rendered and investment income on funds held on behalf of clients. For brokerage commissions, revenue is typically recognized at the completion of the placement process, assuming it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. The placement process is typically considered complete on the effective date of the related policy. Commission revenues are recorded net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data.

HR Solutions segment revenues consist primarily of fees paid by clients for consulting advice and outsourcing contracts. Fees paid by clients for consulting services are typically charged on an hourly, project or fixed-fee basis. Revenues from time-and-materials or cost-plus arrangements are recognized as services are performed, assuming it is probable that economic benefits will flow to the Company and the revenue can be reliably measured. Revenues from fixed-fee contracts are recognized as services are provided or at the completion of a project based on facts and circumstances of the client arrangement. Revenues from health care exchange arrangements are typically recognized upon successful enrollment of participants, net of a reserve for estimated cancellations, assuming all four criteria to recognize revenue have been met. Reimbursements received for out-of-pocket expenses are recorded as a component of revenues. The Company's outsourcing contracts typically have three-to-five year terms for benefits services and five-to-ten year terms for human resources business process outsourcing ("HR BPO") services. The Company recognizes revenues as services are performed, assuming it is probable that economic benefits will flow to the Company and the revenue can be reliably measured.

The Company may also receive implementation fees from clients either up-front or over the ongoing services period as a component of the fee per participant. Lump sum implementation fees received from a client are typically deferred and recognized ratably over the ongoing contract services period. If a client terminates an outsourcing services arrangement prior to the end of the contract, a loss on the contract may be recorded, if necessary, and any remaining deferred implementation revenues would typically be recognized over the remaining service period through the termination date.

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

Share-Based Compensation Costs

Share-based payments to employees include grants of employee share options, restricted shares and restricted share units ("RSUs"), performance share awards ("PSAs") as well as employee share purchases related to the Employee Share Purchase Plan. Share-based compensation expense is measured based on estimated grant date fair value and recognized together with a corresponding increase in Retained earnings in equity over the requisite service period for awards that are ultimately expected to vest. Forfeitures are estimated at the time of grant based on actual experience to date and estimates are revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates.

Restricted Share Units

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

Performance Share Awards

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

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

The largest performance-based share-based payment award plan is the Leadership Performance Plan ("LPP"), which has a three-year performance period. The 2013 to 2015 performance period ended on December 31, 2015, the 2012 to 2014 performance period ended on December 31, 2014 and the 2011 to 2013 performance period ended on December 31, 2013.The LPP currently has two open performance periods: 2014 to 2016 and 2015 to 2017. A 10% upward adjustment in our estimated performance achievement percentage for both LPP plans would have increased our 2015 expense by approximately $3.3 million, while a 10% downward adjustment would have decreased our expense by approximately $7.7 million. As the percent of expected performance increases or decreases, the potential change in expense can go from 0% to 200% of the targeted total expense.

Pension and Other Post-Retirement Benefits

The Company sponsors defined benefit pension plans throughout the world. The most significant plans are located in the U.S., the U.K., the Netherlands and Canada. The U.S., U.K., Netherlands and Canadian pension plans are closed to new entrants. The Company has ceased crediting future benefits relating to salary and service for its U.S., U.K., Netherlands and Canadian plans to the extent statutorily permitted.

The Company records net period cost or benefit relating to its pension and other post-retirement benefit plans based on calculations that include various actuarial assumptions, including discount rates, inflation rates, mortality rates, compensation increases, and turnover rates. The Company reviews its actuarial assumptions on an annual basis and modifies these assumptions based on current rates and trends.

Actuarial gains and losses are recognized in Other comprehensive income in the period in which they occur in and are not reclassified to net income in subsequent periods. Service costs, administrative expenses, and net interest on the defined benefit liability (asset) is included within Compensation and benefits and the return on assets (excluding amounts included in net interest) is recognized in Other comprehensive income.

The defined benefit surplus or deficit is calculated as the present value of defined benefit obligations less the fair value of the plan assets and is included within Prepaid pension or Pension, other post retirement, and post employment liabilities on the Statement of Financial Position. Surpluses are included only to the extent that they are recoverable through reduced contributions in the future or through refunds from the plans taking into consideration any minimum funding requirements that apply to the applicable plans.

Net Income per Share

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

Certain ordinary share equivalents, related primarily to options, are not included in the computation of diluted income per share if their inclusion would be antidilutive.

Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents include cash balances and all highly liquid investments with initial maturities of three months or less. Short-term investments include certificates of deposit, money market funds and highly liquid debt instruments purchased with initial maturities in excess of three months but less than one year and are carried at cost or amortized cost, respectively, as an approximation of fair value.

At December 31, 2015, Cash and cash equivalents and Short-term investments totaled $740 million compared to $768 million at December 31, 2014. Of the total balance, $105 million and $169 million was restricted as to its use at December 31, 2015 and 2014, respectively. Included within the December 31, 2015 and 2014 balances, respectively, were £43.3 million ($64.6 million at December 31, 2015 exchanges rates) and £42.0 million ($65.3 million at December 31, 2014 exchange rates) of operating funds required to be held by the Company in the U.K. by the Financial Conduct Authority, a U.K.-based regulator, which were included in Short-term investments. In addition, Cash and cash equivalents included additional restricted balances of $40 million and $104 million at December 31, 2015 and 2014, respectively.

Fiduciary Assets and Liabilities

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

Aon maintained premium trust balances for premiums collected from insureds but not yet remitted to insurance companies of $3.4 billion and $4.0 billion at December 31, 2015 and 2014, respectively. These funds and a corresponding liability are included in Fiduciary assets and Fiduciary liabilities, respectively, in the accompanying Consolidated Statements of Financial Position.

Allowance for Doubtful Accounts

The Company's allowance for doubtful accounts with respect to receivables is based on a combination of factors, including evaluation of historical write-offs, aging of balances and other qualitative and quantitative analyses. Receivables, net included an allowance for doubtful accounts of $58 million and $74 million at December 31, 2015 and 2014, respectively.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets, which are generally as follows:

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

Estimated useful lives are reviewed on an annual basis.

Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date. The arrangement is assessed for whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Expense associated with payments made under operating leases is recognized in Other general expenses in the Consolidated Statements of Income on a straight-line basis over the period of the lease.

Consolidation

Aon consolidates any entity in which it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In determining whether Aon holds control over an investee it considers the design and purpose of the investee, it's substantive rights over the investee in relation to other investors, and Aon's ability to direct relevant activities to affect our return on the investment.

Derivative Financial Instruments

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

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

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

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

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

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

Goodwill and Other Intangible Assets

Goodwill represents the excess of acquisition cost over the fair value of the net assets in the acquisition of a business. Goodwill is not amortized, but instead is tested for impairment at least annually in the fourth quarter. In the fourth quarter, Aon also tests the acquired tradenames (which also are not amortized) for impairment. The Company tests more frequently if there are indicators of impairment or whenever business circumstances suggest that the carrying value of goodwill or trademarks may not be recoverable. These indicators may include a sustained significant decline in the Company's share price and market capitalization, a decline in expected future cash flows, or a significant adverse change in legal factors or in the business climate, among others.

For goodwill impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU"). An impairment loss is recognized in net income if the carrying amount of a CGU exceeds its recoverable amount. The recoverable amount is the higher of a CGU's fair value less costs to sell and value-in-use. The recoverable amount is determined based on calculations prepared on the basis of management's assumptions and estimates. In determining the recoverable amount of CGUs, the Company uses a discounted cash flow ("DCF") model based on current forecasts. The related cash flow forecasts are discounted using a pre-tax rate at the date of evaluation. Preparation of forecasts and selection of the discount rate for use in the DCF model involve significant judgments, and changes in these estimates could affect the estimated fair value of one or more of the Company's CGUs and could result in a goodwill impairment charge in a future period. Market multiples are also used which are obtained from quoted prices of comparable companies to corroborate the Company's DCF model results. The combined estimated fair value of our reporting units from our DCF model often results in a premium over our market capitalization, commonly referred to as a control premium. We believe the implied control premium determined by our impairment analysis is reasonable based upon historic data of premiums paid on actual transactions within our industry.

Intangible assets include customer related and contract based assets representing primarily client relationships and non-compete covenants, tradenames, marketing and technology related, and software assets. These intangible assets, with the exception of tradenames, are amortized over periods ranging from 1 to 13 years, with a weighted average original life of 10 years. Tradenames are generally not amortized as such assets have been determined to have indefinite useful lives as based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity, and are tested at least annually for impairments using an analysis of expected future cash flows. Interim impairment testing may be performed when events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable.

The Company reviews intangible assets that are being amortized for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. There were no indications that the carrying values of amortizable intangible assets were impaired as of December 31, 2015.

Foreign Currency

The Company's Consolidated Financial Statements are presented in U.S. dollars, which is also the parent company's functional currency. Certain of the Company's non-U.S. operations use their respective local currency as their functional currency. These operations that do not have the U.S. dollar as their functional currency translate their financial statements at the current rates of exchange in effect at the balance sheet date and revenues and expenses using rates that approximate those in effect during the period. The resulting translation adjustments are included as a component of stockholders' equity in Other reserves in the Consolidated Statements of Financial Position. Gains and losses from the remeasurement of monetary assets and liabilities that are denominated in a non-functional currency are included in Other income (expense) within the Consolidated Statements of Income.

Income Taxes

The Company earns income in numerous countries and this income is subject to the laws of taxing jurisdictions within those countries. The carrying values of deferred income tax assets and liabilities reflect the application of our income tax accounting policies, and are based on management's assumptions and estimates about future operating results and levels of taxable income and judgments about using tax planning strategies in various taxing jurisdictions. Using different estimates, assumptions and judgments in accounting for income taxes, especially those that deploy tax planning strategies, may result in materially different carrying values of income tax assets and liabilities and changes in our results of operations.

Aon operates in many jurisdictions where tax laws relating to our businesses are not well developed. In such jurisdictions, the Company typically obtain professional guidance, when available, and considers existing industry practices before using tax planning strategies and meeting our tax obligations. Tax returns are routinely subject to audit in most jurisdictions, and tax liabilities are frequently finalized through negotiations. In addition, several factors could change the future level of uncertainty over the Company's tax liabilities, including the following:

- the portion of our overall operations conducted in non-U.S. tax jurisdictions has been increasing, and we anticipate this trend will continue,
- to deploy tax planning strategies and conduct global operations efficiently, our subsidiaries frequently enter into transactions with affiliates, which are generally subject to complex tax regulations and are frequently reviewed by tax authorities,
- tax laws, regulations, agreements and treaties change frequently, requiring us to modify existing tax strategies to conform to such changes, and
- the move of the corporate headquarters to London.

Income tax expense comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

Current income tax

Current income tax is measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements.

Deferred tax is not recognized for:

(1) taxable temporary differences arising from the initial recognition of goodwill,
(2) temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, or
(3) temporary differences related to investments in subsidiaries, associates and joint ventures, to the extent the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Additional income taxes could be recorded (or incurred) if we change our investment strategy relating to these subsidiaries, which could materially affect our future effective tax rate.

Deferred tax assets are recognized for deductible temporary differences and the carry forward of unused tax credits and unused tax losses to the extent that it is probable that future taxable profit will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax is measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, using tax rates and laws enacted or substantively enacted at the reporting date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The Company is required to assess the likelihood of material adverse judgments or outcomes as well as potential ranges or probability of losses. The Company determines the amount of provisions required, if any, after carefully analyzing each individual item. The required provisions may change due to new developments in each issue. The Company does not recognize gain contingencies until the contingency is resolved and amounts due are virtually certain of collection.

Critical Accounting Estimates and Judgments

In accordance with our policies, the Company regularly evaluates our estimates, assumptions and judgments, including, but not limited to, those concerning revenue recognition, pensions, goodwill and other intangible assets, provisions, share-based payments, and income taxes, and base estimates, assumptions, and judgments on historical experience and on factors the Company believes reasonable under the circumstances. The results involve judgments about the carrying values of assets and liabilities not readily apparent from other sources. If assumptions or conditions change, the actual results reported may differ from these estimates. The areas where judgment, estimates and assumptions have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Financial statement area	Critical judgment in applying accounting policies	Note
Revenue recognition	Assessment of when it is probable that economic benefits will flow to the Company and amounts can be reliably measured.	See Revenue Recognition discussion above
Pensions	Assessment of the appropriate discount rate to be applied in actuarial valuations	See Pension and Other Post-Retirement Benefits discussion above and Note 10
Goodwill and other intangible assets	Assessment of CGUs and related cash flow projections, including discount rates and long-term growth rates.	See Goodwill and Other Intangible Assets discussion above and Note 5
Provisions	Assessment of whether the Company has a present obligation as a result of a past event, the probability of an outflow of economic benefits related to that obligation, and whether a reliable estimate of the outflow can be made.	See Provisions discussion above and Note 14
Share-based payments	Assessment of future performance for awards that are dependent on the achievement of certain objectives.	See Share-based Compensation Costs discussion above and Note 11
Income taxes	Assessment of global tax asset and liabilities balances.	See Income Taxes discussion above and Note 8

New Accounting Pronouncements

Revenue Recognition

In May 2014, the IASB issued new accounting guidance on revenue from contracts with customers (IFRS 15), which, when effective, will supersede nearly all existing revenue recognition guidance under IFRS. The core principal of the guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. The guidance is effective for Aon in fiscal year 2018 and early application is permitted subject to EU endorsement. The guidance permits two methods of transition upon adoption; full retrospective and modified retrospective. Under the full retrospective method, prior periods would be restated under the new revenue standard, providing a comparable view across all periods presented. Under the modified retrospective method, prior periods would not be restated. Rather, revenues and other disclosures for pre-2018 periods would be provided in the notes to the financial statements as previously reported under the current revenue standard. Aon is currently evaluating the impact the guidance will have on the Company's Consolidated Financial Statements.

Financial Instruments

In July 2014, the IASB issued new accounting guidance on financial instruments (IFRS 9), which replaces the guidance in IAS 39 that relates to the classification and measurement of financial instruments. IFRS 9 retains, but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortized cost, fair value through other comprehensive income (OCI) and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in IAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. IFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes. Contemporaneous documentation is still required but is different to that currently prepared under IAS 39. The standard is effective for accounting periods beginning on or after January 1, 2018. Early adoption is permitted subject to EU endorsement. Aon is currently evaluating the impact the guidance will have on the Company's Consolidated Financial Statements.

Leases

In January 2016, the IASB issued new accounting guidance on leases (IFRS 16), which requires lessees to recongize assets and liabilities for most leases. Under the new guidance, lessees are required to initially recognize a lease liability for the obligation to make lease payments and a right-of-use asset for the right to use the underlying asset for the lease term. Lessees will accrete the lease liability to reflect interest and reduce the liability to reflect lease payments made. The related right-of-use asset is depreciated in accordance with the depreciation requirement of IAS 16 Property, Plant, and Equipment. Right-of-use assets and lease liabilities will be either presented separately from other assets on the balance sheet or disclosed separately in the notes to the financial statements. Depreciation expense and interest expense cannot be combined in the income statement. In the cash flow statement, principal payments on the lease liability will be presented within financing activities; interest payments will be presented based on an accounting policy election in accordance with IAS 7 Statement of Cash Flows. The new standard will be effective on or after January 1, 2019 with limited early application permitted. The new standard permits lessees to use either a full retrospective or a modified retrospective approach on transition for leases existing at the date of transition with options to use certain transition reliefs. Aon is currently evaluating the impact the guidance will have on the Company's Consolidated Financial Statements.

2.2 First-time Adoption of IFRS

For periods up to and including the year ended December 31, 2014, the Company prepared its financial statements in accordance with local generally accepted accounting principle (U.S. GAAP), as permitted by Statutory Instrument 2012 No. 2405, *The Accounting Standards (Prescribed Bodies) United States of America and Japan) Regulations 2012* (SI 2012 No. 2405).

Accordingly, the Company has prepared financial statements which comply with IFRS applicable for periods ending on or after December 31, 2015, together with the comparative period data as at and for the year ended December 31, 2014. In preparing these financial statements, the Company's opening Statement of Financial Position was prepared as at January 1, 2014, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its U.S. GAAP financial statements, including the Statement of Financial Position as of January 1, 2014 and December 31, 2014 and the Statement of Comprehensive Income for the year ended December 31, 2014.

Estimates

Where estimates had previously been made under U.S. GAAP, consistent estimates (after adjustments to reflect any differences in accounting policies) have been made for the same date on transition to IFRS (i.e., judgments affecting the Company's opening balance sheet have not been revisited for the benefit of hindsight).

Voluntary Exemptions

IFRS 1 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IFRS. The Company has applied the following exemptions:

(1) Cumulative currency translation differences for all foreign operations are deemed to be zero as at January 1, 2014.

(2) IFRS 3 *Business Combinations* has not been applied to acquisitions of subsidiaries, which are considered businesses for IFRS, before January 1, 2014. Use of this exemption means that the US GAAP carrying amounts of assets and liabilities, that are required to be recognized under IFRS, is their deemed cost at the date of the acquisition. After the date of the acquisition, measurement is in accordance with IFRS. The Company did not recognize or exclude any previously recognized amounts as a result of IFRS recognition requirements. In accordance with IFRS 1, the Company has tested goodwill for impairment at the date of transition to IFRS. No goodwill impairment was identified at January 1, 2014.

(3) IFRS 2 *Share-based Payments* has not been applied to equity instruments in share-based payment transactions that were granted on or before November 7, 2002, nor has it been applied to equity instruments granted after November 7, 2002 that vested before January 1, 2014.

(4) The Company eliminated cumulative unrecognized actuarial gains and losses previously recognized under US GAAP.

Company reconciliation of equity as of January 1, 2014 (date of transition to IFRS)

(millions, except nominal and par value)	*Notes*	*U.S. GAAP January 1, 2014*	*Adjustments*	*IFRS January 1, 2014*
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**A**	$ 477	$ —	**$ 477**
Short-term investments		523	—	**523**
Receivables		2,896	—	**2,896**
Fiduciary assets		11,871	—	**11,871**
Other current assets	**B,F**	563	(99)	**464**
Total Current Assets		16,330	(99)	**16,231**
NON-CURRENT ASSETS				
Goodwill		8,997	—	**8,997**
Intangible assets	**C**	2,578	349	**2,927**
Fixed assets	**C**	791	(349)	**442**
Deferred tax assets	**B**	193	131	**324**
Prepaid pension	**E**	567	(7)	**560**
Other non-current assets	**D,E,F**	795	(48)	**747**
Total Non-Current Assets		13,921	76	**13,997**
TOTAL ASSETS		$ 30,251	$ (23)	**$ 30,228**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Fiduciary liabilities		$ 11,871	$ —	**$ 11,871**
Short-term debt and current portion of long-term debt	**K**	703	(4)	**699**
Accounts payable and accrued liabilities		1,843	—	**1,843**
Short-term provisions	**G**	147	7	**154**
Other current liabilities	**B,G**	847	126	**973**
Total Current Liabilities		15,411	129	**15,540**
NON-CURRENT LIABILITIES				
Long-term debt	**F**	3,686	(20)	**3,666**
Pension, other post retirement, and post employment liabilities	**E**	1,607	13	**1,620**
Deferred tax liabilities	**B**	420	(119)	**301**
Long-term provisions	**G**	143	80	**223**
Other non-current liabilities	**B,G,H**	789	(228)	**561**
Total Non-Current Liabilities		6,645	(274)	**6,371**
TOTAL LIABILITIES		22,056	(145)	**21,911**
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: 2013 - 300.7)		$ 3	$ —	**$ 3**
Share premium account		179	—	**179**
Retained earnings	**B,D,E,G, K,H,I,J**	10,337	(2,266)	**8,071**
Other reserves	**B,E,J,K**	(2,374)	2,394	**20**
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		8,145	128	**8,273**
Noncontrolling interests	**H**	50	(6)	**44**
TOTAL EQUITY		8,195	122	**8,317**
TOTAL LIABILITIES AND EQUITY		$ 30,251	$ (23)	**$ 30,228**

Company reconciliation of equity as of December 31, 2014

(millions, except nominal and par value)	*Notes*	*U.S. GAAP December 31,* 2014	*Adjustments*	*IFRS December 31,* 2014
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**A**	$ 374	$ —	**$ 374**
Short-term investments		394	—	**394**
Receivables		2,815	—	**2,815**
Fiduciary assets		11,638	—	**11,638**
Other current assets	**B,F**	602	(217)	**385**
Total Current Assets		15,823	(217)	**15,606**
NON-CURRENT ASSETS				
Goodwill		8,860	—	**8,860**
Intangible assets	**C**	2,520	331	**2,851**
Fixed assets	**C**	765	(331)	**434**
Deferred tax assets	**B**	144	136	**280**
Prepaid pensions	**E**	933	(7)	**926**
Other non-current assets	**D,E,F**	727	(55)	**672**
Total Non-Current Assets		13,949	74	**14,023**
TOTAL ASSETS		$ 29,772	$ (143)	**$ 29,629**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Fiduciary liabilities		$ 11,638	$ —	**$ 11,638**
Short-term debt and current portion of long-term debt		783	—	**783**
Accounts payable and accrued liabilities	**G**	1,773	(19)	**1,754**
Short-term provisions	**G**	92	41	**133**
Other current liabilities	**B,G,L**	728	181	**909**
Total Current Liabilities		15,014	203	**15,217**
NON-CURRENT LIABILITIES				
Long-term debt	**F**	4,799	(31)	**4,768**
Pension, other post retirement, and post employment liabilities	**E**	2,141	26	**2,167**
Deferred tax liabilities	**B**	313	(273)	**40**
Long-term provisions	**G**	102	75	**177**
Other non-current liabilities	**B,G,H,L**	772	(284)	**488**
Total Non-Current Liabilities		8,127	(487)	**7,640**
TOTAL LIABILITIES		23,141	(284)	**22,857**
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: 2014 - 280.0)		$ 3	$ —	**$ 3**
Share premium account		236	—	**236**
Retained earnings	**B,D,E,G, K,H,I,J**	9,466	(2,511)	**6,955**
Other reserves	**B,E,J,K**	(3,134)	2,657	**(477)**
TOTAL EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT		6,571	146	**6,717**
Noncontrolling interests	**H**	60	(5)	**55**
TOTAL EQUITY		6,631	141	**6,772**
TOTAL LIABILITIES AND EQUITY		$ 29,772	$ (143)	**$ 29,629**

Company reconciliation of total comprehensive income for the year ended December 31, 2014

(millions)	*Notes*	*U.S. GAAP December 31, 2014*	*Adjustments*	*IFRS December 31, 2014*
Revenue				
Commissions, fees and other		$ 12,019	$ —	**$ 12,019**
Fiduciary investment income		26	—	**26**
Total revenue		12,045	—	**12,045**
Expenses				
Compensation and benefits	**E,I**	7,014	58	**7,072**
Other general expenses	**G,K,L**	3,065	(28)	**3,037**
Total operating expenses		10,079	30	**10,109**
Operating income		1,966	(30)	**1,936**
Interest income		10	—	**10**
Interest expense	**H,K**	(255)	(4)	**(259)**
Other income	**D,K**	44	5	**49**
Income before income taxes		1,765	(29)	**1,736**
Income taxes	**B**	334	(2)	**332**
Net income		$ 1,431	$ (27)	**$ 1,404**
Other comprehensive income				
Other comprehensive gain (loss), net of tax:				
Items that will not be reclassified subsequently to profit or loss:				
Post-retirement benefit obligation	**E**	**$ (260)**	**$ 32**	**$ (228)**
Items that will be reclassified subsequently to profit or loss:				
Foreign currency translation adjustments	**J**	**(504)**	**3**	**(501)**
Change in fair value of financial instruments	**D,K**	**4**	**(3)**	**1**
		(500)	**—**	**(500)**
Total other comprehensive gain (loss), net of tax		**(760)**	**32**	**(728)**
Total comprehensive income		**$ 671**	**$ 5**	**$ 676**

Notes to the reconciliation of equity as of January 1, 2014 and December 31, 2014 and total comprehensive income as of December 31, 2014

Consolidated Statement of Cash Flows (A)

The transition from U.S. GAAP to IFRS did not have an impact to the Cash and cash equivalents reported on the Consolidated Statement of Financial Position or a material impact on the Consolidated Statement of Cash Flow at the date of transition to IFRS.

Income taxes (B)

Uncertain tax positions totaling $179 million and $210 million, respectively, were reclassified from Other non-current liabilities to Other current liabilities on the Consolidated Statement of Financial Position at the date of transition and at December 31, 2014.

Under IFRS, all deferred tax balances are classified as non-current, while U.S. GAAP currently requires current and non-current classification based on the nature of the underlying asset or liability. At the date of transition, $62 million of deferred tax assets and $17 million of deferred tax liabilities were reclassified from current to non-current, respectively. At December 31, 2014, $212 million of deferred tax assets and $2 million of deferred tax liabilities were reclassified from current to non-current, respectively.

Under U.S. GAAP, a prepaid asset is recorded for the deferred charge associated with intercompany sales. Under IFRS, the income tax consequences of the intercompany transaction are reflected when the intercompany sale occurs. At transition, a prepaid asset of $28 million that was recorded under U.S. GAAP was derecognized and a Non-current deferred tax asset of $6 million was recorded to reflect the temporary differences created with offsets to Retained earnings on the Consolidated Statement of Financial Position at the date of transition.

Software (C)

Under IFRS, capitalized software is classified as Intangible assets on the Consolidated Statements of Financial Position as compared to its presentation within Fixed assets, net, under U.S. GAAP. The Company reclassified $349 million and $331 million, respectively, at the date of transition to IFRS and December 31, 2014.

Investments (D)

The Company holds certain financial instruments that are accounted for under the cost method and equity method for U.S. GAAP reporting purposes. Upon transition to IFRS, Aon designated these instruments as available-for-sale (AFS) financial assets and recognized a $9 million fair value adjustment as compared with U.S. GAAP. AFS investments are recorded in Other non-current assets on the Consolidated Statements of Financial Position and fair value adjustments are recognized through Other comprehensive income. Income of $6 million recognized on investments accounted for as cost method and equity method under U.S. GAAP was reclassified to Other comprehensive income under IFRS for the period ended December 31, 2014.

Pensions (E)

The Company holds certain insurance contracts that are excluded from plan assets under U.S. GAAP but included for purposes of IFRS reporting. The Company reclassified $13 million and $12 million from Other non-current assets to Pension, other post retirement, and post employment liabilities on the Consolidated Statement of Financial Position at January 1, 2014 and December 31, 2014, respectively.

Under U.S. GAAP, net defined benefit assets (or surplus) are recognized in Prepaid pensions on the Consolidated Statements of Financial Position. Under IFRS, the measurement of the surplus is limited to the present value of economic benefits available in the form of cash refunds from the plan or reductions in future contributions to the plan. Certain benefit plans that are frozen to future contributions have been deemed non-refundable and the surplus has been reduced entirely. The Company recorded an adjustment to Prepaid pensions of $7 million with an offset to Retained earnings on the Consolidated Statement of Financial Position at the date of transition. At December 31, 2014, the adjustment to Prepaid pensions was $8 million with an offset to Retained earnings.

The Company maintains certain long-term incentive programs that are considered pension plans for IFRS and therefore the projected unit credit method has been applied upon transition. The resulting impact of the change in accounting treatment was an increase in Pension, other post retirement, and post employment liabilities by $26 million and a $10 million decrease to Deferred tax liabilities, with an offset to Retained earnings on the Consolidated Statement of Financial Position. At December

31, 2014, the impact was an increase in Pension, other post retirement, and post employments liabilities by $33 million with an offset to the Consolidated Statement of Income of $4 million. The remaining balance is reflected in Other comprehensive income.

Actuarial gains and losses which amortize to the Consolidated Statement of Income under U.S. GAAP are recognized in Other comprehensive income under IFRS and do not recycle to the Consolidated Statement of Income. At transition to IFRS, Aon elected an exemption to reclassify all cumulative actuarial gains and losses related to the Company's defined benefit pension schemes recorded within Other comprehensive income to Retained earnings. The adjustment at the date of transition was $2,529 million. As of December 31, 2014, $62 million of additional expense was recognized in Compensation and benefits on the Consolidated Statement of Income under IFRS, with an offset to Other comprehensive income on the Consolidated Statement of Financial Position.

Debt Issuance Costs (F)

Under U.S. GAAP, debt issuance costs are recorded within Other current assets and Other non-current assets. Under IFRS, debt issuance costs are netted against their related financial instrument and have therefore been reclassified on the Consolidated Statements of Financial Position. At the date of transition, the Company reclassified $5 million from Other current assets and $16 million from Other non-current assets to Long-term debt. At December 31, 2014, the Company reclassified $5 million from Other current assets and $26 million from Other non-current assets to Long-term debt.

Provisions (G)

Items recorded within Short-term provisions and Long-term provisions under IFRS include liabilities for restructuring, litigation, refunds, decommissioning activities, and onerous contracts. Provisions are subject to different recognition and measurement criteria, which may result in earlier recognition or higher liabilities under IFRS as compared to U.S. GAAP largely due to the difference in the interpretation of the term 'probable' between the two standard setting bodies. Under U.S. GAAP, the term probable is defined as "likely" while IFRS defines it as "more likely than not". Measurement differences also exist in areas in which a range of possible outcomes is used. Under U.S. GAAP, when no one outcome within a range is more likely than the others, the minimum amount in the range of outcomes should be accrued, whereas IFRS requires the mid-point. An increase of $24 million to Long-term provisions and $6 million to Deferred tax assets was recorded with an offset to Retained earnings at the date of transition. At December 31, 2014, the difference was reduced to $7 million which resulted in a $17 million difference in the Consolidated Statement of Income between U.S. GAAP and IFRS.

Additional differences identified with regard to provisions included the discount rates applied to onerous leases held on vacated properties. The impact of the rate adjustments was an increase of $3 million to Non-current provisions with an offset to Retained earnings on the Consolidated Statement of Financial Position at the date of transition. The adjustments as of December 31, 2014, were not significant.

The remaining adjustments recognized in Short-term provisions and Long-term provisions is the result of additional reclassifications out of Accounts payable and accrued liabilities, Other current liabilities, and Other non-current liabilities upon transition to IFRS and at December 31, 2014.

Noncontrolling Interests (H)

U.S. GAAP, the Company had previously recognized a noncontrolling interest related to an acquisition, however under IFRS the noncontrolling interest is not recognized as Aon had a present access to returns associated with that ownership interest. The balance of the noncontrolling interest recorded at transition was €4.4 million ($6.0 million at January 1, 2014 exchange rates), which was derecognized with an offset to Retained earnings. Upon transition to IFRS, Aon further established a put option liability of €3.8 million ($5.2 million at January 1, 2014 exchange rates) in Other non-current liabilities with an offset to Retained earnings on the Consolidated Statement of Financial Position.

Share-based Compensation (I)

Due to policy elections made under U.S. GAAP that are not available under IFRS, there are differences between the attribution of compensation cost over the requisite service period and the requisite service period itself. Adjustments of $174 million related to share-based payments were recorded through Retained earnings on the Consolidated Statement of Financial Position at the date of transition. As of December 31, 2014, this adjustment resulted in an increase of $5 million to Compensation and benefits expense within the Consolidated Statement of Income.

At the date of transition, tax adjustments associated with the remeasurement of share-based compensation resulted in an increase in Deferred tax assets of $56 million and Additional paid in capital of $131 million, and an offsetting decrease in Deferred tax liabilities of $100 million, which were adjusted through Retained earnings on the Consolidated Statement of

Financial Position. As of December 31, 2014, tax adjustments associated with the remeasurement of share-based compensation resulted in an additional increase in Deferred tax assets of $7 million and an additional increase in Additional paid in capital of $3 million on the Consolidated Statement of Financial Position, which resulted in a net impact of $4 million to Compensation and benefits expense within the Consolidated Statement of Income.

Cumulative Currency Translation (J)

At transition, Aon elected an exemption to reclassify the entire balance of currency translation adjustments held within Other comprehensive income to Retained earnings in lieu of retrospectively restating the balance under IFRS. The balance at the date of transition was $169 million.

Derivatives and Hedging (K)

The Company has determined to only designate hedging relationships for three programs which are all held in the United Kingdom. For mark to market adjustments on these U.K. programs, changes related to time value are realized through the income statement while changes related to intrinsic value are recognized in Other comprehensive income. All other qualified hedge programs under U.S. GAAP were de-designated under IFRS and mark to market adjustments are realized immediately through the income statement under IFRS. Upon transition, $49 million of previously held losses in Other comprehensive income and $4 million in Short-term borrowings related to a fair value hedge on issued debt were recognized through Retained earnings. As of December 31, 2014, $3 of gains held in Other comprehensive income under U.S. GAAP were recognized through Interest expense on the Consolidated Statement of Income under IFRS. During 2014, the Company settled the fair value hedge which resulted in a $3 million decrease in Interest expense on the Consolidated Statement of Income. Tax adjustments associated with the de-designation of hedge programs under IFRS resulted in a $6 million decrease in Other comprehensive income with an offset to Retained earnings on the Consolidated Statement of Financial Position at the date of transition.

Sale Leaseback (L)

During 2014, the Company entered into a sale leaseback transaction with a third party which resulted in a gain on sale being amortized prospectively over the term of the lease under U.S. GAAP. Therefore, at December 31, 2014, $5 million and $9 million were recorded within Other current and non-current liabilities on the Consolidated Statement of Financial Position. Under IFRS, the Company is required to recognize the gain in full at the date of the transaction which resulted in a $14 million gain to Other general expenses on the Consolidated Statement of Income for the period ended December 31, 2014.

Other

Remaining reconciling adjustments to equity and total comprehensive income at the date of transition and as of December 31, 2014, were insignificant to the consolidated financial statements.

3. Other Financial Data

Consolidated Statements of Income Information

Other Income

Other income consists of the following (in millions):

Years ended December 31	2015	2014
Equity earnings	**$ 5**	$ 6
Gain on disposal of business	**82**	24
Foreign currency remeasurement gain (loss)	**30**	18
(Loss) income on financial instruments	**(16)**	1
Other	**3**	—
	$ 104	$ 49

Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

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

Years ended December 31,	2015	2014
Balance at beginning of year	**$ 74**	$ 90
Provision charged to operations	**13**	12
Accounts written off, net of recoveries	**(34)**	(33)
Effect of exchange rate changes	**5**	5
Balance at end of year	**$ 58**	$ 74

As of December 31, 2015, the Company had exposures to individual trade counterparties within trade receivables. In accordance with Company policy, Aon operating entities continually monitor exposures against credit limits and concentration of risk. No individual trade counterparty credit exposure is considered significant in the ordinary course of trading activity. Management does not expect any significant losses from non-performance by trade counterparties that have not been provided for.

Other Current Assets

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

As of	December 31		January 1
	2015	2014	2014
Taxes receivable	**$ 94**	$ 99	111
Prepaid expense	**130**	164	229
Deferred project costs	**92**	102	98
Other	**13**	20	26
	$ 329	$ 385	464

Other Non-Current Assets

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

As of	December 31		January 1
	2015	2014	2014
Deferred project costs	**210**	250	273
Investments	**155**	153	140
Taxes receivable	**82**	101	108
Other	**133**	168	226
	$ 580	$ 672	$ 747

Other Current Liabilities

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

As of	December 31		January 1
	2015	2014	2014
Deferred revenue	**$ 394**	$ 408	$ 475
Taxes payable	**317**	275	316
Other	**99**	226	182
	$ 810	$ 909	$ 973

Other Non-Current Liabilities

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

As of	December 31 2015	December 31 2014	January 1 2014
Taxes payable	**$ —**	$ —	$ 4
Leases	**153**	159	187
Deferred revenue	**159**	167	130
Compensation and benefits	**59**	57	105
Other	**67**	105	135
	$ 438	$ 488	$ 561

4. Acquisitions and Dispositions

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

Years ended December 31	2015	2014
Risk Solutions	**4**	11
HR Solutions	**3**	2
	7	13

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

Years ended December 31	2015	2014
Consideration	**$ 27**	$ 461
Intangible assets:		
Goodwill	**$ 18**	$ 292
Other intangible assets	**6**	328
Total intangible assets	**$ 24**	$ 620

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

Dispositions

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

Years ended December 31	2015	2014	2013
Risk Solutions	**4**	2	7
HR Solutions	**3**	—	2
	7	2	9

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

5. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill by reportable segment for the years ended December 31, 2015 and 2014, respectively, are as follows (in millions):

	Risk Solutions	HR Solutions	Total
Balance as of January 1, 2015	**$ 5,911**	**$ 2,949**	**$ 8,860**
Goodwill related to acquisitions	**2**	**16**	**18**
Goodwill related to disposals	**(1)**	**(76)**	**(77)**
Goodwill related to other prior year acquisitions	**—**	**—**	**—**
Transfer	**—**	**—**	**—**
Foreign currency translation	**(319)**	**(34)**	**(353)**
Balance as of December 31, 2015	**$ 5,593**	**$ 2,855**	**$ 8,448**
Balance as of January 1, 2014	$ 6,020	$ 2,977	$ 8,997
Goodwill related to acquisitions	287	5	292
Goodwill related to disposals	(14)	—	(14)
Goodwill related to other prior year acquisitions	(8)	—	(8)
Transfer	(2)	2	—
Foreign currency translation	(372)	(35)	(407)
Balance as of December 31, 2014	**$ 5,911**	**$ 2,949**	**$ 8,860**

Other Intangible Assets

The changes in other intangible assets for the years ended December 31, 2015 and 2014 are as follows (in millions):

	Indefinite-lived tradenames	Customer related and contract based	Marketing, technology and other	Software	Total
As of January 1, 2015	$ 1,019	$ 1,374	$ 127	$ 331	$ 2,851
Additions	—	—	—	127	127
Acquisitions	—	7	3	—	10
Disposals	—	(6)	(1)	(13)	(20)
Amortization	—	(273)	(42)	(108)	(423)
Foreign currency translation	—	(24)	(6)	(4)	(34)
Other	—	(1)	2	2	3
As of December 31, 2015	**$ 1,019**	**$ 1,077**	**$ 83**	**$ 335**	**$ 2,514**
At December 31, 2015					
Cost	1,019	2,886	540	1,142	5,587
Accumulated amortization	—	(1,809)	(456)	(807)	(3,072)
Closing net book amount	**1,019**	**1,077**	**84**	**335**	**2,515**
As of January 1, 2014	$ 1,019	$ 1,411	$ 148	$ 349	$ 2,927
Additions	—	—	—	114	$ 114
Acquisitions	—	297	33	1	$ 331
Disposals	—	—		(22)	$ (22)
Amortization	—	(305)	(47)	(110)	$ (462)
Foreign currency translation	—	(31)	(7)	(4)	$ (42)
Other	—	2	—	3	$ 5
As of December 31, 2014	$ 1,019	$ 1,374	$ 127	$ 331	$ 2,851
As of December 31, 2014					
Cost	1,019	2,952	571	1,070	5,612
Accumulated amortization	—	1,579	443	739	2,761
Closing net book amount	1,019	1,373	128	331	2,851

Amortization of intangible assets is included in Other general expenses in the Consolidated Statement of Income.

Impairment Testing of Goodwill and Intangible Assets with Indefinite Lives

Goodwill has been allocated to the Retail, Reinsurance, Outsourcing, and Consulting CGUs for purposes of impairment testing.

The carrying value of goodwill for each CGU identified is as follows (in millions):

As of	Retail	Reinsurance	Consulting	Outsourcing	Total
December 31, 2015	**$ 3,842**	**$ 1,751**	**$ 1,217**	**$ 1,638**	**$ 8,448**
December 31, 2014	4,060	1,851	1,231	1,718	8,860
January 1, 2014	4,116	1,904	1,256	1,721	8,997

Aon's indefinite-lived intangible assets include tradenames acquired as part of the Benfield and Hewitt acquisitions in 2007 and 2010, respectively. The CGUs identified for these tradenames is at the consolidated Reinsurance and HR Solutions level. For each of the periods ended December 31, 2015, December 31, 2014, and January 1, 2014, the carrying value of these tradenames were $129 million and $890 million.

During 2015, the Company conducted an impairment review of all material goodwill and indefinite-life intangible assets. No impairments were identified.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a 10 year period and are discounted using pre-tax rate. The use of a 10 year period correlates with management's internal projections used to allocate capital. Cash flows beyond the 10 year period are extrapolated using the estimated growth rates.

The key assumptions used for value-in-use calculations for each CGU with significant goodwill in comparison to the Company's total are shown below:

	Risk Solutions		**HR Solutions**	
	Retail	**Reinsurance**	**Outsourcing**	**Consulting**
As of December 31, 2015				
Long-term Growth Rate %	**2.5%**	**2.5%**	**2.5%**	**2.5%**
Discount Rate %	**10.6 - 11.2%**	**11.2 - 11.9%**	**11.3 - 11.9%**	**11.2 - 11.7%**
As of December 31, 2014				
Long-term Growth Rate %	2.5%	2.5%	2.5%	2.5%
Discount Rate %	10.6 - 11.2%	10.6 - 11.3%	11.4 - 11.9%	11.3 - 12.0%
As of January 1, 2014				
Long-term Growth Rate %	2.5%	2.5%	2.5%	2.5%
Discount Rate %	10.6 - 11.3%	11.3 - 12.0%	11.3 - 11.8%	12.1 - 12.6%

Key Assumptions Used in Value-in-Use Calculation

The budgeted trading profit growth: Management determines budgeted trading profit based on past experience and its expectation for market development.

The discount rate represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated into the estimates.

6. Debt

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

As of	December 31, 2015	December 31, 2014	January 1, 2014
5.00% Senior Notes due September 2020	**$ 597**	$ 597	$ 596
4.75% Senior Notes due 2045	**591**	—	—
3.50% Senior Notes due June 2024	**593**	593	—
4.60% Senior Notes due June 2044	**543**	543	—
2.875% Senior Notes due May 2026 (EUR 500M)	**541**	601	—
8.205% Junior Subordinated Notes due January 2027	**521**	521	521
3.125% Senior Notes due May 2016	**500**	499	498
2.80% Senior Notes due 2021	**396**	—	—
4.00% Senior Notes due November 2023	**347**	347	346
6.25% Senior Notes due September 2040	**295**	295	295
4.76% Senior Notes due March 2018 (CAD 375M)	**270**	321	351
4.45% Senior Notes due May 2043	**246**	245	245
4.25% Senior Notes due December 2042	**195**	195	194
3.50% Senior Notes due September 2015	**—**	598	598
6.25% Senior Notes due July 2014 (EUR 500M)	**—**	—	680
Commercial paper	**50**	168	—
Other	**15**	28	41
Total debt	**5,700**	5,551	4,365
Less: Short-term and current portion of long-term debt	**562**	783	699
Total long-term debt	**$ 5,138**	$ 4,768	$ 3,666

Revolving Credit Facilities

As of December 31, 2015, Aon plc had two committed credit facilities outstanding: its $400 million U.S. credit facility expiring in March 2017 (the "2017 Facility") and $900 million multi-currency U.S. credit facility expiring in February 2020 (the "2020 Facility"). The 2020 Facility was entered into on February 2, 2015 and replaced the previous €650 million European credit facility.

Effective February 2, 2016, the 2020 Facility terms were extended for 1 year and will expire in February 2021.

Each of these facilities included customary representations, warranties and covenants, including financial covenants that require Aon plc to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At December 31, 2015, Aon plc did not have borrowings under either the 2017 Facility or the 2020 Facility, and was in compliance with these financial covenants and all other covenants contained therein during the twelve months ended December 31, 2015.

Notes

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

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

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

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

On August 12, 2014, Aon plc issued $350 million of 3.50% Senior Notes due June 2024. The 3.50% Notes due 2024 constitute a further issuance of, and were consolidated to form a single series of debt securities with, the $250 million of 3.50% Notes due June 2024 that was issued by Aon plc on May 20, 2014 concurrently with Aon plc's issuance of $550 million of 4.60% Notes due June 2044. Aon plc used the proceeds from these issuances for working capital and general corporate purposes.

On May 7, 2014, Aon plc issued €500 million of 2.875% Senior Notes due May 2026. Aon plc used the proceeds of the issuance for, among other purposes, the repayment at maturity of Aon plc's then outstanding €500 million of 6.25% Notes due July 2014.

Each of the notes issued by Aon plc and described above is fully and unconditionally guaranteed by Aon Corporation. The 5.00% Senior Notes due 2020, 3.125% Senior Notes due 2016, 6.25% Senior Notes due 2040, and 8.205% Junior Subordinated Notes due January 2027 identified in the table above were issued by Aon Corporation and are fully and unconditionally guaranteed by Aon plc. Similarly, the 3.50% Senior Notes repaid in 2015 had been issued by Aon Corporation and were fully and unconditionally guaranteed by Aon plc. The 4.76% Senior Notes due March 2018 identified in the table above were issued by a Canadian subsidiary of Aon Corporation and are fully and unconditionally guaranteed by Aon plc and Aon Corporation. Each of the notes described above and identified in the table above contains customary representations, warranties and covenants, and the Company was in compliance with all such covenants as of December 31, 2015.

During the year ended December 31, 2015, Aon Corporation's $500 million 3.125% Senior Notes due May 2016 were classified as Short-term debt and current portion of long-term debt in the Consolidated Statements of Financial Position as the date of maturity is less than one year.

Commercial Paper

Aon Corporation, a wholly-owned subsidiary of Aon plc, has established a U.S. commercial paper program, which provides for commercial paper to be issued in an aggregate principal amount of up to $900 million, and Aon plc has established a European multi-currency commercial paper program that provides for commercial paper to be issued in an aggregate principal amount of up to €300 million. The U.S. commercial paper program is fully and unconditionally guaranteed by Aon plc and the European commercial paper program is fully and unconditionally guaranteed by Aon Corporation. In the aggregate, the Company had $50.0 million and $168.0 million of commercial paper outstanding at December 31, 2015 and 2014, respectively, and no commercial paper outstanding at January 1, 2014, which was included in Short-term debt and current portion of long-term debt in the Company's Consolidated Statements of Financial Position. The weighted average commercial paper outstanding for 2015 and 2014 was $402.0 million and $308.0 million, respectively. The weighted average interest rate of the commercial paper outstanding during 2015 and 2014 was 0.50% and 0.35%, respectively.

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

2016	$ 562
2017	3
2018	271
2019	—
2020	599
Thereafter	4,302
	$ 5,737

Capital and Liquidity Management

Refer to the Liquidity discussion on pages 27 to 32 within Aon's Strategic Report for information regarding the Company's capital management objectives and processes and liquidity risk.

7. Lease Commitments

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

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

Years ended December 31	**2015**	**2014**
Rental expense	**$ 454**	$ 453
Less: Sub lease rental income	**(83)**	(75)
Net rental expense	**$ 371**	$ 378

At December 31, 2015, future minimum rental payments required under operating leases that have initial or remaining noncancellable lease terms in excess of one year, net of sublease rental income, are as follows (in millions):

2016	325
2017	291
2018	267
2019	235
2020	199
Thereafter	828
Total minimum payments required	$ 2,145

The Company leases various offices under non-cancellable operating lease agreements. The lease terms on Aon's principal office at 122 Leadenhall Street, London, England is for approximately 19 years from the balance sheet date. Rents will be reviewed every 5 years and will be calculated by reference to the prevailing market rate.

8. Income Taxes

The major components of income tax expense for the years ended December 2015 and 2014 are:

Consolidated income statement (in millions):

Years ended December 31,	**2015**	2014
Current Income Tax:		
Current income tax charge	**$ 492**	$ 542
Tax adjustments in respect of prior years	**14**	(27)
Total current	**$ 506**	$ 515
Deferred Tax:		
Origination and reversal of temporary differences	**$ (207)**	$ (212)
Tax rate changes	**7**	(2)
Tax adjustments in respect of prior years	**(60)**	31
Total deferred	**$ (260)**	$ (183)
Total income tax expense (benefit)	**$ 246**	$ 332

Consolidated statement of comprehensive income (in millions):

Years ended December 31,	2015	2014
Income tax related to items (charged) or credited directly to other comprehensive income during the year:		
Deferred:		
Unrealized gain/(loss) on available-for-sale financial assets	**$ 15**	$ (20)
Unrealized gain/(loss) on derivatives/swaps	**1**	7
Foreign currency translation adjustment	**(13)**	(15)
Net gain/(loss) on actuarial gains and losses	**(80)**	151
	(77)	123
Current:		
Net gain/(loss) on actuarial gains and losses	**20**	37
Income tax (charged) or credited directly to other comprehensive income	**$ (57)**	$ 160

The aggregate current and deferred tax relating to items that are (charged) or credited directly to equity, excluding other comprehensive income outlined above, is $34 million (2014: $93 million) related to share based payments.

A reconciliation of the income tax provisions based on the Company's domicile and statutory rate at each reporting period is performed. The 2015 and 2014 reconciliations are based on the U.K. statutory corporate tax rate of 20.25% and 21.5%, respectively. The U.K. has reduced its corporate income tax rate in recent years. The tax rate was reduced from 21% to 20% effective April 1, 2015 and will be further reduced to 19% from April 1, 2017 and 18% from April 1, 2020. The U.K. Chancellor announced his 2016 Budget on March 16, 2016 which includes various proposed changes to tax laws, including a further rate reduction to 17% from April 1, 2020. The company is currently analyzing the proposed changes. As of this reporting date, the Company cannot estimate the impact. The reconciliation of total income tax expense and the pretax income multiplied by U.K.'s statutory tax rate is as follows:

Years ended December 31,	2015	2014
Pretax Income	**$ 1,571**	$ 1,736
At U.K. Statutory tax rate of 20.25% (2014: 21.50%)	**20.3 %**	21.5 %
State income taxes, net of federal benefit	**0.4 %**	1.6 %
Taxes on international operations	**(6.9)%**	(8.4)%
Nondeductible Expenses	**2.3 %**	1.7 %
Adjustments to prior year tax requirements	**(1.4)%**	0.8 %
Deferred taxes from changes in tax rates	**0.4 %**	(0.1)%
Deferred tax adjustments, international earnings	**— %**	1.0 %
Recognition of previously unrecognized deferred taxes	**(0.6)%**	(0.3)%
Uncertain tax positions	**1.5 %**	1.8 %
Other-net	**(0.3)%**	(0.4)%
Effective tax rate	**15.7 %**	19.2 %

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

As of December 31,	Consolidated Statements of Financial Position 2015	2014	2013	Consolidated Statements of Income 2015	2014
Deferred tax assets/(liabilities):					
Pension & other employee benefit plans	**$ 736**	$ 936	$ 812	**$ (15)**	$ (35)
Net operating/capital loss and tax credit carryforwards	**174**	90	229	**117**	(112)
Other accrued expenses	**1**	7	17	**3**	6
Investment basis differences	**57**	46	52	**10**	(17)
Accrued interest	**293**	303	94	**27**	216
Intangibles and property, plant and equipment	**(959)**	(1,060)	(1,069)	**95**	74
Unremitted earnings	**(18)**	(28)	(51)	**10**	24
Deferred revenue	**32**	10	5	**8**	8
Unrealized investment gains	**(2)**	(8)	—	**(4)**	(2)
Unrealized foreign exchange gains	**(29)**	(44)	(28)	**(1)**	(2)
Other	**16**	(12)	(38)	**10**	23
Deferred tax (expense)/income				**$ 260**	$ 183
Net deferred tax asset/(liability)	**$ 301**	$ 240	$ 23		

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

	2015	2014
Deferred tax assets - non-current	**334**	280
Deferred tax liabilities - non-current	**(33)**	(40)
Net deferred tax asset/(liability)	**$ 301**	$ 240

Reconciliation of deferred tax assets and liabilities net (in millions):

	2015	2014
Opening balance as of January 1	**$ 240**	**$ 23**
Tax income/(expense) recognized in profit or loss	**260**	183
Tax income/(expense) recognized in other comprehensive income	**(77)**	123
Retained earnings	**(92)**	4
Other balance sheet accounts	**(30)**	(10)
Acquisition and disposal of subsidiaries	**—**	(83)
Closing balance as of December 31	**$ 301**	**$ 240**

Aon offsets tax assets with liabilities if and only if it has a legally enforceable right to set off current tax assets with current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

The company has deferred tax assets relating to net operating and capital loss carryforwards that have not been recognized in the balance sheet because it is not probable that future taxable profits will be available against which Aon can use the benefits. The UK has unrecognized operating and capital losses of $68 million (2014: $78 million) that have an indefinite carrryforward. The U.S. has unrecognized state operating loss carryforwards of $15 million (2014: $15 million) that expire at various dates from 2016 to 2035. In other jurisdictions, the Company has operating and capital loss carryforwards of $91 million (2014: $111 million) that begin to expire at various dates starting in 2019. In addition, the U.S. had unrecognized tax credit carryforwards of $1 million (2014: $1 million) that expire at various dates from 2016 to 2022.

In 2014 and 2015, Aon recognized previously unrecognized tax losses of $10 million and $5 million, respectively, following changes in estimates of subsidiaries future results from operating activities. Management has determined that the recoverability of the remaining balance of losses is still in doubt because these losses relate to subsidiaries that have a history of losses or can only be utilized if capital gain is generated.

At December 31, 2015 the Company recognized a deferred tax liability of $18 million (2014: $28 million) for taxes that will be payable on the unremitted earnings of certain of the Company's subsidiaries. The Company expects these profits to be distributed in the foreseeable future. Deferred tax liabilities have not been recognized on temporary differences of $.2 billion (2014: $.3 billion) representing the unremitted earnings of subsidiaries. Such amounts are permanently reinvested.

9.   Shareholders' Equity

Ordinary Shares

In April 2012, the Company's Board of Directors authorized a share repurchase program under which up to $5.0 billion of Class A Ordinary Shares may be repurchased ("2012 Share Repurchase Program"). In November 2014, the Company's Board of Directors authorized a new $5.0 billion share repurchase program in addition to the existing program ("2014 Share Repurchase Program" and, together, the "Repurchase Programs"). Under each program, shares may be repurchased through the open market or in privately negotiated transactions, based on prevailing market conditions, funded from available capital.

During 2015, the Company repurchased 16.0 million shares at an average price per share of $97.04 for a total cost of $1.6 billion under the Repurchase Programs. During 2014, the Company repurchased 25.8 million shares at an average price per share of $87.18 for a total cost of $2.3 billion under the 2012 Share Repurchase Plan. In August 2015, the $5 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program was exhausted. At December 31, 2015, the remaining authorized amount for share repurchase under the 2014 Share Repurchase Program is $4.1 billion. Under the Repurchase Programs, the Company repurchased a total of 78.1 million shares for an aggregate cost of $5.9 billion.

Net Income Per Share

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

	Year ended December 31,	
	2015	**2014**
Shares for basic earnings per share	**281.1**	295.7
Common stock equivalents	**5.0**	6.9
Shares for diluted earnings per share	**286.1**	302.6

Certain ordinary share equivalents may be excluded from the computation of diluted net income per share if their inclusion would be antidilutive. There were no shares excluded from the calculation for in 2015 or 2014.

Dividends

During 2015 and 2014, the Company paid dividends on its Class A Ordinary Shares of $323.1 million and $273.0 million, respectively. Dividends paid per Class A Ordinary Share were $1.15 and $0.92 for the years ended December 31, 2015 and 2014, respectively.

In January 2016, the Company declared a dividend to shareholders of $0.30 per ordinary share. In February 2016, the Company paid those dividends in the amount of $81.0 million.

Future dividends on Aon plc ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of Aon plc and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors of Aon plc may deem relevant, as well as our ability to pay dividends in compliance with the Companies Act 2006.

Other Reserves

Changes in Other reserves by component, net of related tax, are as follows (in millions):

	Change in Fair Value of Financial Instruments (1)	Foreign Currency Translation Adjustments	Total Other Reserves
Balance at January 1, 2014	$ 20	$ —	$ 20
Fair value gains (losses)	1	—	1
Currency translation differences	—	(498)	(498)
Balance at December 31, 2014	**21**	**(498)**	**(477)**
Fair value gains (losses)	1	—	1
Currency translation differences	**—**	**(434)**	(434)
Balance at December 31, 2015	**$ 22**	**$ (932)**	**$ (910)**

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

10. Employee Benefits

Defined Contribution Savings Plans

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

Years ended December 31	**2015**	**2014**
U.S.	**$ 133**	$ 123
U.K.	**42**	42
Netherlands and Canada	**25**	30
	$ 200	$ 195

Pension and Other Post-retirement Benefits

The Company sponsors defined benefit pension and post-retirement health and welfare plans that provide retirement, medical, and life insurance benefits. The post-retirement healthcare plans are contributory, with retiree contributions adjusted annually, and the life insurance and pension plans are generally noncontributory. The significant U.S., U.K., Netherlands and Canadian pension plans are closed to new entrants. Defined benefit plans are generally funded by Company contributions to a trust fund or insurance contract. In the U.S., the amount that Aon must contribute for a qualified plan is dictated by Employee Retirement Income Security Act (ERISA) minimum funding standards and the risk/reward of investment performance lies with the Company, since the benefits the employee receives are unrelated to investment performance. Most foreign jurisdictions have their own individual laws that dictate treatment/requirements of pension arrangements within their respective jurisdictions. The significance of the Company's worldwide pension plans means that pension contributions and expense are comparatively sensitive to various market and demographic factors. These factors include equity and bond market returns, the assumed interest rates we use to discount our pension liabilities, foreign exchange rates, rates of inflation, mortality assumptions, potential regulatory and legal changes and counterparty exposure from various investments and derivative contracts, including annuities.

Pension Plans

The following tables provide a reconciliation of the changes in the projected benefit obligations and fair value of assets for the years ended December 31, 2015 and 2014 and a statement of the funded status as of December 31, 2015 and 2014, for the material U.K. plans, U.S. plans and other major plans, which are located in the Netherlands and Canada. These plans represent approximately 93% of the Company's projected benefit obligations.

(millions)	U.K. 2015	U.K. 2014	U.S. 2015	U.S. 2014	Other 2015	Other 2014
Change in projected benefit obligation						
At January 1	**$ 5,527**	$ 5,105	**$ 3,332**	$ 2,744	**$ 1,400**	$ 1,252
Service cost including administrative expenses	**10**	19	**17**	—	**2**	—
Interest cost	**199**	230	**131**	128	**33**	47
Past service cost	**27**	—	**—**	—	**(10)**	(16)
Benefit payments	**(217)**	(192)	**(133)**	(129)	**(38)**	(51)
Actual expenses	**(11)**	(19)	**(15)**	—	**(3)**	(1)
Actuarial (gains)/losses due to changes in demographic assumptions	**(51)**	(22)	**(47)**	207	**1**	9
Actuarial (gains)/losses due to changes in financial assumptions	**(278)**	713	**(125)**	382	**(42)**	310
Foreign currency impact	**(221)**	(307)	**—**	—	**(166)**	(150)
At December 31	**$ 4,985**	$ 5,527	**$ 3,160**	$ 3,332	**$ 1,177**	$ 1,400
Change in fair value of plan assets						
At January 1	**$ 6,221**	$ 5,395	**$ 2,036**	$ 1,855	$ 1,161	$ 1,061
Interest income on plan assets	**225**	247	**82**	91	**26**	40
Return on plan assets excluding amounts included in interest income	**(123)**	971	**(127)**	99	**(15)**	213
Employer contributions	**65**	166	**108**	121	**21**	28
Benefit payments	**(217)**	(192)	**(133)**	(130)	**(38)**	(51)
Actual Expenses	**(11)**	(19)	**(15)**	—	**(3)**	(1)
Foreign currency impact	**(257)**	(347)	**—**	—	**(133)**	(129)
At December 31	**$ 5,903**	$ 6,221	**$ 1,951**	$ 2,036	**$ 1,019**	$ 1,161
Funded status	**$ 918**	$ 694	**$ (1,209)**	$ (1,296)	**$ (158)**	$ (239)

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

	U.K.			U.S.			Other		
	December 31,		January 1,	December 31,		January 1,	December 31,		January 1,
	2015	2014	2014	2015	2014	2014	2015	2014	2014
Prepaid surpluses (1)	**$ 1,012**	$ 917	$ 547	**$ —**	$ —	$ —	**$ —**	$ —	$ —
Pension deficit (2)	**(94)**	(223)	(257)	**(1,209)**	(1,296)	(889)	**(158)**	(239)	(191)
Net amount recognized	**$ 918**	$ 694	$ 290	**$(1,209)**	$(1,296)	$ (889)	**$ (158)**	$ (239)	$ (191)

(1) Included in Prepaid pension as the Company has an unconditional right to a refund.
(2) Included in Pension, other post retirement, and post employment liabilities

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

	U.K.		U.S.		Other	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Service cost	**$ 27**	$ 1	**$ —**	$ —	**$ (10)**	$ (15)
Net interest	**(26)**	(17)	**49**	37	**7**	7
Administration expenses	**9**	19	**17**	—	**1**	—
Net periodic cost (benefit)	**$ 10**	$ 3	**$ 66**	$ 37	**$ (2)**	$ (8)

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

	U.K.		U.S.		Other	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Discount rate	**3.96%**	3.70%	**3.69 - 4.43%**	3.37 - 4.08%	**2.43 - 3.96%**	2.03 - 3.91%
Rate of compensation increase	**3.63 - 4.13%**	3.55 - 4.05%	**N/A**	N/A	**2.00 - 3.50%**	2.25 - 3.50%
Underlying price inflation	**1.88%**	1.95%	**N/A**	N/A	**2.00 - 2.50%**	2.00 - 2.50%

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

	U.K.		U.S.		Other	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Discount rate	**3.70%**	4.55%	**3.37 - 4.08**	3.97 - 4.87%	**2.03 - 3.91%**	3.60 - 4.71%
Rate of compensation increase	**3.55 - 4.05%**	3.70 - 4.40%	**N/A**	N/A	**2.25 - 3.50%**	2.25 - 3.50%

The significant U.K., U.S., Netherlands and Canadian pension plans are closed to new entrants. The Company has ceased crediting future benefits relating to salary and service for significant U.K., U.S., Netherlands and Canadian plans. As a result, changes in these assumptions will not have a significant impact on pension obligations and pension expense.

Holding all other assumptions constant, the following table reflects what a twenty five basis point increase and decrease in the estimated discount rate would have on the projected benefit obligation and pension expense as of, or for the year ended December 31, 2015 (in millions):

	U.K.		U.S.		Other	
Hypothetical 25 Basis Point Change in Discount Rate (1):	**Change in obligation**	**Change in expense**	**Change in obligation**	**Change in expense**	**Change in obligation**	**Change in expense**
Increase (2)	**(220)**	**(10)**	**(97)**	**(1)**	**(50)**	**(2)**
Decrease	**231**	**11**	**102**	**1**	**54**	**2**

(1) These sensitivities are hypothetical and should be used with caution. Favorable hypothetical changes in the assumptions result in decreased amounts, and unfavorable hypothetical changes in the assumptions result in increased amounts, of the obligations and expenses. Changes in amounts based on a 25 basis point variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in amounts may not be linear. Also, in this table, the effect of a variation in a particular assumption on the change in obligation or change in expense is calculated without changing any other assumption; in reality, changes in one factor may result in changes in another (for example, increases in discount rates may result in increased expectations about the long-term rate of return on plan assets), which might magnify or counteract the sensitivities.

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

Plan Assets

No plan assets are expected to be returned to the Company during 2016.

Fair Value of Plan Assets

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

The analysis of the fair values of the Company's U.S. pension plan assets at December 31, 2015, December 31, 2014 and January 1, 2014, by asset category, are as follows (in millions):

Asset Category	**Balance at December 31, 2015**	**Balance at December 31, 2014**	**Balance at January 1, 2014**
Cash and cash equivalents (1)	**$ 33**	$ 68	$ 53
Equity investments: (2)			
Large cap domestic	**299**	329	303
Small cap domestic	**88**	85	66
International	**262**	258	212
Equity derivatives	**203**	285	361
Fixed income investments: (3)			
Corporate bonds	**484**	503	395
Government and agency bonds	**128**	109	96
Asset-backed securities	**—**	20	25
Fixed income derivatives	**69**	49	13
Other investments:			
Alternative investments (4)	**305**	272	266
Commodity derivatives (5)	**13**	(8)	14
Real estate and REITS (6)	**67**	66	51
Total	**$ 1,951**	$ 2,036	$ 1,855

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

(2) Consists of equity securities, equity derivatives, and pooled equity funds.

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

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

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

(6) Consists of exchange traded real estate investment trusts ("REITS").

The analysis of the fair values of the Company's major U.K. pension plan assets at December 31, 2015, December 31, 2014, and January 1, 2014, by asset category, are as follows (in millions):

	Balance at December 31, 2015	Balance at December 31, 2014	Balance at January 1, 2014
Cash and cash equivalents	**$ 159**	$ 223	$ 554
Equity investments:			
Pooled funds: (1)			
Global	**360**	203	668
Europe	**17**	16	155
Equity securities — global (2)	**133**	127	171
Derivatives (2)	**66**	—	31
Fixed income investments:			
Pooled funds: (1)			
Fixed income securities	**283**	277	498
Fixed income securities (3)	**3,145**	3,292	2,043
Annuities	**827**	836	564
Derivatives (3)	**111**	233	142
Other investments:			
Pooled funds: (1)			
Real estate (4)	**65**	39	23
Alternative investments (5)	**717**	968	546
Real estate	**20**	7	—
Total	**$ 5,903**	$ 6,221	$ 5,395

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

(2) Consists of equity securities and equity derivatives.

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

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

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

The analysis of the fair values of the Company's major other pension plan assets at December 31, 2015, December 31, 2014, and January 1, 2014, by asset category, are as follows (in millions):

	Balance at December 31, 2015	Balance at December 31, 2014	Balance at January 1, 2014
Cash and cash equivalents	**$ 11**	$ 12	$ 11
Equity investments:			
Pooled funds: (1)			
Global	**270**	295	318
North America	**37**	42	52
Fixed income investments:			
Pooled funds: (1)			
Fixed income securities	**576**	629	509
Derivatives	**12**	18	20
Fixed income securities (2)	**30**	35	61
Derivatives (2)	**48**	74	14
Other investments:			
Pooled funds: (1)			
Commodities	**2**	21	32
REITS	**3**	3	5
Real estate (3)	**—**	—	17
Alternative investments (4)	**9**	8	8
Derivatives	**21**	24	14
Total	**$ 1,019**	$ 1,161	$ 1,061

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

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

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

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

Investment Policy and Strategy

Investment positions are managed within an asset liability matching framework that has been developed to achieve long-term investments that are in line with the obligations under the pension plans. The U.S. investment policy, as established by the Aon Retirement Plan Governance and Investment Committee ("RPGIC"), seeks reasonable asset growth at prudent risk levels within target allocations, which are 49% equity investments, 30% fixed income investments, and 21% other investments. Aon believes that plan assets are well-diversified and are of appropriate quality. The investment portfolio asset allocation is reviewed quarterly and re-balanced to be within policy target allocations. The investment policy is reviewed at least annually and revised, as deemed appropriate by the RPGIC. The investment policies for international plans are generally established by the local pension plan trustees and seek to maintain the plans' ability to meet liabilities and to comply with local minimum funding requirements. Plan assets are invested in diversified portfolios that provide adequate levels of return at an acceptable level of risk. The investment policies are reviewed at least annually and revised, as deemed appropriate to ensure that the objectives are being met. At December 31, 2015, the weighted average targeted allocation for the U.K. and non-U.S. plans was 20% for equity investments and 80% for fixed income investments.

Cash Flows

Contributions

Based on current assumptions, in 2016, the Company expects to contribute approximately $79 million, $54 million, and $17 million to its U.K., U.S. and other significant international pension plans, respectively.

Estimated Future Benefit Payments

Estimated future benefit payments for plans are as follows at December 31, 2015 (in millions):

	U.K.	U.S.	Other
2016	$ 143	164	38
2017	149	172	39
2018	157	184	40
2019	170	192	41
2020	180	187	42
2021-2025	1,048	952	227

U.S. and Canadian Other Post-Retirement Benefits

The following table provides an overview of the accumulated projected benefit obligation, fair value of plan assets, funded status and net amount recognized as of December 31, 2015 and 2014 and January 1, 2014 for the Company's other significant post-retirement benefit plans located in the U.S. and Canada (in millions):

	2015	2014	As at January 1, 2014
Accumulated projected benefit obligation	**$ 105**	$ 116	$ 118
Fair value of plan assets	**18**	19	20
Unrecognized asset due to asset ceiling	**(6)**	(6)	(6)
Net liability recognized in the balance sheet	**(93)**	(103)	(104)

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

	2015	2014
Net periodic benefit cost recognized (millions)	**$6**	$8
Weighted-average discount rate used to determine future benefit obligations	**3.99 - 4.33%**	3.83 - 4.08%
Weighted-average discount rate used to determine net periodic benefit costs	**3.83 - 4.08%**	4.44 - 4.95%

Based on current assumptions, the Company expects:

- To contribute $4 million to fund significant other post-retirement benefit plans during 2016.
- Estimated future benefit payments will be approximately $6 million each year for 2016 through 2020, and $30 million in aggregate for 2021-2025.

The accumulated post-retirement benefit obligation is increased by $6 million and decreased by $6 million by a respective 1% increase or decrease to the assumed healthcare trend rate. The service cost and interest cost components of net periodic benefits cost is increased by $0.7 million and decreased by $0.5 million by a respective 1% increase or decrease to the assumed healthcare trend rate.

11. Share-Based Compensation Plans

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

Years ended December 31	2015	2014
Restricted share units ("RSUs")	**$ 207**	$ 194
Performance share awards ("PSAs")	**128**	130
Share-options		1
Employee share purchase plans	**12**	9
Total share-based compensation expense	**347**	334
Tax benefit	**95**	95
Share-based compensation expense, net of tax	**$ 252**	$ 239

Restricted Share Units

RSUs generally vest between three and five years. The fair value of RSUs is based upon the market price of the underlying share 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 over the requisite service period. Dividend equivalents are paid on certain RSUs, based on the initial grant amount.

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

	2015		2014	
Years ended December 31	Shares	Fair Value (1)	Shares	Fair Value (1)
Non-vested at beginning of year	**8,381**	**$ 63**	9,759	$ 51
Granted	**2,459**	**97**	2,844	84
Vested	**(3,385)**	**58**	(3,732)	49
Forfeited	**(288)**	**71**	(490)	58
Non-vested at end of year	**7,167**	**77**	8,381	63

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

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

Performance Share Awards

The vesting of PSAs is contingent upon meeting a cumulative level of earnings per share performance over a three-year period. The performance conditions are not considered in the determination of the grant date fair value for these awards. The fair value of PSAs is based upon the market price of the underlying stock on the date of grant, reduced by the present value of estimated dividends foregone during the vesting period. Compensation expense is recognized over the performance period based on management's estimate of the number of units expected to vest. Compensation expense is adjusted to reflect the actual number of shares issued at the end of the programs. The actual issue of shares may range from 0-200% of the target number of PSAs granted, based on the terms of the plan and level of achievement of the related performance target.

Information regarding the Company's target PSAs granted and shares that would be issued at current performance levels for PSAs granted during the years ended December 31, 2015, 2014, and 2013, respectively, is as follows (shares in thousands, dollars in millions, except fair value):

	2015	2014	2013
Target PSAs granted	**993**	816	1,135
Fair value (1)	**$ 96**	$ 81	$ 58
Number of shares that would be issued based on current performance levels	**982**	1,591	2,191
Unamortized expense, based on current performance levels	**$ 62**	$ 43	$ —

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

During 2015, the Company issued approximately 1.6 million shares in connection with the 2012 Leadership Performance Plan ("LPP") cycle. During 2014, the Company issued approximately 0.6 million shares in connection with the 2011 LPP cycle and 0.1 million shares related to other performance plans.

Share Options

In prior periods, options to purchase ordinary shares were granted to certain employees at fair value on the date of grant. Commencing in 2010, the Company ceased granting new share options with the exception of historical contractual commitments. Generally, employees are required to complete two continuous years of service before the options begin to vest in increments until the completion of a four-year period of continuous employment, although a number of options were granted that require five continuous years of service before the options are fully vested. Options issued under the LPP program vest ratably over three years with a six-year term. The maximum contractual term on share options is ten years from the date of grant. The Company did not grant any share options for the years ended December 31, 2015 and 2014.

A summary of the status of the Company's share options and related information is as follows (shares in thousands):

Years ended December 31	2015		2014	
	Shares	Weighted-Average Exercise Price Per Share	Shares	Weighted-Average Exercise Price Per Share
Beginning outstanding	**2,300**	**$ 32**	3,462	$ 32
Granted			—	—
Exercised	**(1,450)**	**27**	(1,155)	33
Forfeited and expired	**(13)**	**39**	(7)	37
Outstanding at end of year	**837**	**40**	2,300	32
Exercisable at end of year	**837**	**40**	2,273	32
Shares available for grant	**12,179**		16,333	

A summary of options outstanding and exercisable as of December 31, 2015 is as follows (shares in thousands):

	Options Outstanding			Options Exercisable		
Range of Exercise Prices	Shares Outstanding	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price Per Share	Shares Exercisable	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price Per Share
19.54 - 25.51	79	2.18	$ 20.18	79	2.18	$ 20.18
25.52 - 32.53	25	1.93	29.15	25	1.93	29.15
32.54 - 36.88	160	1.14	35.77	160	1.14	35.77
36.89 - 43.44	247	3.12	39.32	247	3.12	39.32
43.45 - 52.93	326	2.46	48.26	326	2.46	48.26
	837			837		

A summary of options outstanding and exercisable as of December 31, 2014 is as follows (shares in thousands):

	Options Outstanding				Options Exercisable		
Range of Exercise Prices	Shares Outstanding	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price Per Share		Shares Exercisable	Weighted-Average Remaining Contractual Life (years)	Weighted-Average Exercise Price Per Share
$ 19.54 – 22.86	1,089	0.49	$ 22.64		1,089	0.49	$ 22.64
22.87 – 25.51	71	0.49	25.35		71	0.49	25.35
25.52 – 32.53	34	2.73	29.15		34	2.73	29.15
32.54 – 36.88	205	1.93	35.82		205	1.93	35.82
36.89 – 43.44	481	2.36	39.29		481	2.36	39.29
43.45 – 47.16	265	1.77	45.81		265	1.77	45.81
47.17 – 52.93	155	4.69	50.36		128	4.39	49.83
	2,300				2,273		

The aggregate intrinsic value represents the total pretax intrinsic value, based on options with an exercise price less than the Company's closing share price of $92.21 as of December 31, 2015, which would have been received by the option holders had those option holders exercised their options as of that date. At December 31, 2015, the aggregate intrinsic value of options outstanding was $44 million, of which $44 million was exercisable.

Other information related to the Company's share options is as follows (in millions):

	2015	2014
Aggregate intrinsic value of stock options exercised	**$ 104**	$ 61
Cash received from the exercise of stock options	**40**	38
Tax benefit realized from the exercise of stock options	**36**	16

Unamortized deferred compensation expense, which includes both options and awards, amounted to $378 million as of December 31, 2015, with a remaining weighted-average amortization period of approximately 2.1 years.

Employee Share Purchase Plan

United States

The Company has an employee share purchase plan that provides for the purchase of a maximum of 7.5 million shares of the Company's ordinary shares by eligible U.S. employees. Prior to 2011, shares of the Company's common stock were purchased at 3-month intervals at 85% of the lower of the fair market value of the common stock on the first or the last day of each 3-month period. Beginning in 2011, the Company's ordinary shares were purchased at 6-month intervals at 85% of the lower of the fair market value of the ordinary shares on the first or last day of each 6-month period. In 2015 and 2014, 411,636 shares and 439,000 shares, respectively, were issued to employees under the plan. Compensation expense recognized was $9 million in 2015 and $7 million in 2014.

United Kingdom

The Company also has an employee share purchase plan for eligible U.K. employees that provides for the purchase of shares after a 3-year period and that is similar to the U.S. plan previously described. Three-year periods began in 2015, 2014, and 2013, allowing for the purchase of a maximum of 100,000, 300,000 and 350,000 shares, respectively. In 2015 and 2014, 3 thousand shares and 1 thousand shares, respectively, were issued under the plan. Compensation expense of $3 million was recognized in 2015 and 2014.

12. Derivatives and Hedging

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

Foreign Exchange Risk Management

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

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

Interest Rate Risk Management

The Company holds variable-rate short-term brokerage and other operating deposits. The Company uses interest rate derivatives, typically swaps, to reduce its exposure to the effects of interest rate fluctuations on the forecasted interest receipts from these deposits for up to two years in the future.

Certain derivatives also give rise to credit risks from the possible non-performance by counterparties. The credit risk at the balance sheet date is generally limited to the fair value of those contracts that are favorable to the Company. The Company has reduced its credit risk by (1) using International Swaps and Derivatives Association master agreements, collateral and credit support arrangements, (2) entering into non-exchange-traded derivatives with highly-rated major financial institutions and (3) using exchange-traded instruments. The Company monitors the creditworthiness of, and exposure to, its counterparties. As of December 31, 2015, December 31, 2014, and January 1, 2014, all net derivative positions were free of credit risk contingent features. The Company has not received or pledged any collateral related to derivative arrangements as of December 31, 2015, December 31, 2014, and January 1, 2014.

Market Risk

Refer to the Risk Factors discussion on pages 9 to 24 within Aon's Strategic Report for information regarding the Company's market risk sensitivities.

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

	Notional Amount	Derivative Assets (1)	Derivative Liabilities (2)
As of December 31, 2015			
Derivatives not accounted for as hedges:			
Interest rate contracts	**$ —**	**$ —**	**$ —**
Foreign exchange contracts	**626**	**3**	**5**
Total	**626**	**3**	**5**
Derivatives accounted for as hedges:			
Foreign exchange contracts	**432**	**29**	**13**
Total	**$ 1,058**	**$ 32**	**$ 18**
As of December 31, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ —	$ —	$ —
Foreign exchange contracts	683	4	41
Total	683	4	41
Derivatives accounted for as hedges:			
Foreign exchange contracts	682	42	17
Total	$ 1,365	$ 46	$ 58
As of January 1, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ 171	$ 9	$ —
Foreign exchange contracts	681	5	61
Total	852	14	61
Derivatives accounted for as hedges:			
Foreign exchange contracts	725	66	32
Total	$ 1,577	$ 80	$ 93

(1) Included within Other current assets ($15 million, $24 million, and $46 million in 2015, 2014, and January 1, 2014, respectively) or Other non-current assets ($17 million, $22 million, and $34 million in 2015, 2014, and January 1, 2014, respectively)

(2) Included within Other current liabilities ($13 million, $52 million, and $51 million in 2015, 2014, and January 1, 2014, respectively) or Other non-current liabilities ($5 million, $6 million, and $42 million in 2015, 2014, and January 1, 2014, respectively)

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

	Gross Amounts of Recognized Assets	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Assets Presented in the Statement of Financial Position
As of December 31, 2015			
Derivatives not accounted for as hedges:			
Interest rate contracts	**$ —**	**$ —**	**$ —**
Foreign exchange contracts	**3**	**(1)**	**2**
Total	**3**	**(1)**	**2**
Derivatives accounted for as hedges:			
Foreign exchange contracts	**29**	**(12)**	**17**
Total	**$ 32**	**$ (13)**	**$ 19**
As of December 31, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ —	$ —	$ —
Foreign exchange contracts	4	(1)	3
Total	4	(1)	3
Derivatives accounted for as hedges:			
Foreign exchange contracts	42	(13)	29
Total	$ 46	$ (14)	$ 32
As of January 1, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ 9	$ —	$ 9
Foreign exchange contracts	5	(1)	4
Total	14	(1)	13
Derivatives accounted for as hedges:			
Foreign exchange contracts	66	(29)	37
Total	$ 80	$ (30)	$ 50

(1) Included within Other current assets ($6 million, $12 million, and $18 million in 2015, 2014, and January 1, 2014, respectively) or Other non-current assets ($13 million, $20 million, and $32 million in 2015, 2014, and January 1, 2014, respectively)

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

	Gross Amounts of Recognized Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Liabilities Presented in the Statement of Financial Position (1)
As of December 31, 2015			
Derivatives not accounted for as hedges:			
Interest rate contracts	**$ —**	**$ —**	**$ —**
Foreign exchange contracts	**5**	**(1)**	**4**
Total	**5**	**(1)**	**4**
Derivatives accounted for as hedges:			
Foreign exchange contracts	**13**	**(12)**	**1**
Total	**$ 18**	**$ (13)**	**$ 5**
As of December 31, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ —	$ —	$ —
Foreign exchange contracts	41	(1)	40
Total	41	(1)	40
Derivatives accounted for as hedges:			
Foreign exchange contracts	17	(13)	4
Total	$ 58	$ (14)	$ 44
As of January 1, 2014			
Derivatives not accounted for as hedges:			
Interest rate contracts	$ —	$ —	$ —
Foreign exchange contracts	61	—	61
Total	61	—	61
Derivatives accounted for as hedges:			
Foreign exchange contracts	32	(30)	2
Total	$ 93	$ (30)	$ 63

(2) Included within Other current liabilities ($4 million, $40 million, and $23 million in 2015, 2014, and January 1, 2014, respectively) or Other non-current liabilities ($1 million, $4 million, and $40 million in 2015, 2014, and January 1, 2014, respectively)

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

Gain (Loss) recognized in Other Comprehensive Loss:	**2015**	**2014**
Cash flow hedges:		
Foreign exchange contracts (1)	**$ (2)**	(6)

(1) Location of future reclassification from Other Comprehensive Loss will be included within Other Income

Gain (Loss) reclassified from Other Comprehensive Loss into Income (Effective Portion):	**2015**	**2014**
Cash flow hedges:		
Foreign exchange contracts (1)	**$ 5**	$ 5

(1) Included within Other Income

The Company estimates that approximately $4 million of pretax gains currently included within other comprehensive loss will be reclassified into earnings in the next twelve months.

The amount of gain (loss) recognized in income on the ineffective portion of derivatives for 2015 and 2014 was not material.

The Company recorded a loss of $8 million and a loss of $5 million in Other income for foreign exchange derivatives not designated or qualifying as hedges for 2015 and 2014, respectively.

13. Fair Value Measurements and Financial Instruments

Fair Value Measurements

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

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

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments, including pension assets (see Note 10 "Employee Benefits"):

Money market funds and highly liquid debt securities are carried at cost and amortized cost, respectively, as an approximation of fair value. Based on market convention, the Company considers cost a practical and expedient measure of fair value.

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

Equity investments consist of domestic and international equity securities and exchange traded 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 equity security and volatility. The Company reviews the listing of Level 1 equity securities in the portfolio and agrees the closing stock prices to a national securities exchange, and on a sample basis, 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 a detailed understanding of the models, inputs, and assumptions used in developing prices provided by its vendors. This understanding includes discussions with valuation resources at the vendor. During these discussions, the Company uses a fair value measurement questionnaire, which is part of the Company's internal controls over financial reporting, to obtain the information necessary to assert the model, inputs and assumptions used comply with IFRS, including disclosure requirements. The Company also obtains observable inputs from the pricing vendor and independently verifies the observable inputs, as well as assesses assumptions used for reasonableness based on relevant market conditions and internal Company guidelines. If an assumption is deemed unreasonable, based on the Company's guidelines, it is then reviewed by management and the fair value estimate provided by the vendor is adjusted, if deemed appropriate. These adjustments do not occur frequently and have historically not been material to the fair value estimates used in the Consolidated Financial Statements.

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

Alternative investments consist of limited partnerships, private equity and hedge funds. Alternative investment fair value is generally estimated based on the proportionate share ownership in the underlying net assets of the investment as determined by the general partner or investment manager. The valuations are based on various factors depending on investment strategy, proprietary models, and specific financial data or projections. The Company obtains audited fund manager financial statements, when available. The Company obtains a detailed understanding of the models, inputs and assumptions used in developing prices provided by the investment managers (or appropriate party) through regular discussions. During these discussions with the investment managers, the Company uses a fair value measurement questionnaire, which is part of the Company's internal controls over financial reporting, to obtain the information necessary to assert the model, inputs and assumptions used comply with IFRS, including disclosure requirements. The Company also obtains observable inputs from the investment manager and independently verifies the observable inputs, as well as assesses assumptions used for reasonableness based on relevant market conditions and internal Company guidelines. If an assumption is deemed unreasonable, based on the Company's guidelines, it is then reviewed by management and the fair value estimate provided by the vendor is adjusted, if deemed appropriate. These adjustments do not occur frequently and have historically not been material to the fair value estimates in the Consolidated Financial Statements.

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

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

Real estate and REITs consist of publicly traded real estate investment trusts ("REITs") and direct real estate investments. Level 1 REITs are valued using the closing stock price on a national securities exchange. The Level 3 values are based on the proportionate share of ownership in the underlying net asset value as determined by the investment manager. The Company independently reviews the listing of Level 1 REIT securities in the portfolio and agrees the closing stock prices to a national securities exchange. The Company gains an understanding of the investment guidelines and valuation policies of the Level 3 real estate funds and discusses performance with the fund managers. The Company obtains audited fund manager financial statements, when available. See the description of "Alternative investments" for further detail on valuation procedures surrounding Level 3 REITs.

Guarantees are carried at fair value, which is based on discounted estimated cash flows using published historical cumulative default rates and discount rates commensurate with the underlying exposure.

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

The following tables present the categorization of the Company's assets and liabilities that are measured at fair value on a recurring basis at December 31, 2015 and 2014 and January 1, 2014, respectively (in millions):

	Balance at December 31, 2015	Fair Value Measurements Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (1)	$ 1,396	$ 1,396	$ —	$ —
Other investments:				
Fixed maturity securities:				
Corporate bonds	—	—	—	—
Government bonds	1	—	1	—
Equity investments (2)	127	6	4	117
Derivatives (3):				
Interest rate contracts	—	—	—	—
Foreign exchange contracts	32	—	32	—
Liabilities:				
Derivatives:				
Foreign exchange contracts	18	—	18	—

(1) Includes $1,396 million of money market funds that are classified as Fiduciary assets, Short-term investments or Cash and cash equivalents in the Consolidated Statements of Financial Position, depending on their nature and initial maturity.

(2) Level 3 investments consists primarily of limited partnerships which are valued using net asset statements provided by independent third parties, and therefore alternative assumptions would not change the fair value significantly.

(3) See Note 12 "Derivatives and Hedging" for additional information regarding the Company's derivatives and hedging activity.

		Fair Value Measurements Using		
	Balance at December 31, 2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Money market funds (1)	$ 1,850	$ 1,850	$ —	$ —
Other investments:				
Fixed maturity securities:				
Corporate bonds	1	—	—	1
Government bonds	6	—	6	—
Equity investments (2)	120	6	5	109
Derivatives (3):				
Interest rate contracts	—	—	—	—
Foreign exchange contracts	46	—	46	—
Liabilities:				
Derivatives:				
Foreign exchange contracts	58	—	58	—

(1) Includes $1,850 million of money market funds that are classified as Fiduciary assets, Short-term investments or Cash and cash equivalents in the Consolidated Statements of Financial Position, depending on their nature and initial maturity.

(2) Level 3 investments consists primarily of limited partnerships which are valued using net asset statements provided by independent third parties, and therefore alternative assumptions would not change the fair value significantly.

(3) See Note 12 "Derivatives and Hedging" for additional information regarding the Company's derivatives and hedging activity.

		Fair Value Measurements Using		
	Balance at January 1, 2014	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 and highly liquid debt securities (1)	$ 2,079	$ 2,054	$ 25	$ —
Other investments:				
Fixed maturity securities:				
Corporate bonds	2	—	—	2
Government bonds	7	—	7	—
Equity investments (2)	104	6	7	91
Derivatives (3):				
Interest rate contracts	9	—	9	—
Foreign exchange contracts	71	—	71	—
Liabilities:				
Derivatives:				
Foreign exchange contracts	93	—	93	—

(1) Includes $2,054 million of money market funds and $25 million of highly liquid debt securities that are classified as Fiduciary assets, Short-term investments or Cash and cash equivalents in the Consolidated Statements of Financial Position, depending on their nature and initial maturity.
(2) Level 3 investments consists primarily of limited partnerships which are valued using net asset statements provided by independent third parties, and therefore alternative assumptions would not change the fair value significantly.
(3) See Note 12 "Derivatives and Hedging" for additional information regarding the Company's derivatives and hedging activity.

The following is a reconciliation of the beginning to the closing balances of the Company's Level 3 inputs (in millions):

	Measurement of Level 3 Inputs
Balance at January 1, 2014	$ 93
Total gains and losses in fair value through OCI	7
Sales	(10)
Purchases	20
Balance at December 31, 2014	**110**
Total gains and losses in fair value through OCI	**16**
Total gains and losses in fair value through profit or loss	**1**
Sales	**(13)**
Purchases	**3**
Balance at December 31, 2015	**$ 117**

There were no transfers of assets or liabilities between fair value hierarchy levels during 2015 or 2014.

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

As of	December 31, 2015		2014		January 1, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	**$ 5,138**	**$ 5,353**	$ 4,768	$ 5,242	$ 3,666	$ 3,879

Financial assets and liabilities

The Company classifies its financial assets and liabilities in accordance with categories prescribed under IAS 39 as follows:

- *Financial assets and liabilities at fair value through profit or loss* - Aon's instruments which qualify for fair value through profit and loss include derivatives not accounted for as hedges and investments held for trading. The derivative assets not accounted for as hedges were $2 million, $3 million, and $13 million, respectively, at December 31, 2015 and 2014, and January 1, 2014. The derivative liabilities not accounted for as hedges were $4 million, $40 million, and $61 million, respectively, at December 31, 2015 and 2014, and January 1, 2014. Derivative assets and liabilities are classified as Other current and Other non-current assets and liabilities on the Consolidated Statements of Financial Position. Investments held for trading were $12 million, $26 million, and $35 million, respectively, at December 31, 2015 and 2014, and January 1, 2014. Investments held for trading are classified as Other non-current assets on the Consolidated Statements of Financial Position.
- *Derivatives used for hedging* - Aon's derivative assets used for hedging were $17 million, $29 million, and $37 million, respectively, as of December 31, 2015 and 2014, and January 1, 2014. Aon's derivative liabilities used for hedging were $1 million, $4 million, and $2 million, respectively, as of December 31, 2015 and 2014, and January 1, 2014. Derivative assets and liabilities are classified as Other current and Other non-current assets and liabilities on the Consolidated Statements of Financial Position.
- *Available-for-sale financial assets* - Aon's available-for-sale financial assets includes its investments not held for trading. The available for sale investments were $115 million, $100 million, and $79 million, respectively, at December 31, 2015 and 2014, and January 1, 2014. Available for sale investments are classified as Other non-current assets on the Consolidated Statements of Financial Position.
- *Loans and receivables* - Loans and receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, do not qualify as 'trading' assets, and have not been designated 'at fair value through profit or loss' or as 'available-for-sale'. Aon's financial assets and liabilities which qualify as loans and receivables under this definition include balances classified as Cash and cash equivalents, Short-term investments, Receivables, net, Fiduciary assets, and financial assets held in Other current and non-current assets on the Consolidated Statements of Financial Position.
- *Other financial liabilities* - All other financial liabilities held by Aon outside of the derivative liabilities identified above are measured at amortized cost. Aon's financial liabilities included within this category under IAS 39 include balances held in Fiduciary liabilities, Short-term debt and current portion of long-term debt, Long-term debt, Accounts payable and accrued liabilities, and financial liabilities classified as Other current and non-current liabilities on the Statements of Financial Position.

Financial assets and financial liabilities are offset in the Statement of financial position when the Company has a legally enforceable right to offset and has the intention to settle the asset and liability on a net basis. The following table present the balances that have been offset within Fiduciary assets and Fiduciary liabilities at December 31, 2015 and 2014.

	Gross Amounts of Recognized Assets and Liabilities	Gross Amounts Offset in the Statement of Financial Position	Net Amounts of Assets and Liabilities Presented in the Statement of Financial Position (1)
As of December 31, 2015:			
Fiduciary assets and liabilities	**$ 11,720**	**$ 1,788**	**$ 9,932**
As of December 31, 2014:			
Fiduciary assets and liabilities	13,888	2,250	11,638

14. Provisions, Commitments, and Contingencies

Provisions

The following categories compile the Company's current and non-current provisions disclosed on the Consolidated Statements of Financial Position:

millions	Legal [(1)]	Restructuring	Other	Total
At January 1, 2015	$ 141	$ 80	$ 89	$ 310
Arising during the year	334	—	55	389
Utilized	(296)	(3)	(56)	(355)
Amended/adjusted provisions	9	(27)	(11)	(29)
Foreign currency translation	(6)	(3)	(3)	(12)
At December 31, 2015	**$ 182**	**$ 47**	**$ 74**	**$ 303**

(1) The legal reserve presented in the above table is total gross legal reserves held by Aon for matters outstanding at December 31, 2015. Aon's E&O insurance receivable related to these reserves is $43 million as of December 31, 2015.

	2015
Analysis of total provisions:	
Current - to be utilized within one year	$ 199
Non-current - to be utilized in more than one year	104
	$ 303

Legal

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

We have included in the matters described below certain matters in which (1) loss is more likely than not (2) loss is reasonably possible; that is, more than remote but not more likely than not, or (3) there exists the reasonable possibility of loss greater than the accrued amount. In addition, we may from time to time disclose matters for which the likelihood of loss could be remote but the claim amounts associated with such matters are potentially significant. The reasonably possible range of loss for the matters described below, in excess of amounts that are deemed more likely than not and estimable and therefore already accrued, is estimated to be between $0 and $0.3 billion, exclusive of any insurance coverage. These estimates are based on currently available information. As available information changes, the matters for which Aon is able to estimate may change, and the estimates themselves may change. In addition, many estimates involve significant judgment and uncertainty. For example, at the time of making an estimate, Aon may only have limited information about the facts underlying the claim, and predictions and assumptions about future court rulings and outcomes may prove to be inaccurate.

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

The discussion below identifies significant current matters. Additional smaller matters exist but are individually insignificant and therefore excluded.

Current Matters

A retail insurance brokerage subsidiary of Aon was sued on September 14, 2010 in the Chancery Court for Davidson County, Tennessee Twentieth Judicial District, at Nashville by a client, Opry Mills Mall Limited Partnership ("Opry Mills") that sustained flood damage to its property in May 2010. The lawsuit seeks $200 million in coverage from numerous insurers with whom this Aon subsidiary placed the client's property insurance coverage. The insurers contend that only $50 million in coverage (which has already been paid) is available for the loss because the flood event occurred on property in a high hazard flood zone. Opry Mills is seeking full coverage from the insurers for the loss and has sued this Aon subsidiary in the alternative for the same $150 million difference on various theories of professional liability if the court determines there is not full coverage. In addition, Opry Mills seeks prejudgment interest, attorneys' fees and enhanced damages which could substantially increase Aon's exposure. In March 2015, the trial court granted partial summary judgment in favor of plaintiffs and against the insurers, holding generally that the plaintiffs are entitled to $200 million in coverage under the language of the policies. In August 2015, a jury returned a verdict in favor of Opry Mills and against the insurers in the amount of $204 million. Aon understands that the insurers intend to appeal both of these trial court decisions. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims.

A pensions consulting and administration subsidiary of Hewitt before its acquisition by Aon provided advisory services to the Trustees of the Philips UK pension fund and the relevant employer of fund beneficiaries. On January 2, 2014, Philips Pension Trustees Limited and Philips Electronics UK Limited (together, "Philips") sued Aon in the High Court, Chancery Division, London alleging negligence and breach of duty. The proceedings assert Philips' right to claim damages related to Philips' use of a credit default swap hedging strategy pursuant to the supply of the advisory services, which is said to have resulted in substantial damages to Philips. Philips sought approximately £189 million ($282 million at December 31, 2015 exchange rates), plus interest and costs. In June 2015, the High Court ordered Philips to clarify several aspects of its claim. In its clarification, Philips increased the amount of its claim to £290 million ($432 million at December 31, 2015 exchange rates), plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these allegations.

On June 1, 2007, the International Road Transport Union ("IRU") sued Aon in the Geneva Tribunal of First Instance in Switzerland. IRU alleges, among other things, that, between 1995 and 2004, a business acquired by Aon and, later, an Aon subsidiary (1) accepted commissions for certain insurance placements that violated a fee agreement entered between the parties and (2) negligently failed to ask certain insurance carriers to contribute to the IRU's risk management costs. IRU sought damages of approximately CHF 46 million ($47 million at December 31, 2015 exchange rates) and $3 million, plus legal fees and interest of approximately $30 million. On December 2, 2014, the Geneva Tribunal of First Instance entered a judgment that accepted some, and rejected other, of IRU's claims. The judgment awarded IRU CHF 17 million ($17 million at December 31, 2015 exchange rates) and $3 million, plus interest and adverse costs. The entire amount of the judgment, including interest through December 31, 2014, totaled CHF 28 million ($28 million at December 31, 2015 exchange rates) and $5 million. On January 26, 2015, in return for IRU agreeing not to appeal the bulk of its dismissed claims, the Aon subsidiary agreed not to appeal a part of the judgment and to pay IRU CHF 13 million ($13 million at December 31, 2015 exchange rates) and $5 million without Aon admitting liability. The Aon subsidiary appealed those aspects of the judgment it retained the right to appeal. IRU did not appeal. The Aon subsidiary's maximum liability on appeal is limited to CHF 9 million ($9 million at December 31, 2015 exchange rates) and $115,000 (plus interest and costs) beyond what the subsidiary has already paid. The appeal is now under submission.

A pensions consulting and administration subsidiary of Aon provided advisory services to the Trustees of the Gleeds pension fund in the United Kingdom and, on occasion, to the relevant employer of the fund. In April 2014, the High Court, Chancery Division, London found that certain governing documents of the fund that sought to alter the fund's benefit structure and that had been drafted by Aon were procedurally defective and therefore invalid. No lawsuit naming Aon as a party has been filed, although a tolling agreement has been entered. The High Court decision says that the additional liabilities in the pension fund resulting from the alleged defect in governing documents amount to approximately £45 million ($67 million at December 31, 2015 exchange rates). In December 2014, the Court of Appeal granted the employer leave to appeal the High Court decision. The Court of Appeal hearing was set for October 2015, but has been postponed to permit the parties to discuss possible settlement. Aon believes that it has meritorious defenses and intends to vigorously defend itself against this potential claim.

On June 29, 2015, Lyttelton Port Company Limited ("LPC") sued Aon New Zealand (Aon) in the Christchurch Registry of the High Court of New Zealand. LPC alleges, among other things, that Aon was negligent and in breach of contract in arranging LPC’s property insurance program for the period covering June 30, 2010, to June 30, 2011. LPC contends that acts and omissions by Aon caused LPC to recover less than it otherwise would have from insurers for losses suffered in the 2010/2011 Canterbury Earthquakes. LPC claims damages of approximately NZD $184 million ($126 million at December 31, 2015 exchange rates) plus interest and costs. Aon believes that it has meritorious defenses and intends to vigorously defend itself against these claims.

Settled/Closed Matters

During 2015, we settled legacy litigation with Huntington Ingalls Industries, Inc. in exchange for a payment of $150 million made by Aon during the same period, and an arbitral panel issued an award that rejected claims made by AXA Versicherung Aktiengesellschaft (“AXA”) and ordered AXA to reimburse Aon for its legal fees and costs in the amount of €2 million ($2 million at June 30, 2015 exchange rates).

In addition, from time to time, Aon's clients may bring claims and take legal action pertaining to the performance of fiduciary responsibilities. Whether client claims and legal action related to the Company's performance of fiduciary responsibilities are founded or unfounded, if such claims and legal actions are resolved in a manner unfavorable to the Company, they may adversely affect Aon's financial results and materially impair the market perception of the Company and that of its products and services.

Restructuring

The Company maintains reserves related to formal restructuring programs. All restructuring programs were closed as of December 31, 2013, and residual costs primary relate onerous leases on vacated properties. Rental charges on properties vacated as part of a restructuring program are expected to cease in 2030.

Other Provisions

Other provisions includes claims handling, policy cancellation, dilapidation, and non-restructuring onerous contract reserves.

Other Commitments

Guarantees and Indemnifications

In connection with the redomicile of Aon's headquarters (the "Redomestication"), the Company on April 2, 2012 entered into various agreements pursuant to which it agreed to guarantee the obligations of its subsidiaries arising under issued and outstanding debt securities. Those agreements included the (1) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc, and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee") (amending and restating the Indenture, dated as of September 10, 2010, between Aon Corporation and the Trustee), (2) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc and the Trustee (amending and restating the Indenture, dated as of December 16, 2002, between Aon Corporation and the Trustee), (3) Amended and Restated Indenture, dated as of April 2, 2012, among Aon Corporation, Aon plc and the Trustee (amending and restating the Indenture, dated as of January 13, 1997, as supplemented by the First Supplemental Indenture, dated as of January 13, 1997), and (4) First Supplemental Indenture, dated as of April 2, 2012, among Aon Finance N.S. 1, ULC, as issuer, Aon Corporation, as guarantor, Aon plc, as guarantor, and Computershare Trust Company of Canada, as trustee.

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

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

Letters of Credit

The Company had total letters of credit ("LOCs") outstanding of approximately $58 million at December 31, 2015, compared to $95 million at December 31, 2014 and $71 million at January 1, 2014. These letters of credit cover the beneficiaries related to certain of Aon's U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for Aon's own workers compensation program. The Company has also issued LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at its international subsidiaries.

Commitments

The Company has provided commitments to fund certain limited partnerships in which it has an interest in the event that the general partners request funding. Some of these commitments have specific expiration dates and the maximum potential funding under these commitments was $12 million at December 31, 2015 compared to $14 million at December 31, 2014 and $34 million at January 1, 2014. During 2015, the Company funded $2 million of these commitments.

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 $104 million at December 31, 2015 compared to $112 million at December 31, 2014 and $98 million at January 1, 2014.

15. Segment Information

The Company has two reportable segments: Risk Solutions and HR Solutions. Unallocated income and expenses, when combined with the operating segments and after the elimination of intersegment revenues and expenses, equal the amounts in the Consolidated Financial Statements.

Reportable operating segments have been determined using a management approach, which is consistent with the basis and manner in which Aon's chief operating decision maker ("CODM") uses financial information for the purposes of allocating resources and evaluating performance. The CODM assesses performance based on operating income and generally accounts for inter-segment revenue as if the revenue were from third parties and at what management believes are current market prices. The Company does not present net assets by segment as this information is not reviewed by the CODM.

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

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

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

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

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

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

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

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

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

Years ended December 31	2015	2014
Risk Solutions	$ 1,438	$ 1,600
HR Solutions	515	479
Segment income before income taxes	1,953	2,079
Unallocated expenses	(228)	(143)
Interest income	14	10
Interest expense	(272)	(259)
Other income	104	49
Income before income taxes	$ 1,571	$ 1,736

Unallocated expenses include administrative or other costs not attributable to the operating segments, such as corporate governance costs. Interest income represents income earned primarily on operating cash balances and certain income producing securities. Interest expense represents the cost of debt obligations.

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

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

Consolidated revenue by geographic area is as follows (in millions):

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

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

As of December 31	Total	United States	Americas other than U.S.	United Kingdom	Europe, Middle East, & Africa	Asia Pacific
December 31, 2015	**$ 13,000**	**$ 7,063**	**$ 416**	**$ 2,672**	**$ 2,270**	**$ 579**
December 31, 2014	13,743	7,764	493	2,681	2,167	638
January 1, 2014	13,673	7,685	558	2,385	2,428	617

16. Directors' Emoluments

Information regarding the Non-Executive Directors' emoluments and further information on the emoluments for Mr. Case is incorporated herein by reference to the audited section of the Directors' Remuneration Report contained in this report.

Mr. Case serves as the Company's President and Chief Executive Officer, and receives his remuneration for serving in that role. Mr. Case is the Company's sole executive director.

($000)	Salary and Fees		Benefits		Annual Bonus		LPP Shares Delivered		Pension		Share Options (1)		Total	
Executive	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Gregory C. Case	**1,500**	1,500	**709**	676	**3,000**	3,000	**35,222**	17,036	**28**	25	**82,873**	4,297	**123,332**	26,534

Notes

(1) Mr. Case holds options which were granted in respect of his prior service as President, Chief Executive Officer and Director of Aon Corporation which were assumed by the Company on 2 April 2012 and relate to the Aon plc ordinary shares. During February 2015, 607,582 options were exercised at a weighted average closing price of $99.96 with a weighted average exercise price of $25.72. During March 2015, 500,000 options were exercised at a weighted average closing price of $98.39 with a weighted average exercise price of $22.86. On February 26, 2014, 96,432 options were exercised at a closing price of $85.33 with an exercise price of $40.91.

17. Auditors' Remuneration

The Company obtained the following services from the Company's auditor, Ernst & Young LLP, at costs as detailed in the tables below (in millions):

2015	Audit Fees	Audit Related Fees	Taxation Fees	All Other Fees	Total
Audit of the Group's financial statements	7.9	—	—	—	7.9
Other Services:					
The auditing of accounts of any associate of the company	6.5	0.5	—	—	7.0
Audit-related assurance services	0.4	0.6	—	—	1.0
Taxation compliance services	—	—	0.1	—	0.1
All taxation advisory services	—	—	3.2	—	3.2
Internal audit services	—	—	—	—	—
All assurance services	0.1	—	—	—	0.1
All services relating to corporate finance transactions	—	0.2	—	—	0.2
All non-audit services	—	—	—	—	—
	14.9	1.3	3.3	—	19.5

2014	Audit Fees	Audit Related Fees	Taxation Fees	All Other Fees	Total
Audit of the Group's financial statements	7.4	—	—	—	7.4
Other Services:					
The auditing of accounts of any associate of the company	5.8	0.5	—	—	6.3
Audit-related assurance services	0.2	0.5	—	—	0.7
Taxation compliance services	—	—	0.1	—	0.1
All taxation advisory services	—	—	2.1	—	2.1
Internal audit services	—	—	—	—	—
All assurance services	—	0.1	—	—	0.1
All services relating to corporate finance transactions	—	—	—	—	0.0
All non-audit services	—	—	—	—	—
	13.4	1.1	2.2	—	16.7

18. Employees

The average number of persons employed by the Company was as follows:

	2015	2014
Risk Solutions	32,007	31,590
HR Solutions	31,565	30,617
Corporate and other	5,545	5,355
Total	69,117	67,562

Employee costs were as follows (in millions):

	2015	2014
Wages and salaries	$ 4,455	$ 4,608
Social security costs	210	206
Share based compensation expense	347	334
Pension and post retirement expense	274	227
Other, primarily employee benefits	1,667	1,697
Total employee costs	$ 6,953	$ 7,072

Refer to Note 3 Employees of the Parent Company financial statements for disclosures surrounding compensation for key management personnel.

19. Fixed Assets

(in millions)	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Other	Capital in progress	Total
COST:						
Balance at January 1, 2015	$ 413	$ 313	$ 347	$ 124	$ 43	$ 1,240
Additions	37	26	46	5	49	163
Acquisitions	—	—	—	—	—	—
Disposals	(38)	(22)	(20)	(4)	(2)	(86)
Foreign currency translation	(21)	(19)	(19)	(10)	(5)	(74)
Other	$ 31	$ 17	$ 5	$ —	$ (57)	$ (4)
Balance at December 31, 2015	$ 422	$ 315	$ 359	$ 115	$ 28	$ 1,239
DEPRECIATION:						
Balance at January 1, 2015	$ 279	$ 225	$ 236	$ 66	$ —	$ 806
Charge for the year	37	24	49	11	—	121
Disposals	(27)	(19)	(19)	(3)	—	(68)
Foreign currency translation	(13)	(14)	(15)	(6)	—	(48)
Other	$ —	$ (2)	$ (1)	$ 2	$ —	$ (1)
Balance at December 31, 2015	$ 276	$ 214	$ 250	$ 70	$ —	$ 810
NET BOOK VALUE:						
As at December 31, 2015	$ 146	$ 101	$ 109	$ 45	$ 28	$ 429
As at January 1, 2015	$ 134	$ 88	$ 111	$ 58	$ 43	$ 434

(in millions)	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Other	Capital in progress	Total
COST:						
Balance at January 1, 2014	$ 434	$ 322	$ 341	$ 125	$ 23	$ 1,245
Additions	25	36	51	6	26	144
Acquisitions	1	2	7	8	—	18
Disposals	(29)	(20)	(47)	(4)	—	(100)
Foreign currency translation	(16)	(17)	(16)	(10)	(1)	(60)
Other	$ (2)	$ (10)	$ 11	$ (1)	$ (5)	$ (7)
Balance at December 31, 2014	$ 413	$ 313	$ 347	$ 124	$ 43	$ 1,240
DEPRECIATION:						
Balance at January 1, 2014	$ 275	$ 233	$ 232	$ 63	$ —	$ 803
Charge for the year	48	24	54	6	—	132
Disposals	(28)	(19)	(37)	(3)	—	(87)
Foreign currency translation	(17)	(13)	(14)	—	—	(44)
Other	$ 1	$ —	$ 1	$ —	$ —	$ 2
Balance at December 31, 2014	$ 279	$ 225	$ 236	$ 66	$ —	$ 806
NET BOOK VALUE:						
As at December 31, 2014	$ 134	$ 88	$ 111	$ 58	$ 43	$ 434
As at January 1, 2014	$ 159	$ 89	$ 109	$ 62	$ 23	$ 442

20. Subsequent Events

During the period from January 1, 2016 to March 30, 2016, the Company repurchased 7.2 million shares at an average price per share of $97.56 for a total cost of $707 million. At March 30, 2016, the remaining authorized amount for share repurchase under the Share Repurchase Programs is 3.4 billion.

As of March 30, 2016, the Company had €165 million ($183 million at March 31, 2016 exchange rates) of commercial paper borrowings outstanding. The proceeds from the issuance of commercial paper will be used to fund short-term working capital needs.

21. Group Undertakings

As of December 31, 2015, the Aon's worldwide Group undertakings were as follows:

Name of company	Country of incorporation	Holdings	% Holding
Aon Angola Corretores de Seguros Limitada	Angola	Ordinary shares	70%
Admiseg SA	Argentina	Ordinary shares	100%
Aon Affinity Argentina S.A.	Argentina	Ordinary shares	96%
Aon Assist Argentina S.A.	Argentina	Ordinary shares	98%
Aon Benfield Argentina S.A.	Argentina	Ordinary shares	100%
Aon Consulting Argentina S.A.	Argentina	Ordinary shares	98%
Aon Risk Services Argentina S.A.	Argentina	Ordinary shares	98%
Asevasa Argentina S.A.	Argentina	Ordinary shares	100%
Hewitt Associates, S.A.	Argentina	Ordinary shares	100%
Marinaro Dundas S.A.	Argentina	Ordinary shares	95%
SN Re S.A.	Argentina	Ordinary shares	73%
Swire Blanch MSTC II SA	Argentina	Ordinary shares	98%
Swire Blanch MSTC SA	Argentina	Ordinary shares	98%
Aon Aruba N.V.	Aruba	Ordinary shares	100%
Aon Captive Services Aruba N.V.	Aruba	Ordinary shares	100%
Aon Australian Holdco 1 Pty Ltd	Australia	Ordinary shares	100%
Aon Australian Holdco 2 Pty Ltd	Australia	Ordinary shares	100%
Aon Benfield Australia Limited	Australia	Ordinary shares and Preference shares	100%
Aon Charitable Foundation Pty Ltd	Australia	Ordinary shares	100%
Aon Corporation Australia Limited	Australia	Ordinary shares	100%
Aon Hewitt Financial Advice Limited	Australia	Ordinary shares and Preference shares	100%
Aon Hewitt Limited	Australia	Ordinary shares	100%
Aon Holdings Australia Pty Limited	Australia	Ordinary shares	100%
Aon Product Design & Development Australia Pty Limited	Australia	Ordinary shares	100%
Aon Risk Services Australia Limited	Australia	Ordinary shares	100%
Aon Services Pty Ltd.	Australia	Ordinary shares	100%
Aon Superannuation Pty Limited	Australia	Ordinary shares	100%
Hewitt Associates Pty Ltd	Australia	Ordinary shares and Preference shares	100%
HIA Insurance Services Pty Ltd.	Australia	Ordinary shares and Preference shares	100%

Name of company	Country of incorporation	Holdings	% Holding
McDonald & Company (Australasia) Pty Ltd	Australia	Ordinary shares	100%
One Underwriting (AKA Freeman McMurrick Pty Ltd)	Australia	Ordinary shares	100%
Aon Austria Versicherungsmakler GmbH	Austria	Ordinary shares	100%
Aon Benfield Ruckversicherungsmakler GmbH	Austria	Ordinary shares	100%
Aon Hewitt GmbH	Austria	Ordinary shares	100%
Aon Holdings Austria GmbH	Austria	Ordinary shares	100%
Aon Jauch & Hubener GmbH	Austria	Ordinary shares	100%
Insurance Company of the Bahamas Limited	Bahamas	Ordinary shares	40%
J.S. Johnson & Company Limited	Bahamas	Ordinary shares	40%
Aon Bahrain W.L.L.	Bahrain	Ordinary shares	100%
Aon Insurance Managers (Barbados) Ltd.	Barbados	Ordinary shares	100%
Agenion N.V./SA	Belgium	Ordinary shares	100%
Aon Belgium B.V.B.A.	Belgium	Ordinary shares	100%
Crion N.V.	Belgium	Ordinary shares	95%
Probabilitas N.V./SA	Belgium	Ordinary shares	100%
Anchor Underwriting Managers Ltd.	Bermuda	Ordinary shares	100%
Aon (Bermuda) Ltd.	Bermuda	Ordinary shares	100%
Aon Benfield Group Limited	Bermuda	Ordinary shares	100%
Aon Bermuda Holding Company Limited	Bermuda	Ordinary shares	100%
Aon Bermuda QI Holdings Ltd.	Bermuda	Ordinary shares	100%
Aon Delta Bermuda Ltd.	Bermuda	Ordinary shares	100%
Aon Group (Bermuda) Ltd.	Bermuda	Ordinary shares	100%
Aon Hewitt (Bermuda) Ltd.	Bermuda	Ordinary shares	100%
Aon Insurance Managers (Bermuda) Ltd	Bermuda	Ordinary shares	100%
Aon Underwriting Managers (Bermuda) Ltd.	Bermuda	Ordinary shares	100%
Benfield Investment Holdings Limited	Bermuda	Ordinary shares	100%
Benfield Juniperus Holdings Limited	Bermuda	Ordinary shares	100%
International Risk Management Group Ltd	Bermuda	Ordinary shares	100%
White Rock Insurance (Americas) Ltd.	Bermuda	Ordinary shares	100%
White Rock Insurance (SAC) Ltd.	Bermuda	Ordinary shares and Preference shares	100%
Aon Bolivia S.A. Corredores de Seguros	Bolivia	Ordinary shares	100%
Aon Consulting Bolivia S.R.L.	Bolivia	Ordinary shares	99%
Aon Re Bolivia S.A. Corredores de Reaseguros	Bolivia	Ordinary shares	100%
Aon Botswana (Pty) Ltd.	Botswana	Ordinary shares	95%
Aon Holdings Botswana (Pty) Ltd	Botswana	Ordinary shares	100%
Aon Risk Management (Pty) Ltd	Botswana	Ordinary shares	100%
Glenrand MIB Botswana (Pty) Ltd	Botswana	Ordinary shares	75%
Vassal Properties (Pty) Ltd.	Botswana	Ordinary shares	100%
Aon Affinity Administradora de Beneficios Ltda.	Brazil	Ordinary shares	100%
Aon Affinity do Brasil Servicos e Corretora de Seguros Ltda.	Brazil	Ordinary shares	100%
Aon Affinity Servicos e Participacoes Ltda.	Brazil	Ordinary shares	100%
Aon Benfield Brasil Corretora de Resseguros Ltda.	Brazil	Ordinary shares	100%
Aon Holdings Corretores de Seguros Ltda.	Brazil	Ordinary shares	100%
Associação Instituto Aon	Brazil	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Benfield do Brasil Participacoes Ltda. (dormant)	Brazil	Ordinary shares	100%
Hewitt Associates Administradora e Corretora de Seguros Ltda.	Brazil	Ordinary shares	100%
Hewitt Associates Servicos de Recursos Humanos Ltda.	Brazil	Ordinary shares	100%
Aon Bulgaria Ltd.	Bulgaria	Ordinary shares	100%
Aon Business Consulting Ltd.	Bulgaria	Ordinary shares	100%
Andes Global Ltd.	BVI	Ordinary shares	100%
Aon Group Limited	BVI	Ordinary shares	100%
682465 Canada Ltd.	Canada	Preference shares	100%
7193599 Canada Inc.	Canada	Ordinary shares	100%
Alexander & Alexander Services Canada Inc.	Canada	Ordinary shares	100%
Aon Benfield Canada ULC	Canada	Ordinary shares	100%
Aon Canada Holdings N.S. ULC	Canada	Ordinary shares	100%
Aon Canada Inc.	Canada	Ordinary shares	100%
Aon Canada Intermediaries GP	Canada	Ordinary shares	100%
Aon Direct Group Inc.	Canada	Ordinary shares	100%
Aon Finance Canada 1 Corp.	Canada	Ordinary shares	100%
Aon Finance Canada 2 Corp.	Canada	Ordinary shares	100%
Aon Finance Canada 3 Corporation	Canada	Ordinary shares	100%
Aon Finance Canada 4 Corporation	Canada	Ordinary shares	100%
Aon Finance N.S. 1, ULC	Canada	Ordinary shares	100%
Aon Finance N.S. 2, ULC	Canada	Ordinary shares	100%
Aon Finance N.S. 3, ULC	Canada	Ordinary shares	100%
Aon Finance N.S. 4, ULC	Canada	Ordinary shares	100%
Aon Finance N.S. 5, ULC	Canada	Ordinary shares	100%
Aon Finco N.S. 2012-1, ULC	Canada	Ordinary shares	100%
Aon Finco N.S. 2012-2, ULC	Canada	Ordinary shares	100%
Aon Fire Protection Engineering Corporation	Canada	Ordinary shares	100%
Aon Hewitt Inc.	Canada	Ordinary shares and Preference shares	100%
Aon Hewitt Investment Management Inc.	Canada	Ordinary shares	100%
Aon Parizeau Inc.	Canada	Ordinary shares	100%
Aon Reed Stenhouse Inc.	Canada	Ordinary shares	100%
Aon Risk Services Canada Inc.	Canada	Ordinary shares	100%
Aon Securities Investment Management Inc.	Canada	Ordinary shares	100%
Coles Hewitt Partnership	Canada	Ordinary shares	100%
Dominion Mutual Insurance Brokers Ltd.	Canada	Ordinary shares	100%
Groupe-Conseil Aon Inc.	Canada	Ordinary shares and Preference shares	100%
Hewitt Amalco 1 ULC	Canada	Ordinary shares	100%
Hewitt Amalco 2 ULC	Canada	Ordinary shares	100%
Hewitt Amalco 3 ULC	Canada	Ordinary shares	100%
Hewitt Amalco 4 ULC	Canada	Ordinary shares	100%
Hewitt Amalco 5 ULC	Canada	Ordinary shares	99%

Name of company	Country of incorporation	Holdings	% Holding
Hewitt Associates Corp.	Canada	Ordinary shares and Preference shares	100%
Hewitt Associates Partnership	Canada	Ordinary shares	99.96%
Hewitt Holdings Canada Company	Canada	Ordinary shares	100%
Hewitt Management Ltd.	Canada	Ordinary shares and Preference shares	100%
Hewitt Western Management Amalco Inc.	Canada	Ordinary shares and Preference shares	100%
IAO Actuarial Consulting Services Canada Inc.	Canada	Ordinary shares	100%
J. Allan Brown Consultants, Inc.	Canada	Ordinary shares and Preference shares	100%
K & K Insurance Brokers, Inc. Canada	Canada	Ordinary shares and Preference shares	100%
Linx Underwriting Solutions Inc.	Canada	Ordinary shares	100%
M.A. Shakeel Management Ltd. Amalco	Canada	Ordinary shares and Preference shares	100%
Minet Inc.	Canada	Ordinary shares and Preference shares	100%
Risk Management Consultants of Canada Limited	Canada	Ordinary shares	100%
USLP Underwriting Solutions LP	Canada	Ordinary shares	99%
Aon Insurance Managers (Cayman) Ltd.	Cayman Islands	Ordinary shares	100%
Aon Risk Solutions (Cayman) Ltd.	Cayman Islands	Ordinary shares	100%
Aon Affinity Chile Ltda.	Chile	Ordinary shares	100%
Aon Consulting (Chile) Limitada	Chile	Ordinary shares	100%
Aon Benfield (Chile) Corredores de Reaseguros Ltda.	Chile	Ordinary shares	100%
Aon Risk Services (Chile) S.A.	Chile	Ordinary shares	100%
Aon Risk Services Holdings (Chile) Ltda.	Chile	Ordinary shares	100%
Asevasa Chile Peritaciones e Ingenieria de Riesgos, S.A.	Chile	Ordinary shares	100%
Benfield Corredores de Reaseguro Ltda.	Chile	Ordinary shares	100%
Inversiones Benfield Chile Ltda.	Chile	Ordinary shares	100%
Aon Hewitt Consulting (Shanghai) Co., Ltd.	China	Ordinary shares	100%
Aon-COFCO Insurance Brokers Co., Ltd.	China	Ordinary shares	50%
Aon Affinity Colombia Ltda. Agencia de Seguros	Colombia	Ordinary shares	100%
Aon Benfield Colombia Limitada Corredores de Reaseguros	Colombia	Ordinary shares	100%
Aon Risk Services Colombia SA Corredores de Seguros	Colombia	Ordinary shares	99%
Salud, Riesgos y Recursos Humanos Consultores Ltda. (former Aon Corporte Advisors Ltda.)	Colombia	Ordinary shares	100%
Tecsefin, S.A. en liquidacion	Colombia	Ordinary shares	100%
Aon Business Consultancy Ltd.	Croatia	Ordinary shares	100%
Aon Insurance Brokerage Ltd.	Croatia	Ordinary shares	100%
Alexander Insurance Managers (Netherlands Antilles) N.V.	Curacao	Ordinary shares	100%
Aon Antillen N.V.	Curacao	Ordinary shares	100%
Aon Captive Services Antilles N.V.	Curacao	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Holdings Antillen N.V.	Curacao	Ordinary shares	100%
Aon Insurance Managers (Antilles) N.V.	Curacao	Ordinary shares	100%
Aon Cyprus Insurance Broker Company Limited	Cyprus	Ordinary shares	100%
Aon Hewitt (Cyprus) Limited	Cyprus	Ordinary shares	35%
Aon Central and Eastern Europe a.s.	Czech Rep.	Ordinary shares	100%
Aon Denmark A/S	Denmark	Ordinary shares	100%
Aon Denmark Insurance Services A/S	Denmark	Ordinary shares	100%
Aon Private Consulting A/S	Denmark	Ordinary shares	54%
Optica A/S	Denmark	Ordinary shares	100%
Optica Insurance Agency A/S	Denmark	Ordinary shares	100%
Akaoasesores Cia. Ltda.	Ecuador	Ordinary shares	100%
Aon Consulting Ecuador S.A.	Ecuador	Ordinary shares	100%
Aon Risk Services Ecuador S.A. Agencia Asesora Productora de Seguros	Ecuador	Ordinary shares	100%
Tecsefin Salvador (dormant)	El Salvador	Ordinary shares	50%
Riskikonsultatsioonid OÜ	Estonia	Ordinary shares	100%
Aon (Fiji) Ltd.	Fiji	Ordinary shares	100%
Aon Finland Oy	Finland	Ordinary shares	100%
Aon Monia Oy	Finland	Ordinary shares	100%
Aon France SAS	France	Ordinary shares	100%
Aon Holdings France SNC	France	Ordinary shares	100%
Hewitt Associates SAS	France	Ordinary shares	100%
International Space Brokers France SA	France	Ordinary shares	100%
Kloud S.à.r.l.	France	Ordinary shares	100%
Aon Beteiligungsmanagement Deutschland GmbH & Co. KG	Germany	Ordinary shares	100%
Aon Credit International Insurance Broker GmbH	Germany	Ordinary shares	100%
Aon Deutschland Beteiligungs GmbH	Germany	Ordinary shares	100%
Aon Hewitt GmbH	Germany	Ordinary shares	100%
Aon Hewitt Trust Solutions GmbH	Germany	Ordinary shares	100%
Aon Holding Deutschland GmbH	Germany	Ordinary shares	100%
Aon Pensions Insurance Brokers GmbH	Germany	Ordinary shares	100%
Aon Risiko & Versicherungsberatungs GmbH	Germany	Ordinary shares	100%
Aon Versicherungsagentur Deutschland GmbH	Germany	Ordinary shares	100%
Aon Versicherungsmakler Deutschland GmbH	Germany	Ordinary shares	100%
Hamburger Gesellschaft zur Forderung des Versicherungswesens mbH	Germany	Ordinary shares	100%
Motor Versicherungsmakler GmbH	Germany	Ordinary shares	100%
PRORÜCK Ruckversicherungs Aktiengesellschaft	Germany	Ordinary shares	100%
UNIT Versicherungsmakler GmbH	Germany	Ordinary shares	100%
WACUS Delkredere Management GmbH	Germany	Ordinary shares	100%
Aon Insurance Managers Gibraltar Ltd.	Gibraltar	Ordinary shares	100%
White Rock Insurance (Gibraltar) Ltd.	Gibraltar	Ordinary shares	100%
Aon Greece S.A.	Greece	Ordinary shares	100%
Aon Hewitt S.A.	Greece	Ordinary shares	35%
Agostini Insurance Brokers Grenada Ltd.	Grenada	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Insurance Micronesia (Guam) Inc	Guam (Micronesia)	Ordinary shares	100%
Tecsefin Guatemala	Guatemala	Ordinary shares	50%
Aon Insurance Managers (Guernsey) Ltd.	Guernsey	Ordinary shares	100%
Aon Insurance Managers (Holdings) Ltd.	Guernsey	Ordinary shares	100%
Aon PMI International Limited	Guernsey	Ordinary shares	100%
Aon Services (Guernsey) Ltd	Guernsey	Ordinary shares	100%
Lincolnshire Insurance Company PCC Limited	Guernsey	Ordinary shares	100%
Lombard Trustee Company Limited	Guernsey	Ordinary shares	100%
White Rock Insurance (Guernsey) ICC Limited	Guernsey	Ordinary shares	100%
White Rock Insurance Company PCC Ltd.	Guernsey	Ordinary shares	99.99%
Aon (CR) Insurance Agencies Company Limited	Hong Kong	Ordinary shares	100%
Aon Agencies Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Assurance Agencies Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Benfield China Limited	Hong Kong	Ordinary shares	100%
Aon Chevalier Risk Management Hong Kong Limited	Hong Kong	Ordinary shares	50%
Aon Commercial Insurance Agencies Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Enterprise Insurance Agencies Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Hewitt Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Holdings Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Insurance Agencies (HK) Limited	Hong Kong	Ordinary shares	100%
Aon Insurance Management Agencies (HK) Limited	Hong Kong	Ordinary shares	100%
Aon Insurance Underwriting Agencies Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Life Insurance Agencies (HK) Limited (in liquidation)	Hong Kong	Ordinary shares	100%
Aon Product Risk Services Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Securities (Hong Kong) Limited	Hong Kong	Ordinary shares	100%
Aon Services Hong Kong Limited	Hong Kong	Ordinary shares	100%
Aon Underwriting Agencies (HK) Limited	Hong Kong	Ordinary shares	100%
Asian Reinsurance Underwriters Limited	Hong Kong	Ordinary shares	100%
Contingency Insurance Brokers Limited	Hong Kong	Ordinary shares	51%
Essar Insurance Services Limited	Hong Kong	Ordinary shares	100%
EW Blanch Limited	Hong Kong	Ordinary shares	100%
Aon Hungary Insurance Brokers Risk and Human Consulting LLC	Hungary	Ordinary shares	100%
Aon Absence Management India Private Limited	India	Ordinary shares	99.99%
Aon Consulting Private Limited	India	Ordinary shares	99.99%
Aon Global Insurance Brokers Private Limited	India	Ordinary shares	26%
Aon RPO India Private Limited	India	Ordinary shares	99.99%
Aon Services India Private Limited	India	Ordinary shares	99.99%
Aon Specialist Services Private Limited	India	Ordinary shares	99.99%
Ennis Knupp & Associates India Private Limited	India	Ordinary shares	100%
Hewitt Human Resource Services Limited	India	Ordinary shares	99.99%
Hewitt Outsourcing Services India Limited	India	Ordinary shares	99%
PT Aon Benfield Indonesia	Indonesia	Ordinary shares	100%
PT Aon Hewitt Indonesia	Indonesia	Ordinary shares	99%
PT Aon Indonesia	Indonesia	Ordinary shares	50%

Name of company	Country of incorporation	Holdings	% Holding
Aon Broking Technology Limited	Ireland	Ordinary shares	100%
Aon Centre for Innovation and Analytics Ltd	Ireland	Ordinary shares	100%
Aon Commercial Services and Operations Ireland Limited	Ireland	Ordinary shares	100%
Aon Global Risk Research Limited	Ireland	Ordinary shares	100%
Aon Hewitt (Ireland) Limited	Ireland	Ordinary shares	100%
Aon Insurance Managers (Dublin) Ltd.	Ireland	Ordinary shares	100%
Aon Insurance Managers (Shannon) Limited	Ireland	Ordinary shares	100%
Aon Investment Holdings Ireland Limited	Ireland	Ordinary shares	100%
Aon MacDonagh Boland Group Ltd	Ireland	Ordinary shares	100%
Bacon & Woodrow Partnerships (Ireland) Limited	Ireland	Ordinary shares	100%
Beaubien Finance Ireland Limited	Ireland	Ordinary shares	100%
Becketts (Trustees) Limited	Ireland	Ordinary shares	100%
Becketts Limited	Ireland	Ordinary shares	100%
Beech Hill Pension Trustees Ltd	Ireland	Ordinary shares	100%
Benton Finance Ireland Limited	Ireland	Ordinary shares	100%
Delany Bacon & Woodrow Partnership	Ireland	Ordinary shares	100%
InsureForSure Ltd.	Ireland	Ordinary shares	100%
MacDonagh Boland Crotty MacRedmond Ltd	Ireland	Ordinary shares	100%
Private Client Trustees Ltd.	Ireland	Ordinary shares	100%
Randolph Finance Limited	Ireland	Ordinary shares and Preference shares	100%
Aon Risk Services (NI) Limited	Ireland (Northern)	Ordinary shares and Preference shares	100%
Aon (Isle of Man) Limited	Isle of Man	Ordinary shares	100%
Aon Corporate Services (Isle of Man) Limited	Isle of Man	Ordinary shares	100%
Aon Holdings (Isle of Man) Limited	Isle of Man	Ordinary shares	100%
Aon Insurance Managers (Isle of Man) Ltd.	Isle of Man	Ordinary shares	100%
White Rock Insurance PCC (Isle of Man) Limited	Isle of Man	Ordinary shares	100%
Aminim International Underwriters of Insurance Agencies (1990) Ltd.	Israel	Ordinary shares	100%
Aon Benfield Israel Limited	Israel	Ordinary shares	100%
Aon Holdings Israel Ltd.	Israel	Ordinary shares	100%
Aon Israel Insurance Brokerage Ltd.	Israel	Ordinary shares	85%
Delek Motors Insurance Agency (2003) Ltd	Israel	Ordinary shares	100%
I. Beck Insurance Agency (1994) Ltd.	Israel	Ordinary shares	100%
National Insurance Office Ltd.	Israel	Ordinary shares	100%
Ronnie Elementary Insurance Agency Ltd	Israel	Ordinary shares	100%
Aon Benfield Italia S.p.A.	Italy	Ordinary shares	100%
Aon Hewitt Risk & Consulting S.r.l.	Italy	Ordinary shares	100%
Aon Italia S.r.l.	Italy	Ordinary shares	100%
Aon Re Trust Broker S.r.l.	Italy	Ordinary shares	100%
Aon S.p.A. Insurance & Reinsurance Brokers	Italy	Ordinary shares	100%
Asscom Insurance Brokers S.r.l.	Italy	Ordinary shares	80%
Praesidium S.p.A. - Soluzioni Assicurative per il Management	Italy	Ordinary shares	50%

Name of company	Country of incorporation	Holdings	% Holding
US Underwriting Solutions S.r.l.	Italy	Ordinary shares	100%
Aon Benfield Japan Ltd	Japan	Ordinary shares	100%
Aon Hewitt Japan Ltd.	Japan	Ordinary shares	100%
Aon Holdings Japan Ltd	Japan	Ordinary shares	100%
Aon Japan Ltd	Japan	Ordinary shares	100%
Y's Insurance Inc	Japan	Ordinary shares	100%
Aon Consulting Kazakhstan LLP	Kazakhstan	Ordinary shares	100%
Insurance Broker Aon Kazakhstan LLP	Kazakhstan	Ordinary shares	55%
Aon Consulting Ltd.	Kenya	Ordinary shares	100%
Aon Kenya Insurance Brokers Ltd	Kenya	Ordinary shares	40%
Minken Properties Ltd.	Kenya	Ordinary shares	100%
Aon Hewitt Consulting Korea Inc.	Korea	Ordinary shares	100%
Aon Korea Inc.	Korea	Ordinary shares	100%
SIA "Aon Consulting"	Latvia	Ordinary shares	100%
Aon Lesotho (Pty) Ltd.	Lesotho	Ordinary shares	70%
Aon Insurance Managers (Liechtenstein) AG	Liechtenstein	Ordinary shares	100%
UADBB Aon Baltic	Lithuania	Ordinary shares	100%
Aon Finance Luxembourg S.à.r.l.	Luxembourg	Ordinary shares	100%
Aon Global Risk Consulting Luxembourg S.à.r.l.	Luxembourg	Ordinary shares	100%
Aon Holdings Luxembourg S.à.r.l.	Luxembourg	Ordinary shares	100%
Aon Insurance Managers (Luxembourg) S.A.	Luxembourg	Ordinary shares	100%
Aon Re Canada Holdings SARL	Luxembourg	Ordinary shares	100%
Puricelli & Ghezzi International S.A.	Luxembourg	Ordinary shares	100%
Aon Insurance Agencies (Macau) Limited	Macau	Ordinary shares	100%
Aon Malawi Limited	Malawi	Ordinary shares	100%
Aon Benfield Malaysia Limited	Malaysia	Ordinary shares	100%
Aon Hewitt Malaysia Sdn. Bhd	Malaysia	Ordinary shares	100%
Aon Insurance Brokers (Malaysia) Sdn Bhd	Malaysia	Ordinary shares	49%
Aon Insurance Managers (Malta) PCC Limited	Malta	Ordinary shares	100%
Aon Services (Malta) Ltd	Malta	Ordinary shares	100%
White Rock Insurance (Europe) PCC Limited	Malta	Ordinary shares	100%
White Rock Insurance (Netherlands) PCC Limited	Malta	Ordinary shares	100%
Aon Hewitt Ltd.	Mauritius	Ordinary shares	67%
Aon Mauritius Holdings Ltd.	Mauritius	Ordinary shares	100%
Glenrand MIB (Mauritius) (Pte) Ltd	Mauritius	Ordinary shares	100%
Aon Affinity Mexico Agente de Seguros y de Fianzas, S.A. de C.V.	Mexico	Ordinary shares	100%
Aon Affinity Mexico, S.A. de C.V.	Mexico	Ordinary shares	100%
Aon Benfield Mexico Intermediario de Reaseguro SA de CV	Mexico	Ordinary shares	100%
Aon Life, Agente de Seguros, S.A. de C.V.	Mexico	Ordinary shares	100%
Aon Mexico Business Support SA de CV	Mexico	Ordinary shares	100%
Aon Mexico Holdings, S. de R.L. de C.V.	Mexico	Ordinary shares	100%
Aon Risk Solutions Agente de Seguros y de Fianzas SA de CV	Mexico	Ordinary shares	100%
Asevasa Mexico, S.A. de C.V.	Mexico	Ordinary shares	100%
Hewitt Associates, S.C.	Mexico	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Hewitt Beneficios Agente de Seguros y de Fianzas, S.A. de C.V.	Mexico	Ordinary shares	100%
Aon Acore Sarl	Morocco	Ordinary shares	70%
Casablanca Intermediation Company Sarl	Morocco	Ordinary shares	100%
Aon Moçambique Corretores de Seguros, Limitada	Mozambique	Ordinary shares	100%
Glenrand M I B (Moçambique) Corretores de Seguros Limitada	Mozambique	Ordinary shares	100%
Aon Namibia (Pty) Ltd.	Namibia	Ordinary shares	100%
Namibia Administration Fulfillment Company (PtY) Limited	Namibia	Ordinary shares	100%
Alexander & Alexander B.V.	Netherlands	Ordinary shares	100%
Alexander & Alexander Holding B.V.	Netherlands	Ordinary shares	100%
Aon 2008 B.V.	Netherlands	Ordinary shares	100%
Aon Americas Holdings BV	Netherlands	Ordinary shares	100%
Aon B.V.	Netherlands	Ordinary shares	100%
Aon Benfield Netherlands C.V.			
Aon CANZ Holdings B.V.	Netherlands	Ordinary shares	100%
Aon Captive Services (Nederland) B.V.	Netherlands	Ordinary shares	100%
Aon Cash Management B.V.	Netherlands	Ordinary shares	100%
Aon Consulting Nederland C.V.	Netherlands	Ordinary shares	100%
Aon Corporation EMEA B.V.	Netherlands	Ordinary shares	100%
Aon Finance Netherlands B.V.	Netherlands	Ordinary shares	100%
Aon Global Holdings 1 C.V.	Netherlands	Ordinary shares	100%
Aon Global Holdings 2 C.V.	Netherlands	Ordinary shares	100%
Aon Global Risk Consulting B.V.	Netherlands	Ordinary shares	100%
Aon Groep Nederland B.V.	Netherlands	Ordinary shares	100%
Aon Group Holdings International 1 B.V. (1)	Netherlands	Ordinary shares	100%
Aon Group Holdings International 2 B.V.	Netherlands	Ordinary shares	100%
Aon Group International N.V.	Netherlands	Ordinary shares	100%
Aon Hewitt Risk & Financial Management B.V.	Netherlands	Ordinary shares	100%
Aon Holdings B.V.	Netherlands	Ordinary shares	100%
Aon Holdings International B.V.	Netherlands	Ordinary shares	100%
Aon Holdings Mid Europe B.V.	Netherlands	Ordinary shares and Preference shares	100%
Aon International Coöperatief U.A.	Netherlands	Ordinary shares	100%
Aon Nederland C.V.	Netherlands	Ordinary shares	100%
Aon Netherlands Operations B.V.	Netherlands	Ordinary shares	100%
Aon Nikols Chile B.V.	Netherlands	Ordinary shares	100%
Aon Participations B.V.	Netherlands	Ordinary shares	100%
Aon Restructuring B.V.	Netherlands	Ordinary shares and Preference shares	100%
Aon Risk Services EMEA B.V.	Netherlands	Ordinary shares	100%
Aon Southern Europe B.V.	Netherlands	Ordinary shares	100%
Aon Trust Services B.V.	Netherlands	Ordinary shares	100%
B.V. Assurantiekantoor Langeveldt-Schroder	Netherlands	Ordinary shares	100%
Bekouw Mendes C.V.	Netherlands	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Beursstraat 1A B.V.	Netherlands	Ordinary shares	100%
Bonnikeplein 18-22 B.V.	Netherlands	Ordinary shares	100%
Celinvest Amsterdam B.V.	Netherlands	Ordinary shares	100%
COT Instituut voor Veiligheids-en Crisismanagement B.V.	Netherlands	Ordinary shares	100%
De Admiraal B.V.	Netherlands	Ordinary shares and Preference shares	100%
Dorhout Mees Assurantien B.V.	Netherlands	Ordinary shares	100%
Hewitt Associates B.V.	Netherlands	Ordinary shares	100%
Hewitt Associates Outsourcing B.V.	Netherlands	Ordinary shares	100%
Jacobs & Brom B.V.	Netherlands	Ordinary shares	100%
Kerkenbos 1061 B.V.	Netherlands	Ordinary shares	100%
Paalbergweg 2-4 B.V.	Netherlands	Ordinary shares	100%
Aon Benfield New Zealand Limited	New Zealand	Ordinary shares	100%
Aon Holdings New Zealand	New Zealand	Ordinary shares	100%
Aon New Zealand	New Zealand	Ordinary shares	100%
Aon New Zealand Group	New Zealand	Ordinary shares and Preference shares	100%
Aon Saver Limited	New Zealand	Ordinary shares	100%
Superannuation Management Nominees Limited	New Zealand	Ordinary shares	100%
Aon Norway AS	Norway	Ordinary shares	100%
Aon Majan LLC	Oman	Ordinary shares	49%
Aon Insurance Brokers (Pvt) Ltd.	Pakistan	Ordinary shares	100%
Aon Benfield Panama, S.A.	Panama	Ordinary shares	100%
Aon Broking Services SA	Panama	Ordinary shares	100%
Asevasa Caricam, S.A.	Panama	Ordinary shares	100%
Asevasa Panama, S.A.	Panama	Ordinary shares	100%
Tecsefin Centroamerica, S.A.	Panama	Ordinary shares	39%
Aon Benfield Peru Corredores de Reaseguros SA	Peru	Ordinary shares	100%
Aon Graña Peru Corredores de Seguros SA	Peru	Ordinary shares	100%
Graña Asociados Soluciones, S.A.C.	Peru	Ordinary shares	100%
Aon Insurance and Reinsurance Brokers Philippines Inc.	Philippines	Ordinary shares	99%
Aon Hewitt (PNG) Ltd.	PNG	Ordinary shares	100%
Aon Risk Services (PNG) Ltd.	PNG	Ordinary shares	100%
Aon Superannuation (PNG) Limited	PNG	Ordinary shares	100%
Aon Hewitt Sp. z o.o.	Poland	Ordinary shares	100%
Aon Polska Services Sp. z o.o.	Poland	Ordinary shares	100%
Aon Polska Services Sp. z o.o.	Poland	Ordinary shares	100%
Aon Polska Sp. z o.o.	Poland	Ordinary shares	100%
Aon Polska Sp. z o.o.	Poland	Ordinary shares	100%
Carstens i Schües Poland Sp. z o.o.	Poland	Ordinary shares	100%
Aon Motor - Gestao E Consultoria de Frotas Unipessaol, Ltda	Portugal	Ordinary shares	100%
Aon Portugal - Consultores, Unipessoal, Lda.	Portugal	Ordinary shares	100%
Aon Portugal Corretores de Seguros, S.A.	Portugal	Ordinary shares	100%
Aon Re Bertoldi Corretagem de Resseguros S.A.	Portugal	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Qatar LLC	Qatar	Ordinary shares	51%
Aon Romania Broker de Asigurare - Reasigurare SRL	Romania	Ordinary shares	100%
Business Risk Consultants (Brisk) S.R.L.	Romania	Ordinary shares	100%
Aon Rus Insurance Brokers LLC	Russia	Ordinary shares	100%
Aon Rus LLC	Russia	Ordinary shares	100%
Agostini Insurance Brokers St. Lucia Ltd.	Saint Lucia	Ordinary shares	100%
Aon Sint Maarten N.V.	Saint Martin	Ordinary shares	100%
Aon Insurance Micronesia (Saipan) Inc	Saipan (Micronesia)	Ordinary shares	100%
Aon Hewitt Saudi Arabia LLC	Saudi Arabia	Ordinary shares	100%
Aon Saudi Arabia LLC	Saudi Arabia	Ordinary shares	60%
Alexander & Alexander (Asia) Holdings Pte Ltd	Singapore	Ordinary shares and Preference shares	100%
Aon Benfield Asia Pte. Ltd.	Singapore	Ordinary shares	100%
Aon Hewitt Singapore Pte. Ltd.	Singapore	Ordinary shares	100%
Aon Hewitt Wealth Management Pte. Ltd.	Singapore	Ordinary shares	100%
Aon Insurance Agencies Pte Ltd	Singapore	Ordinary shares	100%
Aon Insurance Managers (Singapore) Pte Ltd	Singapore	Ordinary shares	100%
Aon Singapore (Broking Centre) Pte. Ltd.	Singapore	Ordinary shares	100%
Aon Singapore Center for Innovation, Strategy and Management Pte. Ltd.	Singapore	Ordinary shares	100%
Aon Singapore Pte. Ltd.	Singapore	Ordinary shares	100%
Stenhouse (South East Asia) Private Limited	Singapore	Ordinary shares and Preference shares	100%
Aon Benfield Bratislava s.r.o.	Slovak Republic	Ordinary shares	100%
Aon Consulting South Africa (Pty) Ltd.	South Africa	Ordinary shares	100%
Aon Holdings Sub-Sahara Africa (Pty) Ltd.	South Africa	Ordinary shares	100%
Aon Limpopo (Pty) Ltd.	South Africa	Ordinary shares	50%
Aon Re Africa (Pty) Limited	South Africa	Ordinary shares	70%
Aon South Africa (Pty) Ltd.	South Africa	Ordinary shares	75%
Aon Worldaware (Pty) Ltd.	South Africa	Ordinary shares	100%
Claims Fulfilment Company (Pty) Ltd.	South Africa	Ordinary shares	100%
Cyborg Systems (Africa) Pty Ltd. (Deregistration in Process)	South Africa	Ordinary shares	100%
Mafube Risk and Insurance Consultants (Pty) Ltd.	South Africa	Ordinary shares	51%
TM Insurance Brokers (Pty) Ltd.	South Africa	Ordinary shares	30%
Aon Benfield Iberia Correduria de Reaseguros, S.A.U.	Spain	Ordinary shares	100%
Aon Cover Agencia de Suscripcion, S.L.U.	Spain	Ordinary shares	100%
Aon Gil y Carvajal, S.A.U. Correduria de Seguros	Spain	Ordinary shares	100%
Aon Hewitt España S.A.U.	Spain	Ordinary shares	100%
Aon Management Solutions, S.A.U.	Spain	Ordinary shares	100%
Aon Marketing Directo, S.A.U.	Spain	Ordinary shares	100%
Aon Re Iberia Cover Holder, S.L.	Spain	Ordinary shares	100%
Aon Southern Europe y Cia SC	Spain	Preference shares	100%
Aon Southern Holding Spain, S.L.	Spain	Ordinary shares	100%
Asevasa Asesoramiento y Valoraciones S.A.U.	Spain	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Control de Riesgos, S.L.	Spain	Ordinary shares	100%
Fundación Aon España	Spain	Preference shares	100%
Aon Swaziland (Pty) Ltd	Swaziland	Ordinary shares	60%
Aon Global Risk Consulting AB	Sweden	Ordinary shares	100%
Aon Hewitt AB	Sweden	Ordinary shares	100%
Aon Sweden AB	Sweden	Ordinary shares	100%
SINSER Holding AB	Sweden	Ordinary shares	100%
Aon Insurance Managers (Switzerland) AG	Switzerland	Ordinary shares	100%
Aon Schweiz AG	Switzerland	Ordinary shares	100%
Inpoint Switzerland GmbH	Switzerland	Ordinary shares	100%
Aon Management Consulting Taiwan Ltd.	Taiwan	Ordinary shares	100%
Aon Taiwan Ltd.	Taiwan	Ordinary shares	100%
Aon Tanzania Limited	Tanzania	Ordinary shares	51%
Aon (Thailand) Limited	Thailand	Ordinary shares	49%
Aon Consulting (Thailand) Limited	Thailand	Ordinary shares	49%
Aon Group (Thailand) Limited	Thailand	Ordinary shares	49%
Aon Hewitt (Thailand) Ltd.	Thailand	Ordinary shares	100%
Aon Re (Thailand) Limited	Thailand	Ordinary shares	49%
Aon Risk Services (Thailand) Limited	Thailand	Ordinary shares	49%
AB Insurances Ltd. Co.	Trinidad and Tobago	Ordinary shares	100%
Agostini Insurance Brokers Ltd.	Trinidad and Tobago	Ordinary shares	43.5%
AIB Services Limited	Trinidad and Tobago	Ordinary shares	100%
Aon Energy Caribbean Limited	Trinidad and Tobago	Ordinary shares	100%
Cardea Health Solutions Limited	Trinidad and Tobago	Ordinary shares	100%
Aon Tunisia So.car.gest S.A., Société Anonyme de Conseil en Assurances et Réassurances et de Gestion	Tunisia	Ordinary shares	49%
Aon Danismanlik Hizmetleri AS	Turkey	Ordinary shares	100%
Aon Sigorta ve Reasurans Brokerligi ve A.S.	Turkey	Ordinary shares	100%
J.S. Johnson & Company (Turks & Caicos) Limited	Turks & Caicos	Ordinary shares	80%
Aon Uganda Limited	Uganda	Ordinary shares	100%
Alexander & Alexander Services UK Limited (in liquidation)	UK	Ordinary shares and Preference shares	100%
Alexander Clay	UK	Ordinary shares	100%
Alexander Stenhouse & Partners Limited (in liquidation)	UK	Ordinary shares	100%
Aon 180412 Limited (in liquidation)	UK	Ordinary shares	100%
Aon 2007 Limited (in liquidation)	UK	Ordinary shares	100%
Aon Adjudication Services Limited	UK	Ordinary shares	100%
Aon ANZ Holdings Limited	UK	Ordinary shares	100%
Aon Benfield Limited	UK	Ordinary shares	100%
Aon Consulting (Benefits) Holdings Limited	UK	Ordinary shares	100%
Aon Consulting (Benefits) Limited	UK	Ordinary shares	100%
Aon Consulting (Pensions) Limited	UK	Ordinary shares	100%
Aon Consulting Financial Services Limited	UK	Ordinary shares	100%
Aon Consulting Limited	UK	Ordinary shares	100%
Aon DC Trustee Limited	UK	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Delta UK Limited	UK	Ordinary shares	100%
Aon Fiscal Representatives Limited	UK	Ordinary shares	100%
Aon Global Holdings Limited (1)	UK	Ordinary shares	100%
Aon Global Operations Limited	UK	Ordinary shares and Preference shares	100%
Aon Hewitt Limited	UK	Ordinary shares	100%
Aon Hewitt US Holdings Limited	UK	Ordinary shares and Preference shares	100%
Aon Holdings Limited	UK	Ordinary shares	100%
Aon Holdings UK (in liquidation)	UK	Ordinary shares	100%
Aon Kloud Limited	UK	Ordinary shares	100%
Aon Overseas Holdings Limited	UK	Ordinary shares and Preference shares	100%
Aon Pension Trustees Limited	UK	Ordinary shares	100%
Aon Risk Services UK Limited (in liquidation)	UK	Ordinary shares and Preference shares	100%
Aon Risk Services US Holdings Limited	UK	Ordinary shares and Preference shares	100%
Aon Securities Limited	UK	Ordinary shares	100%
Aon SIPP Trustees Limited (in liquidation)	UK	Ordinary shares	100%
Aon Trust Corporation Limited	UK	Ordinary shares	100%
Aon UK Group Limited	UK	Ordinary shares	100%
Aon UK Holdings Intermediaries Limited	UK	Ordinary shares	100%
Aon UK Limited	UK	Ordinary shares	100%
Aon UK Trustees Limited	UK	Ordinary shares	100%
Aon US & International Holdings Limited	UK	Ordinary shares	100%
Bacon & Woodrow Limited	UK	Ordinary shares	100%
Bacon & Woodrow Partnerships Limited	UK	Ordinary shares	100%
Bain Hogg Group Limited (in liquidation)	UK	Ordinary shares	100%
Bankassure Insurance Services Limited	UK	Ordinary shares	100%
Beaubien Finance Limited	UK	Ordinary shares	100%
Beaubien UK Finance Limited	UK	Ordinary shares	100%
Benfield Greig Holdings Limited	UK	Ordinary shares	100%
Benfield Group Limited (in liquidation)	UK	Ordinary shares	100%
Benton Finance Limited	UK	Ordinary shares	100%
CoSec 2000 Limited	UK	Ordinary shares	100%
Crawley Warren Group Limited (in liquidation)	UK	Ordinary shares	100%
Doveland Services Limited	UK	Ordinary shares	100%
E. W. Blanch Holdings Limited	UK	Ordinary shares	100%
E. W. Blanch Investments Limited	UK	Ordinary shares	100%
Hewitt Associates (Europe) Limited (in liquidation)	UK	Ordinary shares	100%
Hewitt Associates Financial Services Limited (in liquidation)	UK	Ordinary shares	100%
Hewitt Associates Outsourcing Limited	UK	Ordinary shares	100%
Hewitt Risk Management Services Limited	UK	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Hogg Group Limited	UK	Ordinary shares	100%
International Space Brokers Europe Limited	UK	Ordinary shares	100%
International Space Brokers Limited	UK	Ordinary shares	100%
Jenner Fenton Slade Limited	UK	Ordinary shares	100%
Leslie & Godwin (UK) Limited (in liquidation)	UK	Ordinary shares	100%
McLagan (Aon) Limited	UK	Ordinary shares	100%
Minet Consultancy Services Ltd	UK	Ordinary shares	100%
Minet Group	UK	Ordinary shares	100%
NBS Nominees Limited	UK	Ordinary shares	100%
Nicholson Leslie Investments Limited (in liquidation)	UK	Ordinary shares and Preference shares	100%
Randolph Finance Limited	UK	Ordinary shares	100%
Rasini Vigano Limited	UK	Ordinary shares	100%
Ringley Investments Limited	UK	Ordinary shares	100%
Scorpio Partnership Limited	UK	Ordinary shares	100%
SLE Worldwide Limited	UK	Ordinary shares	100%
The Aon MasterTrustee Limited	UK	Ordinary shares	100%
Aon Ukraine LLC	Ukraine	Ordinary shares	100%
Aon (DIFC) Gulf LLC	United Arab Emirates	Ordinary shares	100%
Aon Hewitt Middle East Limited	United Arab Emirates	Ordinary shares	100%
Aon Middle East Co LLC	United Arab Emirates	Ordinary shares	49%
Aon Benfield Middle East Limited	United Arab Emirates - DIFC	Ordinary shares	100%
Aon Benfield Latin America SA	Uruguay	Ordinary shares	100%
Marinaro Dundas SA	Uruguay	Ordinary shares	95%
Access Plans USA, Inc.	USA	Ordinary shares	100%
Affinity Insurance Services, Inc.	USA	Ordinary shares	100%
AIS Affinity Insurance Agency, Inc.	USA	Ordinary shares	100%
AIS Insurance Agency, Inc.	USA	Ordinary shares	100%
Alexander Reinsurance Intermediaries, Inc.	USA	Ordinary shares	100%
Allen Insurance Associates, Inc.	USA	Ordinary shares	100%
Alliance HealthCard of Florida, Inc.	USA	Ordinary shares	100%
Alliance HealthCard, Inc.	USA	Ordinary shares	100%
Allied Group Holdings LLC	USA	Ordinary shares	100%
Allied North America Insurance Brokerage of California, LLC	USA	Ordinary shares	100%
Allied North America Insurance Brokerage of New York, LLC	USA	Ordinary shares	100%
Allied North America Insurance Brokerage of Texas, LLC	USA	Ordinary shares	100%
Allied Risk Solutions, LLC	USA	Ordinary shares	100%
American Insurance Services Corp.	USA	Ordinary shares	100%
American Safety Consultants, LLC	USA	Ordinary shares	100%
American Special Risk Insurance Company	USA	Ordinary shares	100%
AMXH, LLC	USA	Ordinary shares	100%
Aon Advisors, Inc.	USA	Ordinary shares	100%
Aon Advisory Services Inc.	USA	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Aviation, Inc.	USA	Ordinary shares	100%
Aon Benefit Solutions Inc.	USA	Ordinary shares	100%
Aon Benfield Fac Inc.	USA	Ordinary shares	100%
Aon Benfield Global, Inc.	USA	Ordinary shares	100%
Aon Benfield Inc.	USA	Ordinary shares	100%
Aon Benfield Puerto Rico Inc.	USA	Ordinary shares	100%
Aon Brazil Holdings, LLC	USA	Ordinary shares	100%
Aon Capital Managers, LLC	USA	Ordinary shares	100%
Aon Capital Partners, Inc.	USA	Ordinary shares	100%
Aon Chile Holdings, LLC	USA	Ordinary shares	100%
Aon Consulting & Insurance Services	USA	Ordinary shares	100%
Aon Consulting Worldwide, Inc.	USA	Ordinary shares	100%
Aon Consulting, Inc.	USA	Ordinary shares	100%
Aon Consulting, Inc.	USA	Ordinary shares	100%
Aon Corporation	USA	Ordinary shares	100%
Aon Finance US 1, LLC	USA	Ordinary shares	100%
Aon Finance US 2, LLC	USA	Ordinary shares	100%
Aon Finance US 3, LLC	USA	Ordinary shares	100%
Aon Finance US LP	USA	Ordinary shares	100%
Aon Financial & Insurance Solutions, Inc.	USA	Ordinary shares	100%
Aon Fire Protection Engineering Corporation	USA	Ordinary shares	100%
Aon Fire Protection Engineering of Illinois P.C.	USA	Ordinary shares	100%
Aon Global Market Solutions, Inc.	USA	Ordinary shares	100%
Aon Group, Inc.	USA	Ordinary shares	100%
Aon Hewitt Benefit Payment Services, LLC	USA	Ordinary shares	100%
Aon Hewitt Financial Advisors, LLC	USA	Ordinary shares	100%
Aon Hewitt Health Market Insurance Solutions Inc.	USA	Ordinary shares	100%
Aon Hewitt Intermediaries, Inc.	USA	Ordinary shares	100%
Aon Hewitt Investment Consulting, Inc.	USA	Ordinary shares	100%
Aon Hewitt LLC	USA	Ordinary shares	100%
Aon Human Capital Services, LLC	USA	Ordinary shares	100%
Aon Insurance Management Services - Virgin Islands, Inc.	USA	Ordinary shares	100%
Aon Insurance Managers (Puerto Rico) Inc.	USA	Ordinary shares	100%
Aon Insurance Managers (USA) Inc.	USA	Ordinary shares	100%
Aon Insurance Managers (USVI), Inc.	USA	Ordinary shares	100%
Aon International Energy, Inc.	USA	Ordinary shares	100%
Aon International Holdings, Inc.	USA	Ordinary shares	100%
Aon Life Agency of Texas, Inc.	USA	Ordinary shares	100%
Aon Life Insurance Company	USA	Ordinary shares	100%
Aon Mexico Holdings, LLC	USA	Ordinary shares	100%
Aon National Flood Services, Inc.	USA	Ordinary shares	100%
Aon NFS Holdings, Inc.	USA	Ordinary shares	100%
Aon PHI Acquisition Corporation of California	USA	Ordinary shares	100%
Aon Premium Finance, LLC	USA	Ordinary shares	100%
Aon Private Risk Management Insurance Agency, Inc.	USA	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Aon Private Risk Management of California Insurance Agency, Inc.	USA	Ordinary shares	100%
Aon Property Risk Consulting, Inc.	USA	Ordinary shares	100%
Aon Realty Services, Inc.	USA	Ordinary shares	100%
Aon Recovery, Inc.	USA	Ordinary shares	100%
Aon Retirement Plan Advisors, LLC	USA	Ordinary shares	100%
Aon Risk Consultants, Inc.	USA	Ordinary shares	100%
Aon Risk Insurance Services West, Inc.	USA	Ordinary shares	100%
Aon Risk Services (Holdings) of Latin America, Inc.	USA	Ordinary shares	100%
Aon Risk Services (Holdings) of the Americas, Inc.	USA	Ordinary shares	100%
Aon Risk Services Central, Inc.	USA	Ordinary shares	100%
Aon Risk Services Companies, Inc.	USA	Ordinary shares and Preference shares	100%
Aon Risk Services International (Holdings) Inc.	USA	Ordinary shares	100%
Aon Risk Services Northeast, Inc.	USA	Ordinary shares	100%
Aon Risk Services South, Inc.	USA	Ordinary shares	100%
Aon Risk Services Southwest, Inc.	USA	Ordinary shares	100%
Aon Risk Services, Inc. of Florida	USA	Ordinary shares	100%
Aon Risk Services, Inc. of Hawaii	USA	Ordinary shares	100%
Aon Risk Services, Inc. of Maryland	USA	Ordinary shares	100%
Aon Risk Services, Inc. of Washington, D.C.	USA	Ordinary shares	100%
Aon Risk Solutions of Puerto Rico, Inc.	USA	Ordinary shares	100%
Aon Risk Technologies, Inc.	USA	Ordinary shares	100%
Aon Securities Inc.	USA	Ordinary shares	100%
Aon Service Corporation	USA	Ordinary shares	100%
Aon Services Group, Inc.	USA	Ordinary shares	100%
Aon Special Risk Resources, Inc.	USA	Ordinary shares	100%
Aon Trust Company	USA	Ordinary shares	100%
Aon Underwriting Managers, Inc.	USA	Ordinary shares	100%
Aon US Holdings, Inc.	USA	Ordinary shares	100%
Aon Ward Financial Corporation	USA	Ordinary shares	100%
Aon/Albert G. Ruben Insurance Services, Inc.	USA	Ordinary shares	100%
ARM International Corp.	USA	Ordinary shares	100%
ARM International Insurance Agency Corp.	USA	Ordinary shares	100%
ARMRISK CORP.	USA	Ordinary shares and Preference shares	100%
ASPN Insurance Agency, LLC	USA	Ordinary shares	100%
Association of Rural and Small Town Americans	USA	Ordinary shares	100%
Assurance Licensing Services, Inc.	USA	Ordinary shares	100%
Atlantic Star Administrators LLC	USA	Ordinary shares	100%
Atlantic Star Intermediaries, LLC	USA	Ordinary shares	100%
B E P International Corp.	USA	Ordinary shares	100%
Benefit Marketing Solutions, L.L.C.	USA	Ordinary shares	100%
Benfield Advisory Inc.	USA	Ordinary shares	100%
Benfield Finance (London) LLC	USA	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
Benfield Finance (Westport) LLC	USA	Ordinary shares	100%
Blanch Americas Inc.	USA	Ordinary shares	100%
BMS Insurance Agency, L.L.C.	USA	Ordinary shares	100%
Bowes & Company, Inc., of New York	USA	Ordinary shares	100%
Cananwill Corporation	USA	Ordinary shares	100%
Cananwill, Inc.	USA	Ordinary shares	100%
Cananwill, Inc.	USA	Ordinary shares	100%
CICA SPE, LLC	USA	Ordinary shares	100%
Citadel Insurance Managers, Inc.	USA	Ordinary shares	100%
Coalition for Benefits Equality and Choice	USA	Ordinary shares	100%
Corporate Investigative Solutions, Inc.	USA	Ordinary shares	100%
Crawley, Warren (U.S.A.) Inc.	USA	Ordinary shares	100%
E.W. Blanch Capital Risk Solutions, Inc.	USA	Ordinary shares	100%
E.W. Blanch Insurance Services Inc.	USA	Ordinary shares	100%
E.W. Blanch International Inc.	USA	Ordinary shares	100%
Ennis Knupp Secondary Market Services, LLC	USA	Ordinary shares	100%
Financial & Professional Risk Solutions, Inc.	USA	Ordinary shares	100%
Futurity Group, Inc.	USA	Ordinary shares	100%
Gateway Alternatives, L.L.C.	USA	Ordinary shares	100%
Global Insurance Strategies, LLC	USA	Ordinary shares	100%
Grant Park Capital, LLC	USA	Ordinary shares	100%
Healthy Paws Pet Insurance LLC	USA	Ordinary shares	52.7%
Hewitt Associates Caribe, Inc.	USA	Ordinary shares	100%
Hewitt Associates International Services, Inc.	USA	Ordinary shares	100%
Hewitt Associates LLC	USA	Ordinary shares	100%
Hewitt Associates Public Sector Consulting LLC	USA	Ordinary shares	100%
Hewitt Financial Services LLC	USA	Ordinary shares	100%
Hewitt Insurance Brokerage LLC	USA	Ordinary shares	100%
Hewitt Insurance, Inc.	USA	Ordinary shares	100%
Hewitt International Holdings LLC	USA	Ordinary shares	100%
Hogg Robinson North America, Inc.	USA	Ordinary shares	100%
Holdco #1, Inc.	USA	Ordinary shares	100%
Holdco #2, Inc.	USA	Ordinary shares	100%
Huntington T. Block Insurance Agency, Inc.	USA	Ordinary shares	100%
Impact Forecasting, L.L.C.	USA	Ordinary shares	100%
INPOINT, INC.	USA	Ordinary shares	100%
International Accident Facilities, Inc.	USA	Ordinary shares	100%
International Claims Administrators, Inc.	USA	Ordinary shares	100%
International Risk Management (Americas), Inc.	USA	Ordinary shares	100%
International Space Brokers, Inc.	USA	Ordinary shares	100%
IRM/GRC Holding Inc.	USA	Ordinary shares	100%
J H Minet Puerto Rico Inc.	USA	Ordinary shares	100%
Johnson Rooney Welch, Inc.	USA	Ordinary shares	100%
K & K Insurance Group of Florida, Inc.	USA	Ordinary shares	100%
K & K Insurance Group, Inc.	USA	Ordinary shares	100%

Name of company	Country of incorporation	Holdings	% Holding
K2 Technologies Inc.	USA	Ordinary shares	100%
McLagan Partners Asia, Inc.	USA	Ordinary shares	100%
McLagan Partners, Inc.	USA	Ordinary shares	100%
Membership Leasing Trust	USA	Ordinary shares	100%
Minet Holdings Inc.	USA	Ordinary shares	100%
Minet Re North America, Inc.	USA	Ordinary shares	100%
Muirfield Underwriters, Ltd.	USA	Ordinary shares	100%
NFS Edge Insurance Agency, Inc.	USA	Ordinary shares	100%
Paragon Strategic Solutions Inc.	USA	Ordinary shares	100%
Premier Auto Finance, Inc.	USA	Ordinary shares	100%
Private Equity Partnership Structures I, LLC	USA	Ordinary shares	100%
Project Technologies International L.L.C.	USA	Ordinary shares	100%
Protective Marketing Enterprises, Inc.	USA	Ordinary shares	100%
Redwoods Dental Underwriters, Inc.	USA	Ordinary shares	100%
Rewards Plus of America Corporation	USA	Ordinary shares	100%
SINSER Management Services (Vermont), Inc.	USA	Ordinary shares	100%
Specialty Benefits, Inc.	USA	Ordinary shares	100%
T.J.E. Management, LLC	USA	Ordinary shares	100%
The Capella Group, Inc.	USA	Ordinary shares	100%
Underwriters Marine Services, Inc.	USA	Ordinary shares	100%
VSC SPE, LLC	USA	Ordinary shares	100%
Ward Financial Group, Inc.	USA	Ordinary shares	100%
Wexford Underwriting Managers, Inc.	USA	Ordinary shares	100%
White Rock USA Ltd.	USA	Ordinary shares	100%
William Gallagher Associates of New Jersey, Inc.	USA	Ordinary shares	100%
Worldwide Integrated Services Company	USA	Ordinary shares	100%
Wrapid Specialty, Inc.	USA	Ordinary shares	100%
Aon (Vanuatu) Ltd.	Vanuatu	Ordinary shares	100%
Administradora Aon, C.A.	Venezuela	Ordinary shares	100%
Aon Group Venezuela, Corretaje de Reaseguro C.A.	Venezuela	Ordinary shares	100%
Aon Risk Services Venezuela, Corretaje de Seguros C.A.	Venezuela	Ordinary shares	100%
Aon Vietnam Limited	Vietnam	Ordinary shares	100%
Aon Zambia Limited	Zambia	Ordinary shares	100%
Aon Zambia Pension Fund Administrators Limited	Zambia	Ordinary shares	49%

(1) These entities are direct subsidiaries of Aon plc.

Aon consolidates all subsidiaries with ownership exceeding 50%, unless otherwise noted above.

PARENT COMPANY STATEMENTS OF FINANCIAL POSITION

(millions, except nominal and par value)	*Notes*	*As of December 31,* 2015	*As of December 31,* 2014	*As of January 1,* 2014
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents (1)		$ —	$ —	$ —
Receivables	7	1	—	—
Intercompany receivables	7	433	473	186
Total Current Assets		**434**	**473**	**186**
NON-CURRENT ASSETS				
Deferred tax assets	14	10	14	12
Intercompany notes receivable	6	319	7,341	7,108
Investment in subsidiaries	6	12,432	5,602	5,248
Total Non-Current Assets		**12,761**	**12,957**	**12,368**
TOTAL ASSETS		**$ 13,195**	**$ 13,430**	**$ 12,554**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Short-term debt and current portion of long-term debt	9	$ 2,941	$ 3,714	$ 1,017
Accounts payable and accrued liabilities	8	48	41	20
Intercompany payables	8	174	71	21
Other current liabilities	8	45	75	19
Total Current Liabilities		**3,208**	**3,901**	**1,077**
NON-CURRENT LIABILITIES				
Long-term debt	9	3,451	2,523	785
Intercompany notes payable	9	—	—	2,086
Total Non-Current Liabilities		**3,451**	**2,523**	**2,876**
TOTAL LIABILITIES		**6,659**	**6,424**	**3,953**
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: December 31, 2015 - 269.8; 2014 - 280.0; January 1, 2014 - 300.7)		3	3	3
Share premium reserve		308	236	179
Retained earnings	12	6,225	6,767	8,419
TOTAL AON SHAREHOLDERS' EQUITY		**6,536**	**7,006**	**8,601**
TOTAL LIABILITIES AND EQUITY		**$ 13,195**	**$ 13,430**	**$ 12,554**

(1) $20 thousand at December 31, 2015 and $21 thousand at December 31, 2014 and January 1, 2014.

The financial statements of Aon plc (registered number 07876075) were approved by the Board of Directors on March 31, 2016.

Signed on behalf of the Board

Gregory C. Case, Director

The notes on pages 143 to 155 form an integral part of these financial statements.

PARENT COMPANY STATEMENTS OF SHAREHOLDERS' EQUITY

(millions)	Ordinary shares	Share premium account	Retained Earnings	Total
Balance at January 1, 2014	$ 3	$ 179	$ 8,419	$ 8,601
Net income	—	—	613	613
Shares issued - employee benefit plans	—	19	—	19
Shares issued - employee compensation	—	38	(169)	(131)
Shares purchased	—	—	(2,250)	(2,250)
Tax benefit - employee benefit plans	—	—	1	1
Other reserves	—	—	92	92
Share-based compensation expense	—	—	334	334
Dividends to shareholders	—	—	(273)	(273)
Balance at December 31, 2014	$ 3	$ 236	$ 6,767	$ 7,006
Net income	—	—	1,178	1,178
Shares issued - employee benefit plans	—	32	—	32
Shares issued - employee compensation	—	40	(228)	(188)
Shares purchased	—	—	(1,550)	(1,550)
Tax benefit - employee benefit plans	—	—	6	6
Other reserves	—	—	28	28
Share-based compensation expense	—	—	347	347
Dividends to shareholders	—	—	(323)	(323)
Balance at December 31, 2015	$ 3	$ 308	$ 6,225	$ 6,536

PARENT COMPANY STATEMENTS OF CASH FLOWS

(millions)	*Notes*	Years ended December 31, 2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		$ 1,178	$ 613
Adjustments to reconcile net income to cash provided by operating activities:			
Share-based compensation expense	13	50	54
Deferred income taxes	14	(2)	8
Change in assets and liabilities:			
Receivables, net		(1)	—
Accounts payable and accrued liabilities		7	22
Current income taxes	14	45	75
Other assets and liabilities		(13)	150
CASH PROVIDED BY OPERATING ACTIVITIES		**1,264**	**922**
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from investments		453	467
Payments for investments		(13)	—
CASH USED FOR INVESTING ACTIVITIES		**440**	**467**
CASH FLOWS FROM FINANCING ACTIVITIES			
Share repurchase	11	(1,550)	(2,251)
Advances from (to) affiliates		75	(928)
Issuance of shares for employee benefit plans		(121)	(111)
Issuance of debt	9	1,318	5,605
Repayment of debt	9	(1,103)	(3,431)
Cash dividends to shareholders	12	(323)	(273)
CASH USED FOR FINANCING ACTIVITIES		**(1,704)**	**(1,389)**
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS		—	—
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		—	—
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD (1)		—	—
CASH AND CASH EQUIVALENTS AT END OF PERIOD (1)		$ —	$ —

(1) $20 thousand at December 31, 2015 and $21 thousand at December 31, 2014 and January 1, 2014.

NOTES TO PARENT COMPANY FINANICAL STATEMENTS

1. Basis of Presentation

The financial statements of Aon plc (the "Parent Company") have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union ("IFRS") and the Companies Act 2006 applicable to Companies reporting under IFRS. The Parent Company Financial Statements have been prepared on a historical cost basis unless otherwise noted.

The Company has also adopted the exemption of presenting the statement of income account as permitted by section 408 of the Companies Act 2006. The Parent Company has no other comprehensive income (loss). Accordingly a statement of comprehensive income has not been presented. The Parent Company's net income for the year ended December 31, 2015 and 2014 was $1,178 million and $613 million, respectively.

The Parent Company Financial Statements have been prepared on a going concern basis. The directors have considered the appropriateness of the going concern basis in the Report of the Directors on page 43.

The Parent Company Financial Statements and related notes have been prepared and presented in U.S. Dollars ("USD"), being the Parent Company's functional and presentational currency. Unless otherwise noted, amounts are presented in USD millions.

2.1. Summary of Significant Accounting Principles and Practices

The Parent Company Financial Statements have been prepared with consistent accounting policies, principals and practices and critical accounting estimates and judgments as the Consolidated Financials Statements where relevant. Note 2.1 Summary of Accounting Principles and Practices and Critical Accounting Estimates and Judgments of the Notes to the Consolidated Financials Statements on pages 69 to 75 should be read in addition to the accounting policy addressed below.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any return of capital and impairments.

Financial assets and liabilities

All material financial assets and liabilities on the Parent Company Financial Statements are classified as loans and receivables and other liabilities, respectively, under IAS 39.

2.2. First Time Adoption

For periods up to and including the year ended December 31, 2014, the Company prepared its Parent Company Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (U.K. GAAP).

Accordingly, the Company has prepared Parent Company Financial Statements which comply with IFRS applicable for periods ending on or after December 31, 2015, together with the comparative period data as at and for the year ended December 31, 2014. In preparing these financial statements, the Company's opening Statement of Financial Position was prepared as at January 1, 2014, the Company's date of transition to IFRS. This note explains the principal adjustments made by the Company in restating its U.K. GAAP financial statements, including the Statement of Financial Position as of January 1, 2014 and December 31, 2014.

Estimates

Where estimates had previously been made under U.K. GAAP, consistent estimates (after adjustments to reflect any differences in accounting policies) have been made for the same date on transition to IFRS (i.e., judgments affecting the Company's opening balance sheet have not been revisited for the benefit of hindsight).

Company reconciliation of equity as of January 1, 2014 (date of transition to IFRS)

(millions, except nominal and par value)	*Notes*	*U.K. GAAP January 1, 2014*	*Adjustments*	*IFRS January 1, 2014*
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**A**	$ —	$ —	**$ —**
Intercompany receivables		186	—	**186**
Total Current Assets		186	—	**186**
NON-CURRENT ASSETS				
Deferred tax assets	**B**	7	5	**12**
Intercompany notes receivable		7,108	—	**7,108**
Investment in subsidiaries	**C**	5,248	—	**5,248**
Total Non-Current Assets		12,363	5	**12,368**
TOTAL ASSETS		$ 12,549	$ 5	**$ 12,554**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Short-term debt and current portion of long-term debt		$ 1,017	$ —	**$ 1,017**
Accounts payable and accrued liabilities		20	—	**20**
Intercompany payables		21	—	**21**
Other current liabilities	**B**	19	—	**19**
Total Current Liabilities		1,077	—	**1,077**
NON-CURRENT LIABILITIES				
Long-term debt		785	—	**785**
Intercompany notes payable	**D**	2,100	(14)	**2,086**
Other non-current liabilities		5	—	**5**
Total Non-Current Liabilities		2,890	(14)	**2,876**
TOTAL LIABILITIES		3,967	(14)	**3,953**
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: 2013 - 300.7)		3	—	**3**
Share premium account		179	—	**179**
Retained earnings	**B,C,D**	8,400	19	**8,419**
TOTAL EQUITY		8,582	19	**8,601**
TOTAL LIABILITIES AND EQUITY		$ 12,549	$ 5	**$ 12,554**

Company reconciliation of equity as of December 31, 2014

(millions, except nominal and par value)	*Notes*	*U.K. GAAP December 31, 2014*	*Adjustments*	*IFRS December 31, 2014*
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	**A**	$ —	$ —	**$ —**
Intercompany receivables		473	—	**473**
Total Current Assets		473	—	**473**
NON-CURRENT ASSETS				
Deferred tax assets	**B**	13	1	**14**
Intercompany notes receivable		7,341	—	**7,341**
Investment in subsidiaries	**C**	5,929	(327)	**5,602**
Total Non-Current Assets		13,283	(326)	**12,957**
TOTAL ASSETS		$ 13,756	$ (326)	**$ 13,430**
LIABILITIES AND EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Short-term debt and current portion of long-term debt		$ 3,714	$ —	**$ 3,714**
Accounts payable and accrued liabilities		41	—	**41**
Intercompany payables		71	—	**71**
Other current liabilities	**B**	75	—	**75**
Total Current Liabilities		3,901	—	**3,901**
NON-CURRENT LIABILITIES				
Long-term debt		2,523	—	**2,523**
Total Non-Current Liabilities		2,523	—	**2,523**
TOTAL LIABILITIES		6,424	—	**6,424**
EQUITY				
Ordinary shares - $0.01 nominal value Authorized: 750 shares (issued: 2014 - 280.0)		3	—	**3**
Share premium account		236	—	**236**
Retained earnings	**B,C,D**	7,093	(326)	**6,767**
TOTAL EQUITY		7,332	(326)	**7,006**
TOTAL LIABILITIES AND EQUITY		$ 13,756	$ (326)	**$ 13,430**

Notes to the reconciliation of equity as of January 1, 2014 and December 31, 2014

Statement of Cash Flows (A)

The transition from U.K. GAAP to IFRS did not have an impact to Cash and cash equivalents reported on the Parent Company Statement of Financial Position and did not had a material impact on the Parent Company Statement of Cash Flows at the date of transition to IFRS.

Income taxes (B)

Under IFRS deferred tax assets and liabilities related to share-based compensation are remeasured at every reporting period to reflect the current market value of the underlying shares. This resulted in an impact to Deferred tax assets on the Statement of Financial Position of $1 million at December 31, 2014 and $5 million at January 1, 2014

Investment in subsidiaries (C)

Under U.K. GAAP the Parent Company accounted for investments in subsidiaries at a valuation that was based on alternative accounting rules as allowed by Schedule 1.32(3) of the Companies Act 2006 on a basis that the Directors deemed to be appropriate in the circumstances of the Company. Under IFRS, the Parent Company accounts for investment in subsidiaries at cost less any return of capital and impairments. Cost at transition was deemed the carrying amount reported under U.K. GAAP at January 1, 2014. Due to the change in accounting policy surrounding the measurement of investment in subsidiaries, the Company reversed the $327 million revaluation it had recognized under U.K. GAAP for the year ended December 31, 2014. The adjustment was reversed through Retained earnings on the Parent Company Statement of Financial Position.

Intercompany notes payable (D)

Under U.K. GAAP, the Parent Company recognized interest-bearing borrowings at the value of proceeds received, net of discounts and direct issue costs. IFRS requires these financial liabilities to be initially recorded at fair value. An adjustment of $14 million was recorded at January 1, 2014 to the Statement of Financial Position with an offset to Retained earnings related to an instrument that was repaid in 2014.

3. Employees

The Parent Company employed certain officers during the years ended December 31, 2015 and 2014. These officers are identified as Aon's key management personnel. Information regarding directors' remunerations, interests in stock, stock options and pension benefits for consolidated Aon plc is included within the Directors' Remuneration Report contained in this report. Information regarding directors' remunerations for the Parent Company is included within Note 4 Directors' Remuneration below.

The number of persons employed by the Parent Company was as follows:

	2015	2014
Corporate and other	**14**	12

Employee costs were as follows (in millions):

	2015	2014
Wages and salaries	**$ 9**	$ 8
Social security costs	**3**	1
Share based compensation expense	**50**	54
Other, primarily employee benefits	**13**	13
Total employee costs	**$ 75**	$ 76

4. Directors' Remuneration

Mr. Case was the only director of the Parent Company during the period who was also a director and/or employee of other group companies. Mr. Case serves as the Company's President and Chief Executive Officer, and receives his remuneration for serving in that role. Mr. Case is the Company's sole executive director. Information regarding Mr. Case's remuneration is disclosed in Note 16 to Consolidated Financial Statements of the Company. Information regarding the non-executive directors' remunerations is incorporated herein by reference to the audited section of the Directors' Remuneration Report contained in this report.

5. Auditor's Remuneration

The actual auditor's remuneration for the statutory audit is analysed as follows (in thousands):

	December 31, 2015	December 31, 2014
Audit of the individual financial statements	**$ 310**	$ 310

Fees paid to the Company's auditor, Ernst & Young LLP and its associates, for services other than the statutory audit of the Company and other Group undertakings are disclosed in Note 17 to the Consolidated Financial Statements of the Company.

6. Investments

Investment in Subsidiaries

Changes in investment in subsidiaries for the years ended are as follows (in millions):

As of January 1, 2014	$ 5,248
Capital contributions	885
Returns of capital	(531)
As of December 31, 2014	5,602
Capital contributions	7,435
Returns of capital	(605)
As of December 31, 2015	**$ 12,432**

Details of the Parent Company's direct subsidiaries are detailed as follows:

Name of company	**Country of incorporation**	**Holdings**	**Proportion of voting rights and shares held**
Aon Group Holdings International 1 B.V.	Netherlands	Ordinary shares	100%
Aon Global Holdings Limited	Great Britain	Ordinary shares	100%

During 2014, the Parent Company capitalized subsidiary undertakings Aon US Holdings Inc and Aon Global Holdings Limited with cash contributions. In January 2015, the Parent Company transferred its ownership of all of its directly held subsidiaries to Aon Global Holdings Limited.

For a complete listing of all directly- and indirectly-owned subsidiaries, see Note 21 to the Consolidated Financial Statements.

Intercompany Notes Receivable

Intercompany loans relate to controlled entities of the consolidated Company.

(in millions)	December 31, 2015	December 31, 2014	January 1, 2014
Intercompany notes receivable	**$ 319**	$ 7,341	$ 7,108

On December 12, 2012, Aon Corporation borrowed $166 million aggregate principal amount of 4.350% Notes due 2042 from Aon plc in connection with an exchange offer of its outstanding 8.205% junior subordinated deferrable interest debentures due January 2027. In connection with this exchange, the Aon plc received a premium of $59 million which will be amortized into interest income over the life of the new notes.

On September 6, 2013, as settlement of a distribution to Aon plc, Aon Corporation issued two promissory notes. Aon plc received $1.75 billion aggregate principal amount of 6.25% notes receivable due September 2021 and $5.25 billion aggregate principal amount of 6.75% notes receivable due September 2023.

On June 14, 2014, a subsidiary of Aon plc borrowed €191 million ($209 million at December 31, 2015 exchange rates) aggregate principal amount of 3.05% Notes due May 2026.

On November 23, 2015, Aon plc contributed its $1.75 billion aggregate principal amount of 6.25% notes receivable due September 2021 and $5.25 billion aggregate principal amount of 6.75% notes receivable due September 2023 to a subsidiary as a capital contribution.

7. Receivables

(in millions)	December 31, 2015	December 31, 2014	January 1, 2014
Intercompany notes and interest receivable	**$ 703**	$ 7,791	$ 7,257
Other amounts falling due within one year:			
Intercompany receivables	**49**	23	37
Receivables	**1**	—	—
	$ 50	$ 23	$ 37
Other amounts falling due after more than one year:			
Deferred tax assets (see Note 14)	**$ 10**	$ 14	$ 12

8. Payables

(in millions)	December 31, 2015	December 31, 2014	January 1, 2014
Amounts falling due within one year:			
Other intercompany payables	**$ 173**	$ 71	$ 21
Interest on intercompany notes payable	**1**	—	—
Accounts payable and accrued liabilities	**48**	41	20
Other current liabilities	**45**	75	19
	$ 267	$ 187	$ 60
Amounts falling due after more than one year:			
Deferred tax liabilities	**$ —**	$ —	$ —

9. Loans and Borrowings

(in millions)	December 31, 2015	December 31, 2014	January 1, 2014
Borrowings and loans due in one year			
Bank overdrafts	**$ 2,941**	$ 3,714	$ 1,017
Borrowings and loans due after more than one year			
Long-term debt	**$ 3,451**	$ 2,523	$ 785
Intercompany notes payable	**—**	—	2,086
	$ 3,451	$ 2,523	$ 2,871

Bank Overdraft

The bank overdraft arises in connection with the Group's multicurrency cash pool with a third party bank in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall balance does not fall below zero.

Revolving Credit Facilities

As of December 31, 2015, Aon plc had a $900 million multi-currency U.S. credit facility expiring in February 2020 (the "2020 Facility"). The 2020 Facility was entered into on February 2, 2015 and replaced the previous €650 million European credit facility.

Effective February 2, 2016, the 2020 Facility terms were extended for 1 year and will expire in February 2021.

This included customary representations, warranties and covenants, including financial covenants that require Aon plc to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At December 31, 2015, Aon plc did not have borrowings under the 2020 Facility, and was in compliance with these financial covenants and all other covenants contained therein during the twelve months ended December 31, 2015.

Debt Issuances

On February 29, 2016, Aon plc issued $750 million of 3.875% Senior Notes due December 2025. The Company used the proceeds of the issuance for general corporate purposes.

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

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

On August 12, 2014, Aon plc issued $350 million of 3.50% Senior Notes due June 2024. The 3.50% Notes due 2024 constitute a further issuance of, and were consolidated to form a single series of debt securities with, the $250 million of 3.50% Notes due June 2024 that was issued by Aon plc on May 20, 2014 concurrently with Aon plc's issuance of $550 million of 4.60% Notes due June 2044. Aon plc used the proceeds for working capital and general corporate purposes.

On May 7, 2014, Aon plc issued €500 million of 2.875% Senior Notes due May 2026. Aon plc used the proceeds of the issuance for, among other purposes, the repayment at maturity of a subsidiary's then outstanding €500 million of 6.25% Notes due July 2014.

Each of the notes described above is fully and unconditionally guaranteed by Aon Corporation. Each of the notes described above contain customary representations, warranties and covenants, and we were in compliance with all such covenants as of December 31, 2015.

Intercompany Notes Payable

Intercompany Notes Payable relate to controlled entities of the consolidated Company. In connection with a legal entity restructuring, in May 2012 the Parent Company issued $2.1 billion aggregate principal amount of 1.3% notes due June 2015 to a consolidated subsidiary, which was paid in December 2014.

Commercial Paper

The Parent Company has established a European multi-currency commercial paper program which provides for commercial paper to be issued in an aggregate principal amount of up to €300 million. The European commercial paper program is fully and unconditionally guaranteed by Aon Corporation. The Parent Company had no commercial paper outstanding at December 31, 2015, 2014, or 2013. The weighted average commercial paper outstanding was $35 million, $162 million, and $175 million for the years ended December 31, 2015, 2014, and 2013, respectively. The weighted average interest rate of the commercial paper outstanding was 0.06%, 0.34%, and 0.31% for the years ended December 31, 2015 and 2014 and at January 1, 2014, respectively.

Repayments

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

As of	December 31, 2015	December 31, 2014	January 1, 2014
Wholly repayable within five years	**$ 2,941**	$ 3,714	$ 3,103
Not wholly repayable within five years	**3,451**	2,523	785
	$ 6,392	$ 6,237	$ 3,888

Fair Value and Interest Rate Risk

The following table discloses the Company's debt instruments where the carrying amounts and fair values differ (in millions):

As of	December 31,				January 1,	
	2015		2014		2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Long-term debt	**$ 3,451**	**$ 2,416**	$ 2,523	$ 2,650	$ 785	$ 715
Intercompany notes payable	**—**	**—**	—	—	2,086	2,194
	$ 3,451	**$ 2,416**	$ 2,523	$ 2,650	$ 2,871	$ 2,909

The effects of a hypothetical 1% increase or decrease in interest rates would have the following impact upon the fair value of Aon plc's debt instruments:

As of	December 31,				January 1,	
	2015		2014		2014	
	+1%	-1%	+1%	-1%	+1%	-1%
Change in fair value	**(14)%**	**17%**	(11)%	13%	(13)%	14%

10. Guarantees

The Parent Company has entered into a series of agreements to guarantee certain debt instruments of Aon Corporation and its subsidiaries. The following debt instruments are guaranteed by the Parent Company:

- A $900 million U.S. multi-currency revolving loan credit facility used by Aon plc, Aon Corporation, and certain of Aon Corporation's subsidiaries to fund operations. The 2020 Facility was entered into on February 2, 2015 and replaced the previous €650 million European credit facility. Effective February 2, 2016, the 2020 Facility terms were extended for 1 year and will expire in February 2021. The facility has a commitment fee of 12.5 basis points on the unused portion and the borrowing rate varies based upon the prevalent market rate of several benchmarks plus a margin ranging from 0 to 100 basis points. There are no borrowings under this facility as at December 31, 2015.
- A $400 million U.S. revolving credit facility maintained by Aon Corporation to support short term borrowing needs. This

facility expires in March 2017 and has commitment fees of 15 basis points on the unused portion of the facility. The rate on borrowings from this facility varies based upon the prevalent market rate of several benchmarks plus a margin ranging from 0 to 100 basis points. There are no borrowings under this facility as at December 31, 2015.

- Five term loans issued by Aon Corporation and one of its subsidiaries.

The following table summarizes the remaining term loans that are guaranteed by the Parent Company and their respective balances at December 31, 2015:

Issue Type	Debt Outstanding (millions)	Coupon	Maturity
Sr Unsecured Debt	$500	3.125%	May 27, 2016
Sr. Unsecured Debt	$271 (375M CAD)	4.76%	March 8, 2018
Sr Unsecured Debt	$599	5.00%	September 30, 2020
Jr Sub Debt	$521	8.205%	January 1, 2027
Sr Unsecured Debt	$298	6.25%	September 30, 2040

11. Ordinary Shares

	December 31,		January 1,
(millions, except thousands of shares)	**2015**	**2014**	**2014**
Allotted and called up and fully paid:			
Class A Ordinary Shares of $0.01 each (December 31, 2015 - 269,816, 2014 - 280,004, January 1, 2014 - 300,726) (1)	**$ 3**	**$ 3**	$ 3
Class B Ordinary Shares of £0.40 each (December 31, 2015, 2014 and January 1, 2014 - 125) (2)	—	—	—
	$ 3	**$ 3**	$ 3

(1) Per the Articles of Association, Class A Ordinary Shares have voting rights and rights to dividends or distributions. During 2015, the Company repurchased in the open market 16.0 million Class A Ordinary Shares having a nominal value of $0.01 each in the Capital of the Company for a total consideration of $1.6 billion. In August 2015, the $5 billion of Class A Ordinary Shares authorized under the 2012 Share Repurchase Program was exhausted. Additionally, the Company issued 5.8 million Class A Ordinary Shares having a nominal value of $0.01 each in the Capital of the Company for a total consideration of $72 million related to employee benefit plans and employee compensation.

During 2014, the Company repurchased in the open market 25.8 million Class A Ordinary Shares having a nominal value of $0.01 each in the Capital of the Company for a total consideration of $2.3 billion. Additionally, the Company issued 5.1 million Class A Ordinary Shares having a nominal value of $0.01each in the Capital of the Company for a total consideration of $57 million related to employee benefit plans and employee compensation.

During 2013, the Company repurchased in the open market 16.8 million Class A Ordinary Shares having a nominal value of $0.01 each in the Capital of the Company for a total consideration of $1.1 billion. Additionally, the Company issued 6.6 million Class A Ordinary Shares having a nominal value of $0.01each in the Capital of the Company for a total consideration of $97 million related to employee benefit plans and employee compensation.

(2) The Company has outstanding 125 thousand Class B Ordinary Shares of £0.40 each, held by Aon Corporation and Aon Hewitt LLC. The Class B Ordinary Shares have no voting rights or rights to dividends or distributions as they continue to be held by subsidiary undertakings.

12. Shareholders' Equity

The Company had distributable reserves in excess of $3.2 billion and $4.0 billion as at December 31, 2015 and 2014, respectively.

The Company paid dividends on its ordinary shares of $323 million and $273 million for the years ended December 31, 2015 and 2014, respectively. Dividends paid per ordinary share were $1.15 and $0.92 for the years ended December 31, 2015 and 2014, respectively.

In January 2016, the Company approved the declaration of a dividend to shareholders of $0.30 per ordinary share. In

February 2016, the Company paid those dividends in the amount of $81 million. In the first quarter of 2016, the Company made $706.8 million of share repurchases for an average price of $97.56 per share.

Future dividends on Aon plc ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of Aon plc and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that the Board of Directors of Aon plc may deem relevant, as well as our ability to pay dividends in compliance with the Companies Act 2006.

13. Share-Based Compensation Plans

Prior to the Redomestication, Aon Corporation had established various share based payment plans. On April 2, 2012, the Company entered into a Deed of Assumption to assume the obligation to issue shares under the various plans as disclosed below. As of April 2, 2012, there were awards and options that had previously vested for which shares had not yet been issued, as well as awards and options which had not yet vested. The following table summarizes the grant date fair value attributable to vested awards and outstanding options for which shares had not been issued as at December 31, 2015:

	Number Outstanding (thousands)	Fair Value	Total (millions)
Restricted Share Units ("RSUs")	1,376	92.21	$127
Share Options	837	18.76	16
			$143

The Parent Company recognized $50.0 million and $54.0 million of share based payment expense for the year ended December 31, 2015 and 2014, respectively.

Restricted Share Units

RSUs generally vest between three and five years. The fair value of RSUs is based upon the market price of the underlying share 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 over the requisite service period. Dividend equivalents are paid on certain RSUs, based on the initial grant amount.

The following table summarizes the movement in the number of unvested restricted share units outstanding at the end of the period:

	Shares (thousands)
As of January 1, 2014	9,759
Granted	2,844
Vested	(3,732)
Cancelled	(490)
As of December 31, 2014	**8,381**
Granted	**2,459**
Vested	**(3,385)**
Cancelled	**(288)**
As of December 31, 2015	**7,167**

The weighted average remaining contractual life of the restricted share units outstanding is 2.11 years as at December 31, 2015. The weighted average fair value at measurement date of the restricted share units outstanding is $77 as at December 31, 2015.

Performance Share Awards

The vesting of performance share awards ("PSAs") is contingent upon meeting a cumulative level of earnings per share performance over a three year period. The performance conditions are not considered in the determination of the grant date fair value for these awards. The fair value of PSAs is based upon the market price of an Aon ordinary share at the date of grant.

Compensation expense is recognized over the performance period based on management's estimate of the number of units expected to vest. Compensation expense is adjusted to reflect the actual number of shares issued at the end of the programs. The actual issue of shares may range from 0-200% of the target number of PSAs granted, based on the terms of the plan and level of achievement of the related performance target. Dividend equivalents are not paid on PSAs.

As at December 31, 2015, the number of performance share awards that would have been granted based on current performance levels was 4.8 million shares at a fair value of $92.21 per share. Performance share awards are settled in equity. There were 1.0 million performance share awards granted in the year ended December 31, 2015, and 2.6 million awards vested during that period. The performance share awards had a remaining weighted average life of 0.87 years as at December 31, 2015.

Share Options

Commencing in 2010, the Company ceased granting new share options with the exception of historical contractual commitments. As at December 31, 2015, there were 0.8 million options outstanding, all of which were exercisable. The intrinsic value of both outstanding and exercisable options was $43.7 million, with a weighted average remaining life on the options of 2.36 years. Share options are settled in equity. There were no grants and 1.5 million exercises during the year ended December 31, 2015. Options were exercised throughout the period. The average daily close price of Aon plc ordinary shares for the year ended December 31, 2015 was $96.68.

A summary of the status of Aon's share options and related information is as follows (shares in thousands):

	2015		2014	
	Shares	**Weighted Average Exercise Price Per Share**	**Shares**	**Weighted Average Exercise Price Per Share**
Beginning outstanding	**2,300**	**32**	3,462	32
Granted	**—**	**—**	—	—
Exercised	**(1,450)**	**27**	(1,155)	33
Forfeited and expired	**(13)**	**39**	(7)	37
Outstanding at end of year	**837**	**40**	2,300	32
Exercisable at end of year	**837**	**40**	2,273	32

The table below summarizes the ranges of exercise prices for the options outstanding at December 31, 2015 and 2014 (shares in thousands):

2015			2014		
Grant Price Range	**Shares Outstanding**	**Weighted Average Remaining Contractual Term**	**Grant Price Range**	**Shares Outstanding**	**Weighted Average Remaining Contractual Term**
19.54 - 25.51	**79**	**2.18**	19.54 - 25.51	1,160	0.49
25.52 - 32.53	**25**	**1.93**	25.52 - 32.53	34	2.73
32.54 - 36.88	**160**	**1.14**	32.54 - 36.88	205	1.93
36.89 - 43.44	**247**	**3.12**	36.89 - 43.44	481	2.36
43.45 - 52.93	**326**	**2.46**	43.45 - 52.93	420	2.85
	837			2,300	

14. Income Taxes

The tax expense incurred on on ordinary activities is comprised of (in millions):

Years ended December 31	**2015**	**2014**
Current tax	**$ 44**	$ 75
Deferred tax	**(2)**	(1)
	$ 42	$ 74

The tax expense in the income statements is lower than the statutory rate of corporate tax in the UK. The differences are reconciled below (in millions):

Years ended December 31	2015	2014
Income before taxes	**$1,219**	$687
Tax at the statutory rate of 20.25% (2014: 21.5%)	**246**	148
Expenses not deductible for tax purposes	**—**	9
Share-based payments	**(2)**	(1)
Income not taxable	**(202)**	(82)
Income tax expense	**42**	74

Changes in tax charged directly to equity

A portion of the changes to deferred tax assets were charged directly to equity. These changes were an increase of $5.5 million in 2015 and a decrease of $1.2 million in 2014.

Change in Statutory Tax Rates

The UK corporate tax decreased from 21% at April 1, 2015 to 20%. On November 18, 2015, the UK Government introduced a further reduction to the headline corporation tax rate to 19% effective from April 1, 2017, and 18% from April 2020 onwards. These changes were therefore enacted by December 31, 2015, and any deferred tax expected to reverse has been remeasured using the rates that have been enacted as at December 31, 2015. The U.K. Chancellor announced his 2016 Budget on March 16, 2016 which includes various proposed changes to tax laws, including a further rate reduction to 17% from April 1, 2020. The company is currently analyzing the proposed changes. As of this reporting date, the Company does not expect the impact to be material.

15. Related Party Transactions

Aon plc receives dividend and interest income from subsidiaries and pays interest to those subsidiaries in the normal course of business. These activities are reflected in the table below.

	December 31,	
(millions)	2015	2014
Dividend income	**$ 1,000**	$ 383
Interest income	**429**	475
Other income	**35**	43
Interest expense	**(1)**	(40)
	$ 1,463	$ 861

Outstanding related party balances are comprised of loans and interest receivables and payables, as well as other intercompany balances arising in the normal course of business. Additional details can be found in Notes 7, 8, and 9 to the Parent Company Financial Statements.

Guarantees

In connection with the Redomestication, Aon plc entered into various agreements pursuant to which it agreed to guarantee the obligations of Aon Corporation and other subsidiaries arising under issued and outstanding debt securities. See Note 10 to the Parent Company Financial Statements for additional information. In addition, Aon plc entered into certain other financing arrangements as part of the normal course of business.

Incentives Program

As part of its ongoing effort to attract and retain top talent, the Aon plc maintains a competitive incentive program, which includes share-based compensation, options, performance awards, and deferred cash. Aon plc issues awards on behalf of colleagues worldwide and is reimbursed by subsidiaries on an annual basis.

Key Management Personnel

See the the Directors' Remuneration Report and Note 3 to the Parent Company Financial Statements for additional information on the compensation of key management personnel.

Investments

For further information on Aon plc's investment in subsidiaries, see Note 6 to the Parent Company Financial Statements.

16. Subsequent Events

During the period from January 1, 2016 to March 30, 2016, the Company repurchased 7.2 million shares at an average price per share of $97.56 for a total cost of $707 million. At March 30, 2016, the remaining authorized amount for share repurchase under the Share Repurchase Programs is 3.4 billion.

As of March 30, 2016, the Company had €165 million ($183 million at March 31, 2016 exchange rates) of commercial paper borrowings outstanding. The proceeds from the issuance of commercial paper will be used to fund short-term working capital needs.