

TAX STRATEGY

Marsh McLennan, while comprised of many distinct businesses, is one company with one standard worldwide, which requires that we will act with integrity, honesty, courage and mutual respect.

The Greater Good is our Code of Conduct. It is part of the core philosophy of Marsh McLennan and embodies our commitment to maintaining the highest ethical conduct and professional standards. Emphasizing the importance of building trust with our colleagues, our clients, and the communities in which we live and work, *The Greater Good* outlines the standards that apply to everything we do. It is available on our public website in 24 languages. There is regular mandatory training for our more than 85,000 colleagues around the world, reinforcing the published document.

This Tax Strategy is an extension of, and therefore consistent with, *The Greater Good*. The policy applies across the global organization to Marsh McLennan and its subsidiaries, including its four main businesses: Marsh, Guy Carpenter, Mercer and Oliver Wyman.

This policy explains how, consistent with *The Greater Good* and the laws of all the jurisdictions in which we do business, Marsh McLennan arranges our tax affairs. We regard the publication of this tax strategy as complying with the duty to publish the group tax strategy in the current financial year under paragraph 16(2) of Schedule 19 of the Finance Act 2016.

Our guiding principles are:

- **Compliance with all laws and regulations:** We engage in tax planning that balances delivering value to our shareholders with paying the proper amount of tax in the jurisdictions in which we do business. We attempt, in good faith, to interpret relevant laws and regulations in a reasonable way, considering both the letter and the spirit of the law. While we evaluate advice provided by external advisors, Marsh McLennan ultimately owns the tax positions that we take. Those positions must be reasonable and sustainable, and our evaluation of those positions assumes that the relevant tax authorities have full knowledge of the transaction and/or position.

- **Governance and oversight:** Responsibility for the tax strategy, the supporting governance framework and management of tax risk ultimately resides with the Chief Financial Officer (CFO). Day-to-day responsibility for each of these areas resides with the Chief Tax Officer, who reports to the CFO.

Marsh McLennan and its largest UK operating subsidiaries have nonexecutive external board members. These board members are chosen for their deep domain knowledge and their diverse backgrounds, which bring broad expertise to the boardroom. These boards regularly consider the way the relevant business is managing its tax affairs and receive updates on tax planning and tax-audit status. They review public filings and understand any unusual or discrete tax items. All of this is done in an effort to ensure they meet their fiduciary responsibilities to the relevant business and its shareholders.

- **Transparent dealings with tax authorities and regulators:** Any planning that we undertake focuses on providing sustainable value to our shareholders. This requires that the planning be driven by commercial activities and have economic substance. It focuses on objectives like eliminating double taxation and achieving efficient funding of commercial transactions. We are always aware that managing risk includes not only financial risk, but risk to our reputation. As a business built on trust, our reputation in the markets in which we do business is paramount, and will not be sacrificed for an artificial arrangement or tax benefit. We are committed to being transparent with tax authorities around the world. We are in the Compliance Assurance Process in the United States (a real-time audit arrangement with the Internal Revenue Service that relies on transparency) and use this model to guide our relationships with tax authorities in other jurisdictions, including the UK.

About Marsh McLennan

[Marsh McLennan](#) (NYSE: MMC) is the world's leading professional services firm in the areas of risk, strategy and people. The Company's 85,000 colleagues advise clients in 130 countries. With annual revenue over \$20 billion, Marsh McLennan helps clients navigate an increasingly dynamic and complex environment through four market-leading businesses. [Marsh](#) advises individual and commercial clients of all sizes on insurance broking and innovative risk management solutions. [Guy Carpenter](#) develops advanced risk, reinsurance and capital strategies that help clients grow profitably and pursue emerging opportunities. [Mercer](#) delivers advice and technology-driven solutions that help organizations meet the health, wealth and career needs of a changing workforce. [Oliver Wyman](#) serves as a critical strategic, economic and brand advisor to private sector and governmental clients. For more information, visit mmc.com, follow us on [LinkedIn](#) and Twitter [@mmc_global](#).