

Aon plc

Directors' Annual Report and Financial Statements

For the year ended December 31, 2022

Information Concerning Forward-Looking Statements

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

- changes in the competitive environment, due to macroeconomic conditions or otherwise, or damage to our reputation;
- fluctuations in currency exchange, interest, or inflation rates that could impact our financial condition or results;
- changes in global equity and fixed income markets that could affect the return on invested assets;
- changes in the funded status of our various defined benefit pension plans and the impact of any increased pension funding resulting from those changes;
- the level of our debt and the terms thereof reducing our flexibility or increasing borrowing costs;
- rating agency actions that could limit our access to capital and our competitive position;
- our global tax rate being subject to a variety of different factors, including the adoption and implementation in the European Union, the United States, the United Kingdom, or other countries of the Organization for Economic Co-operation and Development tax proposals or other pending proposals in those and other countries, which could create volatility in that tax rate;
- changes in our accounting estimates and assumptions on our financial statements;
- limits on our subsidiaries' ability to pay dividends or otherwise make payments to us;
- the impact of legal proceedings and other contingencies, including those arising from acquisition or disposition transactions, errors and omissions and other claims against us;
- the impact of, and potential challenges in complying with, laws and regulations of the jurisdictions in which we operate, particularly given the global nature of operations and the possibility of differing or conflicting laws and regulations, or the application or interpretation thereof, across such jurisdictions;
- the impact of any regulatory investigations brought in Ireland, the United Kingdom, the United States and other countries;
- failure to protect intellectual property rights or allegations that we have infringed on the intellectual property rights of others;
- general economic and political conditions in the countries in which we do business around the world;
- the failure to retain, attract and develop experienced and qualified personnel;
- international risks associated with our global operations, including impacts from military conflicts or political instability, such as the ongoing Russian war in Ukraine;

- the effects of natural or man-made disasters, including the effects of the COVID-19 pandemic and other health pandemics and the impacts of climate change;
- any system or network disruption or breach resulting in operational interruption or improper disclosure of confidential, personal, or proprietary data, and resulting liabilities or damage to our reputation;
- our ability to develop, implement, update, and enhance new technology;
- the actions taken by third parties that perform aspects of our business operations and client services;
- the extent to which we are exposed to certain risks, including lawsuits, related to our actions we may take in being responsible for making decisions on behalf of clients in our investment businesses or in other advisory services that we currently provide, or will provide in the future;
- our ability to continue, and the costs and risks associated with, growing, developing and integrating acquired business, and entering into new lines of business or products;
- our ability to secure regulatory approval and complete transactions, and the costs and risks associated with the failure to consummate proposed transactions;
- changes in commercial property and casualty markets, commercial premium rates or methods of compensation;
- our ability to develop and implement innovative growth strategies and initiatives intended to yield cost savings, and the ability to achieve such growth or cost savings; and
- the effects of Companies Act 2014 on our operating flexibility and the enforcement of judgments against us.

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 (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 “Principal Risks and Uncertainties” section in the Directors’ Report section of this report.

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The below definitions apply throughout this report unless the context requires otherwise:

<u>Term</u>	<u>Definition</u>
ABO	Accumulated Benefit Obligation
AUM	Assets Under Management
BPS	Basis Points
CCC	Christchurch City Council
CODM	Chief Operating Decision Maker
CPI	Consumer Price Index
DCF	Discounted Cash Flow
DOL	Department of Labor
E&O	Errors and Omissions
EBITDA	Earnings before Interest, Taxes, Depreciation, and Amortization
ERISA	Employee Retirement Income Security Act of 1974
ESG	Environmental, Social, Corporate Governance
E.U.	European Union
FCA	Financial Conduct Authority
FINRA	Financial Industry Regulatory Authority
Fitch	Fitch, Inc.
GAAP	Generally Accepted Accounting Principles
GILTI	Global Intangible Low-Tax Income
I&D	Inclusion and Diversity
LOC	Letter of Credit
MDI	Market Derived Income
OECD	Organization for Economic Co-operation and Development
PBO	Projected Benefit Obligation
PSA	Performance Share Awards
REIT	Real Estate Investment Trusts
ROIC	Return on Invested Capital
ROU	Right-of-use
RPGIC	Retirement Plan Governance and Investment Committee
RSU	Restricted Share Units
S&P	Standard & Poor's
SEC	Securities and Exchange Commission
U.K.	United Kingdom
U.S.	United States
USD	United States Dollar
VIE	Variable Interest Entity
WTW	Willis Towers Watson Public Limited Company

DIRECTORS' REPORT

The directors present their annual report together with the consolidated group financial statements of Aon plc (the “Parent Company” or “Aon plc”) and its subsidiaries (which together may be referred to as “Aon,” the “Company,” “Group,” “we,” “us,” or “our”) for the year ended December 31, 2022, as well as the Parent Company financial statements for the year ended December 31, 2022.

The directors have elected to prepare the consolidated group financial statements in accordance with section 279 of the Companies Act 2014 of Ireland, as amended (the “Companies Act 2014”), which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of the Group may be given by preparing the financial statements in accordance with the accounting principles generally accepted in the U.S. (“U.S. GAAP”), to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014. While the consolidated group financial statements are prepared in accordance with U.S. GAAP, the financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable Companies Act 2014 and the Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council (“FRS 102”), effective for the 2022 year end.

Basis of Presentation

The accompanying Consolidated Financial Statements include the Consolidated Profit and Loss Accounts, Statements of Comprehensive Income, Statements of Financial Position, Statements of Shareholders’ Equity, and Statements of Cash Flows of Aon plc and its subsidiaries as of and for the years ended December 31, 2022 and December 31, 2021. The Parent Company Financial Statements include the Statements of Comprehensive Income, Statements of Financial Position, and Statements of Shareholders’ Equity of the Parent Company as of and for the years ended December 31, 2022 and December 31, 2021.

Directors of the Parent Company

Gregory C. Case

Lester B. Knight

Jin-Yong Cai

Jeffrey C. Campbell

Fulvio Conti

Cheryl A. Francis

Adriana Karaboutis ⁽¹⁾

J. Michael Losh ⁽²⁾

Richard B. Myers ⁽³⁾

Richard C. Notebaert

Gloria Santona

Byron O. Spruell

Carolyn Y. Woo

(1) The Company appointed Adriana Karaboutis to the Board of Directors, effective on September 8, 2022.

(2) On September 21, 2022 J. Michael Losh informed the Company of his decision to retire from the Company’s Board of Directors, effective upon the completion of his current term at the time of the Company’s 2023 Annual General Meeting.

(3) Richard B. Myers retired from the Company’s Board of Directors effective at the Company’s 2022 Annual General Meeting held on June 17, 2022.

PRINCIPAL ACTIVITIES

Aon plc is a leading global professional services firm providing a broad range of risk, health, and wealth solutions. Through our experience, global reach, and comprehensive analytics, we are better able to help clients meet rapidly changing, increasingly complex, and interconnected challenges. We are committed to accelerating innovation to address unmet and evolving client needs so that our clients are better informed, better advised, and able to make better decisions to protect and grow their business. Management is focused on strengthening Aon and uniting the firm with one portfolio of capability enabled by data and analytics and one operating model to deliver additional insight, connectivity, and efficiency.

Our clients are in over 120 countries and sovereignties and include all market segments and almost every industry. This diversification of our customer base helps provide us stability in different economic scenarios that could affect specific industries, customer segments, or geographies.

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

BUSINESS SEGMENT

The Company operates as one segment that includes all of Aon's continuing operations, which, as a global professional services firm, provides advice and solutions to clients focused on risk, health and wealth through four principal products and services: Commercial Risk Solutions, Reinsurance Solutions, Health Solutions, and Wealth Solutions. Collectively, these products and service lines make up our one segment: Aon United. In addition, the Company is continuing to expand on Aon United growth initiatives through its Aon Growth Ventures Group.

In 2022, our consolidated total revenue was \$12,479 million. This includes \$6,715 million in Commercial Risk Solutions, \$2,190 million in Reinsurance Solutions, \$2,224 million in Health Solutions, and \$1,367 million in Wealth Solutions, before certain intercompany eliminations.

In 2021, our consolidated total revenue was \$12,193 million. This includes \$6,635 million in Commercial Risk Solutions, \$1,997 million in Reinsurance Solutions, \$2,154 million in Health Solutions, and \$1,426 million in Wealth Solutions, before intercompany eliminations.

Principal Products and Services

Commercial Risk Solutions includes retail brokerage, specialty solutions, global risk consulting and captives management, and Affinity programs. In retail brokerage, our dedicated teams of risk professionals utilize comprehensive analytic capabilities and insights providing clients with risk advice for their organizations. We utilize Aon's differentiated capabilities in industry sector- and segment-specific approaches, like Digital Client Solutions, to risk transfer options and deliver them through a variety of channels including bespoke solutions for complex needs, structured solutions for mid-market and small and medium-sized enterprises, and digital distribution including CoverWallet. Our specialty-focused organizational structure includes financial and professional lines, cyber, surety and trade credit, crisis management, transaction liability, climate, and intellectual property. We develop market leading insights on the most efficient risk transfer vehicles for clients in today's complex and integrated risk environment to enable clients to make better decisions. Global risk consulting and captive management is a global leader in supporting better management of companies' risk profiles by identifying and quantifying the risks they face, mapping out optimal risk mitigation, retention and transfer solutions and thus enabling them to be more informed to make better decisions for their businesses. Affinity programs include development, marketing, and administration of customized and targeted insurance programs, facilities, and other structured solutions, including Aon Client Treaty. We collaborate with sponsors and other privileged distribution channels through which Aon can deliver differentiated, highly targeted, and highly valuable solutions for unique risk solutions.

Reinsurance Solutions includes treaty reinsurance, facultative reinsurance, Strategy and Technology Group and capital markets. Treaty reinsurance addresses underwriting and capital objectives on a portfolio level, allowing our clients to more effectively manage the combination of premium growth, return on capital, and rating agency interests on an integrated basis. This includes the development of more competitive, innovative, and efficient risk transfer options. Facultative reinsurance empowers clients to better understand, manage, and transfer risk through innovative facultative solutions and provides the most efficient access to the global facultative reinsurance markets. Strategy and Technology Group combines strategic advice with data-driven consulting, analytics, and modeling tools, including Tyche, ReMetrica, and PathWise, to help clients deploy capital efficiently and effectively. We develop highly customized solutions that help clients drive growth and operational efficiency, improve balance sheet strength and resiliency, and comply with regulatory and operational requirements, including through the execution of reinsurance transactions. Capital markets is a global investment bank with expertise in insurance-linked securities, capital raising, strategic advice, restructuring, and mergers and acquisitions. We partner with insurers, reinsurers, investment firms, and corporations in executing innovative risk management products, capital market solutions and corporate finance advisory services.

Health Solutions includes consulting and brokerage, consumer benefits solutions, and human capital solutions. Consulting and brokerage develops and implements innovative, customized health and benefits strategies for clients of all sizes across industries and geographies to manage risk, drive engagement, and strengthen the workforce through improved health and wellbeing. We partner with insurers and other strategic partners to develop and implement new and innovative solutions and leverage world-class analytics and technology to help clients make informed decisions and manage healthcare outcomes. Consulting and brokerage also advises multinational companies on global benefits, including insurance placement across more than 120 countries and sovereignties, program design and management, financing optimization, and enhanced employee experience, as well as assists in navigating global regulatory and compliance requirements in countries in which they operate. Consumer benefits solutions designs and delivers innovative voluntary consumer benefits that improve an employer's total

rewards strategy and positively impacts their employees' financial and overall wellbeing. We leverage our proprietary digital platform to provide efficient enrollment strategies through an effective combination of data, analytics, and tailored products. Multi-channel and targeted communications solutions increase consumer benefit knowledge and enhance engagement. Our human capital team delivers data, analytics, and advice to business leaders so they can make better workforce decisions and align their business and people strategies. We support clients across the full employee lifecycle, including talent assessment and selection, compensation benchmarking, total rewards strategy optimization, workforce analytics and benchmarking, workforce resilience planning, human capital integration in transaction situations, Corporate Governance, ESG consulting, and strategic employee communication.

Wealth Solutions includes retirement consulting, pension administration, and investments consulting. Retirement consulting specializes in providing clients across the globe with strategic design consulting on their retirement programs, actuarial services, and risk management, including pension de-risking, governance, integrated pension administration and legal and compliance consulting. We also help organizations manage their balance sheet volatility. Retirement consulting and pension administration leverage Aon's pension expertise to deliver high-quality integrated retirement services. Our customized services include outsourcing, co-sourcing and in-sourcing options. Our partnership-driven model is powered by deep pension experience and enabled with smart technology. Our investments consulting team provides public and private companies and other institutions 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. Our delegated investment solutions offer ongoing management of investment programs and fiduciary responsibilities either in a partial or full discretionary model for multiple asset owners. We partner with clients to deliver our scale and experience to help them effectively manage their investments, risk, and governance and potentially lower costs. We believe in the power of connecting participants to experts to make better informed and smarter decisions about their wealth.

Revenue and Compensation

Our business generates revenues primarily through commissions, compensation from insurance and reinsurance companies for services we provide to them, and fees from customers. Commissions and fees for brokerage services 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. Compensation from insurance and reinsurance companies includes: (1) fees for consulting and analytics services, and (2) fees and commissions for administrative and other services provided to or on behalf of insurers and reinsurers. Fees from clients for advice and consulting services are dependent on the extent and value of the services we provide. Payment terms are consistent with current industry practices.

Funds Held on Behalf of Clients

We typically hold funds on behalf of clients, including premiums received from clients and claims due to clients that are in transit to and from insurers. Certain funds held on behalf of clients are invested in interest-bearing premium trust accounts and can fluctuate significantly depending on when we collect and remit cash. The principal is segregated and not available for general operating purposes, although we may earn interest on these accounts.

Competition

Our business operates in a highly competitive and fragmented environment. We compete with numerous other global insurance brokers and consulting companies, including, among others, Marsh & McLennan Companies, Inc., Willis Towers Watson Public Limited Company, Arthur J Gallagher & Company, Lockton Companies, Inc., as well as numerous other global, regional, and local firms in almost every area of our business. We also compete with insurance and reinsurance companies that directly market and service their insurance products without the assistance of brokers or agents. Additionally, we compete with other businesses that do not fall into the categories above, including large financial institutions and independent consulting firms and consulting organizations affiliated with accounting, information systems, technology, and financial services firms.

Seasonality

Due to buying patterns and delivery of certain products and services in the markets we serve, revenues recognized tend to be higher in the first and fourth quarters 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, including U.S. federal and state laws. See the Principal Risks and Uncertainties section of this report for information regarding how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have an adverse effect on our business.

Regulatory authorities in the U.S. and most other countries in which our operating subsidiaries conduct business may require individuals, entities and related service providers to obtain a license from a government agency, including (but not limited to) licenses to operate as insurance producers, brokers, agents, consultants, reinsurance brokers or managing general agents.

Certain jurisdictions issue licenses only to resident entities or individuals. In such jurisdictions, if the Company has no licensed subsidiary, we may maintain arrangements with residents or business entities licensed to act in such jurisdiction. Such arrangements are subject to an internal review and approval process.

Our subsidiaries must comply with laws and regulations of the jurisdictions in which they do business. These laws and regulations are enforced by the 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, the licensing of agents, the 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 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.

Investment, securities, and futures licensing authorities also govern certain business activities. For example, in the U.S., we use Aon Securities LLC, an indirect, wholly owned subsidiary of Aon, and a U.S.-registered broker-dealer and investment advisor, member of FINRA and Securities Investor Protection Corporation, for investment banking, capital advisory services and other broker-dealer activities. Similar operations exist in other jurisdictions outside of the U.S.

Further, pension and financial laws and regulations, including oversight and supervision by the FCA in the U.K., the SEC and the DOL in the U.S., and regulators in other countries govern certain of the retirement-related consulting services provided by Aon and its subsidiaries and affiliates. This includes Aon subsidiaries that provide investment advisory services regulated by various U.S. federal authorities including the SEC, DOL, and FINRA, as well as authorities on the state level. In addition, other services provided by Aon 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, securities, and insurance laws and regulations, and supervision.

Clientele

Our clients operate in many businesses and industries throughout the world. No one client accounted for more than 2% of our consolidated total revenues in 2022. 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 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The risk factors set forth below reflect risks associated with our existing and potential businesses and the industries in which we operate generally and contain “forward-looking statements”. Readers should consider these risks in addition to the other information contained in this report because our business, financial condition, or results of operations could be materially adversely affected if any of these risks were to actually occur and the occurrence of such risks could cause our actual results to differ materially from those stated in or implied by the forward-looking statements in this document and elsewhere.

Risks Related to Our Business

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

The results of our operations are generally affected by the level of business activity of our clients, which in turn is affected by the economy of the industries and markets these clients serve. Economic downturns, volatility, or uncertainty in the broader economy or in specific markets (including as a result of endemics or pandemics, climate change, political unrest, actions by central banks, or otherwise) may cause reductions in technology and discretionary spending by our clients, which may result in reductions in the growth of new business or reductions in existing business. If our clients become financially less stable, enter bankruptcy, liquidate their operations or consolidate, our revenues and collectability of receivables could be adversely affected.

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 Commercial Risk Solutions and Reinsurance Solutions lines. The economic activity that impacts property and casualty insurance is most closely correlated with employment levels, corporate revenues, and asset values. Downward fluctuations in the year-over-year insurance

premiums charged by insurers to protect against the same risk, referred to in the industry as softening of the insurance market, could adversely affect these businesses as a significant portion of the revenue is determined as a percentage of premiums charged to our clients. In addition, certain discretionary services within our business, such as Human Capital, project-related work within Commercial Risk Solutions and Health Solutions, and transaction liability, may see a decrease in activity if the overall level of economic activity results in a reduction to our clients' discretionary spending. Insolvencies and consolidations associated with an economic downturn, especially insolvencies in the insurance industry, could adversely affect our brokerage business through the loss of clients by hampering our ability to place insurance and reinsurance business. Also, error and omission claims against us, which we refer to as E&O claims, may increase in economic downturns, also adversely affecting our business. In addition, decreased underwriting capacity for insurance and reinsurance may create difficulty for our professionals to place business, which may adversely impact our ability to earn revenue.

We face significant competitive pressures from traditional and non-traditional competitors that could affect our business.

As a global professional services firm, we compete with global, national, regional, and local insurance companies that market and service their own products, other financial services providers, brokers, and investment managers, independent firms, and consulting organizations affiliated with accounting, information systems, technology, human resources consulting, and financial services firms. We compete with respect to service, delivery of insights, product features, price, commission structure, technology, financial strength, ability to access certain insurance markets, and name recognition. Our competitors may have better financial, technical and marketing resources, broader customer bases, greater name recognition, more comprehensive products, stronger presence in certain geographies, or more established relationships with their customers and suppliers than we have.

Alliances or mergers among competitors could affect our business. Further, we compete on pricing and the innovation and quality of our service offerings and could be affected by competitors' lower cost structures, product development activities, and pricing policies, any or all of which could result in better market acceptance of our competitors' offerings than those that we offer or develop.

This competition is further intensified by an industry trend where clients elect to engage multiple brokers to service different portions of their accounts. If we fail to respond successfully to the evolving competition we face, our financial condition or results of operations might be adversely affected.

If we are unable to effectively develop and implement innovative strategies, efficiencies and new solutions for our clients, our reputation, ability to compete effectively and financial condition may be adversely affected.

Developing and implementing innovative strategies, efficient business practices, and new solutions to current and emerging client needs is important to our business. We may be unsuccessful in developing innovative strategies, or our competitors may be more successful in innovating and delivering services to meet new and existing client needs. Competitors may be able to innovate faster and respond better to evolving client demand and industry conditions, or price their services more aggressively than we do. Further, new and non-traditional competitors, our clients' increasing ability and determination to self-insure, and capital market alternatives to traditional insurance and reinsurance markets cause additional forms of competition and innovation that could affect our business. If we are unsuccessful in innovating, if we cannot innovate as quickly as our competitors, if we are not able to make sufficient investment in innovation, if our competitors develop more cost-effective technologies, or if our ideas are not accepted in the marketplace, 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 our proprietary data and analytics tools including 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 have or are developing competing data and analytics tools, and their success in this space may impact our ability to differentiate our services to our clients through the use of unique technological solutions. Innovations in software, cloud computing, data and analytics or other technologies that alter how our services are delivered could significantly undermine our investment in the business if we are slow to innovate or unable to take advantage of these developments.

In addition, innovation in technology, capabilities, and the entry into new lines of business, services, or products require significant investment and present additional risks to the Company, particularly in instances where the markets are new or not fully developed. Such risks include the investment of significant time and resources; the possibility that these efforts will not be successful and could result in reputational damage to us; the possibility that the 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 new or additional liabilities associated with these efforts, including potential E&O or other claims.

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

We depend, to a large extent, on our relationships with our clients and our reputation for high-quality advice and solutions. If a client is not satisfied with our services, it could cause us to incur additional costs and impair profitability, or lose the client relationship altogether. Moreover, if we fail to meet our contractual, common law or fiduciary obligations, we could be subject to legal liability or loss of client relationships.

The nature of much of our work involves assumptions and estimates concerning future events, the actual outcome of which we cannot know with certainty in advance. For example, in our investment businesses, 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 or reporting, which poses risks of liability exposure and costs of defense and increased insurance premiums. Many of our clients are businesses that actively share information among themselves about the quality of service they receive from their vendors. Adverse statements or claims from clients (including clients in the public sector or whose activities are frequently covered by the press) may receive media attention or other publicity. Accordingly, poor service to one client may negatively impact our relationships with multiple other clients.

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

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 and existing and future employees, which could make it difficult for us to attract new clients and employees and retain existing ones. Negative public opinion could also result from actual or alleged conduct by us or those currently or formerly associated with us. Damage to our reputation, including as a result of negative perceptions or publicity regarding a class of business, environmental matters, climate change, workforce diversity, pay equity, harassment, social justice, cyber security or data privacy, or our inability to meet commitments or client and stakeholder expectations with respect to such matters, could affect the confidence of our clients, rating agencies, regulators, stockholders, employees and third parties in transactions that are important to our business adversely affecting our business, financial condition, and operating results.

Revenues from commission arrangements may fluctuate due to many factors, including cyclical or permanent changes in the insurance and reinsurance markets outside of our control.

Revenues from commission arrangements 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 premiums;
- decreases in available underwriting capacity for insurance and reinsurance;
- fluctuation in the need for, or relevancy of, insurance;
- 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 consistently indexed for inflation and may not rise as much as commission-based compensation;
- competition from insurers seeking to sell their products directly to consumers, including online sales, without the involvement of an insurance broker; and

- growing number of technology-enabled competitors offering new risk-transfer solutions that eliminate the traditional broker-client relationship in both commercial insurance and reinsurance markets.

The profitability of our operations may not meet our expectations due to unexpected costs, cost overruns, inflation, early contract terminations, unrealized assumptions used in our contract bidding process or the inability to maintain our prices.

Our profitability is highly dependent upon our ability to control our costs and improve our efficiency. As we adapt to changes in our business and the market, 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.

Our profit margin, and therefore our profitability, is largely a function of the revenue generated from our services and the staffing costs for our personnel and related expenses. Accordingly, if we are not able to maintain the rates we charge for our services or appropriately manage the staffing costs of our personnel and related expenses, 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, the extent of ongoing clients' perception of our ability to add value through our services, and general economic conditions. If we cannot drive suitable cost efficiencies, our profit margins will suffer. Our cost efficiencies may also be impacted by factors such as our ability to transition consultants from completed projects to new assignments, our ability to secure new business, our ability to forecast demand for our services (and, consequently, appropriately manage the size and location of our workforce), our ability to develop, attract and retain suitable capabilities and talent, our ability to obtain third party services at favorable prices, our ability to manage key suppliers to maximize delivery, product, and efficiency opportunities, inflation (including wage inflation) and the need to devote time and resources to training and professional and business development.

In our investment businesses, 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 businesses 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 or agency capacity without assuming title over the underlying funds or assets invested. Asset classes may experience poor absolute performance and third parties we recommend or select, such as investment managers, may underperform their benchmarks due to poor market performance, negligence, or other reasons, resulting in poor investment returns or losses. These losses may be attributable in whole or in part to alleged failures on our part or to events entirely outside of our control, including but not limited to uncertainty or volatility in financial markets due to economic, political, and regulatory conditions or pandemics. Plaintiffs have filed, and may continue to file, individual and class action lawsuits alleging investment consultants have charged excessive fees, given improper advice or taken investment actions due to conflicts of interest, or recommended investments that underperformed other investments available at the time. Defending against these claims can involve potentially significant costs, including legal defense costs, as well as cause substantial distraction, publicity, and diversion of other resources. If any lawsuit – against the Company or any other investment consultant or asset manager – results in a large adverse verdict, the size of the verdict or resultant negative adverse publicity may prompt the filing of additional lawsuits. Furthermore, our ability to limit our potential liability is restricted in certain jurisdictions and in connection with claims involving breaches of fiduciary or agency duties or other alleged errors or omissions.

The anticipated benefits of the redomiciliation from the U.K. to Ireland may not be realized.

In April 2020, we changed the jurisdiction of incorporation for our parent company from the U.K. to Ireland by means of a scheme of arrangement under English law (the "Ireland Reorganization"). At the time of the Ireland Reorganization we expected, and we continue to expect, that the Ireland Reorganization will, among other things, provide greater certainty around ongoing access to existing U.S. treaties with other EU member states from which we derive benefit. However, we may not realize the benefits we anticipate from the Ireland Reorganization, which could have an adverse effect on our business.

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 U.S. These exposures may change over time, and they could have a material adverse impact on our financial results and cash flows. Approximately 55% of our consolidated revenue is non-

U.S., attributed on the basis of where the services are performed, and where products are sold, and the exposures created can have significant currency volatility. These currency exchange fluctuations create risk in both the translation of the financial results of our global subsidiaries into U.S. dollars for our Consolidated Financial Statements, as well as in those of our operations that receive revenue and incur expenses other than in their respective local currencies, which can reduce the profitability of our operations based on the direction the respective currencies' exchange rates move. A decrease in the value of certain currencies relative to other currencies could place us at a relative 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 certain 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 \$1,142 million and \$836 million at December 31, 2022 and December 31, 2021, respectively, and are reported in Cash and cash equivalents and Short-term investments. Of the total balances, \$115 million and \$160 million were restricted to its use as of December 31, 2022 and December 31, 2021, respectively. Funds held on behalf of clients and insurers were \$6.4 billion and \$6.1 billion at December 31, 2022 and December 31, 2021, respectively, and are reported in Fiduciary assets. We also carry an investment portfolio of other long-term investments. As of December 31, 2022 and December 31, 2021, respectively, these long-term investments had a carrying value of \$60 million and \$64 million, respectively. Adverse changes in interest rates, performance, and counterparty credit quality, including default, could reduce the value of these funds and investments, thereby adversely affecting our financial condition or results. We may 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 fall below their current levels, or if negative yields on deposits or investments are experienced, as we have experienced in Japan and certain jurisdictions in the E.U. 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 and value of our pension assets could adversely affect our shareholders' equity, net income, cash flow, and liquidity.

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

Our worldwide pension plans are significant, and therefore our pension contributions and expense are sensitive to various market, demographic, and other factors. These factors include equity and bond market returns, fair value of pension assets, the assumed interest rates we use to discount our pension liabilities, foreign exchange rates, rates of inflation, mortality assumptions, potential regulatory and legal changes or developments, and counterparty exposure from various investments and derivative contracts, including annuities. Variations or developments in connection with any of these factors could cause significant changes to our financial position and results of operations from year to year. In addition, contributions are generally based on statutory requirements and local funding practices, which may differ from measurements under U.S. GAAP.

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

As of December 31, 2022 and December 31, 2021, we had total consolidated debt outstanding of approximately \$10.8 billion and \$9.4 billion, respectively. 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, 2022, we had two committed credit facilities outstanding. Each of these facilities is intended to support our commercial paper obligations and our general working capital needs. In addition, each of these facilities included customary representations, warranties, and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, tested quarterly.

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

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

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

A downgrade in the credit ratings of our senior debt and commercial paper could increase our borrowing costs, reduce or eliminate our access to capital, reduce our financial flexibility, and limit our ability to implement our corporate strategy. Our senior debt ratings at December 31, 2022 and December 31, 2021 were A- with a stable outlook (S&P), BBB+ with a stable outlook (Fitch), and Baa2 with a stable outlook (Moody's). Our commercial paper ratings were A-2 (S&P), F-2 (Fitch) and P-2 (Moody's).

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

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

We are, and anticipate we will be, subject to income taxes in Ireland, the U.K., the 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 or regulations, the continuing development of regulations and other governmental action that affect the application of such legislation, our global mix of earnings, the use of global funding structures, the tax characteristics of our income, the effect of complying with transfer pricing requirements under laws of many different countries on our revenues and costs, the consequences of acquisitions and dispositions of businesses and business segments. In addition, we could be subject to increased taxation as a result of changes in eligibility for the benefits of current income tax treaties between and among Ireland, the U.K., the U.S. and other countries, including any future amendments to the current income tax treaties between and among such countries, or any new statutory or regulatory provisions that might limit our ability to take advantage of any such treaties. Significant judgment is required in determining our worldwide provision for income taxes, and our determination of the amount of our tax liability is always subject to review by applicable tax authorities. Our actual global tax rate may vary from our expectation and that variance may be material.

The overall tax environment in the jurisdictions in which we are or may be subject to taxes is highly uncertain and increasingly complex. Countries around the world are considering changes in their tax laws and regulations. In the U.S., the Inflation Reduction Act introduced, among other changes, a 1% excise tax on certain stock redemptions by U.S. corporations (which the U.S. Treasury indicated may also apply to certain stock redemptions of foreign corporations deemed funded by their U.S. affiliates). The OECD, a global coalition of member countries, proposed a plan to reform international taxation which includes the introduction of a global minimum tax. The OECD recommendations have been nominally accepted by many countries within and without the OECD, but the implementation in each country remains subject to the possibility of significant variation, which could lead to a risk of multiple levels of taxation on Aon's income. The U.K. and E.U. member states, among others, have introduced draft legislation or otherwise agreed to implement a global minimum tax that would be consistent with the OECD recommendations, beginning, for Aon, in 2024. There remains significant uncertainty as to if, when and how the

various OECD proposals will ultimately be enacted. If and when effective, the global minimum tax could have a material adverse effect on our global effective tax rate, results of operations, cash flows and financial condition.

We are, and anticipate we will be, subject to tax audits conducted by Ireland, the U.K., the U.S., and other tax authorities, and the resolution of such audits could impact our tax rate in future periods, as would any reclassification or other changes (such as those in applicable accounting rules) that increases the amounts we have provided for income taxes in our Consolidated Financial Statements. The tax laws and regulations in Ireland, the U.K., the U.S., and the other tax jurisdictions in which we operate are inherently complex, and we will be obligated to make judgments and interpretations about the application of these laws and regulations to our operations and businesses. The interpretation and application of these laws and regulations could be challenged by the relevant governmental authorities, which could result in administrative or judicial procedures, actions or sanctions, which could be material.

There can be no assurance that we would be successful in attempting to mitigate the adverse impacts resulting from any changes in tax laws and regulations, including any changes in the interpretation of such tax authorities, or from audits and other matters. Our inability to mitigate the negative consequences of such actions could cause our global effective tax rate to increase, our use of cash to increase and our financial condition and results of operations to suffer.

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

We prepare our Consolidated Financial Statements in accordance with U.S. GAAP to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable Companies Act 2014 and FRS 102. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the disclosure of contingent assets and liabilities at the date of our Consolidated 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 revenue recognition, pensions, recoverability of assets including customer receivables, valuation of goodwill and intangibles, contingencies, share-based payments, and income taxes. 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 or changes in accounting principles or standards, and other factors. Actual results could differ from these estimates, or changes in assumptions, estimates, policies, or developments in the business may change our initial estimates, which could materially affect the Consolidated Financial Statements.

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

Under U.S. GAAP, we review our long-lived assets for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Goodwill is assessed for impairment at least annually. Factors that may be considered in assessing whether goodwill or other long-lived 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 other long-lived assets and trigger an evaluation of the recoverability of the recorded goodwill and other long-lived 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.

The Parent Company is organized as a holding company, a legal entity separate and distinct from our operating entities. As a holding company without significant operations of its own, our principal assets are the shares of capital stock 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, 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 subsidiaries can pay in dividends or other payments to us. No assurance can be given that there will not be further changes in law, regulatory actions, or other circumstances that could restrict the ability of our subsidiaries to pay dividends or otherwise make payments to 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 our financial condition or results of operations.

We assist our clients with various matters, including advising on and placing insurance and reinsurance coverage and handling related claims, consulting on various human resources matters, and providing actuarial, investment consulting, and asset management services. 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, to provide insurance carriers with complete and accurate information relating to the risks being insured, or the failure to give error-free consulting or investment advice. It is not always possible to prevent and detect E&Os, 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 and other matters related to our operations. However, we may be unable to maintain our current levels of insurance coverage for E&O claims or other risks in future periods. Also, 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. Additionally, parts or all of an E&O claim could fall within insurance deductibles, self-insured retentions, or policy exclusions. 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 Profit and Loss Accounts. Discussion of some of these claims, lawsuits, and proceedings are contained in the Notes to Consolidated Financial Statements.

In addition, we provide a variety of guarantees and indemnifications to our customers and others. In the event of a default, our potential exposure is equal to the amount of the guarantee or indemnification.

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

Our businesses are subject to extensive governmental regulation, which could reduce our profitability, limit our growth, or subject us to legal and regulatory actions.

Our businesses are subject to extensive legal and regulatory oversight throughout the world, including the Companies Act 2014, the U.S. securities laws, rules, and regulations, the rules and regulations promulgated by the FCA and a variety of other laws, rules, and regulations addressing, among other things, licensing, privacy and data protection, trade sanctions laws, restrictions and export controls, anti-money laundering, wage-and-hour standards, employment and labor relations, antitrust and 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; limiting or restricting the products or services we sell, the markets we serve or enter, the methods by which we sell our products and services, the overall structure of our business units, the type of services and prices we can charge for our services, or 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, proceedings, or fines.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations 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 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 and the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act in the U.S., and the Bribery Act of 2010 in the U.K., impact our operations outside of the legislating country by imposing requirements for the conduct of overseas operations, and in several cases, requiring compliance by foreign subsidiaries.

In addition to the complexity of the laws and regulations themselves, the development of new laws and regulations or changes in application or interpretation of current laws and regulations or conflict between them also increases our legal and regulatory compliance complexity. Additionally, our acquisitions of new businesses and our continued operational changes and entry into new jurisdictions and new service offerings increases our legal and regulatory compliance complexity, as well as the type of governmental oversight to which we may be subject. Changes in laws and regulations could mandate significant and costly changes to the way we implement our services and solutions, impose additional licensure requirements or costs to our operations and services, or cause us to cease offering certain services or solutions. Furthermore, as we enter new jurisdictions or businesses and further develop and expand our services, including through acquisitions, we may become subject to additional types of laws and governmental oversight and supervision, such as those applicable to the financial lending or other service institutions. Regulatory developments that could result in changes that adversely affect us or cause us to change our business or operations include: additional requirements respecting data privacy, data security, and data usage in jurisdictions in which we operate that may increase our costs of compliance and potentially reduce the manner in which we can use data; changes in tax regulations in the jurisdictions in which we operate; regulatory actions or changes that require us to change our compensation model; or additional regulations promulgated by , regulatory bodies in jurisdictions in which we operate.

Governmental and public attention to climate change and environmental matters, including new or enhanced reporting, diligence or disclosure rules and regulations, could expand the nature, scope, and complexity of matters that we are required to control, assess, and report. These and other rapidly changing laws, rules and regulations, may increase the cost of our compliance and risk management and otherwise impact our business, which could have a material adverse effect on our business, results of operations, and financial condition. In addition, the shift toward a lower-carbon economy, driven by changes in laws, rules and regulations, low-carbon technology advancement, consumer sentiment, and/or liability risks, may negatively impact our business model and/or the business models of our clients. In addition, as governments, investors and other stakeholders face additional pressures to accelerate actions to address climate change and other ESG topics, governments and other stakeholders may impose new rules or expectations causing a shift in disclosure and other behaviors that may negatively impact our business.

In all jurisdictions, the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew, and revoke licenses and approvals and to implement regulations. Accordingly, we may have a license revoked or be unable to obtain new licenses and therefore be precluded or 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 in the future as it has been conducted in the past. 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.

Our business' regulatory oversight also includes licensing of insurance brokers and agents, managing general agency or general underwriting operations, and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance broking in the jurisdictions in which we operate depends on our compliance with the rules and regulations promulgated by the regulatory authorities in each of these jurisdictions, and our failure to adhere to these rules and regulations can expose us to fines or other sanctions. Also, we can be affected indirectly by the governmental regulation and supervision of insurance companies. For instance, if we are providing or managing general underwriting services for an insurer, we may have to contend with regulations affecting our client.

Services provided in our Health Solutions and Wealth Solutions businesses are also the subject of ever-evolving government regulation, either because the services provided to our clients are regulated directly or because third parties upon whom we rely to provide services to clients are regulated, thereby indirectly affecting the manner in which we provide services to those clients. In particular, our health care exchange business depends upon the private sector of the U.S. insurance system and its role in financing health care delivery, and insurance carriers' use 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 could delay client adoption of our health care exchanges, impair our ability to retain clients who have adopted our health care 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, changes in laws, government regulations, or the way those regulations are interpreted in the jurisdictions in which we operate could affect the viability, value, use, or delivery of benefits and human resources programs, including changes in regulations relating to health and welfare plans (such as medical), defined contribution plans (such as 401(k)), or defined benefit plans (such as pension), may adversely affect the demand for, or profitability of, our services.

If we violate the laws and regulations 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.

Heightened regulatory oversight and scrutiny may lead to additional regulatory investigations, increased government involvement, or enforcement actions, which could consume significant management time and resources and could have adverse effects on our business and operations. For instance, increased scrutiny by competition authorities may increase our costs of doing business or force us to change the way we conduct business or refrain from or otherwise alter the way we engage in certain activities. Additionally, we could suffer significant financial or reputational harm if we fail to properly identify and manage potential conflicts of interest, which exist or could exist any time we or any of our employees have or may have an interest in a transaction or engagement that is inconsistent with our clients' interests. This could occur, for example, when we are providing services to multiple parties in connection with a transaction. We also provide services to advise and assist in satisfying all our clients' needs from all our businesses, creating a greater potential for conflicts with advisory services.

Due to the broad scope of our businesses and our client base, we regularly address potential conflicts of interest, including, without limitation, situations where our services to a particular client or our own investments or other interests conflict, or are perceived to conflict, with the interests of another client. If these are not adequately identified and managed, this could then lead to failure or perceived failure to protect the client's interests, with consequential regulatory and reputational risks, including litigation or enforcement actions that could adversely affect us and our operations. Identifying conflicts of interest may also prove particularly difficult as we continue to bring systems and information together and integrate newly acquired businesses. In addition, we may not be able to adequately address such conflicts of interest.

Insurance intermediaries have traditionally been remunerated by base commissions paid by insurance carriers in respect of insurance placements for clients, or by fees paid by clients. Intermediaries also obtain other revenue from insurance carriers. This revenue, when derived from carriers in their capacity as insurance markets (as opposed to as corporate clients of the intermediaries where they may be purchasing insurance or reinsurance or other non-market related services), is commonly known as MDI. MDI is another example of an area in which potential conflicts of interest may arise. This revenue may be subject to scrutiny by various regulators under conflict of interest, anti-trust, unfair competition, conduct and anti-bribery laws and regulations. MDI takes a variety of forms, including volume- or profit-based contingent commissions, facilities administration charges, business development agreements, and fees for providing consulting services to carriers. While accepting MDI is a lawful and acceptable business practice, we cannot predict whether our position will result in regulatory or other scrutiny and our controls may not be fully effective.

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, as well as internal policies and procedures regarding our management of intellectual property. 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, we operate in many jurisdictions and effective trademark, copyright, patent, and trade secret protection may not be available or adequate in every country or jurisdiction in which we offer our services or employ our colleagues. Additionally, our 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.

Operational Risks

Our results of operations have been adversely affected and could be materially adversely affected in the future by the COVID-19 global pandemic.

The COVID-19 global pandemic and the emergence of COVID-19 variants has created significant public health concerns and significant volatility, uncertainty, and economic disruption in every region where we operate.

A number of evolving factors related to the global pandemic and the post-pandemic recovery period may influence the duration, nature and extent of the impact on our business and financial results. Such factors include worldwide macroeconomic conditions, including interest rates, employment rates, consumer confidence and spending, gross domestic product, property values, and changes in client behavior, and foreign exchange rates in each of the markets in which we operate; business closures; changes in laws, regulations (including those changes that may provide for extended premium payment terms), and guidance; court decisions and litigation trends; a decline in business and the ability of counterparties to pay for our services on time or at all; an increased number of E&O claims in those areas impacted by the pandemic, as well as an increase in the incidence or severity of E&O claims against us and our market partners; our ability to sell and provide our services, including due to the impact of travel restrictions, lockdowns, quarantines, social distancing, and alternative work arrangements; the health of, and the effect of the pandemic on, our employees; political disruption; potential effects on our internal controls and risk mitigation processes, including those over financial reporting, as a result of changes in working environments for our employees and business partners; resurgences of spread; identification of new, more contagious variants of the virus; resulting “lockdowns,” government restrictions, mandates, requirements or recommendations; and uncertainties in vaccine adoption.

In addition, the continuing COVID-19 pandemic or other epidemics or pandemics, may again create significant disruptions or volatility in the credit or financial markets, or impact our credit ratings, which could adversely affect our ability to access capital on favorable terms or at all.

Finally, the impact of the COVID-19 pandemic or other epidemics or pandemics may heighten other risks discussed in this Annual Report on Form 10-K, which could adversely affect our business, financial condition, results of operations, cash flows, and stock price.

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, impacts from geopolitical conflicts, and potential governmental actions affecting the flow of goods, services, and currency.

Our success depends on our ability to retain, attract and develop experienced and qualified personnel, including our senior management team and other 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, as well as the colleagues who are critical to developing and retaining client relationships. The unexpected loss of services of any of these senior leaders could have a disruptive effect adversely impacting our ability to manage our business effectively and execute our business strategy. Additionally, competition for professional personnel remains intense, and we are constantly working to retain, attract and develop these professionals. If we cannot successfully do so, our business, operating results, and financial condition could be adversely affected. We may also become involved in disputes and litigation in connection with our efforts to retain and hire personnel, which can be disruptive to our business and may expose us to potential liability for monetary damages. While we have plans for key management succession and long-term compensation plans designed to retain our senior management team and critical colleagues, if our succession plans and retention programs do not operate effectively, our business could be adversely affected.

We strive to maintain an equitable work environment that unlocks the full potential of all of our personnel - this includes our commitment to diversity and inclusion, focus on colleague wellness and mental health, and building a flexible work environment that meets colleague and client needs. If we are unsuccessful in maintaining such a work environment or adapting to colleague needs or expectations, we could experience difficulty attracting and retaining personnel, which could have a negative impact on our business.

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 regulatory, legal, economic, and market risks associated with global operations and sourcing, including:

- difficulties in staffing and managing our offices, and overseeing joint venture operations and compliance in disparate jurisdictions, including due to unexpected inflation (including wage inflation) or job turnover, and the increased travel, infrastructure, and legal and compliance costs and risks associated with multiple international locations;
- hyperinflation in certain countries;
- the impacts of geopolitical conflicts;

- conflicting regulations across the countries in which we do business;
- imposition of investment requirements or other restrictions by governments in certain countries;
- longer payment cycles;
- greater difficulties in collecting accounts receivable;
- insufficient demand for our services in certain jurisdictions;
- our ability to execute effective and efficient cross-border sourcing of services on behalf of our clients;
- the reliance on or use of third parties to perform services on behalf of the Company;
- disparate tax regimes;
- restrictions on the import and export of technologies; and
- trade barriers.

Our business performance and growth plans could be negatively affected if we are not able to develop, implement, update, and enhance solutions to support our business operations or if we are not able to effectively drive value for our clients.

Our success depends, in part, on our ability to enhance and implement the systems necessary to operate our businesses and to achieve intended efficiencies and improvements. We may not be successful in anticipating or responding to rapid and continuing changes in technology, data and analytics, industry standards and client preferences. The effort to gain necessary expertise and achieve internal efficiencies through technology and data and analytics require us to incur significant expenses, and we may not be successful in identifying the optimal funding priorities. We make investments in technology and data and analytics to operate our businesses and achieve intended efficiencies; however, our investments and enhancements may not be sufficient to respond needs across all of our businesses. In addition, if we are not successful in developing and maintaining expertise in process excellence, technology and data trends, our business performance may be compromised.

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, extreme weather, or other climate events; pandemic health events, and man-made disasters, including acts of terrorism, civil unrest, violence, military actions, and cyber-terrorism (including, but not limited to, ransomware). The continued threat of terrorism and other events or disasters may cause significant volatility in global financial markets, and a natural or man-made disaster could trigger energy shortages, public health issues, or an economic downturn or instability 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 professionals to place business. Disasters also could disrupt public and private infrastructure, including communications and financial services, which could disrupt our normal business operations. If access to underwriting markets for certain lines of coverage becomes unavailable or difficult due to the impact of climate change on the claims environment, this may have a negative impact on our clients' access to coverage, which could in turn reduce our ability to place certain lines of coverage and negatively impact our business.

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. Climate change may increase the likelihood or severity of a natural or man-made disaster.

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 a security incident or attack, a natural disaster, climate event, terrorist attack, pandemic, power loss, telecommunications failure, or other natural or man-made disaster, our continued success will depend, in part, on the availability of our personnel and office facilities, and the proper functioning of 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 in particular areas of our operations. We could potentially lose access to key

executives, personnel, or client data or experience material adverse interruptions to our operations or delivery of services to our clients in a disaster recovery scenario. A disaster on a significant scale or affecting certain of our key operating areas within or across regions, or our inability to successfully recover should we experience a disaster or other business continuity problem, could materially interrupt our business operations and cause material financial loss, loss of human capital, regulatory actions, reputational harm, damaged client relationships, or legal liability.

We rely on third parties to perform key functions of our business operations enabling our provision of 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, support functions, and administration 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, benefits administrators, software and system vendors, business process outsourcing providers, health plan providers, investment managers, and providers of human resources, among others. As we do not fully control the actions of these third parties, we are subject to the risk that their decisions, actions, or inactions may adversely impact us and replacing these service providers could create significant delay and expense. Our failure to manage our key suppliers and our day-to-day operations with effective controls, and/or a failure by third parties to comply with service level agreements or regulatory or legal requirements in a high quality and timely manner, particularly during periods of our peak demand for their services, could result in economic, legal, and reputational harm to us. In addition, we face risks as we transition from in-house functions to third-party support functions and providers that there may be disruptions in service or other unintended results that may adversely affect our business operations. 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 business and reputation. An interruption in or the cessation of service by any service provider as a result of systems failures, cybersecurity or data privacy incidents (including, but not limited to, ransomware), 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, or employees, damage to our reputation, and harm to our business.

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

Certain of our businesses collect premiums from insureds and remits the premiums to the respective insurers. We also collect claims or refunds from insurers on behalf of insureds, which are then remitted to the insureds. Consequently, at any given time, we may be holding and managing funds of our clients. This function creates a risk of loss arising from, among other things, fraud by employees or third parties, execution of unauthorized transactions, errors relating to transaction processing, or other cybersecurity events or security breaches. We are also potentially at risk in the event the financial institution in which we hold these funds suffers any kind of insolvency or liquidity event. The occurrence of any of these types of events in connection with this function could cause us financial loss and reputational harm.

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

In pursuing our corporate strategy, we often acquire other businesses or dispose of or exit businesses we currently own and we routinely are actively engaged in the process of identifying, analyzing, and negotiating possible transactions. The success of this strategy is dependent upon our ability to identify appropriate acquisition and disposition targets, negotiate transactions on favorable terms, secure regulatory approval of transactions where required, complete transactions and, in the case of acquisitions, successfully integrate them into our existing businesses and culture. If we are unable to identify appropriate acquisition targets, or if our competitors are more successful in identifying acquisition targets at favorable valuations, we may fail to achieve desired strategic goals, capabilities and efficiencies, and our results of operations might be adversely affected. If a proposed transaction is not consummated, the time and resources spent pursuing it could adversely impact employees, clients and shareholders and the failure to consummate a proposed transaction could result in payment of termination fees and reimbursement of expenses, reputational harm, disputes and litigation and missed opportunities to locate and acquire other businesses. If acquisitions are made, there can be no assurance that we will realize the anticipated benefits of such acquisitions, including, but not limited to, revenue growth, operational efficiencies, or expected synergies, and we could incur unexpected costs in connection with integration. If we dispose of or otherwise exit certain businesses, there can be no assurance that we will not incur certain disposition related charges, will not be subject to post-closing liabilities, obligations or restrictions, will be able to reduce overhead related to the divested assets, or will realize the intended benefits of the disposition.

We may enter new lines of business or offer new products and services within existing lines of business either through acquisitions or through initiative to generate organic revenue growth. These new lines of business, products, and services present the Company with additional risks, particularly in instances where the markets are new or not fully developed. Such

risks include the investment of significant time and resources; the possibility that these efforts will not be successful and could result in reputational damage to us; the possibility that the 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 new or additional liabilities associated with these efforts, including potential E&O or other claims. 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, product or service, integrating the acquired business into our systems and culture, recruiting and retaining experienced 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, products, or services. 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.

We are subject to various risks and uncertainties in connection with the sale of the Divested Business.

On May 1, 2017, the Company completed the sale of the benefits administration and business process outsourcing business (the “Divested Business”) to an entity controlled by affiliates of The Blackstone Group L.P. (the “Buyer”). This transaction carries inherent risks, including the risk that we will not earn the \$500 million of additional consideration or otherwise realize the intended value of the transaction.

Risks Related to Technology, Cybersecurity, and Data Protection

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

We rely on the efficient, uninterrupted, and secure operation of complex information technology systems and networks, some of which are within the Company and some of which are outsourced to third parties. All information technology systems are potentially vulnerable to damage or interruption from a variety of sources, including but not limited to cyber-attacks, computer viruses, security breaches, and unauthorized access or improper actions by insiders or employees. We are at risk of attack by a growing list of adversaries through new and increasingly sophisticated methods of attack, including methods that take advantage of remote work scenarios due to COVID-19. Because the techniques used to obtain unauthorized access or sabotage systems change frequently, we may be unable to anticipate these techniques, implement adequate preventative measures, or detect and respond quickly enough in the event of an incident or attack. We regularly experience social engineering attempts, and increasingly sophisticated attempted attacks to our systems and networks. Aon has from time to time experienced cybersecurity incidents, such as computer viruses, unauthorized parties gaining access to our information technology systems, ransomware incidents, data loss via malicious and non-malicious methods, 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. Problems with the information technology systems of vendors, including breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, difficulties in the migration of services or data to third parties or the cloud hosted by third parties, cyber-attacks, and security breaches could adversely affect our ability to deliver products and services to customers and otherwise conduct business. Additionally, we are a global and acquisitive organization and we therefore might not adequately identify weaknesses in certain of our information systems, including those of targets we acquire, which could expose us to unexpected liabilities and fines or make our own systems more vulnerable to attack. These types of incidents affecting us, our clients, insurance carriers, vendors, or other third-parties could result in intellectual property or other confidential information being lost or stolen, including client or employee personal information or company data.

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

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

One of our significant responsibilities is to maintain the security and privacy of our employees' and clients' confidential and proprietary information, including confidential information about our clients' and 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 have experienced cyber incidents and cannot eliminate the risk of human error, 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, fines, loss of revenue, and loss of clients. The release of confidential information as a result of a security breach could also lead to litigation or other proceedings against us by affected individuals or business partners, or by regulators, and the outcome of such proceedings, which could include penalties or fines, could have a significant negative impact on our business.

In many jurisdictions, including in the E.U. and the U.S., we are subject to laws and regulations relating to the collection, use, retention, security, and transfer of this information. These laws and regulations are frequently changing and are becoming increasingly complex and sometimes conflict among the various jurisdictions and countries in which we provide services both in terms of substance and in terms of enforceability. This makes compliance challenging and expensive. Additionally, certain jurisdictions' regulations include notice provisions that may require us to inform affected clients or employees in the event of a breach of confidential information before we fully understand or appreciate the extent of the breach. These notice provisions present operational challenges and related risk. In particular, there have been a number of recently adopted privacy laws around the globe including in China and, Brazil, and significant privacy rulings in the E.U. relating to the "Schrems II" case, which imposed significant changes to the way companies export personal data from the E.U. We have had to implement new requirements set out in these laws within our business before the effective date causing distraction from other aspects of our business. This new guidance issued to firms by the European Regulators has and will continue to require significant time to implement and may require significant effort to review and effect applicable changes to IT systems and transfer methods. Non-compliance with new and existing laws could result in proceedings against us by governmental entities or others and additional costs in connection therewith. We expect additional jurisdictions to continue to adopt new privacy regulations and there to be amendments to existing regulations as governments continue to legislate in respect of personal data. We have and will continue to incur expenses and devote resources to bring our practices into compliance with these regulations and future regulations. Our failure to comply with or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability, result in proceedings or fines against us by governmental entities or others, or impair 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.

Risks Related to Being an Irish-incorporated Parent Company

We are incorporated in Ireland, and Companies Act 2014 differs from the laws in effect in the U.S. and may afford less protection to holders of our securities.

It may not be possible to enforce court judgments obtained in the U.S. against us in Ireland, based on the civil liability provisions of the U.S. federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of U.S. courts obtained against us or our directors or officers based on the civil liabilities provisions of the U.S. federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the U.S. currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any U.S. federal or state court based on civil liability, whether or not based solely on U.S. federal or state securities laws, would not automatically be enforceable in Ireland.

As an Irish company, we are governed by the Companies Act 2014, which differs in some material respects from laws generally applicable to U.S. corporations and shareholders, including, among others, differences relating to interested director and officer transactions and shareholder lawsuits. Likewise, the duties of directors and officers of an Irish company generally are owed to the company only. Shareholders of Irish companies generally do not have a personal right of action against directors or officers of the company and may exercise such rights of action on behalf of the company only in limited circumstances. Accordingly, holders of our securities may have more difficulty protecting their interests than would holders of securities of a corporation incorporated in a jurisdiction of the U.S.

In addition, depending on the circumstances, the acquisition, ownership and/or disposition of our ordinary shares may subject shareholders to different or additional tax consequences under Companies Act 2014 including, but not limited to, Irish stamp duty, dividend withholding tax and capital acquisitions tax.

As an Irish public limited company, certain capital structure decisions regarding the Company will require the approval of shareholders, which may limit the Company's flexibility to manage its capital structure.

Companies Act 2014 generally provides that a board of directors may allot and issue shares (or rights to subscribe for or convert into shares) if authorized to do so by a company's constitution or by an ordinary resolution of shareholders. Such authorization may be granted in respect of up to the entirety of a company's authorized but unissued share capital and for a maximum period of five years, at which point it must be renewed by another ordinary resolution. The Company's constitution authorizes our directors to allot shares up to the maximum of the Company's authorized but unissued share capital for a period of five years from March 31, 2020. This authorization will need to be renewed by ordinary resolution upon its expiration and at periodic intervals thereafter. Under Companies Act 2014, an allotment authority may be given for up to five years at each renewal, but governance considerations may result in renewals for shorter periods or in respect of less than the maximum permitted number of shares being sought or approved.

Companies Act 2014 also generally provides shareholders with statutory pre-emption rights when new shares are issued for cash. However, it is possible for such statutory pre-emption rights to be dis-applied in a company's constitution or by a special resolution of shareholders. Such dis-application of pre-emption rights may be given in respect of up to the entirety of a company's authorized but unissued share capital and for a maximum period of five years, at which point it must be renewed by another special resolution. The Company's constitution dis-applies statutory pre-emption rights up to the maximum of the Company's authorized but unissued share capital for a period of five years from March 31, 2020. This dis-application will need to be renewed by special resolution upon its expiration and at periodic intervals thereafter. Under Companies Act 2014, a dis-application of statutory pre-emption rights may be given for up to five years at each renewal, but governance considerations may result in renewals for shorter periods or in respect of less than the maximum permitted number of unissued shares being sought or approved.

Companies Act 2014 requires us to have available "distributable profits" to pay dividends to shareholders and generally to make share repurchases and redemptions.

Under Companies Act 2014, we may only pay dividends and, generally, make share repurchases and redemptions from distributable profits. Distributable profits may be created through the earnings of the Company or other methods (including certain intra-group reorganizations involving the capitalization of the Company's un-distributable profits and their subsequent reduction). While it is our intention to maintain a sufficient level of distributable profits in order to pay dividends on our ordinary shares and make share repurchases, there is no assurance that the Company will maintain the necessary level of distributable profits to do so.

Quantitative and Qualitative Disclosures About Market Risk

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

The following discussion describes our specific exposures and the strategies we use to manage these risks. Refer to Note 2 "Summary of Significant Accounting Principles and Practices" of the Notes to Consolidated Financial Statements in this report 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, the Indian rupee, and the Japanese yen. We use over-the-counter options and forward contracts to reduce the impact of foreign currency risk to our financial statements.

Additionally, some of our non-U.S. brokerage subsidiaries receive revenue in currencies that differ from their functional currencies. Our U.K. subsidiaries earn a portion of their revenue in U.S. dollars, euro, and Japanese yen, but most of their expenses are incurred in British pounds. At December 31, 2022, we have hedged approximately 45% of our U.K. subsidiaries' expected exposures to the U.S. dollar, euro, and Japanese yen transactions for the years ending December 31, 2023 and 2024. We generally do not hedge exposures beyond three years.

We also use forward and option contracts to economically hedge foreign exchange risk associated with monetary balance sheet exposures, such as intercompany notes and current 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 \$19 million and \$9 million at December 31, 2023 and 2024, respectively.

The translated value of revenues and expenses from our international brokerage operations are subject to fluctuations in foreign exchange rates. If we were to translate prior year results at current year exchange rates, diluted earnings per share would have an unfavorable \$0.33 and a favorable \$0.17 impact during the years ended December 31, 2022 and December 31, 2021, 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 U.S. and in continental Europe. A hypothetical, instantaneous parallel decrease in the year-end yield curve of 100 BPS would cause a decrease, net of derivative positions, of \$67 million to each of 2023 and 2024 pretax income. A corresponding increase in the year-end yield curve of 100 BPS would cause an increase, net of derivative positions, of \$67 million to each of 2023 and 2024 pre-tax income.

We have long-term debt outstanding, excluding the current portion, with a fair market value of \$8.7 billion and \$9.2 billion as of December 31, 2022 and December 31, 2021, respectively. The fair value was less than the carrying value by \$1.1 billion at December 31, 2022, and \$0.9 billion greater than the carrying value at December 31, 2021. A hypothetical 1% increase or decrease in interest rates would change the fair value by a decrease of 7% or an increase of 8%, respectively, at December 31, 2022.

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.

Other Risks

In addition to foreign exchange and interest rate risk, we are exposed to other market risks, including pricing risks, which may further impact the effects caused by other aforementioned risks. The potential for changes in premium rates is significant, due to pricing cyclicality in the commercial insurance and reinsurance markets. For further discussion regarding these risks, refer to the Principal Risks and Uncertainties section in this report.

REVIEW OF THE DEVELOPMENT AND PERFORMANCE OF THE BUSINESS

EXECUTIVE SUMMARY OF 2022 FINANCIAL RESULTS

Aon plc is a leading global professional services firm providing a broad range of risk, health, and wealth solutions. Through our experience, global reach, and comprehensive analytics, we are better able to help clients meet rapidly changing, increasingly complex, and interconnected challenges. We are committed to accelerating innovation to address unmet and evolving client needs, so that our clients are better informed, better advised, and able to make better decisions to protect and grow their business. Management is focused on strengthening Aon and uniting the firm with one portfolio of capability enabled by data and analytics and one operating model to deliver additional insight, connectivity, and efficiency.

Consolidated Financial Results

The following is a summary of our 2022 financial results:

- Revenue increased \$286 million, or 2%, to \$12.5 billion in 2022 compared to 2021, reflecting 6% organic revenue growth and a 1% favorable impact from fiduciary investment income, partially offset by a 4% unfavorable impact from foreign currency translation, a 1% unfavorable impact from acquisitions, divestitures, and other.
- Operating expenses decreased \$1.3 billion, or 13%, to \$8.8 billion in 2022 compared to 2021 due primarily to the \$1.0 billion payment made in connection with terminating the combination with WTW (the “Termination Fee”) and certain transaction costs incurred related to the termination in the prior year (together, the “Transaction Costs”) and a \$373 million favorable impact from foreign currency translation, partially offset by an increase in expense associated with 6% organic revenue growth, investments in long-term growth, and a \$58 million charge related to certain legal settlements reached.
- Operating margin increased to 29.4% in 2022 from 17.1% in 2021. The increase was driven by a decrease in operating expenses as listed above and organic revenue growth of 6%.
- Due to the factors set forth above, Net income was \$2.6 billion in 2022, an increase of \$1.3 billion, or 102%, from 2021.
- Diluted earnings per share increased 119% to \$12.14 per share during the twelve months of 2022 compared to \$5.55 per share for the prior year period.

- Cash flows provided by operating activities was \$3.2 billion in 2022, an increase of \$1.0 billion, or 48%, from \$2.2 billion in 2021, primarily due to the Transaction Costs paid in the prior year period, and strong operating income growth, partially offset by higher incentive compensation payments made in the current year following strong performance in 2021.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE

For many companies, the management of ESG risks and opportunities has become increasingly important, and ESG-related challenges, such as extreme weather events, supply chain disruptions, cyber events, regulatory changes, ongoing public health impacts, and the increased focus on workforce resilience in highly varied work environments continue to create volatility and uncertainty for our clients. Aon offers a wide range of risk assessment, consulting and advisory solutions, many of which are significant parts of our core business offerings, designed to address and manage ESG issues for clients, and to enable our clients to create more sustainable value. We view ESG risks as presenting an important opportunity for Aon to work together as one firm to address client needs and improve our impact on ESG matters.

REVIEW OF CONSOLIDATED RESULTS

Summary of Results

Our consolidated results are as follow (in millions, except per share data):

	Years Ended December 31	
	2022	2021
Revenue		
Total revenue	\$ 12,479	\$ 12,193
Expenses		
Compensation and benefits	6,477	6,738
Information technology	509	477
Premises	289	327
Depreciation of fixed assets	151	179
Amortization and impairment of intangible assets	113	147
Other general expense	1,271	2,235
Total operating expenses	8,810	10,103
Operating income	3,669	2,090
Interest income	18	11
Interest expense	(406)	(322)
Other income (expense)	(125)	152
Income before income taxes	3,156	1,931
Income tax expense	510	623
Net income	2,646	1,308
Less: Net income attributable to noncontrolling interests	57	53
Net income attributable to Aon shareholders	\$ 2,589	\$ 1,255
Diluted net income per share attributable to Aon shareholders	\$ 12.14	\$ 5.55
Weighted average ordinary shares outstanding - diluted	213.2	226.1

Consolidated Results for 2022 Compared to 2021

Organic Revenue Growth

We use supplemental information related to organic revenue growth to evaluate business growth from existing operations. Organic revenue growth includes the impact of certain intercompany activity and excludes the impact of changes in foreign exchange rate, acquisitions, divestitures, transfers between subsidiaries, fiduciary investment income, and reimbursable expenses. A reconciliation of organic revenue to the reported Total revenue is as follows (in millions, except percentages):

	Years Ended			Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	Dec 31, 2022	Dec 31, 2021	% Change				
Commercial Risk Solutions	\$ 6,715	\$ 6,635	1 %	(4)%	1 %	(2)%	6 %
Reinsurance Solutions	2,190	1,997	10	(3)	1	4	8
Health Solutions	2,224	2,154	3	(3)	—	(2)	8
Wealth Solutions	1,367	1,426	(4)	(5)	—	(2)	3
Elimination	(17)	(19)	N/A	N/A	N/A	N/A	N/A
Total revenue	\$ 12,479	\$ 12,193	2 %	(4)%	1 %	(1)%	6 %

	Years Ended			Less: Currency Impact ⁽¹⁾	Less: Fiduciary Investment Income ⁽²⁾	Less: Acquisitions, Divestitures & Other	Organic Revenue Growth ⁽³⁾
	Dec 31, 2021	Dec 31, 2020	% Change				
Commercial Risk Solutions	\$ 6,635	\$ 5,861	13 %	2 %	— %	— %	11 %
Reinsurance Solutions	1,997	1,814	10	2	—	—	8
Health Solutions	2,154	2,067	4	2	—	(8)	10
Wealth Solutions	1,426	1,341	6	3	—	1	2
Elimination	(19)	(17)	NA	NA	NA	NA	NA
Total revenue	\$ 12,193	\$ 11,066	10 %	2 %	— %	(1)%	9 %

(1) Currency impact is determined by translating last year's revenue at this year's foreign exchange rates.

(2) Fiduciary investment income for the years ended December 31, 2022, 2021, and 2020 was \$76 million, \$8 million, and \$27 million, respectively.

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

Revenue

Total revenue increased \$286 million, or 2%, to \$12.5 billion in 2022, compared to \$12.2 billion in 2021. The increase was driven by 6% organic revenue growth and a 1% favorable impact from fiduciary investment income, partially offset by a 4% unfavorable impact from foreign currency translation and a 1% unfavorable impact from acquisitions, divestitures, and other.

Commercial Risk Solutions revenue increased \$80 million, or 1%, to \$6.7 billion in 2022, compared to \$6.6 billion in 2021. Organic revenue growth was 6% in 2022, reflecting growth across every major geography, including double-digit growth in Latin America, Asia, and the Pacific, driven by strong net new business generation, retention, and management of the renewal book portfolio. U.S. retail brokerage was pressured primarily by Transaction Solutions, which declined due to lower external deal volume. Results also reflect strong growth globally in the affinity business across both consumer and business solutions, including growth in the travel and events practice and Digital Client Solutions. On average globally, exposures and pricing were modestly positive, resulting in modestly positive market impact.

Reinsurance Solutions revenue increased \$193 million, or 10%, to \$2.2 billion in 2022, compared to \$2.0 billion in 2021. Organic revenue growth was 8% in 2022 driven by strong net new business generation in treaty, as well as solid growth in facultative placements and the Strategy and Technology Group. In addition, market impact was modestly positive on results.

Health Solutions revenue increased \$70 million, or 3%, to \$2.2 billion in 2022, compared to \$2.2 billion in 2021. Organic revenue growth was 8% in 2022, reflecting growth globally in core health and benefits brokerage, driven by strong retention, net new business generation and management of the renewal book portfolio. Strength in health and benefits included growth in advisory work related to wellbeing and resilience. Results also reflect double-digit growth in Human Capital, driven by data and advisory solutions, and modest growth in Consumer Benefits Solutions.

Wealth Solutions revenue decreased \$59 million, or 4%, to \$1.4 billion in 2022, compared to \$1.4 billion in 2021. The decrease was primarily driven by a 5% unfavorable impact from foreign currency translation and a 2% unfavorable impact from acquisitions, divestitures, and other. This decrease was offset by organic revenue growth of 3% in 2022 driven by high demand and project related work related to pension risk transfer and ongoing impacts of regulatory changes. In Investments, a decrease in AUM-based delegated investment management revenue due to equity market and interest rate movements was partially offset by higher advisory demand and project-related work.

Compensation and Benefits

Compensation and benefits decreased \$261 million, or 4%, in 2022 compared to 2021. The decrease was primarily driven by a \$293 million favorable impact from foreign currency translation and a \$245 million decrease in Transaction Costs, partially offset by an increase in expense associated with 6% organic revenue growth.

Information Technology

Information technology, which represents costs associated with supporting and maintaining our infrastructure, increased \$32 million, or 7%, in 2022 compared to 2021. The increase was primarily driven by ongoing investments in Aon Business Services-enabled technology platforms and technology to drive long-term growth, partially offset by a \$17 million decrease in Transaction Costs.

Premises

Premises, which represents the cost of occupying offices in various locations throughout the world, decreased \$38 million, or 12%, in 2022 compared to 2021. The decrease was primarily driven by a \$22 million decrease in Transaction Costs and a \$19 million favorable impact from foreign currency translation.

Depreciation of Fixed Assets

Depreciation of fixed assets primarily relates to software, leasehold improvements, furniture, fixtures and equipment, computer equipment, buildings, and automobiles. Depreciation of fixed assets decreased \$28 million, or 16%, in 2022 compared to 2021. The decrease was primarily driven by a \$16 million decrease in Transaction Costs.

Amortization and Impairment of Intangible Assets

Amortization and impairment of intangibles primarily relates to finite-lived customer-related and contract-based, technology, and tradename assets. Amortization and impairment of intangibles decreased \$34 million, or 23%, in 2022 compared to 2021.

Other General Expenses

Other general expenses decreased \$964 million, or 43%, in 2022 compared to 2021. The decrease was primarily driven by a \$1.1 billion decrease in Transaction Costs, partially offset by an increase in expense associated with 6% organic revenue growth, including travel and entertainment expense, and a \$58 million charge from certain legal settlements reach in 2022.

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 was \$18 million in 2022, an increase of \$7 million, or 64%, from 2021.

Interest Expense

Interest expense, which represents the cost of our debt obligations, was \$406 million in 2022, an increase of \$84 million, or 26%, from 2021. The increase primarily reflects an increase in total debt.

Other Income (Expense)

Other expense was \$125 million in 2022, which primarily reflects a non-cash pension settlement charge of \$170 million incurred in the fourth quarter, compared to Other income of \$152 million in 2021, primarily reflecting a gain from sale of businesses in the prior year period.

Income before Income Taxes

Income before income taxes was \$3.2 billion in 2022, a 63% increase from \$1.9 billion in 2021. The increase was primarily driven by \$1.4 billion in Transaction Costs in the prior year period and strong operational performance.

Income Taxes

The effective tax rate on net income was 16.2% in 2022 and 32.3% in 2021. The 2022 tax rate was primarily driven by the geographical distribution of income and certain discrete items, primarily the favorable impacts of share-based payments.

The 2021 tax rate was primarily driven by the impact of the Termination Fee, the U.K. statutory tax rate increase, and the tax benefit of share-based payments. The U.K. enacted legislation in the second quarter of 2021 which increases the corporate income tax rate from 19% to 25% with effect from April 1, 2023 and the Company remeasured its U.K. deferred tax assets and liabilities accordingly.

Net Income Attributable to Aon Shareholders

Net income attributable to Aon shareholders increased to \$2.6 billion, or \$12.14 per diluted share, in 2022, compared to \$1.3 billion, or \$5.55 per diluted share, in 2021.

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

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 and claims in Fiduciary assets in the Consolidated Statements of Financial Position, with a corresponding amount in Fiduciary liabilities.

In our capacity as an insurance broker or agent, we collect premiums from insureds and, after deducting our commission, remit the premiums to the respective insurance underwriters. We also collect claims or refunds from underwriters on behalf of insureds, which are then returned to the insureds. Unremitted insurance premiums and claims are held by us in a fiduciary capacity. The levels of funds held on behalf of clients and liabilities can fluctuate significantly depending on when we collect the premiums, claims, and refunds, make payments to underwriters and insureds, and collect funds from clients and make payments on their behalf, and upon the impact of foreign currency movements. Funds held on behalf of clients, because of their nature, are generally invested in very liquid securities with highly rated, credit-worthy financial institutions. Fiduciary assets include funds held on behalf of clients comprised of cash and cash equivalents of \$6.4 billion and \$6.1 billion at December 31, 2022 and 2021, and fiduciary receivables of \$9.5 billion and \$8.3 billion at December 31, 2022 and 2021, respectively. While we earn investment income on the funds held in cash and money market funds, the funds cannot be used for general corporate purposes.

We maintain multi-currency cash pools with third-party banks in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts provided the overall global balance does not fall below zero. At December 31, 2022, non-U.S. cash balances of one or more entities may have been negative; however, the overall balance was positive.

The following table summarizes our Cash and cash equivalents, Short-term investments, and Fiduciary assets as of December 31, 2022 (in millions):

Asset Type	Statement of Financial Position Classification			
	Cash and cash equivalents	Short-term investments	Fiduciary assets	Total
Certificates of deposit, bank deposits, or time deposits	\$ 690	\$ —	\$ 3,515	\$ 4,205
Money market funds	—	452	2,871	3,323
Cash, Short-term investments, and funds held on behalf of clients	690	452	6,386	7,528
Fiduciary receivables	—	—	9,514	9,514
Total	\$ 690	\$ 452	\$ 15,900	\$ 17,042

Cash and cash equivalents and funds held on behalf of clients increased \$431 million in 2022 compared to 2021. A summary of our cash flows provided by and used for operating, investing, and financing activities is as follows (in millions):

	Years Ended December 31	
	2022	2021
Cash provided by operating activities	\$ 3,219	\$ 2,182
Cash provided by (used for) investing activities	\$ (449)	\$ 49
Cash used for financing activities	\$ (1,790)	\$ (1,924)
Effect of exchange rates on cash and cash equivalents and funds held on behalf of clients	\$ (549)	\$ (235)

Operating Activities

Net cash provided by operating activities during the year ended December 31, 2022 increased \$1,037 million, or 48%, from the prior year to \$3,219 million. This amount represents Net income reported, generally adjusted for the following primary drivers including gains from sales of businesses, losses from sales of businesses, share-based compensation expense, depreciation expense, amortization and impairments, and other non-cash income and expenses, including pension settlement charges. Adjustments also include changes in working capital that relate primarily to the timing of payments of accounts payable and accrued liabilities and collection of receivables.

Pension Contributions

Pension contributions were \$59 million for the year ended December 31, 2022, as compared to \$87 million for the year ended December 31, 2021. In 2023, we expect to contribute approximately \$61 million in cash to our pension plans, including contributions to non-U.S. pension plans, which are subject to changes in foreign exchange rates.

Investing Activities

Cash flows used for investing activities during the year ended December 31, 2022 were \$449 million, a decrease of \$498 million compared to the year ended December 31, 2021. Generally, the primary drivers of cash flows used for investing activities are acquisition of businesses, purchases of short-term investments, capital expenditures, and payments for investments. Generally, the primary drivers of cash flows provided by investing activities are sales of businesses, sales of short-term investments, and proceeds from investments. The gains and losses corresponding to cash flows provided by proceeds from investments and used for payments for investments are primarily recognized in Other income (expense) in the Consolidated Statements of Income.

Short-term Investments

Short-term investments increased \$160 million at December 31, 2022 as compared to December 31, 2021. As disclosed in Note 14 “Fair Value Measurements and Financial Instruments” of the Notes to Consolidated Financial Statements contained in this report, the majority of our investments carried at fair value are money market funds. These money market funds are held throughout the world with various financial institutions. We are not aware of any market liquidity issues that would materially impact the fair value of these investments.

Acquisitions and Dispositions of Businesses

During 2022, the Company completed the acquisition of five businesses for consideration of \$162 million, net of cash and funds held on behalf of clients, and the disposition of three businesses for a \$81 million cash inflow, net of cash and funds held on behalf of clients.

During 2021, the Company completed the acquisition of two businesses for consideration of \$14 million, net of cash and funds held on behalf of clients, and the disposition of six business for a \$218 million cash inflow, net of cash and funds held on behalf of clients.

Capital Expenditures

The Company's additions to fixed assets, including capitalized software, which amounted to \$196 million in 2022 and \$137 million in 2021, primarily related to refurbishing and modernizing of office facilities, software development costs, and computer equipment purchases.

Financing Activities

Cash flows used for financing activities during the year ended December 31, 2022 was \$1,790 million, a decrease of \$134 million compared to prior year. Generally, the primary drivers of cash flow used for financing activities are repayments of debt, share repurchases, dividends paid to shareholders, cash paid for employee taxes on withholding shares, transactions with noncontrolling interests, and other financing activities, such as collection of or payments for deferred consideration in connection with prior year business acquisitions and divestitures. Generally, the primary drivers of cash flow provided by financing activities are issuances of debt, changes in net fiduciary liabilities, and proceeds from issuance of shares.

Share Repurchase Program

We have a share repurchase program authorized by our Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases, and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in February 2022 for a total of \$27.5 billion in repurchase authorizations. We expect share repurchase to continue to remain our highest ROIC opportunity for capital allocation.

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

	Years Ended December 31	
	2022	2021
Shares repurchased and cancelled	11.1	12.4
Average price per share	\$ 289.76	\$ 286.82
Repurchase costs recorded to accumulated deficit	\$ 3,203	\$ 3,543

At December 31, 2022, the remaining authorized amount for share repurchase under the Repurchase Program was approximately \$6.0 billion. Under the Repurchase Program, we have repurchased a total of 160.7 million shares for an aggregate cost of approximately \$21.5 billion. The Company had no opening or closing repurchased shares for the years ended December 31, 2022 and December 31, 2021.

Borrowings

Total debt at December 31, 2022 was \$10.8 billion, an increase of \$1.4 billion compared to December 31, 2021.

In November 2022, Aon Global Limited's \$350 million 4.00% Senior Notes due November 2023 were classified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as the date of maturity is in less than one year as of December 31, 2022.

In November 2022, Aon Corporation's \$500 million 2.20% Senior Notes matured and were repaid in full. In November 2021, the Company's \$500 million 2.20% Senior Notes due November 2022 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 in less than one year as of December 31, 2021.

On September 12, 2022, Aon Corporation, a Delaware corporation, and Aon Global Holdings plc, a public limited company formed under the laws of England and Wales, both wholly owned subsidiaries of the Company, co-issued \$500 million of 5.00% Senior Notes due September 2032. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 28, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$600 million of 2.85% Senior Notes due May 2027 and \$900 million of 3.90% Senior Notes due February 2052. The Company intends to use the net proceeds from the offering for general corporate purposes.

On December 2, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$500 million aggregate principal amount of 2.60% Senior Notes set to mature on December 2031. We intend to use the net proceeds of the offering for general corporate purposes.

On August 23, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$400 million of 2.05% Senior Notes due August 2031 and \$600 million of 2.90% Senior Notes due August 2051. We intend to use the net proceeds from the offering for general corporate purposes.

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

Aon Corporation has established a U.S. commercial paper program (the “U.S. Program”) and Aon Global Holdings plc has established a European multi-currency commercial paper program (the “European Program” and, together with the U.S. Program, the “Commercial Paper Programs”). Commercial paper may be issued in aggregate principal amounts of up to \$1 billion under the U.S. Program and €625 million under the European Program, not to exceed the amount of our committed credit facilities, which was approximately \$1.8 billion at December 31, 2022. The aggregate capacity of the Commercial Paper Program remains fully backed by our committed credit facilities. Commercial paper activity during the years ended December 31, 2022 and 2021 is as follows (in millions):

	Years Ended December 31	
	2022	2021
Total issuances ⁽¹⁾	\$ 12,301	\$ 4,478
Total repayments	(12,366)	(3,807)
Net issuances	\$ (65)	\$ 671

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

(2) Proceeds from commercial paper issued by Aon Corporation under the U.S. Program, where the aggregate principal was raised on July 26, 2021, were used to pay approximately \$400 million of the Termination Fee on July 27, 2021.

Other Liquidity Matters

Distributable Profits

We are required under Companies Act 2014 to have available “distributable profits” to make share repurchases or pay dividends to shareholders. Distributable profits are created through the earnings of the Parent Company and, among other methods, through intercompany dividends or a reduction in share capital approved by the High Court of Ireland. Distributable profits are not linked to a U.S. GAAP reported amount (e.g. Accumulated deficit). As of December 31, 2022 and December 31, 2021, we had distributable profits in excess of \$30.7 billion and \$32.7 billion, respectively. We believe that we will have sufficient distributable profits for the foreseeable future.

Credit Facilities

We expect cash generated by operations for 2022 to be sufficient to service our debt and contractual obligations, finance capital expenditures, and continue to pay dividends to our shareholders. Although cash from operations is expected to be sufficient to service these activities, we have the ability to access the commercial paper markets or borrow under our credit facilities to accommodate any timing differences in cash flows. Additionally, under current market conditions, we believe that we could access capital markets to obtain debt financing for longer-term funding, if needed.

As of December 31, 2022, we had two primary committed credit facilities outstanding: our \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and our \$750 million multi-currency U.S. credit facility expiring in October 2024. In aggregate, these two facilities provide approximately \$1.8 billion in available credit.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require us to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to consolidated adjusted EBITDA, tested quarterly. At December 31, 2022, we did not have

borrowings under either facility, and we were in compliance with the financial covenants and all other covenants contained therein during the rolling year ended December 31, 2022.

Shelf Registration Statement

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

Rating Agency Ratings

The major rating agencies' ratings of our debt at March 22, 2023 appear in the table below.

	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

Letters of Credit and Other Guarantees

We have entered into a number of arrangements whereby our performance on certain obligations is guaranteed by a third party through the issuance of a LOC. We had total LOCs outstanding of approximately \$74 million at December 31, 2022, compared to \$75 million at December 31, 2021. These LOCs cover the beneficiaries related to certain of our U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for our own workers' compensation program. We also have obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at our international subsidiaries.

We have certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$173 million at December 31, 2022, compared to \$153 million at December 31, 2021.

Contractual Obligations

Our contractual obligations and commitments as of December 31, 2022 are comprised of principal payments on debt, interest payments on debt, operating leases, pension and other postretirement benefit plans, and purchase obligations.

Operating leases are primarily comprised of leased office space throughout the world. As leases expire, we do not anticipate difficulty in negotiating renewals or finding other satisfactory space if the premise becomes unavailable. In certain circumstances, we may have unused space and may seek to sublet such space to third parties, depending upon the demands for office space in the locations involved. Refer to Note 8 "Lease Commitments" of the Notes to Consolidated Financial Statements contained in this report for further information.

Pension and other postretirement benefit plan obligations include estimates of our minimum funding requirements pursuant to the ERISA and other regulations, as well as 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. Refer to Note 11 "Employee Benefits" of the Notes to Consolidated Financial Statements contained in this report for further information.

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

We had no other cash requirements from known contractual obligations and commitments that have, or are reasonably likely to have, a current or future material effect on the Company's financial condition, results of operations, or liquidity.

NON-FINANCIAL STATEMENT

The following information is being provided in compliance with our non-financial reporting obligations under the E.U. Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups, Regulations 2017 of Ireland S.I. 360 of 2016, as amended.

Our Business Model, Principal Risks, and Our Commitment to ESG

Information regarding our business model can be found in the “Principal Activities” and “Business Segment” sections of this report. Information on Aon’s Principal Risks can be found in the “Principal Risks and Uncertainties” section of this report.

Our Purpose

To shape decisions for the better – to protect and enrich the lives of people around the world.

We are a leading global professional services firm providing a broad range of risk, health, and wealth solutions. Aon’s approximately 50,000 colleagues provide our clients in over 120 countries and sovereignties with advice and solutions that give them clarity and confidence to make better decisions to protect and grow their business.

Our Commitment

We believe our firm, and our clients, must prepare for the ongoing challenges we face from emerging and long-tail risks, such as climate change, cybersecurity, pandemics, workforce resilience, and human capital risks. Aon believes that when businesses thrive, so do the people they employ and the communities they serve. That is why we will continue to invest in our colleagues and communities and deploy resources into developing innovative solutions that help address these rapidly changing, increasingly complex and interconnected challenges.

As a firm that helps clients manage and mitigate all forms of risk, including risks associated specifically with their ESG efforts, we are able to bring that expertise to our own business-related efforts with strong corporate governance.

Our risk management program covers the range of key risks to Aon, including External, Legal & Compliance, Financial, Security, Technology, People, and Operational risks. Our Aon plc Board of Directors oversees Aon’s risk management program and allocates certain oversight responsibilities to its committees and sub-committees, as appropriate. The Board and its committees periodically review our risk management policies, processes and controls (including enterprise risk management). Management carries out the daily processes, controls and practices of our risk management program, many of which are embedded in our operations. In addition, as part of our enterprise risk management process, management identifies, assesses, prioritizes, develops and executes mitigation plans for Aon’s top material risks.

Aon United, Our Culture and Human Capital Strategy

Our Culture

Our culture is driven by our values – committed as one firm to our purpose, united through trust as one inclusive, diverse team, and passionate about making our colleagues and clients successful. Our colleagues are the cornerstone of Aon's success. Collaboration and innovation drive our culture, bringing the best of Aon to clients in a holistic and seamless manner. Our Aon United strategy defines how Aon colleagues work together to deliver value to clients, setting a new standard for client leadership. Aon United is brought to life through our common client value creation model which scales strategies from across the firm to bring the best of Aon to clients. Each year, Aon makes significant philanthropic contributions to various organizations, supports numerous colleague volunteer opportunities, and offers paid time off to volunteer.

Colleagues

As of December 31, 2022, we employed approximately 50,000 employees and conducted our operations in more than 120 countries and sovereignties. Our colleagues’ diverse talents, expertise, and insights contribute to the success of both our firm and our clients, and we seek to attract, grow, and retain the best talent in the industry. Our Inclusive People Leadership strategy is a central part of our Aon United Blueprint and is a key enabler to realizing our aspirations and purpose as a firm. At Aon, all colleagues are called upon to be leaders in embracing and modelling our Aon United values and behaviors. Inclusive People Leadership at Aon ensures that all colleagues – at every stage of their career journey – are equipped and motivated to deliver on our purpose and able to achieve their full potential. Colleagues benefit from our “Smart Working” approach. The aim of Smart Working is to create a healthy, productive, inclusive, and sustainable way of working, enabling colleagues to deliver their best work for clients from wherever they are best placed to do so. This strategy, which supports in person, hybrid, and virtual working, continues to be a source of positive feedback and strong engagement based on colleague surveys.

Training and Development

We invest significant resources to develop the talent needed to remain at the forefront of innovation and remain an attractive employer. Colleagues are invited to complete a variety of curricula to meet their career stage goals and developmental needs. We provide our colleagues what they need to learn, grow, and become the leaders our clients seek. From self-guided learning courses to advanced leadership programs, the curriculum is aligned to the Aon United Blueprint and Inclusive People Leader strategy. Aon's investment in technology and use of virtual based learning and development programs allows us to deliver targeted offerings designed to advance all colleagues' development.

Colleague Engagement and Retention

Providing an engaging and rewarding colleague experience is a top priority for our firm and understanding colleagues' feedback helps us reach that goal. We use a variety of channels to facilitate open, on-going, and direct communication with colleagues. These channels include open forums and town halls with executives, colleague surveys, and engagement through our Business Resource Groups. Business Resource Groups are our independent, voluntary, non-profit associations that provide input, take action, and help identify opportunities for our firm to further commitments to I&D and belonging.

Our engagement survey process consists of frequent pulse surveys as well as our annual all colleague support survey which enables us to understand how colleagues are engaging with their teams, the firm, and clients. This outreach effort allows us to gather insights more rapidly, take timely action to address feedback and deliver on the needs of colleagues in real time – ensuring colleagues feel more connected, more valued and more relevant. The pulse surveys for 2022 were focused on topics such as manager and leadership support, delivering on our Aon Story, colleague wellbeing, I&D, talent acquisition and performance & rewards. Aon's feedback from our workforce provides management a better understanding of evolving colleague viewpoints, and ensures we are taking appropriate steps to drive colleague engagement and retention. For discussion of the risks related to the attraction and retention of senior management and other professional personnel, see Principal Risks and Uncertainties in the Directors' Report.

Rewards

In addition to an inspired purpose and culture, we are proud to offer our colleagues a total rewards program that combines competitive pay, incentive opportunities, and benefits. Our compensation programs, including salary, recognition, cash and equity incentives, are connected to our formal performance management and career development approach. These programs serve to reward colleagues for their Aon United impact both in what they accomplish for clients, colleagues, and shareholders, how they achieve those results and how they deliver on our values. We maintain a global commitment to colleague wellbeing and play a key role in supporting colleagues across the physical, emotional, financial, and social spectrum. Our comprehensive benefit programs are competitive for the markets in which we operate and aligned with our values and culture. Eligible colleagues that were active on September 24, 2021 received a one-time stock based award enabling Aon colleagues to share in the future success of our Aon United mission.

Our compensation philosophy aligns with our Aon United strategy and delivering long-term shareholder value creation. Our executive incentives are based on driving results, delivery of strategic initiatives, and leadership. Beginning in 2021, 20% of the short-term incentives for senior executives are based on quantifiable performance against firm-wide I&D initiatives.

Inclusion and Diversity

We believe that inclusive and diverse teams produce better insight, better solutions, and ultimately the best outcomes for clients and Aon's long-term success.

We are focused on being a firm that is representative of the communities in which we operate. We achieve this by aligning I&D actions to the following pillars: Recruitment, Education, Promotion, and Representation. We strongly believe that only when colleagues can be their authentic selves will they reach their full potential.

Our commitment to I&D starts from the top with our Board of Directors, including its I&D Sub-Committee. Our Global Inclusive Leadership Council is sponsored by our Chief Executive Officer and Chief People Officer. Regional Inclusive Leadership Councils and our Executive Leadership Teams are aligned to drive actions to increase the diversity of our teams. Our colleague-led Business Resource Groups also support execution and provide additional opportunities for colleagues to enhance our inclusive environment.

As of December 31, 2022, Aon's global workforce was 54% women and 46% men, and the Aon Executive Committee which leads the firm was 48% women and 52% men. At the manager level, 28% of senior leaders and 43% of managers with one or more direct report were women. New colleague hires for the year were 51% women and 49% men. Aon's U.S. workforce was 25% racially or ethnically diverse, calculated as a percentage of colleagues that have voluntarily disclosed their

race or ethnicity to Aon. At the manager level, 13% of U.S. senior leaders and 18% of U.S. managers with one or more direct report were racially or ethnically diverse. New colleague hires for the year in the U.S. were 31% racially or ethnically diverse.

Community

Our Apprenticeship Program

Apprenticeship programs help build a talent pipeline of highly skilled and diverse professionals while providing apprentices with advanced education and work experience. By removing some of the traditional barriers to entry-level employment, Aon can contribute to local workforce development and cultivate talent while improving retention rates in these entry-level roles. As a founding member of seven apprentice networks within the U.S., we partner with companies and organizations to assist them in building their own programs through sharing best practices and learnings. Across these networks, we have over 160 organizations committed as of December 31, 2022.

Aon's two-year Apprenticeship Program, which was implemented in the U.K. and U.S. in 2012 and 2017, respectively, serves as an alternate route into a permanent role that normally requires a specific degree or professional experience. Aon provides motivated, high-potential individuals with the required training (on the job and in the classroom), professional skills development, mentorship, and experiential learning to bridge the gap. Over 585 Aon apprentices have been hired since the inception of the program across the U.S. and U.K. Both programs are certified apprenticeship programs, by the Department of Labor in the U.S. and the Department of Education in the U.K.

Our Supplier Diversity Program

At Aon, we believe supplier diversity plays an integral role in supporting the needs of our stakeholders to create long-term value and industry leading risk, retirement and health solutions for our colleagues, clients and communities. At Aon, supplier diversity is a set of processes whereby we seek to foster engagement and do business with historically underutilized population groups. We routinely source diverse business enterprises within the professional services industry with operational capacity to support large-scale or highly specialized projects. Through our integrated supplier and business diversity efforts, over six percent of our U.S. addressable spend was with diverse suppliers in 2022. Aon offers clients supplier diversity business solutions as well, guiding companies through the procurement and change management processes to integrate diverse suppliers within their value chain.

Environmental

We strive to implement ESG best practices internally to promote corporate resiliency and sustainability, and to prepare for and manage the ongoing challenges posed by emerging and long-tail risks. For many companies, the management of ESG risks and opportunities has become increasingly important. Aon offers a wide range of consulting and advisory solutions designed to address and manage ESG issues for clients. We view ESG risks as presenting an important opportunity to help clients and improve our impact on ESG matters.

Bringing the best of Aon to deliver best-in-class service to clients, we:

- Provide advisory, data and analytics capability and capital solutions to support clients navigating the transition to a low carbon/net-zero future
- Partner with companies, governments, organizations and communities in driving further progress in identifying and acting against climate-related risks with the intention to advance human and economic prosperity
- Increase momentum on the topic and act against climate-related risks with the intention to advance societal resilience and help clients navigate the evolving regulatory environment
- Act as a partner to meet our clients' supply chain sustainability targets, enabling the ecosystem for mutual climate success

Aon Priorities

Similar to our work helping clients find sustainable solutions, we are working to reduce the impact of our own operations and build a more climate-resilient organization.

As a firm, we're taking direct action to lower our carbon footprint and be responsible stewards of the environment while considering opportunities to factor climate change into the insights, assessments, insurance and solutions we use to help clients and partners around the world. Aon has committed to achieving net-zero greenhouse gas (GHG) emissions by 2030, and we have set targets in the process of being validated by the Science Based Targets initiative in line with a 1.5-degree pathway. We

will achieve this important goal by refining our sustainable sourcing strategy, driving energy efficiency across our real estate portfolio and technology, reducing real estate footprint, and enhancing options for virtual meetings.

Ethics & Compliance

The Aon Code of Business Conduct represents Aon's principles and shared values, setting standards for how we work with each other, our clients, and our business partners. With the Aon Code of Business Conduct, Aon makes it clear to every colleague the high expectations and requirements for how we conduct business, and also provides resources to colleagues so they are prepared to do the right thing in even the most challenging situations. Each year, all colleagues, officers, and directors must certify they have read and understand the Aon Code of Business Conduct. The Aon Code of Business Conduct can be found at: <https://www.aon.com/about-aon/corporate-governance/guidelines-policies/code-of-business-conduct.jsp>.

All suppliers are expected to adhere to Aon's Code of Business Conduct, and Supplier Code of Business Conduct. When choosing suppliers and other partners, we examine how they conduct themselves concerning I&D, human rights and environmental policies. With an emphasis on managing risk in our supply chain, this strategy helps ensure Aon establishes trusted relationships with our diverse suppliers who understand the unique needs of our stakeholders, the standards of our colleagues and the level of integrity our communities and clients expect.

We maintain an Ethics Helpline for applicants, colleagues and third-parties to report in good faith potential violations of Aon's Code of Business Conduct, policies and procedures, or laws and regulations. We take all allegations seriously and have policies in place to prohibit retaliation. To ensure confidentiality and impartiality, the Ethics Helpline is operated by an independent, third-party provider.

Anti-Bribery and Corruption

Aon's Global Anti-Bribery and Anti-Corruption Policy provides guidance and requirements to maintain Aon's compliance with global anti-corruption laws, including the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and legislation enacted in accordance with the Organization for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Aon's reputation as a leading professional services firm is built on delivering distinctive value to clients and representing the very best when it comes to integrity, ethics, and values. Aon's Anti-Corruption program provides guidance and requirements for conducting business in accordance with the Company's high ethical and legal standards. All colleagues are required to complete annual mandatory trainings focused on Aon's Code of Business Conduct and compliance policies, including Global Anti-Bribery and Anti-Corruption, Global Trade Restrictions, and client gift and entertainment expectations, among other standards.

Protecting Human Rights

Aon is committed to upholding international standards on human rights. We support the principles contained within the Universal Declaration of Human Rights and the International Labour Organization's core conventions on labor standards. Aon acknowledges that companies, including professional services firms can potentially have an impact on human rights. Aon does not tolerate the use of forced labor or child labor and has zero tolerance for slavery or trafficking of human beings.

Our commitment to human rights and addressing human rights risks is uncompromising. We devote significant time and resources to helping colleagues and people around the world understand their rights, protect their fundamental liberties and reach their full potential through training and education, charitable and pro-bono services, through business solutions and industry partnerships.

Modern Slavery

We do not tolerate modern slavery or human trafficking in our organization or in our supply chain. To that end, Aon conducts robust diligence in the sourcing and selection of our suppliers. Supplier contracts include anti-slavery language in accordance with the U.K. Modern Slavery Act to ensure we are promoting healthy, ethical business practices. Aon's Statement on Modern Slavery can be found at <https://www.aon.com/about-aon/corporate-governance/corporate-governance.jsp>.

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 10 "Shareholders' Equity (Deficit)" of the Notes to the Consolidated Financial Statements.

Aon has a share repurchase program authorized by the Company's Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases and was increased by \$5.0 billion in authorized

repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in authorized repurchases in February 2022 for a total of \$27.5 billion in repurchase authorizations.

During 2022, we repurchased and cancelled 11.1 million shares at an average price per share of \$289.76 for a total cost of \$3.2 billion. The remaining authorized amount for share repurchase under our repurchase program at December 31, 2022 was \$6.0 billion.

POLITICAL DONATIONS

No political donations that require disclosure under the Electoral Act 1997 of Ireland, as amended were made by the Company during 2022 or 2021.

DIVIDENDS

For the year ended December 31, 2022, the company paid dividends to shareholders totaling \$2.19 per Class A ordinary share for a total amount of \$463 million. In January 2023, the Board of Directors approved the declaration of a dividend to shareholders of \$0.56 per Class A ordinary share. In February 2023, we paid those dividends in the amount of \$115 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 2014.

FUTURE DEVELOPMENTS

Except for the items mentioned in the “Principal Activities” section, the directors do not anticipate that any other of the Company’s primary activities will change in the foreseeable future.

USE OF FINANCIAL INSTRUMENTS

Information on the Company’s risk management process and the policies for mitigating certain types of risk are set out in the “Principal Risks and Uncertainties” section of this report. Details of the financial instruments used for these purposes are set out in Note 13 “Derivatives and Hedging” and Note 14 “Fair Value Measurements and Financial Instruments” of the Notes to the Consolidated Financial Statements.

STATEMENT OF GOING CONCERN

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.

AUDIT COMMITTEE

The primary purposes of the Audit Committee are to assist the Board with the oversight of: (i) the integrity of Aon’s financial statements, financial reporting process, and internal controls; (ii) Aon’s compliance with legal and regulatory requirements and ethics programs established by management and the Board; (iii) the engagement of Aon’s independent auditor, and its qualifications, independence and performance; (iv) subject to the provisions of the Companies Act 2014, the appointment and performance of Aon’s statutory auditor as required; and (v) the performance of Aon’s internal audit function. In discharging this role, the Audit Committee is authorized to retain outside counsel or other experts as it deems appropriate to carry out its duties and responsibilities.

The Board has also delegated to the Audit Committee the primary responsibility for the oversight of the Company’s risk management. The charter of the Audit Committee provides that the Audit Committee will discuss guidelines and policies with respect to the Company’s risk assessment and risk management, including the major financial risk exposures facing the Company and the steps management has taken to monitor and control such exposures. The Audit Committee also has primary responsibility for oversight of cybersecurity risk and engages in regular discussion with management regarding cybersecurity risk mitigation and incident management. The Audit Committee and the Compliance Sub-Committee of the Audit Committee (the “Compliance Sub-Committee”) have general oversight responsibility for the Company’s legal, regulatory, and ethics policies and programs and annually reviews the adequacy of those policies and programs, including Aon’s Code of Business Conduct. In addition, the Audit Committee and the Compliance Sub-Committee periodically review with management any material correspondence with, or other action by, regulators or governmental agencies.

ACCOUNTING RECORDS

The directors are responsible for keeping adequate accounting records that are sufficient to correctly record and explain the

Group's and Parent Company's transactions and disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Group and Parent Company and enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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 achieve this by employing qualified personnel and maintaining digital accounting systems. Accounting records for the Parent Company are held at the Parent Company's registered office at Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

SUBSIDIARY COMPANIES

Information regarding material subsidiary undertakings is included in Note 21 "Group Undertakings" of the Notes to the Consolidated Financial Statements.

DIRECTORS' AND SECRETARIES' INTERESTS IN SHARES

The Directors and Secretary of the Company as of December 31, 2022 are listed in the table below and have served from the period of January 1, 2022 through December 31, 2022 and through the date of this report, unless otherwise noted below. No Director, Company secretary, or any member of their immediate families had any interest in shares or debentures of any subsidiary or any debentures of Aon plc. The interests of the current Directors and Secretary of the Company in the ordinary share capital of Aon plc as of January 1, 2022 or the date when they first became a director of the Company, and December 31, 2022 are presented in the table below. Directors' remuneration is set forth in Note 17 "Directors' Remuneration" of the Notes to the Consolidated Financial Statements.

Name	Class A Ordinary Shares as at January 1, 2022 (or date of appointment, if later)		Class A Ordinary Shares as at December 31, 2022	
	Shares	Unrestricted/Unvested Shares	Shares	Unrestricted/Unvested Shares
Directors of the Company				
Lester B. Knight	276,346	—	292,012	—
Gregory C. Case	1,286,723	244,244 ⁽¹⁾	1,358,826	226,206 ⁽²⁾
Jin-Yong Cai	5,803	—	6,337	—
Jeffrey C. Campbell	9,741	—	10,512	—
Fulvio Conti	29,389	—	29,991	—
Cheryl A. Francis	26,414	—	27,185	—
Adriana Karaboutis ⁽³⁾	—	—	497	—
J. Michael Losh	25,809	—	26,580	—
Richard C. Notebaert	39,508	—	37,779	—
Gloria Santona	37,318	—	38,089	—
Byron O. Spruell	1,572	—	2,743	—
Carolyn Y. Woo	26,750	—	26,820	—
Secretary				
Darren E. Zeidel	12,430	16,954 ⁽⁴⁾	15,129	21,441 ⁽⁵⁾

(1) Consists of 3,530 restricted shares under the Company's incentive stock plan and 240,714 unvested performance share units under the Company's leadership performance plan.

(2) Consists of 8,835 restricted shares under the Company's incentive stock plan and 217,371 unvested performance share units under the Company's leadership performance plan.

(3) Adriana Karaboutis was appointed to the Board of Directors, effective on September 8, 2022.

(4) Consists of 2,035 restricted shares under the Company's incentive stock plan and 14,919 unvested performance share units under the Company's leadership performance plan.

(5) Consists of 3,905 restricted shares under the Company's incentive stock plan and 17,536 unvested performance share units under the Company's leadership performance plan.

Significant Events Since Year End

This report was issued on March 27, 2023. The Company has evaluated events and transactions subsequent to the balance sheet date.

Dividends

On January 10, 2023, the Company declared dividends of per Class A ordinary share of \$0.56 for a total cost of \$115 million. The dividends were paid on February 15, 2023.

Debt Activity

As of March 22, 2023, the Company had €200 million (\$217 million at March 22, 2023 exchange rates) of commercial paper borrowings outstanding on the European commercial paper program and \$231 million on the U.S. commercial paper program.

On February 28, 2023, Aon Corporation and Aon Global Holdings plc co-issued \$750 million 5.350% Senior Notes due in February 2033. The Company intends to use the net proceeds from the offering for general corporate purposes.

Repurchase of Shares

We have a share repurchase program authorized by our Board of Directors. During the period from January 1, 2023 to March 22, 2023, the Parent Company repurchased 1.6 million shares at an average price per share of \$305.11 for a total cost of \$489 million. As of March 22, 2023, the remaining authorized amount for share repurchase under the Share Repurchase Programs is \$5.5 billion.

The Company is not aware of any events or transactions, other than those disclosed above and in Note 22 “Subsequent Events” of the Consolidated Financial Statements, that occurred subsequent to the balance sheet date but prior to March 27, 2023 that would require recognition or disclosure in its Consolidated Financial Statements or Parent Company Financial Statements.

STATEMENT OF DIRECTORS’ RESPONSIBILITIES

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with the Companies Act 2014.

Companies Act 2014 requires directors to prepare financial statements for each financial year. Under Companies Act 2014, the Directors have elected to prepare the Consolidated Financial Statements in accordance with U.S. GAAP, as defined in Section 279 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the Company’s financial statements does not contravene any provision of Part 6 of the Companies Act 2014. The Parent Company financial statements have been prepared in accordance with accounting standards issued by the Financial Reporting Council, including FRS 102, the Financial Reporting Standard applicable in the U.K. and Republic of Ireland effective for the 2022 year end.

Under the Companies Act 2014 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:

- select suitable accounting policies for the Group and Parent Company financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identifying those standards, and note the effect and reasons for any material departures from those standards; 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 and Directors’ Report comply with the Companies Act 2014 and enable the financial statements to be audited. 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 responsible for the maintenance and integrity of the corporate and financial information included on the Company’s website. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

DIRECTORS' COMPLIANCE STATEMENT

As required by section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in section 225(1)). The Directors further confirm that a "compliance policy statement" (as defined in section 225(3)(a)) has been drawn up, that appropriate arrangements and structures are, in the Directors' opinion, designed to secure material compliance with the relevant obligations have been put in place and that a review of those arrangements and structures has been conducted in the financial year to which this report relates.

RELEVANT AUDIT INFORMATION

Each of the persons who is a Director at the date of approval of this report confirms that so far as the Director is aware, there is no relevant audit information of which the Company's statutory auditor is unaware. The Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's statutory auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of Section 330 of the Companies Act of 2014.

AUDITORS

Ernst & Young, Chartered Accountants, have expressed their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014. Ernst & Young have served as the Company's auditor since March 18, 2020.

For and on behalf of the Directors,

/s/ Gregory C. Case

/s/ Jeffrey C. Campbell

Gregory C. Case
Chief Executive Officer and Director
Date: March 27, 2023

Jeffrey C. Campbell
Director
Date: March 27, 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AON PLC

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Aon plc ('the Parent Company') and its subsidiaries ('the Group') for the year ended December 31, 2022, which comprise the Consolidated Statements of Income, the Consolidated Statements of Comprehensive Income, the Consolidated Statements of Financial Position, the Consolidated Statements of Shareholders' Equity, the Consolidated Statements of Cash Flows, the Parent Company Statements of Comprehensive Income, the Parent Company Statements of Financial Position, the Parent Company Statements of Shareholders' Equity, the related notes 1 to 22 in respect of the Group financial statements and the related notes 1 to 13 in respect of the Parent Company financial statements, including a summary of significant accounting policies as set out therein. The financial reporting framework that has been applied in the preparation of the Group financial statements is Companies Act 2014 and United States GAAP (U.S. GAAP) issued in the United States of America by the Financial Accounting Standards Board, and as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable Companies Act 2014 and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the Group financial statements give a true and fair view of the assets, liabilities and financial position of the Group as at December 31, 2022 and of the profit for the Group for the year then ended;
- the Parent Company financial statements give a true and fair view of the assets, liabilities, and financial position of the Parent Company as at December 31, 2022;
- the Group financial statements have been properly prepared in accordance with U.S. GAAP, as defined in section 279 of Part 6 of the Companies Act 2014, to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of that Part of the Companies Act 2014;
- the Parent Company financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- the Group financial statements and Parent Company financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and Parent Company in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard as applied to listed entities issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Group's and Parent Company's ability to continue to adopt the going concern basis of accounting included:

- In conjunction with our walkthrough of the Group's financial statements close process, we confirmed our understanding of management's Going Concern assessment process and also engaged with management early to ensure all key factors were considered in their assessment.
- We obtained management's going concern assessment, including the cash forecast and covenant calculation for the going concern period which covers a year from the date of signing this audit opinion. The Group has modelled a

number of adverse scenarios in its cash forecasts and covenant calculations in order to incorporate unexpected changes to the forecasted liquidity of the Group.

- We assessed the appropriateness of the approach used by management when performing their going concern assessment. We have assessed the assumptions used by the Group in its forecasts. We considered the appropriateness of the adverse scenarios modelled within their assessment and performed a review of each scenario and determined that the methods employed were appropriate for the Group and Parent Company.
- We reviewed the Group's and Parent Company's going concern disclosures included in the annual report in order to assess that the disclosures were appropriate and in conformity with the reporting standards.

Conclusion

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's and Parent Company's ability to continue as a going concern.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

GROUP AUDIT MATTERS		
Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Realizability of Deferred Tax Assets (2022: \$725 million, 2021: \$365 million)</p> <p>The Group had net deferred tax assets of \$725 million at December 31, 2022. Deferred tax assets are reduced by a valuation allowance if, based on the weight of all available evidence, in management’s judgment it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.</p> <p>Conclusions on the realizability of certain net deferred tax assets involve significant management judgement including assumptions and estimates related to the amount, timing, and jurisdiction of future taxable income. Auditing the deferred tax asset calculation and the related forecast of future taxable income was especially challenging as it involved a high degree of auditor judgement around management’s assumptions and estimates of future taxable income.</p> <p>Refer to the critical accounting estimates and accounting policies in Note 2 and Note 9 of the Group financial statements.</p>	<p>To obtain sufficient audit evidence to conclude on the realizability of the net deferred tax assets, we:</p> <ul style="list-style-type: none"> • Obtained an understanding of and evaluated the design and operating effectiveness of internal controls that address the risks of material misstatement relating to the realizability of deferred tax assets, including controls over management’s projections of the amount, timing and jurisdiction of future taxable income and the related assumptions; • Evaluated the assumptions used by the Group to develop projections of future taxable income by income tax jurisdiction and tested the completeness and accuracy of the underlying data used in the projections. For example, we inspected the assumptions made in the calculation of future taxable income, including the growth rate, the estimates of the reversal of cumulative temporary differences, and the capital and debt requirements by jurisdiction. We compared the projections of future taxable income with the actual results of prior periods. Further, we involved tax subject matter professionals in the review of the information identified. 	<p>We completed our planned audit procedures, with no material exceptions noted.</p>

PARENT COMPANY AUDIT MATTERS		
Risk	Our response to the risk	Key observations communicated to the Audit Committee
<p>Valuation of investments in subsidiaries (2022: \$64,795 million, 2021: \$70,918 million)</p> <p>The investments in subsidiaries balance of \$64,795 million is the most significant asset on the Parent Company's statement of financial position. Under FRS 102, the Parent Company elected to measure its investments in subsidiaries at fair value through other comprehensive income.</p> <p>Determining the fair value of its investments in subsidiaries balance requires judgment, including assumptions made regarding the discount rate and long-term growth rates of its subsidiaries, as well as management's potential to override controls.</p> <p>Refer to the critical accounting estimates and accounting policies in Note 2 and Note 6 of the Parent Company financial statements.</p>	<p>To obtain sufficient audit evidence to conclude on the appropriate valuation of investments in subsidiaries, we:</p> <ul style="list-style-type: none"> • Obtained an understanding of the investments in subsidiaries valuation process; • Engaged valuation specialists to assist in testing the Parent Company's investments in subsidiaries valuation and tested and assessed the assumptions used by management in the investments in subsidiaries valuation. 	<p>We completed our planned audit procedures, with no material exceptions noted.</p>

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit, and in forming our audit opinion.

Materiality

Materiality is the magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be \$183 million (2021: \$180 million), which is 5% (2021: 5%) of earnings before interest and tax. We considered earnings before interest and tax to be the most appropriate performance metric on which to base our materiality calculation as we consider it to be the most relevant performance measure to the main stakeholders of the Group.

With respect to the Parent Company, we based our calculation of materiality on net assets due to its nature as a holding company. As the calculated materiality was higher than Group materiality, we restricted our materiality to \$183 million (2021: \$180 million).

During the course of our audit, we reassessed initial materiality and adjusted it to reflect the actual reported performance of the Group in the year.

Performance materiality

Performance materiality is the application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's and Parent Company's overall control environment, our judgement was that performance materiality was 75% (2021: 75%) of our planning materiality, namely \$137 million (2021: \$135 million). We have set performance materiality at this percentage due to our history of a low number of misstatements, our ability to assess the likelihood of misstatements, both corrected and uncorrected, the effectiveness of the control environment and other factors affecting the entity and its financial reporting.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was \$27.4 million to \$102.8 million (2021: \$24.8 million to \$93 million).

Reporting threshold

Reporting threshold is an amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of \$9 million (2021: \$9 million), which is set at 5% (2021: 5%) of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

An overview of the scope of our audit report

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality, and our allocation of performance materiality determine our audit scope for each entity within the Group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk, the organisation of the group and effectiveness of group-wide controls, changes in the business environment, and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the Group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 108 reporting components of the Group, we selected 7 components covering entities within the United States, United Kingdom, Australia, Canada, Germany, Italy, and the Netherlands, which represent the principal business units within the Group.

Of the 7 components selected, we performed an audit of the complete financial information of 2 components ("full scope components") which were selected based on their size or risk characteristics. For the remaining 5 components ("specific scope components"), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 79% (2021: 79%) of the Group's adjusted earnings before interest and tax, 75% (2021: 75%) of the Group's revenue and 75% (2021: 85%) of the Group's total assets. For the current year, the full scope components contributed 63% (2021: 63%) of the Group's adjusted earnings before interest and tax, 60% (2021: 59%) of the Group's revenue and 54% (2021: 65%) of the Group's total assets. The specific scope components contributed 16% (2021: 16%) of the Group's adjusted earnings before interest and tax, 15% (2021: 16%) of the Group's revenue and 21% (2021: 20%) of the Group's total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 101 components that together represent 21% of the Group's adjusted earnings before interest and tax, none is individually greater than 4% of the Group's adjusted earnings before interest and tax. For these components, we performed other procedures, including analytical reviews, inquiries of operating and financial personnel, and control procedures to determine whether management had implemented group policies, procedures, and appropriate controls over reporting financial information and operating results and over the policies, procedures, and controls being followed by component management and other personnel, testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the Group financial statements.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors from other EY global network firms operating under our instruction. Of the 2 full scope components, audit procedures were performed on 1 of these directly by the primary audit team. For the 5 specific scope components, audit procedures were performed on 1 of these directly by the primary audit team. For the remaining full scope and 4 specific scope components where the work was performed by component auditors, we determined the appropriate level of involvement to enable us to determine that sufficient audit evidence had been obtained as a basis for our opinion on the Group as a whole.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, is consistent with the financial statements; and
- the Directors' Report, other than those parts dealing with the non-financial statement pursuant to the requirements of S.I. No. 360/2017 on which we are not required to report in the current year, has been prepared in accordance with the applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Parent Company were sufficient to permit the financial statements to be readily and properly audited and the Parent Company Statement of Financial Position is in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions, are not compiled with by the Parent Company. We have nothing to report in this regard.

We have nothing to report in respect of section 13 of the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 (as amended), which require us to report to you if, in our opinion, the Parent Company has not provided in the non-financial statement the information required by Section 5(2) to (7) of those Regulations, in respect of 31 December 2021.

Respective responsibilities

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 40, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting frameworks that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud, that could reasonably be expected to have a material effect on the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. In addition, the further removed any non-compliance is from the events and transactions reflected in the financial statements, the less likely it is that our procedures will identify such non-compliance. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company and determined that the most significant are those that relate to the reporting frameworks, (U.S. GAAP, US Securities Exchange Act of 1934, FRS 102, the Companies Act 2014) and the relevant tax compliance regulations in the jurisdictions in which the Group and Parent Company operates. In addition, the Group and Parent Company has to comply with laws and regulations relating to its operations, which are enforced by federal and state agencies in the U.S., and by various regulatory agencies and other supervisory authorities in other countries.
- We understood how the Group and Parent Company is complying with those frameworks by making enquiries of management, internal audit and those responsible for legal and compliance matters. We corroborated our inquiries through our review of minutes of the Board of Director meetings and papers provided to the Audit Committee.

- We assessed the susceptibility of the Group's and Parent Company's financial statements to material misstatements, including how fraud might occur and considered the controls established to address risks identified by the entity or that otherwise seek to prevent, deter or detect fraud.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. We:
 - Considered the effectiveness of management's controls designed to address the risk of fraud.
 - Considered the risk of fraud through management override and tested manual journal entries which met specific risk criteria. We tested specific transactions back to source documentation ensuring appropriate authorisation of the transactions.
 - Assessed accounting estimates for evidence of management bias.
 - Inquired of key management, reviewed key policies and reviewed correspondence exchanged with the regulators.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.

This description forms part of our auditor's report.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Parent Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Parent 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 Parent Company and the Parent Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Dargan FitzGerald

for and on behalf of
Ernst & Young, Chartered Accountants and Statutory Audit Firm

Office: Dublin

Date: March 27, 2023

CONSOLIDATED PROFIT AND LOSS ACCOUNTS

<i>(millions, except per share data)</i>	<i>Notes</i>	Years ended December 31	
		2022	2021
Revenue			
Total revenue	3	\$ 12,479	\$ 12,193
Expenses			
Compensation and benefits	19	6,477	6,738
Information technology		509	477
Premises		289	327
Depreciation of fixed assets	20	151	179
Amortization and impairment of intangible assets	6	113	147
Other general expense		1,271	2,235
Total operating expenses		8,810	10,103
Operating income		3,669	2,090
Interest income		18	11
Interest expense		(406)	(322)
Other income (expense)	4	(125)	152
Income before income taxes		3,156	1,931
Income tax expense	9	510	623
Net income		2,646	1,308
Less: Net income attributable to noncontrolling interests		57	53
Net income attributable to Aon shareholders		\$ 2,589	\$ 1,255
Basic net income per share attributable to Aon shareholders			
		\$ 12.23	\$ 5.59
Diluted net income per share attributable to Aon shareholders			
		\$ 12.14	\$ 5.55
Weighted average ordinary shares outstanding - basic			
		211.7	224.7
Weighted average ordinary shares outstanding - diluted			
		213.2	226.1

The Notes to the Consolidated Financial Statements are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

<i>(millions)</i>	<i>Notes</i>	Years Ended December 31	
		2022	2021
Net income		2,646	1,308
Less: Net income attributable to noncontrolling interests		57	53
Net income attributable to Aon shareholders		2,589	1,255
Other comprehensive loss, net of tax:			
Change in fair value of financial instruments	10	(13)	1
Foreign currency translation adjustments	10	(528)	(289)
Postretirement benefit obligation	10	(211)	277
Total other comprehensive loss		(752)	(11)
Less: Other comprehensive loss attributable to noncontrolling interests		—	(1)
Total other comprehensive loss attributable to Aon shareholders		(752)	(10)
Comprehensive income attributable to Aon shareholders		\$ 1,837	\$ 1,245

The Notes to the Consolidated Financial Statements are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

<i>(millions, except nominal value)</i>	Notes	As of December 31	
		2022	2021
Assets			
Current assets			
Cash and cash equivalents	2	\$ 690	\$ 544
Short-term investments		452	292
Receivables, net		3,035	3,094
Fiduciary assets		15,900	14,386
Other current assets	4	646	716
Total current assets		20,723	19,032
Goodwill	6	8,292	8,434
Intangible assets, net	6	447	492
Fixed assets, net	20	558	529
Operating lease right-of-use assets	8	699	786
Deferred tax assets	9	824	766
Prepaid pension		652	1,366
Other non-current assets	4	509	512
Total assets		\$ 32,704	\$ 31,917
Liabilities and equity (deficit)			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 2,114	\$ 2,192
Short-term debt and current portion of long-term debt	7	945	1,164
Fiduciary liabilities		15,900	14,386
Other current liabilities	4	1,347	1,331
Total current liabilities		20,306	19,073
Long-term debt	7	9,825	8,228
Non-current operating lease liabilities	8	693	772
Deferred tax liabilities	9	99	401
Pension, other postretirement, and postemployment liabilities		1,186	1,375
Other non-current liabilities	4	1,024	910
Total liabilities		33,133	30,759
Equity (deficit)			
Ordinary shares - \$0.01 nominal value			
Authorized: 500.0 shares (issued: 2022 - 205.4; 2021 - 214.8)		2	2
Additional paid-in capital		6,864	6,624
Accumulated deficit		(2,772)	(1,694)
Accumulated other comprehensive loss	10	(4,623)	(3,871)
Total Aon shareholders' equity (deficit)		(529)	1,061
Noncontrolling interests		100	97
Total equity (deficit)		(429)	1,158
Total liabilities and equity (deficit)		\$ 32,704	\$ 31,917

The financial statements were approved by the Board of Directors on March 27, 2023.

/s/ Gregory C. Case

/s/ Jeffrey C. Campbell

Gregory C. Case
Chief Executive Officer and Director

Jeffrey C. Campbell
Director

The Notes to the Consolidated Financial Statements are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY (DEFICIT)

<i>(millions, except per share data)</i>	Notes	Shares	Ordinary Shares and Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Loss, Net of Tax	Non- controlling Interests	Total
Balance at December 31, 2020		225.5	\$ 6,314	\$ 1,042	\$ (3,861)	\$ 88	\$ 3,583
Net income		—	—	1,255	—	53	1,308
Shares issued — employee stock compensation plans		1.7	(129)	(1)	—	—	(130)
Shares repurchased	10	(12.4)	—	(3,543)	—	—	(3,543)
Share-based compensation expense	12	—	449	—	—	—	449
Dividends to shareholders (\$1.99 per share)		—	—	(447)	—	—	(447)
Net change in fair value of financial instruments	10	—	—	—	1	—	1
Net foreign currency translation adjustments	10	—	—	—	(288)	(1)	(289)
Net postretirement benefit obligation	10	—	—	—	277	—	277
Net purchases of shares from noncontrolling interests		—	(8)	—	—	(5)	(13)
Dividends paid to noncontrolling interests on subsidiary common stock		—	—	—	—	(38)	(38)
Balance at December 31, 2021		214.8	6,626	(1,694)	(3,871)	97	1,158
Net income		—	—	2,589	—	57	2,646
Shares issued — employee stock compensation plans		1.7	(156)	(1)	—	—	(157)
Shares repurchased	10	(11.1)	—	(3,203)	—	—	(3,203)
Share-based compensation expense	12	—	397	—	—	—	397
Dividends to shareholders (\$2.19 per share)		—	—	(463)	—	—	(463)
Net change in fair value of financial instruments	10	—	—	—	(13)	—	(13)
Net foreign currency translation adjustments	10	—	—	—	(528)	—	(528)
Net postretirement benefit obligation	10	—	—	—	(211)	—	(211)
Net purchases of shares from noncontrolling interests		—	(1)	—	—	(1)	(2)
Dividends paid to noncontrolling interests on subsidiary common stock		—	—	—	—	(53)	(53)
Balance at December 31, 2022		205.4	\$ 6,866	\$ (2,772)	\$ (4,623)	\$ 100	\$ (429)

The Notes to the Consolidated Financial Statements are an integral part of these financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(millions)</i>	<i>Notes</i>	Years ended December 31	
		2022	2021
Cash flows from operating activities			
Net income		\$ 2,646	\$ 1,308
Adjustments to reconcile net income to cash provided by operating activities:			
Gain from sales of businesses	4	(54)	(142)
Depreciation of fixed assets	20	151	179
Amortization and impairment of intangible assets	6	113	147
Share-based compensation expense	12	397	449
Deferred income taxes		(252)	11
Other, net		170	5
Change in assets and liabilities:			
Receivables, net		(96)	(119)
Accounts payable and accrued liabilities		(22)	264
Current income taxes		216	200
Pension, other postretirement and postemployment liabilities		(53)	(124)
Other assets and liabilities		3	4
Cash provided by operating activities		3,219	2,182
Cash flows from investing activities			
Proceeds from investments		110	58
Payments for investments		(107)	(91)
Net sales (purchases) of short-term investments - non fiduciary		(175)	15
Acquisition of businesses, net of cash and funds held on behalf of clients		(162)	(14)
Sale of businesses, net of cash and funds held on behalf of clients		81	218
Capital expenditures	20	(196)	(137)
Cash provided by (used for) investing activities		(449)	49
Cash flows from financing activities			
Share repurchase	10	(3,203)	(3,543)
Proceeds from issuance of shares		58	55
Cash paid for employee taxes on withholding shares		(215)	(185)
Commercial paper issuances, net of repayments		(65)	671
Issuance of debt		1,967	1,495
Repayment of debt		(500)	(413)
Increase in fiduciary liabilities, net of fiduciary receivables		702	568
Cash dividends to shareholders		(463)	(447)
Noncontrolling interests and other financing activities		(71)	(125)
Cash used for financing activities		(1,790)	(1,924)
Effect of exchange rates on cash and cash equivalents and funds held on behalf of clients		(549)	(235)
Net increase in cash and cash equivalents and funds held on behalf of clients		431	72
Cash and cash equivalents and funds held on behalf of clients at beginning of year		6,645	6,573
Cash and cash equivalents and funds held on behalf of clients at end of year		\$ 7,076	\$ 6,645
Reconciliation of cash and cash equivalents and funds held on behalf of clients:			
Cash and cash equivalents		\$ 690	\$ 544
Funds held on behalf of clients		6,386	6,101
Total cash and cash equivalents and funds held on behalf of clients		\$ 7,076	\$ 6,645
Supplemental disclosures:			
Interest paid		\$ 351	\$ 328
Income taxes paid, net of refunds		\$ 546	\$ 412

The Notes to the Consolidated Financial Statements are an integral part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. **Basis of Presentation**

The directors present the consolidated group financial statements of Aon plc and its subsidiaries (which together may be referred to as “Aon,” the “Company,” “Group,”) for the year ended December 31, 2022.

These Consolidated Financial Statements and these Notes thereto have been prepared in accordance with section 279 of the Companies Act 2014, which provides that a true and fair view of the assets and liabilities, financial position and profit or loss of the Group may be given by preparing the financial statements in accordance with U.S. GAAP to the extent that the use of those principles in the preparation of the financial statements does not contravene any provision of Part 6 of the Companies Act 2014.

These Consolidated Financial Statements and these Notes thereto have been prepared in accordance with the requirements of the Companies Act 2014, to present to the shareholders of the Parent Company and file with the Companies Registration Office in Ireland. Accordingly, these financial statements include presentation and additional disclosures required by the Companies Act 2014, in addition to those disclosures required under U.S. GAAP.

The preparation of these Consolidated Financial Statements in accordance U.S. GAAP includes primary statement formats, captions, and terminology throughout that complies with U.S. GAAP and is familiar to users of accounts filed by the Parent Company in the U.S.

There are certain instances where the provisions to the Companies Act 2014 are inconsistent with the requirement to provide a true and fair view of the financial statements. In these instances, the Directors will depart from the Companies Act 2014 in order to provide a true and fair view. The Parent Company is adopting a true and fair view override in relation to goodwill. See Note 2 “Summary of Significant Accounting Principles and Practices” for more information.

The Consolidated Financial Statements have been prepared on a going concern basis and the Directors have considered the appropriateness of the going concern basis in the Directors’ Report.

The Consolidated Financial Statements have been prepared on a historical cost basis unless otherwise noted. A summary of the U.S. GAAP accounting policies adopted by the Company in preparing the Consolidated Financial Statements have been included in Note 2 “Summary of Significant Accounting Principles and Practices”.

Aon plc is a public limited company incorporated and domiciled in Ireland under the Companies Act 2014 (registration number 604607). The Parent Company is registered in Ireland and its registered office is located at the Metropolitan Building, James Joyce Street, Dublin 1, Ireland.

Use of Estimates

The preparation of the accompanying Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the Consolidated Financial Statements, and the reported amounts of reserves and expenses. These estimates and assumptions are based on management’s best estimates and judgments. Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment. Management believes its estimates to be reasonable given the current facts available. Aon adjusts such estimates and assumptions when facts and circumstances dictate. Illiquid credit markets, volatile equity markets, and foreign currency exchange rate movements increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined 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 Consolidated Financial Statements in future periods.

Reclassification

Certain amounts in prior periods’ Consolidated Financial Statements have been reclassified to conform to the current year presentation. In prior periods, commercial paper issuances and repayments were included in Issuance of debt and Repayment of debt, respectively, in the Consolidated Statements of Cash Flows. The net amount of commercial paper activity is now disclosed separately in Commercial paper issuances, net of repayments in the Consolidated Statements of Cash Flows. For the year ended December 31, 2021, commercial paper issuances reclassified from Issuance of debt was \$4,478 million and commercial paper repayments reclassified from Repayment of debt was \$3,807 million. Further information on the gross commercial paper activity for the current and prior year periods is included within the Review of the Development and Performance of the Business section.

In November 2022, Aon incurred a non-cash pension settlement charge of \$170 million in connection with the purchase of an annuity for portions of its U.S. pension plans. Aon has separately classified the non-cash pension settlement charge within Other, net on the Consolidated Statement of Cash Flows as an adjustment to reconcile Net income to Cash provided by operating activities for the period ended December 31, 2022. Prior year comparable balances have been reclassified to conform with current year presentation. For the years ended December 31, 2021, Aon incurred insignificant non-cash pension settlement charges of \$5 million, which were presented as changes in assets and liabilities held within Pension, other postretirement and other postemployment liabilities in the Consolidated Statements of Cash Flows. See Note 11 “Employee Benefits” for further information regarding the non-cash settlement charges incurred.

In prior periods, Cash paid for employee taxes on withholding shares were included with Proceeds from issuance of shares, and presented as Issuance of shares for employee benefit plans in the Consolidated Statements of Cash Flows. These items are now presented separately and prior year balances have been reclassified to conform to current year presentation. For the year ended December 31, 2021, Proceeds from issuance of shares was \$55 million and Cash paid for employee taxes on withholding shares was \$185 million.

2. Summary of Significant Accounting Principles and Practices

Revenue Recognition

The Company generates revenues primarily through commissions, compensation from insurance and reinsurance companies for services provided to them, and fees from customers. Commissions and fees for brokerage services 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 the Company acts. Compensation from insurance and reinsurance companies includes: (1) fees for consulting and analytics services and (2) fees and commissions for administrative and other services provided to or on behalf of insurers. In Aon’s capacity as an insurance and reinsurance broker, the service promised to the customer is placement of an effective insurance or reinsurance policy, respectively. The customer obtains control over the services promised by the Company at the completion of the insurance or reinsurance policy placement process once coverage is effective. Judgment is not typically required when assessing whether the coverage is effective. Fees from clients for advice and consulting services are dependent on the extent and value of the services provided. Payment terms for the Company’s principal service lines are discussed below; the Company believes these terms are consistent with current industry practices. Significant financing components are typically not present in Aon’s arrangements.

The Company recognizes revenue when control of the promised services is transferred to the customer in the amount that best reflects the consideration to which the Company expects to be entitled in exchange for those services. For arrangements where control is transferred over time, an input or output method is applied that represents a faithful depiction of the progress towards completion of the performance obligation. For arrangements that include variable consideration, the Company assesses whether any amounts should be constrained. For arrangements that include multiple performance obligations, the Company allocates consideration based on their relative fair values.

Costs incurred by the Company in obtaining a contract are capitalized and amortized on a systematic basis that is consistent with the transfer of control of the services to which the asset relates, considering anticipated renewals when applicable. Certain contract related costs, including pre-placement brokerage costs, are capitalized as a cost to fulfill and are amortized on a systematic basis consistent with the transfer of control of the services to which the asset relates, which is generally less than one year.

The Company has elected to apply practical expedients to not disclose the revenue related to unsatisfied performance obligations if (1) the contract has an original duration of 1 year or less, (2) the Company has recognized revenue for the amount in which it has the right to bill, and (3) the variable consideration is allocated entirely to an unsatisfied performance obligation which is recognized as a series of distinct goods or services that form a single performance obligation.

Disaggregation of Revenue

The following is a description of principal service lines from which the Company generates its revenue:

Commercial Risk Solutions includes retail brokerage, specialty solutions, global risk consulting, and captives management, and Affinity programs. Revenue primarily includes insurance commissions and fees for services rendered. Revenue is predominantly recognized at a point in time upon the effective date of the underlying policy (or policies), or for a limited number of arrangements, over the term of the arrangement using output measures to depict the transfer of control of the services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. For arrangements recognized over time, various output measures, including units delivered and time elapsed, are utilized to provide a faithful depiction of the progress towards completion of the performance obligation. Revenue is recorded

net of allowances for estimated policy cancellations, which are determined based on an evaluation of historical and current cancellation data. Reimbursements received for out-of-pocket expenses are generally recorded as a component of revenue. Commissions and fees for brokerage services may be invoiced near the effective date of the underlying policy or over the term of the arrangement in installments during the policy period.

Reinsurance Solutions includes treaty reinsurance, facultative reinsurance, Strategy and Technology Group, and capital markets. Revenue primarily includes reinsurance commissions and fees for services rendered. Revenue is predominantly recognized at a point in time upon the effective date of the underlying policy (or policies), or for a limited number of arrangements, over the term of the arrangement using output measures to depict the transfer of control of the services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services. For arrangements recognized over time, various output measures, including units delivered and time elapsed, are utilized to provide a faithful depiction of the progress towards completion of the performance obligation. Commissions and fees for brokerage services may be invoiced at the inception of the reinsurance period for certain reinsurance brokerage, or more commonly, over the term of the arrangement in installments based on deposit or minimum premiums for most treaty reinsurance arrangements.

Health Solutions includes consulting and brokerage, Human Capital, and Consumer Benefits Solutions. Revenue primarily includes insurance commissions and fees for services rendered. For brokerage commissions, revenue is predominantly recognized at a point in time upon the effective date of the underlying policy (or policies), or for a limited number of arrangements, over the term of the arrangement to depict the transfer of control of the services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services using input or output measures, including units delivered or time elapsed, to provide a faithful depiction of the progress towards completion of the performance obligation. Revenue from health care exchange arrangements is typically recognized upon successful enrollment of participants. Commissions and fees for brokerage services may be invoiced at the effective date of the underlying policy or over the term of the arrangement in installments during the policy period. Payment terms for other services vary but are typically over the contract term in installments.

Wealth Solutions includes retirement consulting and pension administration, as well as investments. Revenue recognized for these arrangements is predominantly recognized over the term of the arrangement using input or output measures to depict the transfer of control of the services to customers in an amount that reflects the consideration to which the Company expects to be entitled in exchange for those services, or for certain arrangements, at a point in time upon completion of the services. For consulting arrangements recognized over time, revenue will be recognized based on a measure of progress that depicts the transfer of control of the services to the customer, utilizing an appropriate input or output measure to provide a reasonable assessment of the progress towards completion of the performance obligation including units delivered or time elapsed. Fees paid by customers for consulting services are typically charged on an hourly, project or fixed-fee basis, and revenue for these arrangements is typically recognized based on time incurred, days elapsed, or reports delivered. Revenue from time-and-materials or cost-plus arrangements are recognized as services are performed using input or output measures to provide a reasonable assessment of the progress towards completion of the performance obligation including hours worked, and revenue for these arrangements is typically recognized based on time and materials incurred. Revenue generated from the Company's delegated investment business is generally earned as an agreed percentage based on AUM and, to a lesser extent, based on performance fees. Reimbursements received for out-of-pocket expenses are generally recorded as a component of revenue. Payment terms vary but are typically over the contract term in installments.

Share-based Compensation Expense

Share-based payments to employees, including grants of RSUs and PSAs, are measured based on grant date fair value. For purposes of measuring share-based compensation expense, the Company considered whether an adjustment to the observable market price is necessary to reflect material nonpublic information that is known to us at the time the award is granted. No adjustments were necessary for the years ended December 31, 2022, 2021, or 2020. The Company recognizes compensation expense over the requisite service period for awards expected to ultimately vest. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

Pension and Other Postretirement Benefits

The Company records net periodic cost relating to its pension and other postretirement benefit plans based on calculations that include various actuarial assumptions, including discount rates, assumed rates of return on plan assets, inflation rates, mortality rates, compensation increases, and turnover rates. The Company reviews its actuarial assumptions on an annual basis and modifies these assumptions based on current rates and trends. The effects of gains, losses, and prior service costs and credits are amortized over future service periods or future estimated lives if the plans are frozen as reflected in Other income (expense) within the Consolidated Profit and Loss Accounts. The funded status of each plan, calculated as the fair value of plan assets less

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

Earnings per Share

Basic earnings 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 earnings 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, including certain contingently issuable shares. The diluted earnings per share calculation reflects the more dilutive effect of either (1) the two-class method that assumes that the participating securities have not been exercised, or (2) the treasury stock method.

Potentially issuable shares are not included in the computation of diluted earnings 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 generally consist of money market funds. The estimated fair value of Cash and cash equivalents and Short-term investments approximates their carrying values.

At December 31, 2022, Cash and cash equivalents and Short-term investments totaled \$1,142 million compared to \$836 million at December 31, 2021, an increase of \$306 million. Of the total balance, \$115 million and \$160 million was restricted as to its use at December 31, 2022 and 2021, respectively. Included within Short-term investments as of December 31, 2022 and 2021 balances, respectively, were £60.1 million (\$72.5 million at December 31, 2022 exchange rates) and £84.3 million (\$112.8 million at December 31, 2021 exchange rates) of operating funds required to be held by the Company in the U.K. by the FCA, a U.K.-based regulator.

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 Consolidated Statements of Financial Position.

Funds held on behalf of clients represent fiduciary assets held by Aon for premiums collected from insureds but not yet remitted to insurance companies and claims collected from insurance companies but not yet remitted to insureds of \$6.4 billion and \$6.1 billion at December 31, 2022 and 2021, respectively. Fiduciary receivables were \$9.5 billion and \$8.3 billion at December 31, 2022 and 2021, 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 estimate for allowance for credit losses with respect to receivables is based on a combination of factors, including evaluation of forward-looking information, historical write-offs, aging of balances, and other qualitative and quantitative analyses. Receivables, net included an allowance for doubtful accounts of \$76 million and \$90 million at December 31, 2022 and 2021, respectively.

Fixed Assets

Fixed assets are stated at cost, less accumulated depreciation. Included in this category are certain capitalized costs incurred during the application development stage related to directly obtaining, developing, or enhancing internal use software. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets, which are generally as follows:

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

Derivatives

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

The Company has historically designated the following hedging relationships for certain transactions: (1) a hedge of the change in fair value of a recognized asset or liability or firm commitment (“fair value hedge”), (2) a hedge of the variability in cash flows from a recognized variable-rate asset or liability or forecasted transaction (“cash flow hedge”), and (3) 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, and the method for assessing the effectiveness of the hedge. 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 quarterly or more frequently if facts and circumstances require.

For a derivative designated as a fair value hedging instrument, 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 change in fair value of a hedging instrument is recognized in Accumulated Other Comprehensive Income and subsequently reclassified to earnings in the same period the hedged item impacts earnings. For a net investment hedge, the change in fair value of the hedging instrument is recognized in Accumulate Other Comprehensive Income as part of the cumulative translation adjustment.

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 Profit and Loss Accounts in the period of change.

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

Companies Act 2014 requires that indefinite-lived intangible assets and goodwill be amortized. However, Aon does not believe this gives a true and fair view because not all goodwill and intangible assets decline in value. In addition, since goodwill that does decline in value rarely does so on a straight-line basis, straight-line amortization of goodwill over an arbitrary period does not reflect the economic reality. Therefore, in order to present a true and fair view of the economic reality under U.S. GAAP, goodwill and certain other intangible assets are considered indefinite-lived and are not amortized and instead, are subject to an annual impairment test. This results in a departure from the requirements in Companies Act 2014 as the Company is not able to reliably estimate the impact on the financial statements on the basis that the useful economic life of goodwill cannot be predicted with a satisfactory level of reliability nor can the pattern in which goodwill diminishes be known.

Goodwill represents the excess of purchase price over the fair value of the net assets acquired in the acquisition of a business. Goodwill is allocated to applicable reporting units. Upon disposition of a business entity, goodwill is allocated to the disposed entity based on the relative fair value of that entity compared to the fair value of the reporting unit in which it was included. Goodwill is not amortized, but instead is tested for impairment at least annually. The goodwill impairment test is performed at the reporting unit level. The Company may initially perform a qualitative analysis to determine if it is more likely than not that the goodwill balance is impaired. If a qualitative assessment is not performed or if a determination is made that it is not more likely than not that the value of the reporting unit exceeds its carrying amount, then the Company will perform a quantitative analysis. If the fair value of a reporting unit is determined to be greater than the carrying value of the reporting unit, goodwill is deemed not to be impaired and no further testing is necessary. If the fair value of a reporting unit is less than the carrying value, a goodwill impairment loss is recognized for the amount that the carrying amount of a reporting unit, including goodwill, exceeds its fair value limited to the total amount of the goodwill allocated to the reporting unit. Any resulting difference will be a charge to Amortization and impairment of intangible assets in the Consolidated Profit and Loss Accounts in the period in which the determination is made. Fair value is determined using a combination of present value techniques and market prices of comparable businesses.

We classify our intangible assets acquired as either customer-related and contract-based, technology, tradenames, or other intangibles. Amortization basis and estimated useful lives by intangible asset type are generally as follows:

Intangible Asset Description	Amortization Basis	Estimated Useful Life
Customer-related and contract-based	In line with underlying cash flows	7 to 20 years
Technology and other	Straight-line	5 to 7 years
Tradenames	Straight-line	1 to 3 years

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 in Net foreign currency translation adjustments within the Consolidated Statements of Shareholders' Equity. Further, gains and losses from the remeasurement of monetary assets and liabilities that are denominated in a non-functional currency of that entity are included in Other income (expense) within the Consolidated Profit and Loss Accounts.

Income Taxes

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

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

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

The Company records penalties and interest related to unrecognized tax benefits in Income taxes in the Company's Consolidated Profit and Loss Accounts.

The Company releases income tax effects from Accumulated other comprehensive loss using the portfolio approach.

Leases

The Company leases office facilities, equipment, and automobiles under operating and finance leases. The Company's lease obligations are primarily for the use of office facilities. The Company evaluates if a leasing arrangement exists upon inception of a contract. A contract contains a lease if the contract conveys the right to control the use of identified tangible assets for a period of time in exchange for consideration. Identified property, plant, or equipment may include a physically distinct portion of a larger asset, or a portion of an asset that represents substantially all of the capacity of the asset but is not physically distinct. The Company assesses whether a contract implicitly contains the right to control the use of a tangible asset that is not already owned. In addition, the Company subleases certain real estate properties to third parties, which are classified as operating leases.

The Company's leases expire at various dates and may contain renewal, expansion or termination options. The exercise of lease renewal and expansion options are typically at the Company's sole discretion and are only included in the determination of the lease term if the Company is reasonably certain to exercise the option. In addition, the Company's lease agreements typically do not contain any material residual value guarantees or restrictive covenants.

ROU assets and lease liabilities are based on the present value of the minimum lease payments over the lease term. The Company has elected the practical expedient related to lease and non-lease components, as an accounting policy election for all asset classes, which allows a lessee to not separate non-lease components from lease components and instead account for consideration received in a contract as a single lease component. The Company's lease agreements may include initial direct costs and lease incentives. Initial direct costs are incremental costs of a lease that would not have been incurred if the lease had not been obtained and are included in the measurement of the ROU asset. Payments made to or on behalf of the Company, such as tenant improvement allowances, represent incentives that are considered reductions to the ROU asset and lease expense over the lease term.

The Company made a policy election to not recognize ROU assets and lease liabilities that arise from leases with an initial term of twelve months or less in the Consolidated Statements of Financial Position. However, the Company recognized these lease payments in the Consolidated Profit and Loss Accounts on a straight-line basis over the lease term and variable lease payments in the period in which the expense was incurred. The Company applies this accounting policy across all classes of underlying assets.

A portion of the Company's lease agreements include variable lease payments that are not recorded in the initial measurement of the lease liability and ROU asset balances. For real estate arrangements, base rental payments may be escalated according to annual changes in the CPI or other indices. The escalated rental payments based on the estimated CPI at the lease commencement date are included within minimum rental payments; however, changes in CPI are considered variable in nature and are recognized as variable lease costs in the period in which the obligation is incurred. Additionally, real estate lease agreements may include other variable payments related to operating expenses charged by the landlord based on actual expenditures. Information technology equipment agreements may include variable payments based on usage of the equipment. These expenses are also recognized as variable lease costs in the period in which the expense is incurred.

The Company utilizes discount rates to determine the present value of the lease payments based on information available at the commencement date of the lease. As the rate implicit in each lease is not typically readily available, the Company uses an incremental borrowing rate based on factors such as the lease term and the economic environment where the lease exists to determine the appropriate present value of future lease payments. When determining the incremental borrowing rate, the Company considers the rate of interest it would pay on a secured borrowing in an amount equal to the lease payments for the underlying asset under similar terms.

Operating leases are included in Operating lease ROU assets, Other current liabilities, and Non-current operating lease liabilities in the Consolidated Statements of Financial Position. Finance leases are included in Other non-current assets, Other current liabilities, and Other non-current liabilities in the Consolidated Statements of Financial Position.

Debt

Term debt generally has a specified term and coupon rate which may be fixed or based on a variable interest rate. Upon issuance of term debt on the date cash proceeds are received, the Company recognizes a liability which represents the principal amount of the note, adjusted for any issuance discount or premium, and costs related to the issuance of debt. Throughout the term of the debt, the carrying value is adjusted for any repayments of principal, as well as the amortization of an issuance premium or accretion of an issuance discount to the principal amount of the debt.

Principles of Consolidation

The accompanying Consolidated Financial Statements include the accounts of Aon plc and those entities in which the Company has a controlling financial interest. To determine if Aon holds a controlling financial interest in an entity, the Company first evaluates if it is required to apply the variable interest model to the entity, otherwise, the entity is evaluated under the voting interest model. When Aon holds rights that give it the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, combined with a variable interest that gives the right to receive potentially significant benefits or the obligation to absorb potentially significant losses, the Company has a controlling financial interest in that VIE. The Company does not hold a controlling financial interest over any VIEs that significantly impacts the VIE's economic performance and the Company does not have rights to any significant benefits or obligations to absorb potentially significant losses. Thus, the Company does not consolidate any VIEs and Aon's interest in VIEs as of December 31, 2022 was insignificant.

Critical Accounting Estimates and Judgments

In accordance with our policies, the Company regularly evaluates its 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. The Company bases estimates, assumptions, judgments on historical experience, and other 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.

3. Revenue from Contracts with Customers

Disaggregation of Revenue

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

	Years ended December 31	
	2022	2021
Commercial Risk Solutions	\$ 6,715	\$ 6,635
Reinsurance Solutions	2,190	1,997
Health Solutions	2,224	2,154
Wealth Solutions	1,367	1,426
Elimination	(17)	(19)
Total revenue	\$ 12,479	\$ 12,193

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

	Years ended December 31	
	2022	2021
U.S.	\$ 5,666	\$ 5,459
Americas other than U.S.	1,137	1,027
U.K.	1,660	1,681
Ireland	99	127
Europe, Middle East, & Africa other than U.K. and Ireland	2,443	2,565
Asia Pacific	1,474	1,334
Total revenue	\$ 12,479	\$ 12,193

Contract Costs

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

	2022		2021	
Balance at beginning of period	\$	361	\$	339
Additions		1,479		1,504
Amortization		(1,480)		(1,478)
Impairment		—		—
Foreign currency translation and other		(5)		(4)
Balance at end of period	\$	355	\$	361

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

	2022		2021	
Balance at beginning of period	\$	179	\$	184
Additions		56		59
Amortization		(49)		(48)
Impairment		—		—
Foreign currency translation and other		(1)		(16)
Balance at end of period	\$	185	\$	179

4. Other Financial Data

Consolidated Profit and Loss Accounts Information

Other Income (Expense)

The components of Other income (expense) are as follows (in millions):

	Years ended December 31	
	2022	2021
Pension and other postretirement ⁽¹⁾	\$ (179)	\$ 21
Foreign currency remeasurement	(14)	26
Financial instruments and other	4	(45)
Equity earnings	10	8
Gain from disposals of business	54	142
Total	\$ (125)	\$ 152

(1) Refer to Note 11 "Employee Benefits" for further information.

Consolidated Statements of Financial Position Information

Allowance for Doubtful Accounts

Changes in the net carrying amount of allowance for doubtful accounts are as follows (in millions):

	2022	2021
Balance at beginning of period	\$ 90	\$ 98
Provision	8	26
Accounts written off, net of recoveries	(18)	(37)
Foreign currency translation and other	(4)	3
Balance at end of period	\$ 76	\$ 90

Other Current Assets

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

As of December 31	2022	2021
Costs to fulfill contracts with customers ⁽¹⁾	\$ 355	\$ 361
Prepaid expense	109	137
Taxes receivable	74	53
Other	108	165
Total	\$ 646	\$ 716

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

Other Non-Current Assets

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

As of December 31	2022	2021
Costs to obtain contracts with customers ⁽¹⁾	\$ 185	\$ 179
Taxes receivable	109	95
Investments	60	64
Leases ⁽²⁾	43	63
Other	112	111
Total	\$ 509	\$ 512

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

(2) Refer to Note 8 "Lease Commitments" for further information.

Other Current Liabilities

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

As of December 31	2022	2021
Deferred revenue ⁽¹⁾	\$ 250	\$ 321
Taxes payable	193	149
Leases ⁽²⁾	186	213
Other	718	648
Total	\$ 1,347	\$ 1,331

(1) \$653 million and \$553 million was recognized in the Consolidated Profit and Loss Accounts during the years ended December 31, 2022 and December 31, 2021, respectively.

(2) Refer to Note 8 "Lease Commitments" for further information.

Other Non-Current Liabilities

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

As of December 31	2022	2021
Taxes payable ⁽¹⁾	\$ 795	\$ 609
Compensation and benefits	69	58
Deferred revenue	37	70
Leases ⁽²⁾	28	46
Other	95	127
Total	\$ 1,024	\$ 910

(1) Includes \$129 million and \$145 million for the non-current portion of the Transition Tax, as of December 31, 2022 and December 31, 2021. Refer to Note 9 "Income Taxes" for further information on the transition tax.

(2) Refer to Note 8 "Lease Commitments" for further information.

5. Acquisitions and Dispositions of Businesses

Completed Acquisitions

The Company completed five acquisitions during the year ended December 31, 2022 and two acquisitions during the year ended December 31, 2021. The following table includes the preliminary fair values of consideration transferred, assets acquired, and liabilities assumed as a result of the Company's acquisitions (in millions):

	Year Ended December 31, 2022
Consideration transferred	
Cash	\$ 161
Deferred, contingent, and other consideration	9
Aggregate consideration transferred	\$ 170
Assets acquired	
Goodwill	87
Other intangible assets	78
Other assets ⁽¹⁾	25
Total assets acquired	190
Liabilities assumed	
Total liabilities assumed	20
Net assets acquired	\$ 170

(1) Includes Cash and cash equivalents of \$2 million and funds held on behalf of clients of an insignificant amount.

Intangible assets acquired include technology as well as customer-related and contract-based assets. The intangible assets acquired as part of business acquisitions in 2022 had a weighted average useful economic life of 9 years. Acquisition related costs for completed acquisitions incurred and recognized within Other general expense for the year ended December 31, 2022 were insignificant. Total revenue for these acquisitions included in the Company's Consolidated Statement of Income for the year ended December 31, 2022 was approximately \$25 million.

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

2022 Acquisitions

On November 1, 2022, the Company completed the acquisition of 100% of the share capital of E.R.N. Evaluacion de Riesgos Naturales y Antropogenicos, S.A. de C.V., a Mexico-based firm in risk assessment modeling.

On September 12, 2022, the Company completed the purchase of certain assets of Praxiom Risk Management, a provider of professional risk management in the U.S.

On August 1, 2022, the Company completed the purchase of certain assets of U.S. Advisors, Inc., a broker based in the U.S.

On May 3, 2022, the Company completed the acquisition of 100% of the share capital of Karl Köllner group companies, a marine hull broker based in Germany.

On March 1, 2022, the Company completed the acquisition of Tyche, an actuarial software platform based in the U.K.

2021 Acquisitions

On December 22, 2021, the Company completed the transaction to acquire 100% share capital of For Welfare S.r.l, a company focused on bancassurance programs in Italy.

On September 1, 2021, the Company completed the transaction to acquire 51% of Aon India Insurance Brokers Limited (formerly known as Anviti Insurance Brokers Private Limited). Prior to the acquisition date, the Company accounted for its 49% interest in Anviti as an equity-method investment. The acquisition-date fair value of the previous equity interest was \$15 million and is included in the measurement of consideration transferred. There was no significant impact as a result of remeasuring the carrying value of the Company's prior equity interest in Anviti held before the business combination.

Completed Dispositions

The Company completed three dispositions during the year ended December 31, 2022. The Company completed six dispositions during the year ended December 31, 2021.

The pretax gains recognized related to dispositions were \$54 million and \$142 million for the years ended December 31, 2022 and December 31, 2021, respectively. Gains recognized as a result of a disposition are included in Other income in the Consolidated Profit and Loss Accounts. The pretax losses recognized in the Consolidated Profit and Loss Accounts related to dispositions were insignificant for the years ended December 31, 2022 and December 31, 2021, respectively.

6. Goodwill and Other Intangible Assets

The changes in the net carrying amount of goodwill for the years ended December 31, 2022 and 2021, respectively, are as follows (in millions):

	Total
Balance as of January 1, 2021	\$ 8,666
Goodwill related to current year acquisitions	17
Goodwill related to current year disposals	(37)
Foreign currency translation and other	(212)
Balance as of December 31, 2021	\$ 8,434
Balance as of January 1, 2022	\$ 8,434
Goodwill related to current year acquisitions	87
Goodwill related to current year disposals	(11)
Foreign currency translation and other	(218)
Balance as of December 31, 2022	\$ 8,292

Other Intangible Assets

The changes in other intangible assets for the years ended December 31, 2022 and 2021 are as follows (in millions):

	Tradenames	Customer-related and contract-based	Technology and other	Total
Balance as of January 1, 2022	\$ 1	\$ 441	\$ 50	\$ 492
Acquisitions	—	45	44	89
Disposals	—	(12)	1	(11)
Amortization and impairment of intangible assets	(1)	(90)	(22)	(113)
Foreign currency translation and other	—	(10)	—	(10)
Balance as of December 31, 2022	\$ 0	\$ 374	\$ 73	\$ 447
Balance as of December 31, 2022				
Cost	\$ 14	\$ 2,207	\$ 436	\$ 2,657
Accumulated amortization	(14)	(1,833)	(363)	(2,210)
Intangible assets, net	\$ —	\$ 374	\$ 73	\$ 447
Balance as of January 1, 2021				
Balance as of January 1, 2021	\$ 1	\$ 562	\$ 77	\$ 640
Acquisitions	—	13	—	13
Amortization and impairment of intangible assets	—	(120)	(27)	(147)
Foreign currency translation and other	—	(14)	—	(14)
Balance as of December 31, 2021	\$ 1	\$ 441	\$ 50	\$ 492
Balance as of December 31, 2021				
Cost	\$ 14	\$ 2,289	\$ 407	\$ 2,710
Accumulated amortization	(13)	(1,848)	(357)	(2,218)
Intangible assets, net	\$ 1	\$ 441	\$ 50	\$ 492

7. Debt

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

As of December 31	2022	2021
Commercial paper	\$ 592	\$ 665
2.20% Senior Notes due November 2022 ⁽¹⁾	—	499
4.00% Senior Notes due November 2023 ⁽²⁾	350	349
3.50% Senior Notes due June 2024	599	598
3.875% Senior Notes due December 2025	748	748
2.875% Senior Notes due May 2026 (EUR 500M)	530	563
8.205% Junior Subordinated Notes due January 2027	521	521
2.85% Senior Notes due May 2027	596	—
4.50% Senior Notes due December 2028	348	347
3.75% Senior Notes due May 2029	746	745
2.80% Senior Notes due May 2030	994	993
2.05% Senior Notes due August 2031	396	396
2.60% Senior Notes due December 2031	496	496
5.00% Senior Notes due September 2032	495	—
6.25% Senior Notes due September 2040	297	296
4.25% Senior Notes due December 2042	203	201
4.45% Senior Notes due May 2043	247	247
4.60% Senior Notes due June 2044	545	544
4.75% Senior Notes due May 2045	594	593
2.90% Senior Notes due August 2051	591	591
3.90% Senior Notes due February 2052	877	—
Other	5	—
Total debt	10,770	9,392
Less: Short-term debt and current portion of long-term debt	945	1,164
Total long-term debt	\$ 9,825	\$ 8,228

(1) The 2.20% Senior Notes due November 2022 were repaid in full on November 1, 2022.

(2) The 4.00% Senior Notes due November 2023 were reclassified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as of December 31, 2022.

Notes

On February 28, 2023, Aon Corporation and Aon Global Holdings plc co-issued \$750 million 5.350% Senior Notes due in February 2033. The Company intends to use the net proceeds from the offering for general corporate purposes.

In November 2022, Aon Global Limited's \$350 million 4.00% Senior Notes due November 2023 were classified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as the date of maturity is in less than one year as of December 31, 2022.

In November 2022, Aon Corporation's \$500 million 2.20% Senior Notes matured and were repaid in full. In November 2021, the Company's \$500 million 2.20% Senior Notes due November 2022 were classified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as the date of maturity is in less than one year as of December 31, 2021.

On September 12, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$500 million of 5.00% Senior Notes due September 2032. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 28, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$600 million of 2.85% Senior Notes due May 2027 and \$900 million of 3.90% Senior Notes due February 2052. The Company intends to use the net proceeds from the offering for general corporate purposes.

On December 2, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$500 million aggregate principal amount of 2.60% Senior Notes set to mature on December 2, 2031. The Company intends to use the net proceeds of the offering for general corporate purposes.

On August 23, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$400 million 2.05% Senior Notes due August 2031 and \$600 million of 2.90% Senior Notes due August 2051. The Company intends to use the net proceeds of the offering for general corporate purposes.

On January 13, 2021, Aon Global Limited issued an irrevocable notice of redemption to holders of its 2.80% Senior Notes for the redemption of all \$400 million outstanding aggregate principal amount of the notes, which were set to mature in March 2021. The redemption date was on February 16, 2021 and resulted in an insignificant loss due to extinguishment.

Each of the notes issued by Aon Corporation is fully and unconditionally guaranteed by Aon Global Limited, Aon plc, and Aon Global Holding plc. Each of the notes issued by Aon Global Limited is fully and unconditionally guaranteed by Aon plc, Aon Global Holdings plc, and Aon Corporation. Each of the notes co-issued by Aon Corporation and Aon Global Holdings plc is fully and unconditionally guaranteed by Aon plc and Aon Global Limited. All guarantees of Aon plc and Aon Global Limited of the Co-Issued Notes are joint and several as well as full and unconditional. Senior Notes rank pari passu in right of payment with all other present and future unsecured debt which is not expressed to be subordinate or junior in rank to any other unsecured debt of the Co-Issuers. Each of the notes described 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, 2022.

Repayments of total debt as of December 31, 2022 are as follows (in millions):

2023	\$ 946
2024	604
2025	750
2026	532
2027	1,121
Thereafter	6,956
Total Repayments	10,909
Unamortized discounts, premiums, and debt issuance costs	(139)
Total Debt	\$ 10,770

Revolving Credit Facilities

As of December 31, 2022 and 2021, Aon plc had two primary committed credit facilities outstanding: its \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and its \$750 million multi-currency U.S. credit facility expiring in October 2024. In aggregate, these two facilities provide approximately \$1.8 billion in available credit.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require Aon to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At December 31, 2022, Aon did not have borrowings under either of these primary committed credit facilities, and was in compliance with the financial covenants and all other covenants contained therein during the rolling years ended December 31, 2022 and 2021.

Commercial Paper

Commercial paper may be issued in aggregate principal amounts of up to \$1 billion under the U.S. Program and €625 million (\$665 million at December 31, 2022 exchange rates) under the European Program, not to exceed the amount of the Company's committed credit facilities, which was approximately \$1.8 billion at December 31, 2022. The aggregate capacity of the Commercial Paper Program remains fully backed by the Company's committed credit facilities. The U.S. Program was fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Global Holdings plc and the European Program was fully and unconditionally guaranteed by Aon plc, Aon Global Limited, and Aon Corporation.

Commercial paper outstanding, which is included in Short-term debt and current portion of long-term debt in the Company's Consolidated Statements of Financial Position, is as follows (in millions):

As of December 31	2022	2021
Commercial paper outstanding	\$ 592	\$ 665

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

	Years Ended December 31	
	2022	2021
Weighted average commercial paper outstanding	\$ 499	\$ 273
Weighted average interest rate of commercial paper outstanding	1.42 %	0.01 %

8. Lease Commitments

The classification of operating and finance lease asset and liability balances within the Consolidated Statements of Financial Position is as follows (in millions):

As of December 31	2022	2021
Assets		
Operating lease assets	Operating lease right-of-use assets \$ 699	\$ 786
Finance lease assets	Other non-current assets 43	63
Total lease assets	\$ 742	\$ 849
Liabilities		
Current lease liabilities		
Operating	Other current liabilities \$ 163	\$ 194
Finance	Other current liabilities 23	19
Non-current lease liabilities		
Operating	Non-current operating lease liabilities 693	772
Finance	Other non-current liabilities 28	46
Total lease liabilities	\$ 907	\$ 1,031

The components of lease costs are as follows (in millions):

	Years Ended December 31	
	2022	2021
Operating lease cost	\$ 204	\$ 217
Finance lease costs		
Amortization of leased assets	28	26
Interest on lease liabilities	1	1
Variable lease cost	38	49
Short-term lease cost ⁽¹⁾	11	11
Sublease income	(29)	(31)
Net lease cost	\$ 253	\$ 273

(1) Short-term lease cost does not include expenses related to leases with a lease term of one month or less.

Weighted average remaining lease term and discount rate related to operating and finance leases are as follows:

As of December 31	2022	2021
Weighted average remaining lease term (years)		
Operating leases	6.7	6.9
Finance leases	2.5	3.6
Weighted average discount rate		
Operating leases	3.1 %	2.8 %
Finance leases	1.0 %	1.0 %

Other cash and non-cash related activities are as follows (in millions):

	Years Ended December 31	
	2022	2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows for operating leases	\$ 231	\$ 244
Financing cash flows for finance leases	\$ 14	\$ 23
Non-cash related activities		
ROU assets obtained in exchange for new operating lease liabilities	\$ 110	\$ 44
ROU assets obtained in exchange for new finance lease liabilities	\$ —	\$ —
Operating lease ROU asset expense ⁽¹⁾	\$ 162	\$ 142
Changes in Non-current operating lease liabilities ⁽¹⁾	\$ (79)	\$ (125)

(1) The Company has recorded non-cash changes in Operating lease ROU assets and Non-current operating lease liabilities through Other assets and liabilities in Cash flows from operations within the Consolidated Statements of Cash Flows.

Maturity analysis of operating and finance leases as of December 31, 2022 are as follows (in millions):

	Operating Leases	Finance Leases	Total
2023	\$ 175	\$ 23	\$ 198
2024	164	18	182
2025	135	10	145
2026	123	—	123
2027	108	—	108
Thereafter	235	—	235
Total undiscounted future minimum lease payments	940	51	991
Less: Imputed interest	(84)	—	(84)
Present value of lease liabilities	\$ 856	\$ 51	\$ 907

9. Income Taxes

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

	2022	2021
Income (loss) before income taxes:		
Ireland	\$ 85	\$ 15
U.K.	502	549
U.S.	161	(818)
Other	2,408	2,185
Total	<u>\$ 3,156</u>	<u>\$ 1,931</u>
Income tax expense:		
Current:		
Ireland	\$ 2	\$ 2
U.K.	206	50
U.S. federal	195	197
U.S. state and local	43	72
Other	316	291
Total current tax expense	<u>\$ 762</u>	<u>\$ 612</u>
Deferred tax expense (benefit):		
Ireland	\$ —	\$ (1)
U.K.	(152)	131
U.S. federal	(69)	(83)
U.S. state and local	(21)	(30)
Other	(10)	(6)
Total deferred tax expense (benefit)	<u>\$ (252)</u>	<u>\$ 11</u>
Total income tax expense	<u>\$ 510</u>	<u>\$ 623</u>

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

The Company performs a reconciliation of the income tax provisions based on its domicile and statutory rate at each reporting period. The reconciliation of the income tax provisions based on the Irish statutory corporate tax rate of 25% to the provisions reflected in the Consolidated Financial Statements is as follows:

	Years Ended December 31	
	2022	2021
Statutory tax rate	25.0%	25.0%
U.S. state income taxes, net of U.S. federal benefit	0.4	1.5
Taxes on international operations ^{(1) (2)}	(11.6)	(15.4)
Nondeductible expenses	2.4	3.3
Adjustments to prior year tax requirements	(7.0)	(0.2)
Deferred tax adjustments, including statutory rate changes	(0.5)	3.2
Deferred tax adjustments, international earnings	0.2	1.8
Adjustments to valuation allowances	1.9	(0.2)
Change in uncertain tax positions	8.6	2.1
Excess tax benefits related to shared based compensation ⁽³⁾	(1.5)	(2.4)
Capital and other losses	(1.4)	—
Non-deductible transaction costs	—	1.1
Non-deductible termination fee	—	12.9
Other — net	(0.3)	(0.4)
Effective tax rate	16.2%	32.3%

- (1) The Company determines the adjustment for taxes on international operations based on the difference between the statutory tax rate applicable to earnings in each foreign jurisdiction and the enacted rate of 25.0% and 25.0% at December 31, 2022 and 2021, respectively. The benefit to the Company's effective income tax rate from taxes on international operations relates to benefits from lower-taxed global operations, primarily due to the use of global funding structures and the tax holiday in Singapore.
- (2) In July 2020, final U.S. tax regulations were issued regarding the GILTI high tax election, allowing taxpayers to exclude from GILTI the income of a Controlled Foreign Corporation that incurs a foreign tax rate more than 90% of the top U.S. corporate tax rate. A GILTI high tax election may be made on an annual basis, and taxpayers may choose to apply the election to taxable years beginning after December 31, 2017. The Company expects to make the GILTI high-tax election for 2022 and therefore recorded the impact of making the election.
- (3) Excess tax benefits and deficiencies from share-based payment transactions are recognized as income tax expense or benefit in the Company's Consolidated Statements of Income.

The Company has elected to account for GILTI in the period in which it is incurred, and therefore has not provided deferred tax impacts of GILTI in its Consolidated Financial Statements.

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

As of December 31	2022	2021
Deferred tax assets:		
Net operating loss, capital loss, interest, and tax credit carryforwards	\$ 952	\$ 581
Lease liabilities	178	207
Employee benefit plans	297	160
Other accrued expenses	100	132
Accrued interest	—	97
Federal and state benefit of interest from uncertain tax positions ⁽¹⁾	57	45
Deferred revenue	26	36
Investment basis differences	30	25
Lease and service guarantees	1	1
Other	38	25
Total	1,679	1,309
Valuation allowance on deferred tax assets	(275)	(230)
Total	\$ 1,404	\$ 1,079
Deferred tax liabilities:		
Intangibles and property, plant and equipment	\$ (258)	\$ (243)
Lease right-of-use asset	(151)	(173)
Deferred costs	(147)	(159)
Unremitted earnings	(38)	(58)
Other accrued expenses	(20)	(27)
Unrealized foreign exchange gains	(23)	(22)
Other	(42)	(32)
Total	\$ (679)	\$ (714)
Net deferred tax asset	\$ 725	\$ 365

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

As of December 31	2022	2021
Deferred tax assets — non-current	824	766
Deferred tax liabilities — non-current	(99)	(401)
Net deferred tax asset	\$ 725	\$ 365

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized and adjusts the valuation allowance accordingly. Considerations with respect to the realizability of deferred tax assets include the period of expiration of the deferred tax asset, historical earnings and projected future taxable income by jurisdiction as well as tax liabilities for the tax jurisdiction to which the tax asset relates. Significant management judgment is required in determining the assumptions and estimates related to the amount and timing of future taxable income. Valuation allowances have been established primarily with regard to the tax benefits of certain tax credits and net operating losses, capital losses, and interest carryforwards. Valuation allowances increased by \$45 million as of December 31, 2022, when compared to December 31, 2021. The change is primarily attributable to an increase in valuation allowances related to net operating losses and foreign tax credits.

The Company generally intends to limit distributions from foreign subsidiaries to earnings previously taxed in the U.S., primarily as a result of the Transition Tax or GILTI, or to repatriations that would otherwise not generate a U.S. tax liability. As of December 31, 2022, the Company has accrued \$38 million for local country income taxes, withholding taxes and state income taxes on those undistributed earnings that are not indefinitely reinvested. The Company has not provided for deferred taxes on outside basis differences in our investments in our foreign subsidiaries that are unrelated to these accumulated undistributed earnings, as these outside basis differences are indefinitely reinvested. A determination of the unrecognized deferred taxes related to these other components of our outside basis differences is not practicable.

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

As of December 31	2022	2021
U.K.		
Operating loss carryforwards	\$ 608	\$ 41
Capital loss carryforwards	\$ 533	\$ 573
U.S.		
Federal operating loss carryforwards	\$ 1	\$ 25
Federal capital loss carryforwards	\$ 112	\$ 112
Federal interest carryforwards	\$ 2,269	\$ 1,140
Federal foreign tax credit carryforwards	\$ 20	\$ 18
State operating loss carryforwards	\$ 473	\$ 398
State capital loss carryforwards	\$ 123	\$ 123
State interest carryforwards	\$ 1,187	\$ 551
Other Non-U.S.		
Operating loss carryforwards	\$ 490	\$ 301
Capital loss carryforwards	\$ 8	\$ 35
Interest carryforwards	\$ 26	\$ 26
Other carryforwards	\$ 5	\$ 5

The U.K. operating losses and capital losses have an indefinite carryforward period. The federal operating loss carryforwards generated through December 31, 2017 expire at various dates between 2034 and 2036 while federal operating loss carryforwards generated after this date have indefinite carryforward periods. State net operating losses as of December 31, 2022 have various carryforward periods and will begin to expire in 2023. Federal and state capital losses can be carried forward until 2023. Federal and state interest carryforwards have indefinite carryforward periods. Foreign tax credits can be carried forward for ten years and will begin to expire in 2028. Operating, capital losses, and other carryforwards in other non-U.S. jurisdictions have various carryforward periods and will begin to expire in 2023. The interest carryforwards in other non-U.S. jurisdictions have an indefinite carryforward period.

During 2012, the Company was granted a tax holiday for the period from October 1, 2012 through September 30, 2022, with respect to withholding taxes and certain income derived from services in Singapore. The Company has been granted a new incentive for the period October 1, 2022 to September 30, 2032. The new incentive provides for a reduced withholding tax rate and a reduced tax rate on certain income derived from services in Singapore, as long as certain conditions are met. The benefit realized was approximately \$115 million and \$104 million during the years ended December 31, 2022 and 2021, respectively. The impact of this tax holiday on diluted earnings per share was \$0.54 and \$0.46 during the years ended December 31, 2022 and 2021, respectively.

Uncertain Tax Positions

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

	2022	2021
Balance at January 1	\$ 347	\$ 321
Additions based on tax positions related to the current year	35	33
Additions for tax positions of prior years	226	7
Reductions for tax positions of prior years	(1)	(4)
Settlements	(1)	—
Business combinations	—	—
Lapse of statute of limitations	(5)	(10)
Foreign currency translation	—	—
Balance at December 31	\$ 601	\$ 347

The Company's liability for uncertain tax positions as of December 31, 2022 and 2021 includes \$535 million and \$295 million, respectively, related to amounts that would impact the effective tax rate if recognized. It is possible that the amount of unrecognized tax benefits may change in the next twelve months; however, the Company does not expect the change to have a significant impact on its Consolidated Profit and Loss Accounts or Consolidated Statements of Financial Position. These changes may be the result of settlements of ongoing audits. At this time, an estimate of the range of the reasonably possible outcomes within the twelve months cannot be made.

The Company recognizes interest and penalties related to uncertain tax positions in its provision for income taxes. The Company accrued potential interest and penalties of \$40 million and \$22 million in 2022 and 2021, respectively. The Company recorded a liability for interest and penalties of \$181 million and \$142 million as of December 31, 2022 and 2021, respectively.

The Company and its subsidiaries file income tax returns in their respective jurisdictions. The Company has substantially concluded all U.S. federal income tax matters for years through 2007. Material U.S. state and local income tax jurisdiction examinations have been concluded for years through 2014. The Company has concluded income tax examinations in its primary non-U.S. jurisdictions through 2008.

10. Shareholders' Equity (Deficit)

Distributable Profits

The Company is required under Companies Act 2014 to have available "distributable profits" to make share repurchases or pay dividends to shareholders. Distributable profits are created through the earnings of the Irish parent company and, among other methods, through intercompany dividends or a reduction in share capital approved by the High Court of Ireland. Distributable profits are not linked to a U.S. GAAP reported amount (e.g., accumulated deficit). As of December 31, 2022 and 2021, the Company had distributable profits in excess of \$30.7 billion and \$32.7 billion, respectively. We believe that we have the ability to create sufficient distributable profits for the foreseeable future.

Ordinary Shares

Aon has a share repurchase program authorized by the Company's Board of Directors. The Repurchase Program was established in April 2012 with \$5.0 billion in authorized repurchases and was increased by \$5.0 billion in authorized repurchases in each of November 2014, June 2017, and November 2020, and by \$7.5 billion in February 2022 for a total of \$27.5 billion in repurchase authorizations.

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

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

	Years Ended December 31	
	2022	2021
Shares repurchased and cancelled	11.1	12.4
Average price per share	\$ 289.76	\$ 286.82
Repurchase costs recorded to accumulated deficit	\$ 3,203	\$ 3,543

At December 31, 2022, the remaining authorized amount for share repurchases under the Repurchase Program was approximately \$6.0 billion. Under the Repurchase Program, the Company has repurchased a total of 160.7 million shares for an aggregate cost of approximately \$21.5 billion. The Company had no opening or closing repurchased shares for the years ended December 31, 2022 and December 31, 2021.

Net Income Per Share

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

	Years ended December 31	
	2022	2021
Basic weighted average ordinary shares outstanding	211.7	224.7
Dilutive effect of potentially issuable shares	1.5	1.4
Diluted weighted average ordinary shares outstanding	213.2	226.1

Potentially issuable shares are not included in the computation of Diluted net income per share attributable to Aon shareholders if their inclusion would be antidilutive. There were 0.8 million and 0.3 million shares excluded from the calculation in 2022 and 2021, respectively.

Accumulated Other Comprehensive Loss

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

	Change in Fair Value of Financial Instruments ⁽¹⁾	Foreign Currency Translation Adjustments	Postretirement Benefit Obligation ⁽²⁾	Total
Balance at December 31, 2020	1	(1,045)	(2,817)	(3,861)
Other comprehensive income (loss) before reclassifications:				
Other comprehensive income (loss) before reclassifications	—	(290)	227	(63)
Tax benefit (expense)	—	2	(58)	(56)
Other comprehensive income (loss) before reclassifications, net	—	(288)	169	(119)
Amounts reclassified from accumulated other comprehensive income (loss):				
Amounts reclassified from accumulated other comprehensive income	2	—	142	144
Tax expense	(1)	—	(34)	(35)
Amounts reclassified from accumulated other comprehensive income, net	1	—	108	109
Net current period other comprehensive income (loss)	1	(288)	277	(10)
Balance at December 31, 2021	\$ 2	\$ (1,333)	\$ (2,540)	\$ (3,871)
Other comprehensive income (loss) before reclassifications:				
Other comprehensive loss before reclassifications	(15)	(528)	(569)	(1,112)
Tax benefit (expense)	4	—	149	153
Other comprehensive loss before reclassifications, net	(11)	(528)	(420)	(959)
Amounts reclassified from accumulated other comprehensive income (loss):				
Amounts reclassified from accumulated other comprehensive income (loss)	(2)	—	282	280
Tax expense	—	—	(73)	(73)
Amounts reclassified from accumulated other comprehensive income (loss), net	(2)	—	209	207
Net current period other comprehensive loss	(13)	(528)	(211)	(752)
Balance at December 31, 2022	\$ (11)	\$ (1,861)	\$ (2,751)	\$ (4,623)

- (1) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Total revenue, Interest expense, and Compensation and benefits in the Consolidated Profit and Loss Accounts. Refer to Note 13 “Derivatives and Hedging” for further information regarding the Company’s derivative and hedging activity.
- (2) Reclassifications from this category included in Accumulated other comprehensive loss are recorded in Other income (expense) in the Consolidated Profit and Loss Accounts.

11. Employee Benefits

Defined Contribution Savings Plans

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

	Years ended December 31	
	2022	2021
U.S.	\$ 108	\$ 103
U.K.	47	46
Netherlands and Canada	33	35
Total	\$ 188	\$ 184

Pension and Other Postretirement Benefits

The Company sponsors defined benefit pension and postretirement health and welfare plans that provide retirement, medical, and life insurance benefits. The postretirement health care 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 Canada pension plans are closed to new entrants.

Pension Plans

The following tables provide a reconciliation of the changes in the projected benefit obligations and fair value of assets for the years ended December 31, 2022 and 2021, and a statement of the funded status as of December 31, 2022 and 2021, for Aon's significant U.K., U.S., and other major pension plans, which are located in the Netherlands and Canada. These plans represent approximately 88% of the Company's projected benefit obligations.

<i>(millions)</i>	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
<i>Change in projected benefit obligation</i>						
At January 1	\$ 4,919	\$ 5,406	\$ 3,164	\$ 3,380	\$ 1,531	\$ 1,625
Service cost	1	1	—	—	—	—
Interest cost	83	65	73	57	19	12
Settlements	—	(14)	(283)	—	—	—
Actuarial (gain) loss	(1,418)	(292)	(607)	(103)	(322)	24
Benefit payments	(195)	(189)	(167)	(170)	(45)	(47)
Foreign currency impact	(444)	(58)	—	—	(89)	(83)
As of December 31	\$ 2,946	\$ 4,919	\$ 2,180	\$ 3,164	\$ 1,094	\$ 1,531
Accumulated benefit obligation at end of year	\$ 2,946	\$ 4,919	\$ 2,180	\$ 3,164	\$ 1,079	\$ 1,504
<i>Change in fair value of plan assets</i>						
At January 1	\$ 6,246	\$ 6,652	\$ 2,378	\$ 2,276	\$ 1,430	\$ 1,497
Actual return on plan assets	(1,961)	(136)	(484)	211	(284)	46
Employer contributions	7	9	37	61	15	17
Settlements	—	(14)	(283)	—	—	—
Benefit payments	(195)	(189)	(167)	(170)	(45)	(47)
Foreign currency impact	(559)	(76)	—	—	(83)	(83)
As of December 31	\$ 3,537	\$ 6,246	\$ 1,481	\$ 2,378	\$ 1,032	\$ 1,430
Market related value at end of year	\$ 3,537	\$ 6,246	\$ 1,794	\$ 2,174	\$ 1,032	\$ 1,430
<i>Amount recognized in Statement of Financial Position as of December 31</i>						
Funded status	\$ 591	\$ 1,327	\$ (699)	\$ (786)	\$ (62)	\$ (101)
Unrecognized prior-service cost	35	40	—	—	(6)	(6)
Unrecognized loss	1,726	1,215	1,305	1,551	443	489
Net amount recognized	\$ 2,352	\$ 2,582	\$ 606	\$ 765	\$ 375	\$ 382

The benefit obligation decreased primarily as a result of increases in the discount rates in 2022 as compared to 2021. The value of plan assets decreased as a result of negative asset returns, predominately in the U.K., and overall weaker exchange rates versus the U.S. Dollar. The U.K. pension assets are concentrated in fixed income and annuities which were disproportionately negatively impacted by the rising interest rate environment. The U.K. hedging strategy continues to perform as expected and the related pension plans remain over-funded. Net actuarial gains decreased the benefit obligation in 2021 primarily due to the increase in the discount rates.

In November 2022, to further its pension de-risking strategy the Company purchased an annuity for portions of its U.S. pension plans that will settle certain obligations. The transaction settled \$280 million of benefit obligations using \$280 million of assets.

In November 2020, the Company entered into an insurance contract that covers a portion of the assets within a select U.K. pension scheme. The transaction resulted in a decrease in Prepaid pension assets and Accumulated other comprehensive income of \$94 million.

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

	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Prepaid benefit cost ⁽¹⁾	\$ 612	\$ 1,344	\$ —	\$ —	\$ —	\$ —
Accrued benefit liability - current ⁽²⁾	(1)	(1)	(42)	(52)	(5)	(5)
Accrued benefit liability - non-current ⁽³⁾	(20)	(16)	(657)	(734)	(57)	(96)
Accumulated other comprehensive loss	1,761	1,255	1,305	1,551	437	483
Net amount recognized	\$ 2,352	\$ 2,582	\$ 606	\$ 765	\$ 375	\$ 382

(1) Included in Prepaid pension.

(2) Included in Other current liabilities.

(3) Included in Pension, other postretirement, and postemployment liabilities.

Amounts recognized in Accumulated other comprehensive loss (income) that have not yet been recognized as components of net periodic benefit cost at December 31, 2022 and 2021 consist of (in millions):

	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Net loss	\$ 1,726	\$ 1,215	\$ 1,305	\$ 1,551	\$ 443	\$ 489
Prior service cost (income)	35	40	—	—	(6)	(6)
Total	\$ 1,761	\$ 1,255	\$ 1,305	\$ 1,551	\$ 437	\$ 483

In 2022, U.S. plans with a PBO and an ABO in excess of the fair value of plan assets had a PBO of \$2.2 billion, an ABO of \$2.2 billion, and plan assets with a fair value of \$1.5 billion. U.K. plans with a PBO and an ABO in excess of the fair value of plan assets had a PBO of \$114 million, an ABO of \$114 million and, plan assets with a fair value of \$93 million. Other plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.1 billion and plan assets with a fair value of \$1.0 billion, and other plans with an ABO in excess of the fair value of plan assets had an ABO of \$220 million and plan assets with a fair value of \$166 million.

In 2021, U.S. plans with a PBO and an ABO in excess of the fair value of plan assets had a PBO of \$3.2 billion, an ABO of \$3.2 billion, and plan assets with a fair value of \$2.4 billion. U.K. plans with a PBO and an ABO in excess of the fair value of plan assets had a PBO of \$17 million, an ABO of \$17 million and no plan assets. Other plans with a PBO in excess of the fair value of plan assets had a PBO of \$1.5 billion and plan assets with a fair value of \$1.4 billion, and other plans with an ABO in excess of the fair value of plan assets had an ABO of \$409 million and plan assets with a fair value of \$326 million.

Service cost is reported in Compensation and benefits and all other components are reported in Other income (expense) as follows (in millions):

	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Service cost	\$ 1	\$ 1	\$ —	\$ —	\$ —	\$ —
Interest cost	83	65	73	57	19	12
Expected return on plan assets, net of administration expenses	(134)	(137)	(108)	(130)	(33)	(32)
Amortization of prior-service cost	2	2	—	—	—	—
Amortization of net actuarial loss	29	32	61	78	13	15
Net periodic benefit (income) cost	(19)	(37)	26	5	(1)	(5)
Settlement expense	—	5	170	—	—	—
Total net periodic benefit cost (income)	\$ (19)	\$ (32)	\$ 196	\$ 5	\$ (1)	\$ (5)

The Company uses a full-yield curve approach in the estimation of the service and interest cost components of net periodic pension and postretirement benefit cost for its major pension and other postretirement benefit plans. This estimation was obtained by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows.

In November 2022, to further its pension de-risking strategy the Company purchased an annuity for portions of its U.S. pension plans that will settle certain obligations. This triggered settlement accounting which required immediate recognition of a portion of the accumulated losses associated with the plan. Consequently, the Company recognized a non-cash settlement charge of approximately \$170 million in 2022.

Transfer payments from certain U.K. pension plans exceeded the plan's service and interest cost in 2021 and 2020. This triggered settlement accounting which required immediate recognition of a portion of the accumulated losses associated with the plan. Consequently, the Company recognized a non-cash settlement charge for approximately £3 million in 2021 (\$5 million using December 31, 2021 exchange rates), and approximately £2 million in 2020 (\$2 million using December 31, 2020 exchange rates).

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

	U.K.		U.S. ⁽¹⁾		Other	
	2022	2021	2022	2021	2022	2021
Discount rate	4.89%	1.96%	4.82 - 5.03%	2.23 - 2.8%	3.23 - 5.19%	1.00 - 2.97%
Rate of compensation increase	3.59 - 4.09%	3.62 - 4.12%	N/A	N/A	1.00 - 3.00%	1.00 - 3.00%
Underlying price inflation	2.44%	2.52%	N/A	N/A	2.00%	2.00%

(1) U.S. pension plans are frozen and therefore not impacted by compensation increases or price inflation.

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

	U.K.		U.S.		Other	
	2022	2021	2022	2021	2022	2021
Discount rate	1.85 %	1.20 %	1.67 - 2.25%	1.12 - 1.79%	0.84 - 2.58%	0.28 - 2.00%
Expected return on plan assets, net of administration expenses	2.34 %	2.04 %	2.03 - 5.28%	2.65 - 6.56%	1.80 - 3.15%	1.70 - 2.65%
Rate of compensation increase	3.62 - 4.12%	3.22 - 3.72%	N/A	N/A	1.00 - 3.00%	1.00 - 3.00%

Expected Return on Plan Assets

To determine the expected long-term rate of return on plan assets, the historical performance, investment community forecasts, and current market conditions are analyzed to develop expected returns for each asset class used by the plans. The expected returns for each asset class are weighted by the target allocations of the plans. The expected return of 5.28% on U.S. plan assets reflects a portfolio that is seeking asset growth through a higher equity allocation while maintaining prudent risk levels. The portfolio contains certain assets that have historically resulted in higher returns, as well as other financial instruments to minimize downside risk.

No plan assets are expected to be returned to the Company during 2023.

Fair Value of Plan Assets

The Company determined the fair value of plan assets through numerous procedures based on the asset class and available information. Refer to Note 14 “Fair Value Measurements and Financial Instruments” for a description of the procedures performed to determine the fair value of the plan assets.

The fair values of the Company’s U.S. pension plan assets at December 31, 2022 and December 31, 2021, by asset category, are as follows (in millions):

Asset Category	Balance at December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 42	\$ 42	\$ —	\$ —
Equity investments:				
Equity securities	64	64	—	—
Equity derivatives	(6)	—	(6)	—
Pooled funds ⁽²⁾	293	—	—	—
Fixed income investments:				
Corporate bonds	192	—	192	—
Government and agency bonds	149	124	25	—
Pooled funds ⁽²⁾	507	—	—	—
Other investments:				
Real estate ⁽²⁾⁽³⁾	113	—	—	—
Alternative investments ⁽²⁾⁽⁴⁾	127	—	—	—
Total	\$ 1,481	\$ 230	\$ 211	\$ —

Asset Category	Balance at December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 93	\$ 93	\$ —	\$ —
Equity investments:				
Equity securities	86	86	—	—
Equity derivatives	19	—	19	—
Pooled funds ⁽²⁾	548	—	—	—
Fixed income investments:				
Corporate bonds	249	—	249	—
Government and agency bonds	230	192	38	—
Pooled funds ⁽²⁾	838	—	—	—
Other investments:				
Real estate ⁽²⁾⁽³⁾	156	—	—	—
Alternative investments ⁽²⁾⁽⁴⁾	159	—	—	—
Total	\$ 2,378	\$ 371	\$ 306	\$ —

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

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

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

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

The fair values of the Company's major U.K. pension plan assets at December 31, 2022 and December 31, 2021, by asset category, are as follows (in millions):

	Balance at December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 336	\$ 336	\$ —	\$ —
Equity investments:				
Pooled funds ⁽²⁾	—	—	—	—
Fixed income investments:				
Derivatives ⁽³⁾	(548)	—	(548)	—
Government and agency bonds	1,593	1,593	—	—
Annuities	1,403	—	—	1,403
Pooled funds ⁽²⁾	139	—	—	—
Other investments:				
Real estate ⁽²⁾⁽⁴⁾	97	—	—	—
Pooled funds ⁽²⁾⁽⁵⁾	517	—	—	—
Total	\$ 3,537	\$ 1,929	\$ (548)	\$ 1,403

	Balance at December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 872	\$ 872	\$ —	\$ —
Equity investments:				
Pooled funds ⁽²⁾	—	—	—	—
Fixed income investments:				
Derivatives ⁽³⁾	(1,640)	—	(1,640)	—
Government and agency bonds	2,969	2,969	—	—
Annuities	2,305	—	—	2,305
Pooled funds ⁽²⁾	463	—	—	—
Other investments:				
Real estate ⁽²⁾⁽⁴⁾	130	—	—	—
Pooled funds ⁽²⁾⁽⁵⁾	1,147	—	—	—
Total	\$ 6,246	\$ 3,841	\$ (1,640)	\$ 2,305

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

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

(3) Consists of equity securities and equity derivatives, including repurchase agreements.

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

(5) Consists of multi-strategy limited partnerships, private equity, hedge funds, and collective investment schemes with a diversified portfolio of cash, equities, equity related securities, derivatives, and/or fixed income securities.

The following table presents the changes in the Level 3 fair-value category in the Company's U.K. pension plans for the years ended December 31, 2022 and December 31, 2021 (in millions):

Fair Value Measurements Using Level 3 Inputs	Annuities
Balance at January 1, 2021	\$ 2,625
Actual return on plan assets:	
Relating to assets still held at December 31, 2021	(286)
Purchase, sales and settlements-net	—
Foreign exchange	(34)
Balance at December 31, 2021	2,305
Actual return on plan assets:	
Relating to assets still held at December 31, 2022	(674)
Purchases, sales and settlements-net	—
Foreign exchange	(228)
Balance at December 31, 2022	\$ 1,403

The fair values of the Company's other major pension plan assets at December 31, 2022 and December 31, 2021, by asset category, are as follows (in millions):

	Balance at December 31, 2022	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 30	\$ 30	\$ —	\$ —
Equity investments:				
Equity securities	53	53	—	—
Pooled funds ⁽²⁾	211	—	—	—
Fixed income investments:				
Government and agency bonds	225	225	—	—
Derivatives	(3)	—	(3)	—
Pooled funds ⁽²⁾	462	—	—	—
Other investments:				
Alternative investments ⁽²⁾⁽³⁾	42	—	—	—
Real estate ⁽²⁾⁽⁴⁾	12	—	—	—
Total	\$ 1,032	\$ 308	\$ (3)	\$ —

	Balance at December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and cash equivalents ⁽¹⁾	\$ 29	\$ 29	\$ —	\$ —
Equity investments:				
Equity securities	72	72	—	—
Pooled funds ⁽²⁾	316	—	—	—
Fixed income investments:				
Government and agency bonds	350	350	—	—
Pooled funds ⁽²⁾	597	—	—	—
Other investments:				
Alternative investments ⁽²⁾⁽³⁾	55	—	—	—
Real estate ⁽²⁾⁽⁴⁾	11	—	—	—
Total	\$ 1,430	\$ 451	\$ —	\$ —

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

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

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

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

Investment Policy and Strategy

The U.S. investment policy, as established by the RPGIC, seeks reasonable asset growth at prudent risk levels within weighted average target allocations. At December 31, 2022, the weighted average targeted allocation for the U.S. plans was 30% for equity investments, 54% for fixed income investments, and 16% for 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, 2022, the weighted average targeted allocation for the U.K. and non-U.S. plans was 6% for equity investments, 86% for fixed income investments, and 8% for other investments.

Cash Flows

Contributions

Based on current assumptions, in 2023, the Company expects to contribute approximately \$4 million, \$43 million, and \$14 million to its significant U.K., U.S., and other major pension plans, respectively.

Estimated Future Benefit Payments

Estimated future benefit payments for plans, not including voluntary one-time lump sum payments, are as follows at December 31, 2022 (in millions):

	U.K.	U.S.	Other
2023	\$ 153	\$ 157	\$ 46
2024	\$ 157	\$ 158	\$ 47
2025	\$ 161	\$ 158	\$ 49
2026	\$ 166	\$ 162	\$ 50
2027	\$ 170	\$ 155	\$ 51
2028 - 2032	\$ 905	\$ 754	\$ 274

U.S. and Canadian Other Postretirement 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, 2022 and 2021 for the Company's other significant postretirement benefit plans located in the U.S. and Canada (in millions):

	2022	2021
Accumulated projected benefit obligation	\$ 83	\$ 109
Fair value of plan assets	14	17
Funded status	(69)	(92)
Unrecognized prior-service credit	(1)	(1)
Unrecognized (gain) loss	(19)	2
Net amount recognized	\$ (89)	\$ (91)

Other information related to the Company's other postretirement benefit plans are as follows:

	2022	2021
Net periodic benefit cost recognized (millions)	\$3	\$5
Weighted-average discount rate used to determine future benefit obligations	4.94 - 5.19%	2.52 - 3.06%
Weighted-average discount rate used to determine net periodic benefit costs	1.97 - 2.69%	1.45 - 2.68%

Based on current assumptions, the Company expects:

- The amount in Accumulated other comprehensive income expected to be recognized as a component of net periodic benefit cost during 2023 is \$0.8 million net gain and \$0.2 million of prior-service credit.
- To contribute \$5 million to fund significant other postretirement benefit plans during 2023.
- Estimated future benefit payments will be approximately \$5 million each year for 2023 through 2027, and \$27 million in aggregate for 2028-2032.

12. Share-Based Compensation Plans

The following table summarizes share-based compensation expense recognized in the Consolidated Profit and Loss Accounts in Compensation and benefits (in millions):

	Years ended December 31	
	2022	2021
Restricted share units	\$ 251	\$ 204
Performance share awards	134	189
Employee share purchase plans and other ⁽¹⁾	12	56
Total share-based compensation expense	397	449
Tax benefit	83	87
Share-based compensation expense, net of tax	\$ 314	\$ 362

(1) 2021 includes expenses related to the Aon United Growth Ownership Plan.

Restricted Share Units

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

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

Years ended December 31	Shares	Fair Value at Date of Grant ⁽¹⁾
Non-vested balance at December 31, 2021	3,075	\$ 203
Granted	1,117	\$ 279
Vested	(1,154)	\$ 187
Forfeited	(175)	\$ 219
Non-vested balance at December 31, 2022	2,863	\$ 238

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

The weighted-average grant date fair value of the Company's RSU awards granted during the years ended December 31, 2022, December 31, 2021, and December 31, 2020 was \$279, \$253, and \$185, respectively. The fair value of RSUs that vested during 2022, 2021, and 2020 was \$216 million, \$189 million, and \$190 million, respectively.

Unamortized deferred compensation expense amounted to \$466 million as of December 31, 2022, with a remaining weighted average amortization period of approximately 2.0 years.

Performance Share Awards

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

The following table summarizes the status of the Company's PSAs at 100% of the targeted amount (shares in thousands, except fair value):

	Shares	Fair Value ⁽¹⁾
Non-vested balance at December 31, 2021	1,298	\$ 181
Granted	300	\$ 311
Vested	(444)	\$ 163
Forfeited	(18)	\$ 217
Non-vested balance at December 31, 2022	1,136	\$ 222

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

The per share weighted-average grant date fair value of the Company's PSA awards granted during the years ended December 31, 2022, December 31, 2021, and December 31, 2020 was \$311, \$225, and \$163, respectively. The payout of shares in 2022 with respect to the PSA awards granted in 2019 based on performance for the three-year performance period ended 2021 was, in aggregate, 888 thousand shares. The fair value of PSAs that vested during 2022, 2021, and 2020 was \$145 million, \$112 million, and \$121 million, respectively.

Unamortized compensation expense, based on current performance levels, amounted to \$126 million as of December 31, 2022, with a remaining weighted average amortization period of approximately 1.3 years.

13. Derivatives and Hedging

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

Foreign Exchange Risk Management

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

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

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

As of December 31	Notional Amount		Net Amount of Derivative Assets Presented in the Statements of Financial Position ⁽¹⁾		Net Amount of Derivative Liabilities Presented in the Statements of Financial Position	
	2022	2021	2022	2021	2022	2021
Foreign exchange contracts						
Accounted for as hedges	\$ 618	\$ 629	\$ 12	\$ 27	\$ 2	\$ —
Not accounted for as hedges ⁽³⁾	312	412	—	2	1	—
Total	\$ 930	\$ 1,041	\$ 12	\$ 29	\$ 3	\$ —

(1) Included within Other current assets (\$3 million in 2022 and \$21 million in 2021) or Other non-current assets (\$9 million in 2022 and \$8 million in 2021).

(2) Included within Other current liabilities (\$2 million in 2022) or Other non-current liabilities (\$1 million in 2022).

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

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

	2022	2021
(Loss) gain recognized in Accumulated other comprehensive loss	\$ (15)	\$ —

The amounts of derivative gains (losses) reclassified from Accumulated other comprehensive loss to the Consolidated Profit and Loss Accounts are as follows (in millions):

	Years Ended December 31	
	2022	2021
Total revenue	\$ 2	\$ (3)
Compensation and benefits	—	1
Interest expense	—	—
Total	\$ 2	\$ (2)

The Company estimates that approximately \$10 million of pretax loss currently included within Accumulated other comprehensive loss will be reclassified into earnings in the next twelve months.

The Company recorded a gain of \$11 million in 2022 and a loss of \$24 million in 2021 in Other income (expense) for foreign exchange derivatives not designated or qualifying as hedges.

14. Fair Value Measurements and Financial Instruments

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

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

The following methods and assumptions are used to estimate the fair values of the Company's financial instruments, including pension assets (refer to Note 11 "Employee Benefits"):

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

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

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

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

Pooled funds consist of various equity, fixed income, 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. The underlying securities typically trade on a national securities exchange or may be valued by the fund managers using applicable models, inputs, and assumptions. The Company gains an understanding of the investment guidelines and valuation policies of the fund and discusses fund performance with pooled fund managers. The Company obtains audited fund manager financial statements, when available. If the pooled fund is designed to replicate a publicly traded index, the Company compares the performance of the fund to the index to assess the reasonableness of the fair value measurement.

Alternative investments consist of limited partnerships, private equity, and hedge funds. Alternative investment fair value is generally estimated based on the proportionate share ownership in the underlying net assets of the investment as determined by the general partner or investment manager. The valuations are based on various factors depending on investment strategy, proprietary models, and specific financial data or projections. The Company obtains audited fund manager financial statements, when available. The Company obtains a detailed understanding of the models, inputs, and assumptions used in developing prices provided by the investment managers, or appropriate party, through regular discussions. The Company also obtains the investment manager's valuation policies and assesses the assumptions used for reasonableness based on relevant market conditions and internal Company guidelines. If an assumption is deemed unreasonable, based on the Company's guidelines, it is then reviewed by management and the fair value estimate provided by the vendor is adjusted, if deemed appropriate. These adjustments do not occur frequently and historically are not material to the fair value estimates in the Consolidated Financial Statements.

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

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 DCF model utilizing assumptions such as discount rate, mortality, and inflation.

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

Debt is carried at outstanding principal balance, less any unamortized issuance costs, discount or premium. Fair value is based on quoted market prices or estimates using DCF 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, 2022 and December 31, 2021 (in millions):

	Balance at December 31, 2022	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⁾	\$ 3,323	\$ 3,323	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 19	\$ —	\$ 19	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 9	\$ —	\$ 9	\$ —

	Balance at December 31, 2021	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Money market funds ⁽¹⁾	\$ 2,918	\$ 2,918	\$ —	\$ —
Other investments				
Government bonds	\$ 1	\$ —	\$ 1	\$ —
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 40	\$ —	\$ 40	\$ —
Liabilities				
Derivatives ⁽²⁾				
Gross foreign exchange contracts	\$ 11	\$ —	\$ 11	\$ —

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

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

There were no transfers of assets or liabilities between fair value hierarchy levels during 2022 or 2021. The Company recognized no realized or unrealized gains or losses in the Consolidated Profit and Loss Accounts related to assets and liabilities measured at fair value using unobservable inputs in 2022 or 2021.

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

As of December 31	2022		2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Current portion of long-term debt	\$ 350	\$ 347	\$ 499	\$ 507
Long-term debt	\$ 9,825	\$ 8,745	\$ 8,228	\$ 9,204

15. Provisions and Other Contingencies

Legal

Aon and its subsidiaries are subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business, which frequently include 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 expense in the Consolidated Statements of Income to the extent that losses are deemed probable and are reasonably estimable. These amounts are adjusted from time to time as developments warrant. Matters that are not probable and reasonably estimable are not accrued for in the financial statements.

The Company is not subject to current matters in connection with which the Company believes (1) material loss (including interest and costs) is probable, (2) material loss (including interest and costs) is reasonably possible (that is, more than remote but not probable), or (3) there exists the reasonable possibility of material loss (including interest and costs) greater than the accrued amount. The Company includes in the current matters described below certain matters in which it believes a material loss is remote but in which the claimed amounts are significant. Although management at present believes that the ultimate outcome of such matters, individually or in the aggregate, will not have a material adverse effect on the consolidated financial position of Aon, legal proceedings are subject to inherent uncertainties and unfavorable rulings or other events. Unfavorable resolutions could include substantial monetary or punitive damages imposed on Aon or its subsidiaries. If unfavorable outcomes of these matters were to occur, future results of operations or cash flows for any particular quarterly or annual period could be materially adversely affected.

Current Matters

Aon Hewitt Investment Consulting, Inc, now known as Aon Investments USA, Inc. (“Aon Investments”), Lowe’s Companies, Inc. and the Administrative Committee of Lowe’s Companies, Inc. (collectively “Lowe’s”) were sued on April 27, 2018 in the U.S. District Court for the Western District of North Carolina (the “Court”) in a class action lawsuit brought on behalf of participants in the Lowe’s 401(k) Plan (the “Plan”). Aon Investments provided investment consulting services to Lowe’s under ERISA. The plaintiffs contend that in 2015 Lowe’s imprudently placed the Hewitt Growth Fund in the Plan’s lineup of investments, the Hewitt Growth Fund underperformed its benchmarks, and that Aon had a conflict of interest in recommending the proprietary fund for the Plan. The plaintiffs allege the Plan suffered over \$200 million in investment losses when compared to the eight funds it replaced. The plaintiffs allege that Aon Investments breached its duties of loyalty and prudence pursuant to ERISA. The matter was tried to the Court the last week of June 2021, and the Court entered judgment in favor of Aon on all claims on October 12, 2021. Plaintiffs have filed an appeal with the United States Court of Appeals for the Fourth Circuit, and oral argument took place on December 7, 2022. Aon believes it has meritorious defenses and intends to vigorously defend itself against these claims and appeal.

Aon faces legal action arising out of a fatal plane crash in November 2016. Aon U.K. Limited placed an aviation civil liability reinsurance policy for the Bolivian insurer of the airline. After the crash, the insurer determined that there was no coverage under the airline’s insurance policy due to the airline’s breach of various policy conditions. In November 2018, the owner of the aircraft filed a claim in Bolivia against Aon, the airline, the insurer and the insurance broker. The claim is for \$16 million plus any liability the owner has to third parties. In November 2019, a federal prosecutor in Brazil filed a public civil action naming three Aon entities as defendants, along with the airline, the insurer, and the lead reinsurer. That claim seeks pecuniary damages

for families affected by the crash in the sum of \$300 million; or, in the alternative, \$50 million; or, in the alternative, \$25 million; plus “moral damages” of an equivalent sum. Separately, in March 2020, the Brazilian Federal Senate invited Aon to give evidence to a Parliamentary Commission of Inquiry in an investigation into the accident. Aon cooperated with that inquiry. In August 2020, 43 individuals (surviving passengers and estates of the deceased) filed a motion in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, seeking permission to commence proceedings against Aon (and the insurer and reinsurers) for claims totaling \$844 million. Finally, in April 2021, representatives of 16 passengers issued a claim against Aon in the High Court in England seeking damages under the Fatal Accidents Act 1976 in the sum of £29 million (\$35 million at December 31, 2022 exchange rates). In December 2022, the High Court in England granted an anti-suit injunction, restricting the 43 individuals who previously filed a motion in the Circuit Court of the 11th Judicial Circuit in and for Miami-Dade County, Florida, from continuing litigation in the Circuit Court of the 11th Judicial Circuit against Aon. Aon believes that it has meritorious defenses and intends to vigorously defend itself against the remaining claims.

Settled/Closed Matters

On October 3, 2017, CCC invoked arbitration to pursue a claim that it asserts against Aon New Zealand. Aon provided insurance broking services to CCC in relation to CCC’s 2010-2011 material damage and business interruption program. In December 2015, CCC settled its property and business interruption claim for its losses arising from the 2010-2011 Canterbury earthquakes against the underwriter of its material damage and business interruption program and the reinsurers of that underwriter. CCC contends that acts and omissions by Aon caused CCC to recover less in that settlement than it otherwise would have. CCC claimed damages of approximately NZD 320 million (\$202 million at December 31, 2022 exchange rates) plus interest and costs. In December 2022, the case was settled with no admission of liability on the part of Aon.

Guarantees and Indemnifications

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

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

Guarantee of Registered Securities

In connection with the Ireland Reorganization, on April 1, 2020, Aon plc and Aon Global Holdings plc entered into various agreements pursuant to which they agreed to guarantee the obligations of Aon Corporation arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Global Limited and the obligations of Aon Global Limited arising under issued and outstanding debt securities, which were previously guaranteed solely by Aon Corporation. Those agreements include: (1) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, and Aon Global Holdings plc and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”) (amending and restating the Amended and Restated Indenture, dated April 2, 2012, among Aon Corporation, Aon Global Limited and the Trustee); (2) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 12, 2012, among Aon Corporation, Aon Global Limited plc and the Trustee); (3) Second Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Amended and Restated Indenture, dated May 20, 2015, among Aon Corporation, Aon Global Limited and the Trustee); (4) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated November 13, 2015, among Aon Corporation, Aon Global Limited and the Trustee); and (5) Amended and Restated Indenture, dated April 1, 2020, among Aon Corporation, Aon Global Limited, Aon plc, Aon Global Holdings plc and the Trustee (amending and restating the Indenture, dated December 3, 2018, among Aon Corporation, Aon Global Limited and the Trustee).

Letters of Credit

Aon has entered into a number of arrangements whereby the Company’s performance on certain obligations is guaranteed by a third party through the issuance of LOCs. The Company had total LOCs outstanding of approximately \$74 million at December 31, 2022, and \$75 million at December 31, 2021. These LOCs cover the beneficiaries related to certain of Aon’s U.S. and Canadian non-qualified pension plan schemes and secure deductible retentions for Aon’s own workers compensation program.

The Company has also obtained LOCs to cover contingent payments for taxes and other business obligations to third parties, and other guarantees for miscellaneous purposes at its international subsidiaries.

Premium Payments

The Company has certain contractual contingent guarantees for premium payments owed by clients to certain insurance companies. The maximum exposure with respect to such contractual contingent guarantees was approximately \$173 million at December 31, 2022 compared to \$153 million at December 31, 2021.

16. Segment Information

The Company operates as one segment that includes all of Aon's operations, which as a global professional services firm provides a broad range of risk, health, and wealth solutions through four solution lines which make up its principal products and services. The CODM assesses the performance of the Company and allocates resources based on one segment: Aon United.

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

As Aon operates as one segment, segment profit or loss is consistent with consolidated reporting as disclosed in the Consolidated Profit and Loss Accounts. Refer to Note 3 "Revenue from Contracts with Customers" for further information on revenue by principal service line.

Consolidated long-lived assets, net by geographic area are as follows (in millions):

Years ended December 31	Total	U.S.	Americas other than U.S.	U.K.	Ireland	Other Europe, Middle East, & Africa	Asia Pacific
2022	\$ 1,300	\$ 519	\$ 120	\$ 155	\$ 9	\$ 279	\$ 218
2021	\$ 1,378	\$ 563	\$ 121	\$ 180	\$ 7	\$ 293	\$ 214

17. Directors' Remuneration

Directors' remuneration is set forth in the table below. Mr. Case serves as the Company's Chief Executive Officer, and receives his remuneration for serving in that role. Mr. Case is the Company's sole executive director. This table also includes compensation for all non-employee directors in their capacities as such.

<i>(in millions)</i>	Year Ended December 31	
	2022	2021
Aggregate emoluments in respect of qualifying services	\$ 10	\$ 9
Aggregate amount of the money or value of other assets under long-term incentive plans	45	33
Total	\$ 55	\$ 42

18. Auditor's Remuneration

The Company obtained the following services from the Company's auditor, Ernst & Young and its associates, at costs as detailed in the tables below (in millions):

	Year Ended December 31	
	2022	2021
Audit fees	\$ 15.4	\$ 15.9
Audit-related fees	1.4	1.4
Taxation fees	0.3	0.4
All other fees	—	0.5
Total	\$ 17.1	\$ 18.2

The fees, included in the above, paid to Ernst & Young Ireland (“EY Ireland”) related to the audit of the Irish statutory Consolidated Financial Statements were \$0.2 million and \$0.2 million for the financial years 2022 and 2021, respectively. In addition, EY Ireland received \$0.3 million and \$0.4 million for the audit of other statutory financial statements for the financial years 2022 and 2021, respectively. EY Ireland did not receive any fees for audit-related services, taxation services or other services for the financial years 2022 and 2021, respectively.

19. Employees

The average number of persons employed by the Company was 48,697 and 46,648 for 2022 and 2021, respectively. The Company operates as one segment.

Employee compensation and benefits were as follows (in millions):

	<u>Year Ended December 31</u>	
	<u>2022</u>	<u>2021</u>
Wages and salaries	\$ 4,022	\$ 3,938
Social security costs	188	174
Share based compensation expense	397	449
Pension and post retirement expense	188	152
Other, primarily incentives and other employee benefits	1,682	2,025
Total employee compensation and benefits	\$ 6,477	\$ 6,738

20. Fixed Assets

<i>(millions)</i>	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Software	Construction in progress	Other	Total
Cost:							
Balance at January 1, 2022	\$ 425	\$ 279	\$ 268	\$ 797	\$ 45	\$ 33	\$ 1,847
Additions	7	5	21	58	100	5	196
Disposals	(1)	(1)	(2)	—	—	(6)	(10)
Foreign currency translation and other	(22)	(16)	(18)	6	(36)	2	(84)
Balance at December 31, 2022	\$ 409	\$ 267	\$ 269	\$ 861	\$ 109	\$ 34	\$ 1,949
Accumulated depreciation:							
Balance at January 1, 2022	\$ 267	\$ 197	\$ 204	\$ 637	\$ —	\$ 13	\$ 1,318
Charge for the year	30	19	31	67	—	4	151
Disposals	(1)	(1)	(2)	—	—	(3)	(7)
Foreign currency translation and other	(24)	(18)	(16)	(15)	—	2	(71)
Balance at December 31, 2022	\$ 272	\$ 197	\$ 217	\$ 689	\$ —	\$ 16	\$ 1,391
Net book value:							
As of December 31, 2022	\$ 137	\$ 70	\$ 52	\$ 172	\$ 109	\$ 18	\$ 558
As of January 1, 2022	\$ 158	\$ 82	\$ 64	\$ 160	\$ 45	\$ 20	\$ 529

<i>(millions)</i>	Leasehold improvements	Furniture, fixtures and equipment	Computer equipment	Software	Construction in progress	Other	Total
Cost:							
Balance at January 1, 2021	\$ 375	\$ 246	\$ 249	\$ 808	\$ 155	\$ 34	\$ 1,867
Additions	71	46	40	54	(84)	6	133
Asset impairments	(4)	(1)	(1)	—	(12)	—	(18)
Disposals	—	(1)	(1)	—	(12)	(2)	(16)
Foreign currency translations and other	(17)	(11)	(19)	(65)	(2)	(5)	(119)
Balance at December 31, 2021	\$ 425	\$ 279	\$ 268	\$ 797	\$ 45	\$ 33	\$ 1,847
Accumulated Depreciation:							
Balance at January 1, 2021	\$ 244	\$ 184	\$ 190	\$ 634	\$ —	\$ 16	\$ 1,268
Charge for the year	35	22	32	70	—	4	163
Disposals	(1)	—	—	—	—	—	(1)
Asset impairments	(2)	(3)	(3)	(6)	—	(2)	(16)
Foreign currency translation and other	(9)	(6)	(15)	(61)	—	(5)	(96)
Balance at December 31, 2021	\$ 267	\$ 197	\$ 204	\$ 637	\$ —	\$ 13	\$ 1,318
Net book value:							
As of December 31, 2021	\$ 158	\$ 82	\$ 64	\$ 160	\$ 45	\$ 20	\$ 529
As of January 1, 2021	\$ 131	\$ 62	\$ 59	\$ 174	\$ 155	\$ 18	\$ 599

21. Group Undertakings

As of December 31, 2022, the Company included the following subsidiary undertakings principally affecting the assets, liabilities, financial position or profit or loss of the Company.

Name of Company	Business	Address	Country	Holding	% Holding
Aon Global Holdings plc	Holding	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	U.K.	Ordinary	100%
Aon Corporation	Holding	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon Global Limited	Holding	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN	U.K.	Ordinary	100%
Randolph Finance Unlimited Company ⁽¹⁾	Holding	Metropolitan Building, James Joyce Street, Dublin 1, Ireland	Ireland	Ordinary + preferred	100%
Aon Group, Inc.	Holding	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon International Holdings, Inc.	Holding	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon Group International B.V.	Holding	Admiraliteitskade 62, 3063 ED Rotterdam	Netherlands	Ordinary + preferred	100%
Aon UK Group Limited	Holding	The Aon Centre, The Leadenhall Building, 122 Leadenhall Street, London EC3V 4AN	U.K.	Ordinary	100%
Aon UK Holdings Limited	Holding	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	U.K.	Ordinary + preferred	100%
Aon UK Limited	Commercial Risk Solutions/ Reinsurance Solutions/ Health Solutions	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	U.K.	Ordinary	100%
Aon Finance N.S. 1, ULC	Holding	1001-1969 Upper Water Street, Halifax, NS B3J 3R7	Canada	Ordinary + preferred	100%
Aon Risk Services, Inc. of Maryland	Commercial Risk Solutions	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon Consulting, Inc.	Wealth Solutions	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon North America, Inc.	Holding	200 E. Randolph St., Chicago, IL 60601	U.S.	Ordinary	100%
Aon Global Holdings Intermediaries Limited	Holding	The Aon Centre The Leadenhall Building, 122 Leadenhall Street, London, EC3V 4AN	U.K.	Ordinary	100%

(1) This entity is a direct subsidiary of Aon plc.

22. Subsequent Events

Dividends

On January 10, 2023, the Company declared dividends of per Class A ordinary share of \$0.56 for a total cost of \$115 million. The dividends were paid on February 15, 2023.

Debt Activity

As of March 22, 2023, the Company had €200 million (\$217 million at March 22, 2023 exchange rates) of commercial paper borrowings outstanding on the European commercial paper program and \$231 million on the U.S. commercial paper program.

On February 28, 2023, Aon Corporation and Aon Global Holdings plc co-issued \$750 million 5.350% Senior Notes due in February 2033. The Company intends to use the net proceeds from the offering for general corporate purposes.

Repurchase of Shares

During the period from January 1, 2023 to March 22, 2023, the Parent Company repurchased 1.6 million shares at an average price per share of \$305.11 for a total cost of \$489 million. At March 23, 2023, the remaining authorized amount for share repurchase under the Share Repurchase Programs was \$5.5 billion.

PARENT COMPANY STATEMENTS OF COMPREHENSIVE INCOME

<i>(millions)</i>	<i>Notes</i>	Years ended December 31	
		2022	2021
Net income		\$ 1,682	\$ 2,451
Total other comprehensive income, net of tax	6	(5,934)	21,788
Total comprehensive (loss) income		\$ (4,252)	\$24,239
Total comprehensive income (loss) attributable to:			
Aon shareholders		\$ (4,252)	\$24,239
Noncontrolling interests		—	—
Total comprehensive (loss) income		\$ (4,252)	\$24,239

The Parent Company is availing of the exemption from presenting an individual profit and loss account in accordance with sections 304 (1) and 304 (2) of the Companies Act 2014.

The Notes to Parent Company Financial Statements form an integral part of these financial statements.

PARENT COMPANY STATEMENT OF FINANCIAL POSITION

<i>(millions)</i>	<i>Notes</i>	December 31, 2022	December 31, 2021
Assets			
Current assets			
Cash and cash equivalents	2	\$ 2	\$ —
Intercompany receivables	12	51	32
Other current assets		2	2
Total current assets		55	34
Non-current assets			
Investments in subsidiaries	6	64,795	70,918
Total non-current assets		64,795	70,918
Total assets		\$ 64,850	\$ 70,952
Liabilities and equity			
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		\$ 22	\$ 27
Bank overdrafts		2,447	823
Intercompany payables	12	15	158
Total current liabilities		2,484	1,008
Non-current liabilities			
Intercompany notes payable	12	83	—
Total non-current liabilities		83	—
Total liabilities		2,567	1,008
Equity			
Ordinary shares	9	2	2
Share premium reserve	10	128	75
Merger reserve	10	1,355	1,364
Revaluation reserve	10	29,378	35,312
Retained earnings		31,420	33,191
Total equity		62,283	69,944
Total liabilities and equity		\$ 64,850	\$ 70,952

Net income attributable to Aon shareholders was \$1,682 million and \$2,451 million for the years ended December 31, 2022 and 2021, respectively. Other comprehensive income (loss) was \$(5,934) million and \$21,788 million for the years ended December 31, 2022 and 2021, respectively. Total comprehensive income (loss) was \$(4,252) million and \$24,239 million for the years ended December 31, 2022 and 2021, respectively.

Approved by the Board of Directors and signed on its behalf on March 27, 2023.

/s/ Gregory C. Case

Gregory C. Case
Director

/s/ Jeffrey C. Campbell

Jeffrey C. Campbell
Director

The Notes to Parent Company Financial Statements form an integral part of these financial statements.

PARENT COMPANY STATEMENTS OF SHAREHOLDERS' EQUITY

<i>(millions)</i>	<i>Notes</i>	Ordinary shares	Share premium account	Revaluation reserves	Merger reserves	Retained earnings	Total
Balance at December 31, 2020		\$ 2	\$ 22	\$ 13,524	\$ 35,364	\$ 456	\$ 49,368
Net income		—	—	—	—	2,451	2,451
Merger reserve capitalization	10	—	34,000	—	(34,000)	—	—
Merger reserve realized	10	—	(34,000)	—	—	34,000	—
Issuance of shares - Employee share compensation plans		—	53	—	—	(183)	(130)
Shares repurchased	9	—	—	—	—	(3,543)	(3,543)
Revaluation of investments	6	—	—	21,788	—	—	21,788
Share-based compensation		—	—	—	—	457	457
Dividends to shareholders	10	—	—	—	—	(447)	(447)
Balance at December 31, 2021		\$ 2	\$ 75	\$ 35,312	\$ 1,364	\$ 33,191	\$ 69,944
Net income		—	—	—	—	1,682	1,682
Merger reserve realized	10	—	—	—	(9)	9	—
Issuance of shares - Employee share compensation plans		—	53	—	—	(209)	(156)
Shares repurchased	9	—	—	—	—	(3,203)	(3,203)
Revaluation of investments	6	—	—	(5,934)	—	—	(5,934)
Share-based compensation		—	—	—	—	413	413
Dividends to shareholders	10	—	—	—	—	(463)	(463)
Balance at December 31, 2022		\$ 2	\$ 128	\$ 29,378	\$ 1,355	\$ 31,420	\$ 62,283

The Notes to Parent Company Financial Statements form an integral part of these financial statements.

NOTES TO PARENT COMPANY FINANCIAL STATEMENTS

1. Basis of Presentation

The directors present the parent financial statements of Aon plc (the “Parent Company” or “Aon plc”), which together with its subsidiaries may be referred to as “Aon,” the “Company,” or “Group”, for the year ended December 31, 2022.

The financial statements of Aon plc have been prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the U.K. and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council, effective for the 2022 year end, as well as in accordance with the Companies Act 2014. The Parent Company Financial Statements have been prepared on a historical cost basis unless otherwise noted.

The Parent Company is a qualifying entity under FRS 102, allowing for exemption from certain disclosures. Qualifying entities are members of a group for which the parent prepares publicly available Consolidated Financial Statements which are intended to give a true and fair view and that member is included in the consolidation. The Parent Company has taken advantage of the following disclosure exemptions:

- The requirements of Section 7, Statement of Cash Flows, and Section 3, Financial Statement Presentation, paragraph 3.17(d).
- The requirements of Section 26, Share Based Payment, paragraphs 26.18(b), 26.19 to 26.21, and 26.23.
- The requirements of Section 33, Related Party Disclosures, paragraph 33.7.

The directors have a reasonable expectation that the Parent 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.

The Parent Company is availing from the exemption of presenting an individual profit and loss account in accordance with sections 304 (1) and 304 (2) of the Companies Act 2014.

The Parent Company Financial Statements and related notes have been prepared and presented in USD, being the Parent Company’s functional and presentational currency.

The Parent Company Financial Statements and related notes are separate from those of the Consolidated Financial Statements.

2. Summary of Significant Accounting Principles and Practices

The Parent Company Financial Statements have been prepared using accounting policies, principles, practices, and critical accounting estimates and judgments consistent with FRS 102. Note 2 “Summary of Significant Accounting Principles and Practices” of the Notes to the Consolidated Financial Statements of the Company, which have been prepared under U.S. GAAP, should be read in addition to the accounting policies addressed below.

Cash and Cash Equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. If the Parent Company’s individual bank accounts are overdrawn, they are reclassified as Bank overdrafts on the Statement of Financial Position.

Investments in Subsidiaries

Investments in subsidiaries are initially measured at cost then subsequently carried at fair value through other comprehensive income. Subsequent remeasurement of the fair value is adjusted through the Revaluation reserve, a component of other comprehensive income, unless a devaluation exceeds the total accumulated revaluation gain. In the event a devaluation exceeds the total accumulated revaluation gain, an impairment is recognized on the Statement of Comprehensive Income.

Intercompany Receivables/Payables

Intercompany financial assets and liabilities on the Parent Company Financial Statements are accounted for in accordance with FRS 102 and recorded at amortized cost. These intercompany balances are included within Intercompany receivables and payables on the Parent Company Statements of Financial Position.

Share-Based Compensation Expense

Share-based payments to employees of the Parent Company's subsidiaries, including grants of restricted share units and performance share awards, are measured based on grant date fair value. Forfeitures are estimated on the date of grant and revised if actual or expected forfeiture activity differs materially from original estimates.

When shares are granted to employees of the Parent Company's subsidiaries, the Parent Company recognizes in its individual financial statements, an increase in the cost of investment in its subsidiaries, with the corresponding credit being recognized directly in equity.

Refer to Note 12 "Share-Based Compensation Plans" within the Notes to the Consolidated Financial Statements for more information regarding the description of and accounting for share-based compensation arrangements.

Related Parties

Consistent with FRS 102.33.1A, transactions between the Parent Company and its wholly owned subsidiaries are not disclosed. Details of directors' remuneration have been disclosed in Note 17 "Directors' Remuneration" of the Notes to the Consolidated Financial Statements. There were no other related party transactions during the period.

Dividends

Dividend income is recorded when the Parent Company's right to receive payment is established.

Foreign currencies

Transactions in foreign currencies are initially recorded in the Parent Company's functional currency, which is USD, by applying the spot exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the income statement.

Taxation

Corporation tax is calculated at current applicable rates.

Deferred tax is recognized in respect of all timing differences that have originated but not reversed at the statement of financial position date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less, tax. Deferred tax is measured on an undiscounted basis at tax rates enacted or substantively enacted at the statement of financial position date that are expected to apply in the periods in which timing differences reverse.

Critical Accounting Estimates and Judgments

In accordance with our policies, the Parent Company regularly evaluates its estimates, assumptions, and judgments, including, but not limited to, those concerning investments in subsidiaries, and share-based payments. The Parent Company bases estimates, assumptions, judgments on historical experience and other factors the Parent 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 financial statements are as follows:

Investment in Subsidiaries

The Parent Company is required to assess its investments in subsidiaries for fair market adjustments. The fair value estimation of the Parent Company's direct subsidiaries considered the income, market, and net underlying assets approaches. In quantifying the fair value under the income and market approaches, the Parent Company utilized third party specialists that used a variety of market inputs, including historical industry performance, current market conditions, and expectations for future performance of each subsidiary to determine key assumptions, such as the terminal growth and discount rates. The net underlying assets approach, used for non-operating companies, adjusts the asset and liability balances on the investment entity's balance sheet to approximate their fair value. Refer to Note 6 "Investments in Subsidiaries" within the Notes to the Parent Financial Statements for more information regarding investment in subsidiaries.

Share-Based Compensation Expense

Estimates are made to share-based compensation expense based on an assessment of future performance for awards that are dependent on the achievement of certain objectives. Refer to Note 12 “Share-Based Compensation Plans” within the Notes to the Consolidated Financial Statements for more information regarding share-based compensation arrangements.

3. History and Description of the Entity

History of the Entity

The Parent Company was originally formed as a private Irish company (formerly known as Linzicon Limited and then renamed Aon Limited) and in 2020 was converted to a public limited company, Aon plc, for the purposes of facilitating the Ireland Reorganization that changed the place of incorporation from the United Kingdom to Ireland.

Description of the Entity

The principal activity of the Parent Company is an investment holding company. The Parent Company’s registered address is located at Metropolitan Building, James Joyce Street, Dublin 1, Ireland and its registration number is 604607. The Parent Company had no employees in the years ended 2022 and 2021.

4. Directors’ Remuneration

The Parent Company’s directors are the same as those for the Consolidated Group. Directors’ remuneration is disclosed in Note 17 “Directors’ Remuneration” to the Consolidated Financial Statements of the Company.

5. Auditor’s Remuneration

The fees paid to EY Ireland related to the audit of the Parent Company individual financial Statements were \$0.2 million in 2022 and \$0.2 million in 2021. Refer to Note 18 “Auditor’s Remuneration” within the Notes to the Consolidated Financial Statements for additional information regarding auditor’s remuneration.

6. Investments in Subsidiaries

Details of the Parent Company’s direct subsidiaries are detailed as follows:

Name of company	Nature of business	Country of incorporation	Holdings	Ownership percentage
Randolph Finance Unlimited Company	Holding Company	Ireland	Ordinary shares	100%
Aon Insurance Managers (Dublin) Limited	Operations	Ireland	Ordinary shares	100%
Aon Reem Company Limited	Holding Company	Ireland	Ordinary shares	100%

For the year ended December 31, 2022, the Parent Company received dividends of \$1.8 billion from Randolph Finance Unlimited Company and \$2.1 million from Aon Insurance Managers (Dublin) Ltd. For the year ended December 31, 2021, the Parent Company received dividends of \$2.5 billion from Randolph Finance Unlimited Company.

Changes in investment in subsidiaries for the periods ended are as follows (in millions):

	Total
As of January 1, 2021	\$ 49,013
Contributions	625
Return of capital	(508)
Fair value adjustment	21,788
As of December 31, 2021	70,918
Contributions	410
Return of capital	(590)
Impairments	(9)
Fair value adjustment	(5,934)
As of December 31, 2022	\$ 64,795

The fair value of the Parent Company’s direct subsidiaries as of December 31, 2022 and December 31, 2021, respectively, were as follows (in millions):

<i>As of</i>	December 31, 2022		December 31, 2021	
Randolph Finance Unlimited Company	\$	64,781	\$	70,897
Aon Insurance Managers (Dublin) Limited		14		21
Aon Reem Company Limited		—		—
Total	\$	64,795	\$	70,918

For a complete listing of all significant directly and indirectly-owned subsidiaries, see Note 21 “Group Undertakings” to the Consolidated Financial Statements of the Company.

7. Debt

Revolving Credit Facilities

As of December 31, 2022, Aon plc had two primary committed credit facilities outstanding: its \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and its \$750 million multi-currency U.S. credit facility expiring in October 2024. In aggregate, these two facilities provide \$1.8 billion in available credit.

As of December 31, 2021, Aon plc had two primary committed credit facilities outstanding: its \$1.0 billion multi-currency U.S. credit facility expiring in September 2026 and its \$750 million multi-currency U.S. credit facility expiring in October 2023, which was later extended to expire in October 2024. In aggregate, these two facilities provide \$1.8 billion in available credit.

Each of these primary committed credit facilities includes customary representations, warranties, and covenants, including financial covenants that require Aon to maintain specified ratios of adjusted consolidated EBITDA to consolidated interest expense and consolidated debt to adjusted consolidated EBITDA, in each case, tested quarterly. At December 31, 2022, Aon did not have borrowings under either of these primary committed credit facilities, and was in compliance with the financial covenants and all other covenants contained therein during the rolling years ended December 31, 2022 and December 31, 2021.

Bank Overdraft

The bank overdraft arises in connection with the Group’s multicurrency cash pools with third party banks, in which various Aon entities participate. Individual Aon entities are permitted to overdraw on their individual accounts, provided the overall balance does not fall below zero. At December 31, 2022, non-U.S. cash balances of one or more entities may have been negative; however, the overall balance was positive.

8. Guarantees

The Parent Company has entered into a series of agreements to guarantee certain debt instruments of Aon Global Limited, Aon Global Holdings plc, Aon Corporation, and their subsidiaries. This debt is also guaranteed by various other subsidiaries of the Parent Company. Guarantee fees recognized during the period by the Parent Company were deemed insignificant. The following debt instruments are guaranteed by the Parent Company at December 31, 2022:

- A \$1.0 billion U.S. multi-currency revolving loan credit facility used by Aon Global Limited, Aon Global Holdings plc, Aon Corporation, and certain designated subsidiaries to fund operations. The \$1.0 billion facility expires in September 2026 and has a commitment fee of 11 basis points on the unused portion of the facility. The rate on borrowing from this facility varies based upon the prevalent market rate of several benchmarks plus a margin ranging from 0 to 101.5 basis points. There are no borrowings under this facility as of December 31, 2022 and December 31, 2021.
- A \$750 million U.S. revolving credit facility used by Aon Global Limited, Aon Global Holdings plc, Aon Corporation, and certain designated subsidiaries to fund operations. This facility expires in October 2024 and has commitment fees of 11 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 101.5 basis points. There are no borrowings under this facility as of December 31, 2022 and December 31, 2021.
- Commercial paper issued by Aon Corporation. Aon Corporation had total commercial paper outstanding of \$327 million at December 31, 2022 and \$252 million at December 31, 2021.
- Commercial paper issued by Aon Global Holdings plc. Aon Global Holdings plc. had total commercial paper outstanding of \$265 million at December 31, 2022 and \$413 million at December 31, 2021.

- Five term loans issued by Aon Corporation, eight term loans issued by Aon Global Limited, six loans co-issued by Aon Corporation and Aon Global Holdings plc as listed below.

The following table summarizes the remaining term loans that are guaranteed by the Parent Company and their respective balances (in millions):

Issue Type	2022	2021	Coupon	Maturity
Aon Corporation				
Sr. Unsecured Debt ⁽¹⁾	\$0	\$499	2.20%	November 15, 2022
Jr. Sub Debt	\$521	\$521	8.205%	January 1, 2027
Sr. Unsecured Debt	\$348	\$347	4.50%	December 15, 2028
Sr. Unsecured Debt	\$746	\$745	3.75%	May 2, 2029
Sr. Unsecured Debt	\$994	\$993	2.80%	May 15, 2030
Sr. Unsecured Debt	\$297	\$296	6.25%	September 30, 2040
Aon Global Limited				
Sr. Unsecured Debt ⁽²⁾	\$350	\$349	4.00%	November 27, 2023
Sr. Unsecured Debt	\$599	\$598	3.50%	June 14, 2024
Sr. Unsecured Debt	\$748	\$748	3.875%	December 15, 2025
Sr. Unsecured Debt (€ 500M)	\$530	\$563	2.875%	May 14, 2026
Sr. Unsecured Debt	\$203	\$201	4.25%	December 12, 2042
Sr. Unsecured Debt	\$247	\$247	4.45%	May 24, 2043
Sr. Unsecured Debt	\$545	\$544	4.60%	June 14, 2044
Sr. Unsecured Debt	\$594	\$593	4.75%	May 15, 2045
Co-Issued - Aon Corporation & Aon Global Holdings plc				
Sr. Unsecured Debt	\$596	\$0	2.85%	May 28, 2027
Sr. Unsecured Debt	\$396	\$396	2.05%	August 23, 2031
Sr. Unsecured Debt	\$496	\$496	2.60%	December 2, 2031
Sr. Unsecured Debt	\$495	\$0	5.00%	September 12, 2032
Sr. Unsecured Debt	\$591	\$591	2.90%	August 23, 2051
Sr. Unsecured Debt	\$877	\$0	3.90%	February 28, 2052

(1) The 2.20% Senior Notes due November 2022 were repaid in full on November 1, 2022.

(2) The 4.00% Senior Notes due November 2023 were reclassified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as of December 31, 2022.

In November 2022, Aon Global Limited's \$350 million 4.00% Senior Notes due November 2023 were classified as Short-term debt and current portion of long-term debt in the Consolidated Statement of Financial Position as the date of maturity is in less than one year as of December 31, 2022.

In November 2022, Aon Corporation's \$500 million 2.20% Senior Notes matured and were repaid in full.

On September 12, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$500 million of 5.00% Senior Notes due September 2032. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 28, 2022, Aon Corporation and Aon Global Holdings plc co-issued \$600 million of 2.85% Senior Notes due May 2027 and \$900 million of 3.90% Senior Notes due February 2052. The Company intends to use the net proceeds from the offering for general corporate purposes.

On February 16, 2021, Aon Global Limited made an early repayment of \$400 million Senior Notes that were scheduled to mature on March 15, 2021 and guaranteed by the Parent Company. The Parent Company did not make any payments in connection with the guarantee arrangement.

On August 23, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$400 million 2.05% Senior Notes due August 2031 and \$600 million of 2.90% Senior Notes due August 2051. These notes were guaranteed by Aon plc, along with Aon Global Limited.

On December 2, 2021, Aon Corporation and Aon Global Holdings plc co-issued \$500 million 2.60% Senior Notes due December 2031. These notes were guaranteed by Aon plc, along with Aon Global Limited.

9. Ordinary Shares

Details of the Parent Company's authorized and issued shares are detailed as follows:

<i>(Thousands)</i>	December 31,	
	2022	2021
<i>Authorized:</i>		
Class A ordinary shares of \$0.01 each (500,000 shares)	\$ 5,000	\$ 5,000
Preference shares of \$0.01 each (50,000 shares)	500	500
Euro Ordinary shares of €1 each (25 shares)	27	30
Total	\$ 5,527	\$ 5,530
<i>Allotted and called up and fully paid:</i>		
Class A ordinary shares of \$0.01 each (December 31, 2022 - 205,357; December 31, 2021 - 214,791)	\$ 2,054	\$ 2,148
Total	\$ 2,054	\$ 2,148

Share Repurchases

During the year ended December 31, 2022, the Parent Company repurchased and cancelled 11.1 million shares at an average price per share of \$289.76 for a total cost of \$3.2 billion. During the year ended December 31, 2021, the Parent Company repurchased and cancelled 12.4 million shares at an average price per share of \$286.82 for a total cost of \$3.5 billion. The Parent Company had no opening or closing repurchased shares for the years ended December 31, 2022 and December 31, 2021. Refer to Statement of Shareholders' Equity and Note 10 "Shareholders' Equity (Deficit)" within the Notes to the Consolidated Financial Statements for additional information on the Company's Repurchase Program.

10. Shareholders' Equity

Capital Reduction

In June 2021, the Company commenced a multiple step process to convert the merger reserve to share premium (the "Capital Conversion") as follows:

- Allotted and issued one series A Preference Share for an aggregate cash consideration of \$0.01 to Randolph Finance Unlimited Company, a nominee entity (the "Nominee"),
- Capitalized \$34 billion standing to the credit of the merger reserve by applying such amount in paying up in full, in an amount of nominal value plus share premium equal to that sum, a second series A Preference Share, which allotted and issued, in accordance with Article 190 of the Articles of Association, as a bonus share to the Nominee (the "Bonus Issuance"), and
- Acquired for nil consideration and cancelled the two series A Preference Shares, in issue immediately after completion of the Bonus Issuance.

Following the Capital Conversion, the Company increased its share premium account by \$34 billion and submitted an application to the High Court of Ireland to reduce the share premium recorded in connection with the Bonus Issuance.

On July 16, 2021, the High Court of Ireland approved a reduction of the share premium account for \$34 billion and recognized the balance on such reduction to realized profits. The High Court order was registered with the Irish Companies Registration Office and became effective on July 23, 2021.

Distributable Profits

The Parent Company is required, under Companies Act 2014 to have available "distributable profits" to pay dividends and, generally, make repurchases and redemptions. Distributable profits may be created through the earnings of the Parent Company or other methods (including certain intra-group reorganizations involving the capitalization of the Parent Company's non-distributable profits and their subsequent reduction). Distributable profits are not linked to an FRS 102 reported amount. As of

December 31, 2022, the Parent Company had distributable profits in excess of \$30.7 billion, consisting primarily of funds from the Capital Conversion. As of December 31, 2021, the Parent Company had distributable profits in excess of \$32.7 billion.

Dividends

The Parent Company paid dividends on its Class A ordinary shares of \$463 million and \$447 million for the years ended December 31, 2022 and 2021, respectively. Dividends paid per Class A ordinary share were \$2.19 and \$1.99 for the years ended December 31, 2022 and 2021, respectively.

Future dividends on Aon plc's class A ordinary shares, if any, and the timing of declaration of any such dividends, will be at the discretion of the Board of Directors of the Parent Company 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 the Parent Company may deem relevant, as well as our ability to pay dividends in compliance with the Companies Act 2014.

Share Premium

Share Premium records the difference between the share grant price and share issuance price for the Parent Company's Share-Based Compensation Expense. For the period ended December 31, 2022 and December 31, 2021, the Parent Company recognized share premium of \$53 million and \$53 million, respectively.

Merger Reserve

This reserve records the amount above the nominal value of the Class A Ordinary shares issued in connection with the Reorganization and the fair value of the Aon group on that date. For the period ended December 31, 2021, the Company capitalized \$34 billion of Merger reserve as Share premium in connection with the Capital Conversion. There was \$9 million Merger reserve recognized in 2022.

Revaluation Reserve

This reserve records the subsequent remeasurement of investment in subsidiaries at fair value. For the period ended December 31, 2022 and December 31, 2021, the Parent Company recognized \$5.9 billion of revaluation losses and \$21.8 billion of revaluation gains, respectively.

11. Income Taxes

The components of income tax are as follows (in millions):

	Year ended December 31,	
	2022	2021
Current tax charge (credit)	\$ —	\$ —
Adjustments recognized for tax of prior periods	\$ —	\$ 8
Total current tax charge (credit)	\$ —	\$ 8

Reconciliation of current tax charge (credit) and tax at the statutory rate

The current tax charge (credit) in the Statement of Comprehensive Income for the periods ended December 31, 2022 and 2021 are lower than that calculated at the statutory tax rate of 25%. The differences are reconciled below (in millions):

	Year ended December 31,	
	2022	2021
Income before tax	\$ 1,682	\$ 2,459
Tax at the statutory tax rate of 25%	\$ 421	\$ 615
Expenses not deductible for tax purposes	14	5
Income not taxable	(453)	(634)
Group relief for \$nil consideration	17	14
Adjustments recognized for tax of prior periods	—	8
Current year tax losses not recognized	1	—
Total tax charge (credit)	\$ —	\$ 8

The corporate statutory tax rate to be applied in Ireland is currently 25%.

During the years ended December 31, 2022 and 2021, the Company surrendered \$68 million and \$56 million, respectively, of expenses by way of group relief for \$nil consideration.

The Parent Company has \$6 million of unused tax losses carried forward for which no deferred tax asset has been recognized.

12. Related Party Transactions

Intercompany Loans

As of December 31, 2022 and 2021, the Parent Company Statements of Financial Position included intercompany receivable of \$51 million and \$32 million, respectively, with indirect subsidiaries. As of December 31, 2022 and 2021, the Parent Company Statements of Financial Position included short-term intercompany payables of \$15 million and \$158 million, respectively, with other indirect subsidiaries. As of December 31, 2022, the long-term intercompany payables of \$83 million includes \$90 million 1.26% intercompany notes Aon plc borrowed on December 15, 2021, which were extended on June 15, 2022 and are due to mature in June 2025. Upon extension of the notes, the Company recognized a discount of \$8.4 million reflected in the Parent Company's Net income for the period ended December 31, 2022, based on the market rate of the notes on the date of the extension. The notes will accrue interest at the effective interest rate, reducing the discount over the life of the notes.

Other Related Party Considerations

No other related-party transactions are disclosed, as the Parent Company qualifies for the exemption in accordance with section 33 paragraph 1A of FRS 102.

Transactions relating to the cost of the Parent Company's investment in its subsidiaries are described in Note 6 "Investment in Subsidiaries" within the Parent Company Financial Statements.

13. Subsequent Events

Dividends

On January 10, 2023, the Parent Company declared dividends of per Class A ordinary share of \$0.56 for a total cost of \$115 million. The dividends were paid on February 15, 2023.

Debt Activity

As of March 22, 2023, the Company had €200 million (\$217 million at March 22, 2023 exchange rates) of commercial paper borrowings outstanding on the European commercial paper program and \$231 million on the U.S. commercial paper program.

On February 28, 2023, Aon Corporation and Aon Global Holdings plc co-issued \$750 million 5.350% Senior Notes due in 2033, which were guaranteed by Aon plc. The Company intends to use the net proceeds from the offering for general corporate purposes.

Repurchase of Shares

During the period from January 1, 2023 to March 22, 2023, the Parent Company repurchased 1.6 million shares at an average price per share of \$305.11 for a total cost of \$489 million. At March 22, 2023, the remaining authorized amount for share repurchase under the Share Repurchase Programs is \$5.5 billion.