



## Aon Update: Effective July 1, 20% Temporary Salary Reductions Will End

*June 30, 2020*

In March, Aon developed an operational flexibility plan to ensure we would emerge from the current economic uncertainty a stronger and more capable firm. As part of that plan, the firm announced in April that most colleagues would be subject to a temporary salary reduction of up to 20 percent.

Based on observations and analysis over the past four months, the 20 percent salary reductions are no longer necessary to meet the commitment to our 50,000 colleagues that no one at Aon is going to lose their job because of this COVID-19 outbreak.

Effective July 1, we will end the temporary 20 percent salary reductions and repay our colleagues in full, plus an additional 5 percent of the withheld amount to recognize their personal resilience and dedication to our clients.

“We took decisive action from a position of strength to protect every Aon colleague against the worst-case economic scenarios from this pandemic,” said Greg Case, Aon CEO. “We based our decisions on a set of core principles and a belief that we’d emerge stronger by staying together. We are humbled by the incredible resiliency our colleagues have demonstrated and proud of their dedication to each other, our clients and the firm.”

This decision is unrelated to a near-term change in the firm’s financial performance or expectations and is instead supported by three key factors:

1. While global GDP and unemployment trends remain negative, and materially worse than in many other downturns, our firm’s expected likelihood of worst-case macroeconomic scenarios has decreased significantly.
2. The resilience of our core business has been demonstrated, though there has been impact, particularly in the more discretionary parts of the business, as was expected and communicated in the first-quarter earnings call.
3. Though our organization has been tested by the volatility of the past four months, the strength of our Aon United strategy, particularly the connectivity and operational infrastructure provided by Aon Business Services, has proven as effective in challenging times as it has been during more positive periods.

The firm believes the overall macroeconomic uncertainty and downside are somewhat less significant than anticipated, and therefore is ending this aspect of its operational flexibility plan. Other components of the plan, including expense discipline, pause in share buyback and new merger and acquisition activity, temporary salary reductions of 50 percent for our named executive officers and 50 percent reduction in cash compensation for the Board of Directors, will remain in place at this time.