

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

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of report (Date of earliest event reported) December 16, 2005

Marsh & McLennan Companies, Inc.
(Exact Name of Registrant as Specified in Charter)

<u>Delaware</u> (State or Other Jurisdiction of Incorporation)	<u>1-5998</u> (Commission File Number)	<u>36-2668272</u> (IRS Employer Identification No.)
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<u>1166 Avenue of the Americas, New York, NY</u> (Address of Principal Executive Offices)	<u>10036</u> (Zip Code)
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Registrant's telephone number, including area code (212) 345-5000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 1.01. Entry Into a Material Definitive Agreement

On December 20, 2005, Marsh & McLennan Companies, Inc. (“MMC”) announced that MMC and M. Michele Burns have entered into an employment agreement, dated as of December 19, 2005 (the “Agreement”), pursuant to which Ms. Burns will become an Executive Vice President of MMC on March 1, 2006 and will become the Chief Financial Officer of MMC not later than March 31, 2006.

The Agreement has an initial term commencing March 1, 2006 and ending March 31, 2009. The Agreement will automatically renew for successive one (1) year terms unless either party notifies the other that it does not wish to renew the Agreement. If MMC provides notice of non-renewal of the Agreement before Ms. Burns attains age 62, then upon the subsequent termination of her employment (other than termination by MMC for cause, as defined in the Agreement), MMC will pay Ms. Burns an amount equal to her annual base salary.

Under the Agreement, Ms. Burns is entitled to an annual base salary of \$750,000. Ms. Burns is eligible for an annual bonus opportunity with a range of 100% to 200% of her annual base salary, with a minimum bonus for 2006 performance of \$750,000. Ms. Burns will be eligible to participate in MMC’s long-term incentive compensation plans applicable to senior executive officers, under which she will be eligible for an annual grant comprised of a mix of long-term equity incentive compensation awards with a combined grant-date target value of between one-time and three-times her annual base salary. The minimum combined grant-date target value of long-term incentive compensation to be granted to Ms. Burns in 2006 is \$2.625 million.

The Agreement provides that MMC will reimburse Ms. Burns for certain temporary housing and travel expenses for up to eighteen months, with such amounts grossed-up for income taxes. The Agreement also provides that MMC will make payments to Ms. Burns (up to \$1.8 million) intended to offset certain awards from her previous employer in the event that she forfeits those awards.

If Ms. Burns's employment is terminated for any reason, she will receive previously earned but unpaid base salary and bonus. If her employment is terminated by MMC other than for cause (as defined in the Agreement) or if she resigns for good reason (as defined in the Agreement), Ms. Burns would also be entitled to receive (i) a lump sum payment equal to two times the sum of her then current annual base salary and her average annual bonus during the previous three years, (ii) a prorated annual bonus for the year of termination of employment and (iii) vesting of her equity awards.

Payments made to Ms. Burns in connection with termination of her employment are generally subject to her delivery to MMC of a general release of claims. Under the Agreement, Ms. Burns will be subject to certain non-competition and non-solicitation restrictions for twelve months following termination of her employment.

The foregoing description of the Agreement is not complete and is qualified in its entirety by reference to the Agreement, a copy of which is attached hereto as Exhibit 10.1 and incorporated herein by reference.

Item 5.02 Departure of Directors or Principal Officers; Election of Directors; Appointment of Principal Officers

(c) Appointment of Principal Financial Officer

See Item 1.01 above, incorporated herein by reference, for a description of the employment agreement entered into between MMC and M. Michele Burns, pursuant to which Ms. Burns will become an Executive Vice President of MMC on March 1, 2006 and will become the Chief Financial Officer of MMC not later than March 31, 2006.

Ms. Burns, 47, has been executive vice president, chief financial officer, and chief restructuring officer of Mirant Corporation, a competitive energy company, since 2004. Prior to joining Mirant, Ms. Burns had spent five years at Delta Air Lines, Inc., last serving as executive vice president and chief financial officer. Before joining Delta, she was a senior tax partner at Arthur Andersen LLP.

A copy of MMC's press release dated December 20, 2005, announcing the appointment of Ms. Burns, is attached hereto as Exhibit 99.1 and incorporated herein by reference.

(d) Election of Directors

On December 21, 2005, MMC announced that its board of directors has elected Leslie M. ("Bud") Baker, Jr. and Marc D. Oken to the board of directors, effective January 18, 2006. Mr. Baker retired in 2003 from Wachovia Corporation, where he had served as chairman since 1998. Mr. Oken held executive positions at Bank of America Corporation from 1989 to 2005, serving most recently as chief financial officer.

MMC's board of directors elected Messrs. Baker and Oken at a meeting on December 16, 2005. Messrs. Baker and Oken will both serve in the class of directors whose terms expire in May 2006. There are currently two directors in that class. It has not yet been determined on which board committees Messrs. Baker and Oken will serve. MMC's board of directors has determined that Messrs. Baker and Oken will be independent directors under the New York Stock Exchange listing standards and MMC's director independence standards, as set forth in MMC's guidelines for corporate governance.

A copy of MMC's press release dated December 21, 2005, announcing the election of Messrs. Baker and Oken to MMC's board of directors, is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 8.01. Other Events

Also on December 21, 2005, MMC announced that its board of directors, acting on the recommendation of the board's directors and governance committee, has approved an amendment to MMC's guidelines for corporate governance establishing a majority voting policy for the election of directors.

Effective December 16, 2005, MMC's guidelines for corporate governance provide that:

- In an uncontested election of directors, any nominee for director who receives a greater number of votes "withheld" from his or her election than votes "for" his or her election must tender his or her resignation to the chairman of the board.
- The directors and governance committee of the board will consider the tendered resignation and recommend to the board whether to accept or reject it. The board will act on the committee's recommendation within 90 days following the date of the shareholder vote.
- MMC will make prompt public disclosure of the board's decision whether to accept or reject the tendered resignation, providing an explanation of the process by which the decision was reached and, if applicable, the board's reasons for rejecting the tendered resignation.
- Any director who tenders his or her resignation will not participate in the directors and governance committee's recommendation or the board's consideration regarding whether or not to accept the tendered resignation.

The board of directors' adoption of this majority voting policy is also addressed in MMC's press release dated December 21, 2005, a copy of which is attached hereto as Exhibit 99.2 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

- 10.1 Employment Agreement, dated as of December 19, 2005, between Marsh & McLennan Companies, Inc. and M. Michele Burns
- 99.1 Press release of Marsh & McLennan Companies, Inc., dated December 20, 2005, announcing the appointment of M. Michele Burns as Executive Vice President and Chief Financial Officer
- 99.2 Press release of Marsh & McLennan Companies, Inc., dated December 21, 2005, announcing the election of Leslie M. Baker, Jr. and Marc D. Oken to the board of directors and the adoption of a majority voting policy for the election of directors

SIGNATURES

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

MARSH & McLENNAN COMPANIES, INC.

By: /s/ Luciana Fato
Name: Luciana Fato
Title: Deputy General Counsel-Corporate &
Corporate Secretary

Date: December 22, 2005

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Exhibit</u>
10.1	Employment Agreement, dated as of December 19, 2005, between Marsh & McLennan Companies, Inc. and M. Michele Burns
99.1	Press release of Marsh & McLennan Companies, Inc., dated December 20, 2005, announcing the appointment of M. Michele Burns as Executive Vice President and Chief Financial Officer
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EMPLOYMENT AGREEMENT

This Employment Agreement (the "Agreement") is made and entered into effective as of March 1, 2006, by and between Marsh & McLennan Companies, Inc. (together with its successors and assigns, "MMC" or the "Company"), a Delaware corporation, and M. Michele Burns (the "Executive").

WHEREAS, the Executive and the Company desire to embody in this Agreement the terms and conditions of the Executive's employment by the Company;

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, including the compensation paid to the Executive, the parties hereby agree:

ARTICLE 1

Employment, Duties and Responsibilities

1.1 Employment; Reporting. The Company shall employ the Executive (i) as Executive Vice President and (ii) effective no later than March 31, 2006, as its Chief Financial Officer. The Executive hereby accepts such employment, subject to the terms and conditions of this Agreement. The Executive shall report directly to the Chief Executive Officer of the Company (the "Chief Executive Officer").

1.2 Duties and Responsibilities.

(a) The Executive shall have such duties and responsibilities and power and authority as those normally associated with the position of Executive Vice President of the Company. In addition, upon assuming the position of Chief Financial Officer of the Company, the Executive shall have such duties and responsibilities and power and authority as those normally associated with the position of Chief Financial Officer of the Company, as well as any additional duties, responsibilities and/or powers and authority assigned to her by the Chief Executive Officer which are consistent with her position as Executive Vice President and Chief Financial Officer of the Company.

The Executive agrees to use her best efforts to promote the interests of the Company, and agrees that she will devote her entire working time, care and attention to her duties, responsibilities and obligations to the Company throughout the Term (as defined in Section 2.1 hereof). The Executive may serve on the boards of other civic, charitable and corporate entities with the prior written consent of the Chief Executive Officer and manage her personal investments and affairs, so long as such activities do not, either individually or in the aggregate, interfere with the Executive's duties and responsibilities as Executive Vice President and Chief Financial Officer of the Company. The Executive currently serves and may continue

to serve on the boards of directors of the following companies without further consent, so long as such activities do not, either individually or in the aggregate, materially interfere with the Executive's duties and responsibilities as Executive Vice President and Chief Financial Officer of the Company: Cisco Systems, Inc., Wal-Mart Stores, Inc., and Elton John AIDS Foundation.

ARTICLE 2

Term

2.1 Employment Period. The initial term of the Executive's employment under this Agreement (the "Initial Term") shall commence on March 1, 2006 (the "Effective Date") and shall continue through March 31, 2009. Thereafter, this Agreement shall automatically renew for successive one (1) year terms (each, a "Renewal Term") unless either party sends a notice of termination to the other party in accordance with Section 6.2 hereof at least ninety (90) days prior to the expiration of the Initial Term or Renewal Term, as the case may be. The Initial Term, together with any and all Renewal Terms, if any, are the "Term."

2.2 Payment Due to Non-Renewal by the Company. If, prior to the Executive's sixty-second (62nd) birthday, the Company sends a notice of termination of the Term to the Executive as provided in Section 2.1 hereof, and after the expiration of the Term the Executive's employment is terminated (A) by the Company without Cause (as defined in Section 5.1 hereof) or due to death or Disability (as defined in Section 5.4 hereof) or (B) by the Executive for any reason, then the Company shall pay to the Executive, in a lump sum within thirty (30) days of the effective date of such termination of employment, a cash amount equal to the Executive's then-current annualized base salary (but not less than his Base Salary as of the last day of the Term). If the Executive's employment with the Company continues after the expiration of the Term for any reason, the Executive's rights in connection with any subsequent termination of employment shall be limited to this Section 2.2.

ARTICLE 3

Compensation

As compensation and consideration for the performance by the Executive of her obligations under this Agreement, during the Term the Executive shall be entitled to the compensation and benefits set forth in this Article 3 (collectively, "Compensation") (subject, in each case, to the provisions of Article 5 hereof).

3.1 Base Salary. The Executive shall receive an annual base salary ("Base Salary") of \$750,000. The Base Salary shall be reviewed at least annually by the Compensation Committee (the "Committee") of the Board of Directors of the Company (the "Board") and may be increased (but not decreased) in the sole discretion of the Committee. References herein to the Executive's Base Salary shall mean \$750,000 or such greater amount to which the Base

Salary was most recently increased. The Base Salary shall be payable in installments, consistent with the Company's payroll procedures in effect from time to time.

3.2 Annual Bonus. In addition to Base Salary, the Executive shall be eligible to participate throughout the Term in such annual bonus plans and programs ("Annual Bonus Programs"), as may be in effect from time to time in accordance with the Company's compensation practices and the terms and provisions of any such plans or programs. The Executive's target annual bonus opportunity will range between one hundred percent (100%) and two hundred percent (200%) of her Base Salary. The actual bonus amounts will be determined by the Compensation Committee of the Board (the "Committee") based on the achievement of Company-wide and individual performance goals, with bonuses in the upper portion of the annual bonus opportunity range being earned only for superior achievement of such performance goals provided, however, that the Executive's bonus for 2006 performance shall be no less than \$750,000 (the "2006 Minimum Bonus"). The annual bonus shall be paid in the same time and manner as corresponding awards to other senior executives of the Company generally.

3.3 Long-Term and Equity Compensation. The Executive shall also be eligible to participate throughout the Term in the Company's long-term incentive compensation plans (including its equity-compensation plans) applicable to MMC's senior executive officers. The specific awards under these plans will be made by the Committee in its sole discretion, commensurate with the Executive's position as Executive Vice President and Chief Financial Officer of the Company. Notwithstanding the foregoing, the Committee shall each year grant to the Executive, no later than it makes corresponding awards to other senior executives of the Company generally and no less favorable to the Executive than the terms and conditions that apply to corresponding awards to other senior executives of the Company generally, long-term incentive compensation with a combined grant-date target value between one-time and three-times the Executive's Base Salary, as determined by the Committee; provided that the combined grant-date target value for the Executive's long-term incentive compensation to be granted in 2006, the composition of which shall be determined by the Committee, shall be no less than \$2.625 million.

3.4 Temporary Living Expense Reimbursement and Relocation Expenses. For a period of up to 18 months after the Effective Date, the Company shall reimburse the Executive for: (a) the Executive's temporary housing expenses up to \$8,000 per month (plus reasonable brokerage expenses incurred to secure such housing) and (b) one round trip airfare and related ground transfers for the Executive between Atlanta, Georgia and the New York area per week. At the conclusion of this period, the Executive will be entitled to relocation assistance pursuant to the Company's Relocation Policy limited to home sale assistance, home purchase assistance, shipment of household goods and transportation of family members. In addition, amounts taxable under this article 3.4 shall be grossed up for income taxes.

3.5 Offset Payment. The Company will also grant the Executive cash award(s) intended to offset any: "emergence bonus" award and/or "key employee retention plan" award (not to exceed \$1.8 million in total) that she forfeits at her previous employer. The offset

payment(s) are contingent upon satisfactory confirmation of the forfeiture(s) of such previous awards (including, in the case of the “emergence bonus” award, the emergence from bankruptcy of her previous employer), and will be paid to the Executive within thirty days following receipt of satisfactory supporting documentation confirming the forfeiture(s).

3.6 Benefit Plans. Throughout the Term, the Executive and the Executive’s domestic partner and eligible dependents, as the case may be, shall be eligible to participate in employee benefit and fringe benefit plans and programs provided by the Company, including but not limited to pension, life insurance, health, dental and disability plans and programs, on terms and conditions generally applicable to executives of the Company. The Executive shall be eligible to participate in the Company’s retiree medical program subject to the Plan’s terms and conditions, as they may be in effect from time to time. Nothing herein shall limit the Company’s ability to change, modify, cancel or amend any such plans.

3.7 Executive Financial Services Program. Throughout the Term, the Executive shall be eligible to participate in the MMC Financial Services Program, as in effect from time to time.

3.8 Expenses. The Company will reimburse the Executive for reasonable business-related expenses incurred by her in connection with the performance of her duties hereunder during the Term, subject, however, to the Company’s written policies relating to business-related expenses as in effect, from time to time, during the Term, a copy of which has previously been provided to the Executive.

3.9 Vacation. The Executive shall be entitled to paid vacation in accordance with the Company’s policy in effect from time to time during the Term.

3.10 Indemnification. The Executive shall be entitled to indemnification in accordance with the Company’s by-laws as in effect from time to time.

3.11 Legal Fees. The Company shall reimburse the Executive for reasonable legal fees actually incurred in connection with the negotiation and drafting of this Agreement (including the negotiation and preparation of any term sheet relating thereto) up to a maximum of \$25,000; provided that the Executive provides the Company with appropriate written documentation with respect to such legal fees within two weeks after the Effective Date.

ARTICLE 4

Noncompetition/Nonsolicitation/Confidentiality

4.1 Noncompetition and Nonsolicitation Periods

(a) During the Executive’s employment with the Company or any subsidiary and during the 12 month period following termination of the Executive’s employment with the

Company or any subsidiary for any reason (other than a termination of employment by the Company due to Disability (as defined in Section 5.4 hereof) or a non-renewal of the Term by the Company), the Executive shall not, directly or indirectly:

- (i) engage in any Competitive Activity or
- (ii) whether on behalf of herself or any other person or entity (x) solicit any customer or client of the Company or any subsidiary with respect to a Competitive Activity or (y) solicit or employ any employee of the Company or any subsidiary for the purpose of causing such employee to terminate his or her employment with the Company or such subsidiary.

For purposes of this Agreement, “Competitive Activity” shall mean the Executive’s engaging in an activity – whether as an employee, consultant, principal, member, agent, officer, director, partner or shareholder (except as a less than 1% shareholder of a publicly traded company) – that is competitive with any business of the Company or any subsidiary conducted by the Company or such subsidiary as of the date of the termination of the Executive’s employment; provided, however, that the Executive may be employed by or otherwise associated with:

- (i) a business of which a subsidiary, division, segment, unit, etc. is in competition with the Company or any subsidiary but as to which such subsidiary, division, segment, unit, etc., the Executive has absolutely no direct or indirect responsibilities or involvement, or
- (ii) a company where the Competitive Activity is:
 - (x) from the perspective of such company, *de minimis* with respect to the business of such company and its affiliates, and
 - (y) from the perspective of the Company or any subsidiary, not in material competition with the Company or any subsidiary.

(b) At all times prior to and following the Executive’s termination of employment, the Executive shall not disclose to anyone or make use of any trade secret or proprietary or confidential information of the Company or any subsidiary, including such trade secret or proprietary or confidential information of any customer or client or other entity to which the Company or any subsidiary owes an obligation not to disclose such information, which the Executive acquires during the Executive’s employment with the Company, including but not limited to records kept in the ordinary course of business except:

- (i) As such disclosure or use may be required or appropriate in connection with the Executive’s work as an employee of the Company or any subsidiary;

- (ii) When required to do so by a court of law, by any governmental agency having supervisory authority over the business of the Company or any subsidiary or by any administrative or legislative body (including a committee thereof) with apparent jurisdiction to order the Executive to divulge, disclose or make accessible such information;
- (iii) As to such confidential information that becomes generally known to the public or trade without the Executive's violation of this Section 4.1(b); or
- (iv) To the Executive's domestic partner and/or the Executive personal tax and financial advisors as reasonably necessary or appropriate to advance the Executive's tax, financial and other personal planning (each an "Exempt Person"); provided, however, that any disclosure or use of any trade secret or proprietary or confidential information of the Company or any subsidiary by an Exempt Person shall be deemed to be a breach of this Section 4.1(b) by the Executive.

(c) The Executive acknowledges and agrees that the covenants contained in Sections 4.1(a) and (b) hereof are reasonable and necessary to protect the confidential information and goodwill of the Company and its subsidiaries. The Executive further represents that her experience and capabilities are such that the provisions of Sections 4.1(a) and (b) hereof will not prevent her from earning a livelihood.

ARTICLE 5

Termination; Change of Control

5.1 **Termination by the Company.** The Company shall have the right, subject to the terms of this Agreement, to terminate the Executive's employment at any time, with or without "Cause." The Company shall give the Executive written notice of a termination for Cause (the "**Cause Notice**") in accordance with Section 6.2 hereof. The Cause Notice shall state the particular action(s) or inaction(s) giving rise to the termination for Cause. No action(s) or inaction(s) will constitute Cause unless (1) a resolution finding that Cause exists has been approved by a majority of all of the members of the Board at a meeting at which the Executive is allowed to appear with her legal counsel and (2) where remedial action is feasible, the Executive fails to remedy the action(s) or inaction(s) within ten (10) days after receiving the Cause Notice. If the Executive so effects a cure to the satisfaction of the Board, the Cause Notice shall be deemed rescinded and of no force or effect. For purposes of this Agreement, "**Cause**" shall mean only:

(a) any willful refusal by the Executive to follow lawful directives of the Board which are consistent with the scope and nature of the Executive's duties and responsibilities as set forth herein;

(b) the Executive's conviction of, or plea of guilty or *nolo contendere* to, a felony or of any crime involving moral turpitude, fraud or embezzlement;

(c) any gross negligence or willful misconduct of the Executive resulting in a material loss to the Company or any of its subsidiaries, or material damage to the reputation of the Company or any of its subsidiaries;

(d) any material breach by the Executive of any one or more of the covenants referred to in Article 4 hereof; or

(e) any violation of any statutory or common law duty of loyalty to the Company or any of its subsidiaries.

5.2 Termination by the Executive. The Executive shall have the right, subject to the terms of this Agreement, to terminate her employment at any time with or without "Good Reason"; provided, that the Executive must give the Company at least 30 days' prior written notice of any termination by the Executive without Good Reason in accordance with Section 6.2 hereof. For purposes of this Agreement, "Good Reason," shall mean the occurrence of any of the following during the Term, without the Executive's prior written consent, during the 60-day period preceding a termination by the Executive (provided that an isolated, insubstantial or inadvertent action not taken in bad faith or a failure not occurring in bad faith which is remedied by the Company promptly after receipt of notice thereof given by the Executive shall not constitute Good Reason): (A) the assignment to the Executive of any duties materially inconsistent in any respect with the Executive's position (including status, offices, titles and reporting requirements), authority, duties or responsibilities as contemplated by this Agreement; (B) any removal of the Executive from any of the positions she holds as of the date of this Agreement; (C) any failure by the Company to comply with the provisions of Article 3 hereof; (D) a failure by the Company to comply with any other material provision of this Employment Agreement; or (E) a change in the Executive's principal work location to more than 50 miles from the Company's current headquarters in New York City.

5.3 Death. In the event the Executive dies during the Term, the Executive's employment shall automatically terminate, such termination to be effective on the date of the Executive's death.

5.4 Disability. In the event that the Executive shall suffer a disability during the Term which shall have prevented her from performing satisfactorily her obligations hereunder for a period of at least ninety (90) consecutive days or one hundred eighty (180) non-consecutive days within any three hundred sixty-five (365) day period ("Disability"), the Company shall have the right to terminate the Executive's employment, such termination to be effective upon the giving of notice thereof to the Executive in accordance with Section 6.2 hereof.

5.5 Effect of Termination.

(a) In the event of termination of the Executive's employment for any reason during the Term, the Term shall end as of the date of termination and the Company shall pay to the Executive (or her beneficiary, heirs or estate in the event of her death), as provided in Section 5.7 hereof, (i) any Base Salary to the extent not theretofore paid, (ii) any reimbursable business expenses that have not yet been reimbursed, and (iii) if not yet paid, the earned annual bonus for the calendar year that preceded the time of the termination (collectively, the "Accrued Obligations").

(b) In the event of termination of the Executive's employment during the Term (i) by the Company for Cause or (ii) by the Executive for other than Good Reason, neither the Executive nor any beneficiary, heir or estate of the Executive shall be entitled to any further compensation other than the Accrued Obligations. In such event, all of the Executive's outstanding unvested equity-based awards shall be immediately forfeited.

(c) In the event of termination of the Executive's employment during the Term (i) by the Company based on the Disability of the Executive as defined in Section 5.4 hereof, or (ii) due to the Executive's death, the Company shall pay the Executive (or her estate, beneficiary or heir in the case of death), in addition to the Accrued Obligations, a prorated annual bonus (deemed to be 100% of Base Salary) for the year in which the termination occurs based on the portion of the year elapsed as of the date of such termination. Any such bonus amount shall be paid as provided in Section 5.7 hereof. In addition, upon such a termination, all unvested equity awards held by the Executive as of the date of termination that were granted to the Executive pursuant to Sections 3.2 and 3.3 hereof shall immediately fully vest as of the date of termination.

(d) In the event of termination of the Executive's employment during the Term (i) by the Company other than for Cause (and not due to the Executive's death or Disability), or (ii) by the Executive for Good Reason, in either case which is not covered by Section 5.6 hereof, the Company shall pay the Executive, in addition to the Accrued Obligations, a lump sum amount equal to two hundred percent (200%) times the sum of (x) the Executive's then-current Base Salary and (y) the average annual bonus actually paid to the Executive (including bonus amounts paid in restricted stock, if any) during the three years prior to the termination (or such shorter time if the termination occurs prior to the payment of three annual bonuses to the Executive; provided, however, that if such termination occurs prior to the payment of the 2006 Minimum Bonus provided for in Section 3.2 hereof, the 2006 Minimum Bonus shall be used for purposes of determining the average annual bonus) (such sum is the "Annual Compensation"). The Executive shall also be entitled to a prorated annual bonus for the year in which the termination occurs based on the degree of achievement of goals under the bonus program in effect at the time of termination and the portion of the year elapsed as of the date of such termination; provided, however, that if such termination occurs prior to the payment of the 2006 Minimum Bonus provided for in Section 3.2 hereof, the 2006 Minimum Bonus shall be paid in lieu of the prorated annual bonus. The degree of achievement of goals shall be

determined in accordance with the bonus program, except that should any goals be of a subjective nature, the degree of achievement thereof shall be determined by the Committee in its sole discretion. Any such bonus amount shall be paid at the same time as annual bonuses for the year are paid to the Company's senior executives generally. In addition, upon such a termination, all unvested equity awards held by the Executive as of the date of termination that were granted to the Executive pursuant to Sections 3.2 and 3.3 hereof shall immediately fully vest as of the date of termination.

5.6 Change in Control. Upon the termination of the Executive's employment by the Company without Cause or by the Executive for Good Reason (i) during the 6-month period immediately preceding the occurrence of a Change in Control (as defined in the Company's 2000 Senior Executive Incentive and Stock Award Plan, as in effect on the date hereof) or (ii) during the 2-year period immediately following a Change in Control, the Executive shall be entitled to receive, in addition to the Accrued Obligations, a lump sum amount equal to two hundred percent (200%) times the Annual Compensation (as defined in Section 5.5(d) hereof). The Executive shall also be entitled to a prorated annual bonus for the year in which the termination occurs based on the portion of the year elapsed as of the date of such termination multiplied by the greater of (I) the Executive's target annual bonus for the year of termination or (II) the average annual bonus actually paid to the Executive (including amounts paid in restricted stock, if any) during the three years prior to the termination (or such shorter time if the termination occurs prior to the payment of three annual bonuses to the Executive; provided, however, that if such termination occurs prior to the payment of the 2006 Minimum Bonus provided for in Section 3.2 hereof, the 2006 Minimum Bonus shall be used for purposes of determining the average annual bonus). Any such bonus amount shall be paid as provided in Section 5.7 hereof. In addition, all equity-based awards held by the Executive as of the date of the Change in Control shall vest in accordance with the terms and conditions of the applicable equity compensation plan and/or agreement; provided, however, that all equity-based awards granted to the Executive which are unvested on the date of termination shall then immediately fully vest. Payments due to the Executive under this Section 5.6 shall be offset, dollar-for-dollar, by corresponding amounts (if any) previously paid under Section 5.5(d) (e.g., if the termination occurred prior to the pertinent Change in Control).

5.7 Conditions. Any payments or benefits made or provided pursuant to this Article 5 (other than the Accrued Obligations) are subject to the Executive's:

(a) compliance with the provisions of Article 4 and Section 5.9 hereof (provided that this shall not affect the timing of the payment to the Executive provided for below in this Section 5.7 unless the Executive is in material breach of any of such provisions as of the time such payment is to be made);

(b) delivery to the Company of an executed General Release, which shall be substantially in the form attached hereto as Exhibit A, with such changes therein or additions thereto as needed under then applicable law to give effect to its intent and purpose; and

(c) delivery to the Company of a resignation from all offices, directorships and fiduciary positions with the Company, its affiliates and employee benefit plans.

Notwithstanding the due date of any post-employment payments, any amounts due following a termination under this Agreement (other than the Accrued Obligations, which shall be paid when due or on such later date as may be required to avoid any “additional tax” under Section 409A of the Internal Revenue Code of 1986, as amended (“Section 409A”)) shall not be due until after the expiration of any revocation period applicable to the General Release without the Executive having revoked such General Release, and any such amounts shall be paid to the Executive within thirty (30) days of the expiration of such revocation period without the occurrence of a revocation by the Executive (or the earliest date as may be required to avoid any “additional tax” under Section 409A). Nevertheless (and regardless of whether the General Release has been executed by the Executive), upon any termination of Executive’s employment, Executive shall be entitled to receive the Accrued Obligations, payable within thirty (30) days after the date of termination or in accordance with the applicable plan, program or policy.

5.8 No Mitigation. The Executive shall be under no obligation to seek other employment following a termination of her employment with the Company or any subsidiary for any reason. In addition, there shall be no offset against amounts due to the Executive under this Article 5 or otherwise on account of any compensation attributable to any subsequent employment.

5.9 Cooperation; Assistance. The Executive agrees to cooperate fully, subject to reimbursement by the Company of reasonable out-of-pocket costs and expenses, with the Company or any subsidiary and their counsel with respect to any matter (including any litigation, investigation or governmental proceeding) which relates to matters with which the Executive was involved or about which she had knowledge during her employment with the Company or any subsidiary. Such cooperation shall include appearing from time to time at the offices of the Company or any subsidiary or their counsel for conferences and interviews and in general providing the officers of the Company or any subsidiary and their counsel with the full benefit of the Executive’s knowledge with respect to any such matter. The Executive further agrees, upon termination of her employment for any reason, to assist her successor in the transition of her duties and responsibilities to such successor. The Executive agrees to render such cooperation in a timely fashion and at such times as may be mutually agreeable to the parties.

ARTICLE 6

Miscellaneous

6.1 Benefit of Agreement, Assignment; Beneficiary.

(a) This Agreement shall inure to the benefit of and be binding upon the Company and its successors and assigns, including any corporation or person which may acquire all or substantially all of the Company’s assets or business or with or into which the Company

may be consolidated or merged. This Agreement shall also inure to the benefit of, and be enforceable by, the Executive and her personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. If the Executive should die while any amount would still be payable to the Executive hereunder if she had continued to live, all such amounts shall be paid in accordance with the terms of this Agreement to the Executive's beneficiary, devisee, legatee or other designee, or if there is no such designee, to the Executive's estate.

(b) The Company shall require any successor (whether direct or indirect, by operation of law, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

6.2 Notices. Any notice required or permitted hereunder shall be in writing and shall be sufficiently given if personally delivered or if sent by certified mail, postage prepaid, with return receipt requested or by reputable overnight courier, addressed: (a) in the case of the Company to the General Counsel of the Company at the Company's then-current headquarters, and (b) in the case of the Executive, to the Executive's last known address as reflected in the Company's records, or to such other address as either party shall designate by written notice to the other party. Any notice given hereunder shall be deemed to have been given at the time of receipt thereof by the person to whom such notice is given if personally delivered or at the time of mailing if sent by certified mail or by courier.

6.3 Entire Agreement; Amendment. Except as specifically provided herein, this Agreement contains the entire agreement of the parties hereto with respect to the terms and conditions of the Executive's employment during the Term and supersedes any and all prior agreements and understandings, whether written or oral, between the parties hereto with respect to compensation due for services rendered hereunder. For the avoidance of doubt, in the event of any inconsistency between this Agreement and any plan, program or arrangement of the Company, the terms of this Agreement shall control. This Agreement may not be changed or modified except by an instrument in writing signed by both of the parties hereto.

6.4 Waiver. The waiver of either party of a breach of any provision of this Agreement shall not operate or be construed as a continuing waiver or as a consent to or waiver of any subsequent breach hereof.

6.5 Headings. The Article and Section headings herein are for convenience of reference only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof.

6.6 Governing Law. This Agreement shall be governed by, and construed and interpreted in accordance with, the internal laws of the State of New York without reference to the principles of conflict of laws.

6.7 Agreement to Take Actions. Each party hereto shall execute and deliver such documents, certificates, agreements and other instruments and shall take such other actions, as may be reasonably necessary or desirable in order to perform her or its obligations under this Agreement or to effectuate the purposes hereof.

6.8 Dispute Resolution. Any dispute or controversy arising from or relating to this Agreement and/or the Executive's employment or relationship with the Company or any subsidiary shall be resolved by binding arbitration, to be held in New York City or in any other location mutually agreed to by the Company and the Executive in accordance with the rules and procedures of the American Arbitration Association. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The Executive and the Company agree that, in the event a dispute arises that concerns this Agreement, if the Executive is the Prevailing Party, the Executive shall be entitled to recover all of her reasonable fees and expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred in connection with the dispute. A Prevailing Party is one who is successful on any significant substantive issue in the action and achieves either a judgment in such party's favor or some other affirmative recovery.

6.9 Survivorship. The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to effectuate the intended preservation of such rights and obligations, including without limitation Article 4 hereof.

6.10 Validity. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision or provisions of this Agreement, which shall remain in full force and effect. If any provision of this Agreement is held to be invalid, void or unenforceable, any court so holding shall substitute a valid, enforceable provision that preserves, to the maximum lawful extent, the terms and intent of this Agreement.

6.11 Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise. The word "including" shall mean including without limitation.

6.12 Section 409A. It is intended that this Agreement and the Company's and the Executive's exercise of authority or discretion hereunder shall comply with the provisions of Section 409A and the treasury regulations relating thereto so as not to subject the Executive to the payment of interest and tax penalty which may be imposed under Section 409A. In furtherance of this interest, to the extent that any regulations or other guidance issued under Section 409A would result in the Executive being subject to payment of "additional tax" under

Section 409A, the parties agree to amend this Agreement in order to avoid the imposition of any such “additional tax” under Section 409A, which such amendment shall be designed to minimize the adverse economic effect on the Executive without increasing the cost to the Company (other than transactions costs), all as reasonably determined in good faith by the Company and the Executive.

6.13 Withholding. All compensation paid or provided to the Executive under this Agreement shall be subject to any applicable income, payroll or other tax withholding requirements.

6.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties hereto has duly executed this Agreement on this 19th day of December, effective as of the date first written above. The Company represents that its execution of this Agreement has been authorized by the Committee.

MARSH & MCLENNAN COMPANIES, INC.

By: /s/ Michael G. Cherkasky
Name: Michael G. Cherkasky
Title: President & Chief Executive Officer

/s/ M. Michele Burns
M. MICHELE BURNS

EXHIBIT A

GENERAL RELEASE OF ALL CLAIMS

1. For valuable consideration, the adequacy of which is hereby acknowledged, the undersigned ("Executive"), on her own behalf and on behalf of her heirs, executors, administrators, successors, representatives and assigns, does herein knowingly and voluntarily unconditionally release, waive, and fully discharge Marsh & McLennan Companies, Inc. and its subsidiaries (including successors and assigns thereof) (collectively, the "Company"), and all of their respective past, present and future employees, officers, directors, agents, affiliates, parents, predecessors, administrators, representatives, attorneys, and shareholders, and employee benefit plans, from any and all legal claims, liabilities, suits, causes of action (whether before a court or an administrative agency), damages, costs, attorneys' fees, interest, injuries, expenses, debts, or demands of any nature whatsoever, known or unknown, liquidated or unliquidated, absolute or contingent, at law or in equity, which were or could have been filed with any Federal, state, or local court, agency, arbitrator or any other entity, based directly or indirectly on Executive's employment with and separation from Company or based on any other alleged act or omission by or on behalf of Company prior to Executive's signing this General Release. Without limiting the generality of the foregoing terms, this General Release specifically includes all claims based on the terms, conditions, and privileges of employment, and those based on breach of contract (express or implied), tort, harassment, intentional infliction of emotional distress, defamation, negligence, privacy, employment discrimination, retaliation, discharge not for just cause, constructive discharge, wrongful discharge, the Age Discrimination in Employment Act of 1967, as amended (the "ADEA"), the Older Workers Benefit Protection Act of 1990, the Worker Adjustment and Retraining Notification Act, as amended, Executive Order 11,141 (age discrimination), Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Civil Rights Act of 1866 and 1871, Sections 1981 through 1988 of Title 42 of the United States code, as amended, 41 U.S.C. §1981 (discrimination), 29 U.S.C. §206(d)(1) (equal pay), Executive Order 11,246 (race, color, religion, sex and national origin discrimination), the National Labor Relations Act, the Equal Pay Act of 1993, the Americans with Disabilities Act of 1990, the Occupational Safety and Health Act, as amended, the Family Medical Leave Act, the Immigration Reform and Control Act, as amended, the Vietnam Era Veterans Readjustment Assistance Act, §§503-504 of the Rehabilitation Act of 1973 (handicap rehabilitation), the Employee Retirement Income Security Act of 1974, as amended, any federal, state or local fair employment, civil or human rights, wage and hour laws and wage payment laws, and any and all other Federal, state, local or other governmental statutes, laws, ordinances, regulations and orders, under common law, and under any Company policy, procedure, bylaw or rule. This General Release shall not waive or release any rights or claims that Executive may have which arise after the date of this General Release or that arise under or are preserved by Article 5 of the Employment Agreement, effective as of March 1, 2006, by and between Company and the Executive (the "Employment Agreement") and shall not waive post-termination health-continuation insurance benefits required by state or Federal law.

2. Executive intends this General Release to be binding on her successors, and Executive specifically agrees not to file or continue any claim in respect of matters covered by Section 1, above. Executive further agrees never to institute any suit, complaint, proceeding, grievance or action of any kind at law, in equity, or otherwise in any court of the United States or in any state, or in any administrative agency of the United States or any state, county or municipality, or

before any other tribunal, public or private, against Company arising from or relating to her employment with or her termination of employment from Company and/or any other occurrences to the date of this General Release, other than a claim challenging the validity of this General Release under the ADEA or respecting any matters not covered by this General Release.

3. Executive is further waiving her right to receive money or other relief in any action instituted by her or on her behalf by any person, entity or governmental agency in respect of matters covered by this General Release. Nothing in this General Release shall limit the rights of any governmental agency or her right of access to, cooperation or participation with any governmental agency, including without limitation, the United States Equal Employment Opportunity Commission. Executive further agrees to waive her rights under any other statute or regulation, state or federal, which provides that a general release does not extend to claims which Executive does not know or suspect to exist in her favor at the time of executing this General Release, which if known to her must have materially affected her settlement with Company.

4. Executive agrees that Executive shall not be eligible and shall not seek or apply for reinstatement or re-employment with Company and agrees that any application for re-employment may be rejected without explanation or liability pursuant to this provision.

5. In further consideration of the promises made by Company in this General Release, Executive specifically waives and releases Company from all claims Executive may have as of the date of this General Release, whether known or unknown, arising under the ADEA. Executive further agrees that:

- (a) Executive's waiver of rights under this General Release is knowing and voluntary and in compliance with the Older Workers Benefit Protection Act of 1990 ("OWBPA");
- (b) Executive understands the terms of this General Release;

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Obligations) shall be void and of no force and effect if Executive chooses to so revoke, and if Executive chooses not to so revoke, this General Release shall then become effective and enforceable.

6. This General Release does not waive rights or claims that may arise under the ADEA after the date Executive signs this General Release. To the extent barred by the OWBPA, the covenant not to sue contained in Section 2, above, does not apply to claims under the ADEA that challenge the validity of this General Release.

7. To revoke this General Release, Executive must send a written statement of revocation to:

Marsh & McLennan Companies, Inc.
[Address]
[City, State Zip Code]
Attn: _____

The revocation must be received no later than 5:00 p.m. on the seventh day following Executive's execution of this General Release. If Executive does not revoke, the eighth day following Executive's acceptance will be the "effective date" of this General Release.

8. This General Release shall be governed by the internal laws (and not the choice of laws) of the State of New York, except for the application of pre-emptive Federal law.

PLEASE READ THIS AGREEMENT CAREFULLY. IT CONTAINS A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

Date: _____

M. Michele Burns

News Release

MMC NAMES M. MICHELE BURNS EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

NEW YORK, NEW YORK, December 20, 2005—Marsh & McLennan Companies, Inc. (MMC) announced today that M. Michele Burns will join the company as executive vice president on March 1, 2006, and assume the position of chief financial officer no later than March 31, 2006.

Ms. Burns succeeds Sandra S. Wijnberg, who announced in August that she plans to resign from the company in March 2006. Ms. Wijnberg will work closely with Ms. Burns to ensure a smooth transition. Ms. Burns will report to Michael G. Cherkasky, president and chief executive officer of MMC.

Ms. Burns, 47, has been executive vice president, chief financial officer, and chief restructuring officer of Mirant, a competitive energy company, since 2004. Prior to joining Mirant, Ms. Burns had spent five years at Delta Air Lines, Inc., last serving as executive vice president and chief financial officer. Before joining Delta, she was a senior tax partner at Arthur Andersen LLP.

Mr. Cherkasky said, “We are very pleased to welcome Michele to MMC’s senior management team. Michele has distinguished herself through her financial leadership, management track record, and impressive professional accomplishments. Her experience will be invaluable as

MMC implements its 'one company' strategy of becoming the world's leading global advice and solutions firm."

Ms. Burns commented, "I am delighted to join MMC, a company with a distinguished history and a market leader in its principal businesses. I look forward to being part of an exceptional senior management team committed to excellent client service, superior long-term growth, and increased value for shareholders."

Ms. Burns serves as a member of the board of directors of Wal-Mart Stores, Inc.; Cisco Systems, Inc.; and the Ivan Allen Company. She is also treasurer and a founding member of the board of directors of the Elton John AIDS Foundation.

Ms. Burns graduated summa cum laude from the University of Georgia with a bachelor's degree in business administration and a master's degree in accountancy.

MMC is a global professional services firm with annual revenues exceeding \$12 billion. It is the parent company of Marsh, the world's leading risk and insurance services firm; Guy Carpenter, the world's leading risk and reinsurance specialist; Kroll, the world's leading risk consulting company; Mercer, a major global provider of human resource and specialty consulting services; and Putnam Investments, one of the largest investment management companies in the United States. Approximately 59,000 employees provide analysis, advice, and transactional capabilities to clients in over 100 countries. Its stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, and London stock exchanges. MMC's website address is www.mmc.com.

News Release

LESLIE M. BAKER, JR. AND MARC D. OKEN ELECTED TO THE BOARD OF DIRECTORS OF MMC

MMC BOARD ESTABLISHES A MAJORITY VOTING POLICY REGARDING THE ELECTION OF DIRECTORS

NEW YORK, NEW YORK, December 21, 2005—Marsh & McLennan Companies, Inc. (MMC) announced today that its Board of Directors has elected Leslie M. (“Bud”) Baker, Jr. and Marc D. Oken to become directors effective January 18, 2006.

Mr. Baker, 63, retired from Wachovia Corporation in 2003 after 34 years of service. He served as chief executive officer from 1994 to 2001 and as chairman from 1998 to 2003. During his tenure, Wachovia grew to be one of the largest banks in the United States, with assets doubling to \$74 billion. From 1964 to 1967, Mr. Baker served in the United States Marine Corps.

Mr. Baker is a Board member of the National Humanities Center and the North Carolina Arboretum and is a founder of the Marine Corps Heritage Foundation.

Mr. Oken, 58, held executive positions at Bank of America Corporation from 1989 to 2005, most recently as chief financial officer. Prior to joining Bank of America, Mr. Oken was a partner at Price Waterhouse LLP for 15 years. From 1981 to 1983 he was a fellow at the United States Securities and Exchange Commission. Mr. Oken served as a naval aviator in Vietnam.

The Board has determined that Messrs. Baker and Oken are independent from management under MMC's Director Independence Standards. With the election of these two directors, MMC's Board now consists of 13 members. All are independent except for Mr. Cherkasky.

The Board also approved an amendment to MMC's corporate governance guidelines, establishing a majority voting policy regarding the election of directors. Among other things, the policy provides that in an uncontested election of directors, any nominee who receives a greater number of votes "withheld" from his or her election than votes "for" must tender a resignation to the chairman of the Board. The Board will act on the recommendation of the Directors and Governance Committee with respect to the resignation within 90 days following the date of the shareholder vote. MMC will make prompt public disclosure of the Board's decision as well as provide an explanation of the process by which the decision was reached. MMC's majority voting policy, which is effective immediately, was adopted upon the recommendation of the Board's Directors and Governance Committee.

Robert F. Erburu, chairman of the Board of MMC, said, "I am pleased that Bud and Marc have been elected to MMC's Board of Directors. We all look forward to their active contribution to the work of the Board."

Michael G. Cherkasky, president and chief executive officer of MMC, added, "We welcome Bud and Marc. MMC will benefit from the financial expertise and management experience of these two distinguished executives. In addition, the Board's decision to establish a majority voting policy reflects MMC's commitment to examining and improving its corporate governance practices."

MMC is a global professional services firm with annual revenues exceeding \$12 billion. It is the parent company of Marsh, the world's leading risk and insurance services firm; Guy Carpenter, the world's leading risk and reinsurance specialist; Kroll, the world's leading risk consulting company; Mercer, a major global provider of human resource and specialty consulting services; and Putnam Investments, one of the largest investment management companies in the United

States. Approximately 59,000 employees provide analysis, advice, and transactional capabilities to clients in over 100 countries. Its stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, and London stock exchanges. MMC's website address is www.mmc.com.