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

FORM 10-K

☒ **Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the fiscal year ended December 31, 2022

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

For the transition period from _____ to

Commission file number 1-09761

ARTHUR J. GALLAGHER & CO.
(Exact name of registrant as specified in its charter)

DELAWARE	**36-2151613**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
2850 Golf Road **Rolling Meadows, Illinois**	**60008-4050**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code (630) 773-3800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Common Stock, par value $1.00 per share	AJG	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐.

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐.

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 726(b)) by the registered public accounting firm that prepared or issued its audit report Yes ☒ No ☐.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒.

The aggregate market value of the voting common equity held by non-affiliates of the registrant, computed by reference to the last reported price at which the registrant's common equity was sold on June 30, 2022 (the last day of the registrant's most recently completed second quarter) was $29,577,349,000.

The number of outstanding shares of the registrant's Common Stock, $1.00 par value, as of January 31, 2023 was 212,094,000**.**

Documents incorporated by reference: Portions of Arthur J. Gallagher & Co.'s definitive 2023 Proxy Statement are incorporated by reference into this Form 10-K in response to Part III to the extent described herein.

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, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Forward-looking statements relate to expectations or forecasts of future events. Such statements use words such as “anticipate,” “believe,” “estimate,” “expect,” “contemplate,” “forecast,” “project,” “intend,” “plan,” “potential,” and other similar terms, and future or conditional tense verbs like “could,” “may,” “might,” “see,” “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: the impact of general economic conditions, including significant inflation, increased interest rates and market uncertainty; the effects of political volatility, including repercussions from the war in Ukraine; market and industry conditions, including competitive and pricing trends; acquisition strategy including the expected size of our acquisition program; the expected impact of acquisitions and dispositions and integrating recent acquisitions, including comments regarding the expected benefits of our acquisition of the Willis Towers Watson plc treaty reinsurance brokerage operations (which we refer to as Willis Re) and the expected duration and costs of integrating Willis Re; the development and performance of our services and products; changes in the composition or level of our revenues or earnings; our cost structure and the size and outcome of cost-saving or restructuring initiatives; future capital expenditures; future debt levels and anticipated actions to be taken in connection with maturing debt; future debt to earnings ratios; the outcome of contingencies; dividend policy; pension obligations; cash flow and liquidity; capital structure and financial losses; future actions by regulators; the outcome of existing regulatory actions, audits, reviews or litigation; the impact of changes in accounting rules; financial markets; interest rates; foreign exchange rates; matters relating to our operations; income taxes; expectations regarding our investments; human capital management, including diversity and inclusion initiatives, and environmental, social and governance matters, including climate-resilience products and services and carbon emissions. 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 that could impact results include:

- A recession or economic downturn, as well as unstable economic conditions, including inflation and related monetary policy responses;
- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity, including the increased risk of errors and omissions claims against us;
- A disaster or other significant disruption to business continuity, including natural disasters and political violence and unrest in the United States (U.S.) or elsewhere around the world; for example, our substantial operations in India could be negatively impacted as a result of the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, incidents of terrorism in India, civil unrest or other reasons;
- Risks related to Willis Re, including risks related to our ability to successfully integrate operations, the possibility that our assumptions may be inaccurate resulting in unforeseen obligations or liabilities, failure to realize the expected benefits of this acquisition and increased integration costs;
- Risks that could negatively affect the success of our acquisition strategy, including the impact of current economic uncertainty on our ability to source, review and price acquisitions, continuing consolidation in our industry and growing interest in acquiring insurance brokers on the part of private equity firms and newly public insurance brokers, which could make it more difficult to identify targets and could make them more expensive, the risk that we may not receive timely regulatory approval of desired transactions, execution risks, integration risks, poor cultural fit, the risk of post-acquisition deterioration leading to intangible asset impairment charges, and the risk we could incur or assume unanticipated liabilities such as cybersecurity issues or those relating to violations of anti-corruption and sanctions laws;
- Damage to our reputation, including as a result of environmental, social and governance (which we refer to as ESG) matters;
- Failure to meet our ESG-related aspirations, goals and initiatives;
- Failure to apply technology and data analytics effectively in driving value for our clients through technology-based solutions, or failure to gain internal efficiencies and effective internal controls through the application of technology and related tools;
- Failure to attract and retain experienced and qualified talent, including our senior management team, or adequately plan for the succession of such leaders;
- Sustained increases in the cost of employee benefits and compensation expense;
- Risks arising from our international operations and changes in international conditions, including the risks posed by political and economic uncertainty in certain countries (including repercussions from the war in Ukraine), risks related to

maintaining regulatory and legal compliance across multiple jurisdictions (such as those relating to violations of anti-corruption, sanctions, protectionism, privacy laws and increased regulatory focus on climate change and sustainability issues), as well as risks related to tariffs, trade wars, political violence and unrest in the U.S. or around the world, or climate change and other long-term environmental, social and governance matters and global health risks;

•Risks related to changes in U.S. or foreign tax laws, including a U.S. or foreign tax rate change, potential changes in guidance related to the U.S. Inflation Reduction Act, the Organization for Economic Co-operation and Development's (OECD) global minimum corporate tax regime, and other local policy changes;

•The spread of COVID-19, including new variants, and its effect on the economy, our employees, our clients, the regulatory environment and our operations;

•Substantial increase in remote work among our employees, which may affect our corporate culture, productivity, collaboration and effective communication, increase cybersecurity or data breaches risks, heighten vulnerability to solicitations by competing firms and impact our ability to recruit and retain employees that prefer fully remote or fully-in-person work environments;

•Competitive pressures, including as a result of innovation, in each of our businesses;

•Volatility or declines in premiums or other adverse trends in the insurance industry;

•The higher level of variability inherent in contingent and supplemental revenues versus standard commission revenues;

•Risks particular to our benefit consulting operations, including risks related to the announced acquisition of BCHR Holdings, L.P. and its subsidiaries, dba Buck (which we refer to as Buck);

•Risks particular to our third-party claims administrations operations, including risks related to the availability of RISX-FACS®, our proprietary risk management information system, wage inflation, staffing shortages, any slowing of the trend toward outsourcing claims administration, and the concentration of large amounts of revenue with certain clients;

•Climate risks, including the risk of a systemic economic crisis and disruptions to our business caused by the transition to a low-carbon economy;

•Cyber-attacks or other cybersecurity incidents such as the ransomware incident we publicly disclosed in September 2020 and the heightened risk of such attacks as a result of the war in Ukraine, improper disclosure of confidential, personal or proprietary data; and changes to laws and regulations governing cybersecurity and data privacy;

•Violations or alleged violations of the U.S. Foreign Corrupt Practices Act (which we refer to as FCPA), the United Kingdom (U.K.) Bribery Act 2010 or other anti-corruption laws and the Foreign Account Tax Compliance provisions of the Hiring Incentives to Restore Employment Act (which we refer to as FATCA), and the outcome of any existing or future investigation, review, regulatory action or litigation;

•Our failure to comply with regulatory requirements, including those related to governance and control requirements in particular jurisdictions, international sanctions, including new sanctions laws as a result of the war in Ukraine, or a change in regulations or enforcement policies that adversely affects our operations (for example, relating to insurance broker compensation methods);

•Unfavorable determinations related to contingencies and legal proceedings;

•Changes to our financial presentation from new accounting estimates and assumptions;

•Intellectual property risks;

•Risks related to our legacy clean energy investments, including intellectual property claims, environmental and product liability claims, environmental compliance costs and the risk of disallowance by the Internal Revenue Service (which we refer to as the IRS) of previously claimed tax credits;

•The risk that our outstanding debt adversely affects our financial flexibility and restrictions and limitations in the agreements and instruments governing our debt;

•The risk of credit rating downgrades;

•The risk we may not be able to receive dividends or other distributions from subsidiaries, including the effects of significant changes in foreign exchange rates;

•The risk of share ownership dilution when we issue common stock as consideration for acquisitions and for other reasons; and

•Volatility of the price of our common stock.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions, including the risk factors referred to above, that were amplified by the COVID-19 pandemic, and in the future could be amplified by new strains. Our future performance and actual results or outcomes may differ materially from those expressed in forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements, which speak only as of, and are based on information available to us on, the date of the applicable document. Many of the factors that will determine these results are beyond our ability to control or predict. All subsequent written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Forward-looking statements speak only as of the date that they are made, and we do not undertake any obligation to update any such statements or release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date of this report or to reflect new information, future or unexpected events or otherwise, except as required by applicable law or regulation. In addition, historical, current and forward-looking sustainability-related or ESG-related statements may be used on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future.

A detailed discussion of the factors that could cause actual results to differ materially from our published expectations is contained under the heading “Risk Factors” in this report and any other reports we file with the Securities and Exchange Commission (SEC) in the future.

Arthur J. Gallagher & Co.
Annual Report on Form 10-K
For the Fiscal Year Ended December 31, 2022
Index

Part I

Item 1. Business.

Overview

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or Gallagher, are engaged in providing insurance brokerage, reinsurance brokerage, consulting, and third-party property/casualty claims settlement and administration services to businesses and organizations around the world. We believe that our major strength is our ability to deliver comprehensively structured insurance, insurance and risk management solutions, superior claim outcomes and comprehensive consulting services to our clients.

Our brokerage segment operations provide brokerage and consulting services to businesses and organizations of all types, including commercial, not-for-profit, public entities, insurance companies and insurance capital providers, and, to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management, and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, not-for-profit, captive and public entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by an underwriting enterprise.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering events of loss is provided by "underwriting enterprises," which we define as insurance companies, reinsurance companies and various other risk-taking entities, including intermediaries of underwriting enterprises, that we do not own or control.

Since our founding in 1927, we have grown from a one-person insurance agency to the world's fourth largest insurance broker/risk manager based on revenues, according to *Business Insurance* magazine's July/August 2022 edition, to the world's third largest insurance broker/risk manager based on market capitalization as of December 31, 2022, and one of the world's largest property/casualty third party claims administrators, according to *Business Insurance* magazine's May 2022 edition. We have three reportable segments: brokerage, risk management and corporate, which contributed approximately 85%, 14% and 1%, respectively, to 2022 revenues. We generate approximately 65% of our revenues from the combined brokerage and risk management segments in the U.S., with the remaining 35% generated internationally, primarily in the U.K., Australia, Canada and New Zealand. All of the revenues of the corporate segment are generated in the U.S.

Shares of our common stock are traded on the New York Stock Exchange under the symbol "AJG", and we had a market capitalization at December 31, 2022 of approximately $40.0 billion. Information in this report is as of December 31, 2022 unless otherwise noted. We were reincorporated as a Delaware corporation in 1972. Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800.

Operating Segments

We report our results in three segments: brokerage, risk management and corporate. The major sources of our operating revenues are commissions, fees and supplemental and contingent revenues from our brokerage operations, and fees, including performance-based fees, from our risk management operations. The corporate segment generates revenues from our clean energy investments. Our ability to generate additional tax credits from our Section 45 clean energy investments ended in December 2021.

Our business, particularly our brokerage business, is subject to seasonal fluctuations. Commissions, fees, supplemental revenues and contingent revenues, and our costs to obtain and fulfill the service obligations to our clients, can vary from quarter to quarter as a result of the timing of contract-effective dates. On the other hand, salaries and employee benefits, rent, depreciation and amortization expenses generally tend to be more uniform throughout the year. The timing of acquisitions, recognition of books of business gains and losses and, prior to 2022, the variability in the recognition of tax credits generated by our clean energy investments also impact the trends in our quarterly operating results.

Brokerage Segment

The brokerage segment accounted for 85% of our revenues in 2022. Our brokerage segment operates through a network of more than 460 sales and service offices located throughout the U.S. and more than 300 sales and service offices in approximately 60 countries, most of which are in the U.K., Australia, Canada and New Zealand. Most of these offices are fully staffed with sales and service

personnel. We offer client service capabilities in more than 130 countries around the world through our direct operations as well as through a network of correspondent brokers and consultants.

Domestic Retail Insurance Brokerage Operations

Our retail insurance brokerage operations accounted for 73% of our brokerage segment revenues in 2022. Our retail brokerage operations place nearly all lines of commercial property/casualty and health and welfare insurance coverage. Significant lines of insurance coverage and consultant capabilities are as follows:

Aviation	Disability	General Liability	Products Liability
Casualty	Earthquake	Health & Welfare	Professional Liability
Claims Advocacy	Errors & Omissions	Healthcare Analytics	Property
Commercial Auto	Exchange Solutions	Human Resources	Retirement
Compensation	Executive Benefits	Institutional Investment	Surety Bond
Cyber Liability	Fiduciary Services	Loss Control	Voluntary Benefits
Dental	Fine Arts	Marine	Wind
Directors & Officers Liability	Fire	Medical	Workers' Compensation

Our retail brokerage operations are organized and operate within certain key niche/practice groups, which account for approximately 84% of our retail brokerage revenues. These specialized teams target areas of business and/or industries in which we have developed a depth of expertise and a large client base. Significant niche/practice groups we serve are as follows:

Affinity	Equity Advisors	Law Firms	Real Estate/Hospitality
Automotive	Financial Institutions	Life Sciences	Religious
Aviation	Food/Agribusiness	Marine	Restaurant
Construction	Global Risks	Not-for-Profit	Technology
Energy	Healthcare	Personal	Trade Credit/Political Risk
Entertainment	Higher Education	Private Client	Transportation
Environmental	K12 Education	Public Entity	

Our specialized focus on these niche/practice groups allows for highly-focused marketing efforts and facilitates the development of value-added products and services specific to those industries. We believe that our detailed understanding and broad client contacts within these niche/practice groups provide us with a competitive advantage.

We anticipate that our retail brokerage operations' greatest revenue growth over the next several years will continue to come from:

- Our niche/practice groups and middle-market accounts;
- Cross-selling other brokerage products to existing clients;
- Mergers and acquisitions; and
- Developing and managing alternative market mechanisms such as captives, rent-a-captives and deductible plans/self-insurance.

Global Reinsurance Brokerage Operations

Our reinsurance brokerage operations accounted for 12% of our brokerage segment revenues in 2022. Our reinsurance brokers assist underwriting enterprises, such as insurance companies and managing general underwriters, to secure protection or reinsurance from another insurance company for a specific risk or class of risks. These underwriting enterprises purchase reinsurance, among other reasons, to limit liability on a specific risk; stabilize their losses; protect themselves against catastrophes; free up cash flow; offer more diverse coverage; or increase their capacity to take on new clients. We earn a fee or commission to find and place business on behalf of both the underwriting enterprise client or the reinsurer. Our reinsurance brokers support underwriting enterprises in placing the risk and choosing the most appropriate reinsurer, including negotiating rates while sourcing the best-suited contracts on the market. On December 1, 2021, we acquired substantially all of Willis Re. The combined businesses trade as Gallagher Re from more than 70 offices across 31 countries. This acquisition brought to us specialist expertise, underpinned by a portfolio of analytics capabilities including catastrophe modeling, dynamic financial analysis, rating agency analysis and capital modeling that improved our value

proposition worldwide. Based on revenues, our global reinsurance brokerage operation is the third largest reinsurance broker in the world according to *Business Insurance* magazine's October 2022 edition.

Wholesale Insurance Brokerage Operations

Our wholesale insurance brokerage operations accounted for 15% of our brokerage segment revenues in 2022. Our wholesale brokers assist our retail brokers and other non-affiliated brokers in the placement of specialized and hard-to-place insurance. These brokers operate through approximately 300 offices primarily located across the U.S., Bermuda and through our approved Lloyd's of London brokerage operation. In certain cases we act as a brokerage wholesaler, and in other cases we act as a managing general agent or managing general underwriter distributing specialized insurance coverages for underwriting enterprises. Managing general agents and managing general underwriters are agents authorized by an underwriting enterprise to manage all or a part of its business in a specific geographic territory. Activities they perform on behalf of the underwriting enterprise may include marketing, underwriting (although we do not assume any underwriting risk), issuing policies, collecting premiums, appointing and supervising other agents, paying claims and negotiating reinsurance.

More than 84% of our wholesale brokerage revenues comes from non-affiliated brokerage clients. Based on wholesale premium volume from property/casualty placements, our domestic wholesale brokerage operation ranked as one of the largest specialty intermediaries, including the largest managing general agents/underwriting managers/Lloyds coverholders according to *Business Insurance* magazine's September 2022 edition.

We anticipate growing our wholesale brokerage operations by increasing the number of broker-clients, developing new managing general agency and underwriter programs, and through mergers and acquisitions.

Risk Management Segment

Our risk management segment accounted for 14% of our revenues in 2022. Approximately 62% of our risk management segment's revenues are from workers' compensation-related claims, 31% are from general and commercial auto liability-related claims and 7% are from property-related claims in 2022.

Risk management services are primarily marketed directly to Fortune 1000 companies, larger middle-market companies, not for profit organizations and public entities on an independent basis from our brokerage operations. We manage our third party claims adjusting operations through a network of more than 50 offices located throughout the U.S., Australia, the U.K., New Zealand and Canada. Most of these offices are fully staffed with claims adjusters and other service personnel. Our adjusters and service personnel act solely on behalf and under the instruction of our clients.

While this segment complements our brokerage and consulting offerings, approximately 91% of our risk management segment's revenues come from clients not affiliated with our brokerage operations, such as underwriting enterprises and clients of other insurance brokers. Based on revenues, our risk management operation ranked as one of the world's largest property/casualty third party claims administrators according to *Business Insurance* magazine's May 2022 edition.

We expect that the risk management segment's most significant growth prospects through the next several years will come from:

- Program business and the outsourcing of portions of underwriting enterprise claims departments;
- Increased levels of business with Fortune 1000 companies;
- Larger middle-market companies and captives; and
- Mergers and acquisitions.

Corporate Segment

The corporate segment accounted for 1% of our revenues in 2022. The corporate segment reports the financial information related to our debt, clean energy investments, external acquisition-related expenses, other corporate costs and the impact of foreign currency remeasurement. The revenues reported by this segment result almost solely from our consolidated clean energy investments.

We have investments in limited liability companies that own or have owned 35 commercial clean coal production facilities that are qualified to produce refined coal using Chem-Mod LLC's proprietary technologies. These operations produced refined coal that we believe qualifies for tax credits under Internal Revenue Code Section 45 (which we refer to as IRC Section 45). The law that provides for IRC Section 45 tax credits expired as of December 31, 2019 for 14 of our plants and expired on December 31, 2021 for the other 21 plants. Chem-Mod LLC (described below) is a privately held enterprise that has commercialized multi-pollutant reduction technologies to reduce mercury, sulfur dioxide and other emissions at coal-fired power plants. We own 46.5% of Chem-Mod LLC

and are its controlling managing member. We also have a 12.0% noncontrolling interest in dormant, privately-held, enterprises, C-Quest Technology LLC and C-Quest Technologies International LLC (which we refer to together as, C-Quest), which own technologies that reduce carbon dioxide emissions created by burning fossil fuels. At this time, it is unclear if C-Quest will ever become commercially viable.

International and Other Brokerage Related Operations

We operate as a retail commercial property and casualty broker throughout 43 locations in Australia, 50 locations in Canada and 39 locations in New Zealand. In the U.K., we operate as a retail broker from approximately 103 locations. We also have specialty, wholesale, underwriting and reinsurance intermediary operations in London for clients to access Lloyd's of London and other international underwriting enterprises, and a program operation offering customized risk management products and services to U.K. public entities. See the previous discussion regarding our "Global Reinsurance Brokerage Operations."

In Bermuda, we act principally as a wholesale broker for clients looking to access Bermuda-based underwriting enterprises and we also provide management and administrative services for captive insurance entities.

We also have strategic brokerage alliances with a variety of independent brokers in countries where we do not have a local office presence. Through this global network of correspondent insurance brokers and consultants, we are able to serve our clients' coverage and service needs in approximately 130 countries around the world.

Captive Underwriting Enterprises - We have ownership interests in several underwriting enterprises based in the U.S., Bermuda, Gibraltar, Guernsey, Isle of Man and Malta that primarily operate segregated account "rent-a-captive" facilities. These "rent-a-captive" facilities enable our clients to receive the benefits of participating in a captive underwriting enterprise without incurring certain disadvantages of ownership.

We also have a wholly owned underwriting enterprise subsidiary based in the U.S. that cedes all of its insurance risk of loss to reinsurers or captives under facultative and quota-share treaty reinsurance agreements. See Note 18 to our 2022 consolidated financial statements for additional financial information related to the insurance activity of our wholly owned underwriting enterprise subsidiary for 2022, 2021 and 2020.

Competition

Brokerage Segment

The insurance brokerage and consulting business is highly competitive and there are many organizations and individuals throughout the world who actively compete with us in every area of our business.

We believe that the primary factors determining our competitive position with other organizations in our industry are the quality of the services we render, the personalized attention we provide, the individual and corporate expertise providing the actual service to the client, and the overall cost to our clients. We provide sophisticated data analysis and other data and benchmarking insights through Gallagher Drive to help our clients make insurance decisions. Through our electronic platform, SmartMarket, we also provide insurance carriers with individualized preference setting and risk identification capabilities, as well as performance data and metrics. We believe these capabilities provide a growing competitive advantage with respect to many of the smaller organizations with which we compete.

Risk Management Segment

Our risk management operation currently ranks as one of the world's largest property/casualty third party claims administrators based on revenues, according to *Business Insurance* magazine's May 2022 edition. We believe that the primary factors determining our competitive position are our ability to deliver better outcomes, reputation for outstanding service, cost-efficient service and financial strength.

Business Combinations

We completed and integrated over 650 acquisitions from January 1, 2002 through December 31, 2022, most of which were within our brokerage segment. The majority of these acquisitions have been smaller regional or local brokerages, agencies, or employee benefit consulting operations with a middle or small client focus and/or significant expertise in one of our niche/practice groups. The total purchase price for individual acquisitions has typically ranged from $1.0 million to $100.0 million.

Through acquisitions, we seek to expand our talent pool, enhance our geographic presence and service capabilities, and/or broaden and further diversify our business mix. We also focus on identifying:

- A corporate culture that matches our sales-oriented and ethics-based culture;
- A profitable, growing business whose ability to compete would be enhanced by gaining access to our greater resources; and
- Clearly defined financial criteria.

See Note 3 to our 2022 consolidated financial statements for a summary of our 2022 acquisitions, the amount and form of the consideration paid and the dates of acquisitions.

Clients

Our client base is highly diversified and includes commercial, industrial, public entity, religious and not-for-profit entities, as well as underwriting enterprises in our reinsurance operations and risk management segment. In 2022, our largest single client represented approximately 1% and our ten largest clients together represented approximately 3% of our combined brokerage and risk management segment revenues.

Human Capital

Beginning with the COVID-19 pandemic, many of our employees now work remotely for some or all of their work week and we continue to make investments in support of a hybrid work environment. We have instituted safety protocols and procedures for employees when they are in an office.

As of December 31, 2022, we had approximately 44,000 employees, with approximately 45% in the U.S. and 55% outside of the U.S. Approximately 75% of our employees work in our brokerage segment and 19% in our risk management segment. Our remaining employees work in our corporate segment, primarily in our home office and financial services division, as well as in our service centers in India and elsewhere around the world. In 2022, our total compensation expense was $4,024.7 million for the brokerage segment and $664.9 million for the risk management segment, representing 55% and 61%, respectively, of brokerage and risk management segment revenues. Additional information regarding compensation expense, both on a reported and an adjusted basis can be found elsewhere in this report under Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

While many of our new employees come to us through mergers and acquisitions and traditional hiring, "growing our own" has long been a key part of our human capital strategy. Our summer internship program began more than fifty years ago with a single intern. Since then, our program has grown globally and we employ more than 400 interns each summer. We provide our interns with professional development and on-the-job sales training that gives them the opportunity to cultivate expertise and accelerate their full-time sales career growth.

As of December 31, 2022, approximately 58% of our employees were women, including 46% of managers and 40% of producers. In the U.S., approximately 26% of our employees were racially/ethnically diverse, including 17% of managers and 19% of producers.

Regulation

Many of our activities throughout the world are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the U.S. Department of Justice (DOJ), the IRS, the Office of Foreign Assets Control, the Federal Trade Commission (FTC) and the Financial Industry Regulatory Authority (FINRA) in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing licensing, data privacy, wage-and-hour standards, employment and labor relations, anti-competition, anti-corruption, currency, the conduct of our business, reserves and the amount of local investment with respect to our operations in certain countries.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a "blocking" statute similar to that of the European Union (EU) requiring compliance with certain Chinese laws if they conflict with U.S. laws. In 2022, we acquired a reinsurance operation in China following a deferred closing of the acquisition of Willis Re in that jurisdiction. Rising global

tensions and protectionism may also lead other countries to adopt similar blocking statutes, which could make it more difficult and costly for us to expand our operations globally.

In addition, as regulators and investors increasingly focus on climate change and other sustainability issues, we are subject to new disclosure frameworks and regulations. For example, the Corporate Sustainability Reporting Directive (CSRD) which envisages the adoption of EU sustainability reporting standards to be developed by the European Financial Reporting Advisory Group, with such standards to be tailored to EU policies building on and contributing to international standardization initiatives, was adopted and entered into force in 2022. The CSRD applies not only to local operations in the EU, but under certain circumstances, to entire global companies that have EU operations. The CSRD will not apply to our operations in 2023, but we expect to begin assessing our obligations under the CSRD in 2023 as they are expected to be substantial in future years. The SEC and the State of California have also proposed new climate change disclosure requirements, and compliance with such rules, when they are finalized, could require significant effort.

Regulations promulgated by the U.S. Treasury Department pursuant to FATCA require us to take various measures relating to non-U.S. funds, transactions and accounts.

Available Information

Our executive offices are located at 2850 Golf Road, Rolling Meadows, Illinois 60008-4050, and our telephone number is (630) 773-3800. Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act, are available free of charge on our website at http://investor.ajg.com/sec-filings as soon as reasonably practicable after electronically filing or furnishing such material to the SEC. The SEC also maintains a website (www.sec.gov) that includes our reports, proxy statements and other information. Unless expressly noted, the information on our website, including our investor relations website, or any other website is not incorporated by reference in this Form 10-K and should not be considered part of this Form 10-K or any other filing we make with the SEC.

Item 1A. Risk Factors.

Risk Factor Summary

- A recession or economic downturn, as well as unstable economic conditions in the countries and regions in which we operate, could adversely affect our results of operations and financial condition.

- Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.

- Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.

- We face risks relating to our acquisition of Willis Re.

- We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such an acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of

operations.

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

•Our ESG-related aspirations, goals and initiatives, and our public statements and disclosures regarding them, expose us to numerous risks.

•If we are unable to apply technology and data analytics effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, growth and compliance programs could be adversely affected.

•Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.

•Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.

•Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.

•Changes in tax laws could adversely affect us.

•The COVID-19 pandemic has and could continue to adversely affect our business, results of operations and financial condition.

•The substantial increase in remote work among our employees subjects us to certain challenges and risks.

•We face significant competitive pressures in each of our businesses.

•Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.

•Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.

•We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.

•We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.

•Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Regulatory, Legal and Accounting Risks

•
Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and

reputation.

•Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.

•We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctioned parties restrictions, and FATCA.

•We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.

•We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.

•Changes in our accounting estimates and assumptions could negatively affect our financial position and operating results.

•Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others.

Risks Relating to our Investments, Debt and Common Stock

•
Our clean energy investments are subject to various risks and uncertainties.

•The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.

•We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.

•Credit rating downgrades would increase our financing costs and could subject us to operational risk.

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

•Future sales or other dilution of our equity could adversely affect the market price of our common stock.

Risks Relating to our Business Generally

A recession or economic downturn, as well as unstable economic conditions in the countries and regions in which we operate, could adversely affect our results of operations and financial condition.

Global economic events and other factors, such as accommodative monetary and fiscal policy and the impacts of the COVID-19 pandemic, have contributed to significant inflation in many of the markets in which we operate. In order to combat inflation and restore price stability, the U.S. Federal Reserve has raised interest rates and has signaled further increases to interest rates in 2023. Increased inflation and interest rates may hinder economic growth in the U.S. and could have far reaching effects on the global economy. Furthermore, as central banks worldwide simultaneously raise interest rates to combat inflation, economic growth may also deteriorate in Europe, China and other geographies.

A recession or decline in economic activity for these and any other reasons (including repercussions from the war in Ukraine, climate change, the transition to a low-carbon economy, or uncertainty caused by a political crisis over the debt ceiling in the U.S. or political

violence and chaos around the world), could adversely impact us in future periods as a result of reductions in the amount of insurance coverage, reinsurance coverage, consulting services or claims administration services that our clients purchase due to reductions in headcount, payroll, properties, and the market values of assets, among other factors. Any such reduction or decline (whether caused by an overall economic decline or declines in certain industries or in certain countries and regions in which we operate) could adversely impact our commission and fee revenues, consulting revenues or revenues from managing third-party insurance claims. Some of our clients may experience liquidity problems or other financial difficulties in the event of a prolonged deterioration in the economy, which could have an adverse effect on our results of operations and financial condition. If our clients become financially less stable, enter bankruptcy, liquidate their operations or consolidate, our revenues and collectability of receivables could be adversely affected.

Moreover, U.S. and global economic conditions have created market uncertainty and volatility. Such general economic conditions, such as inflation, stagflation, political volatility, rising cost of labor, cost of capital, interest rates and tax rates, affect our operating and general and administrative expenses, and we have no control or limited ability to control such factors. If our costs grow significantly, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives. Further, a slowdown in the global economy, including a recession, or in a particular region or industry, inflation or a tightening of the credit markets could negatively impact our business, financial condition and liquidity, including our ability to continue to access preferred sources of liquidity when needed and under similar terms, which may increase our borrowing costs. In addition, we could experience losses on our holdings of cash and investments due to failures of financial institutions and other counterparties. Thus, a deterioration of macroeconomic conditions in the U.S. and globally could adversely affect our business, results of operations or financial condition.

Economic conditions that result in financial difficulties for underwriting enterprises or lead to reduced risk-taking capital capacity could adversely affect our results of operations and financial condition.

We have a significant amount of receivables from certain of the underwriting enterprises with which we place insurance. If those companies experience liquidity problems or other financial difficulties, we could encounter delays or defaults in payments owed to us, which could have a significant adverse impact on our consolidated financial condition and results of operations. The failure of an underwriting enterprise with which we place business could result in errors and omissions claims against us by our clients. Further, the failure of errors and omissions underwriting enterprises could make the errors and omissions insurance we rely upon cost prohibitive or unavailable. Underwriting enterprises are also clients of our reinsurance brokerage operations, so any of the negative developments for underwriting enterprises referred to above could also reduce our commission revenues from such clients. Any of these developments could adversely affect our results of operations and financial condition. In addition, if underwriting enterprises merge or if a large underwriting enterprise fails or withdraws from offering certain lines of coverage, for example, because of large payouts related to climate change or other emerging risk areas, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of coverage and reduce demand from the insurance company clients of our reinsurance operations and, as a result, reduce our revenues and profitability.

Business disruptions could have a material adverse effect on our operations, damage our reputation and impact client relationships.

Our ability to conduct business may be adversely affected by a disruption in the infrastructure that supports our business. Such a disruption could be caused by a cybersecurity incident (for example, as disclosed in previous filings, we experienced a ransomware attack in 2020), human error, capacity constraints, hardware failure or defect, natural disasters, pandemics, fire, power loss, telecommunication failures, break-ins, sabotage, intentional acts of vandalism, acts of terrorism, civil disruption, political violence and unrest in the U.S. or elsewhere around the world, or war. Our disaster recovery procedures may not be effective and insurance may not continue to be available at reasonable prices and may not address all such losses or compensate us for the possible loss of clients or increase in claims and lawsuits directed against us. For example, we have substantial operations in India that provide important client support and other back-office services for our global organization. To date, the dispute between India and Pakistan involving the Kashmir region, rising tensions between India and China, incidents of terrorism in India, the potential for civil unrest and general geopolitical uncertainties have not adversely affected our operations in India. However, such factors could potentially affect our operations there in the future. Should our access to these services be disrupted, our client relationships could be harmed, our liability for errors and omissions could increase, and our reputation could be damaged, causing our business, operating results and financial condition to be adversely affected.

We face risks relating to our acquisition of Willis Re.

Upon completion of the Willis Re acquisition on December 1, 2021, we paid Willis Towers Watson plc an initial gross purchase price of $3.17 billion. Under the terms of the purchase agreement, the purchase price is subject to potential additional deferred consideration of up to $750 million, payable in 2025 based on revenues of the acquired operations in 2024. We can provide no assurance that we will be able to successfully integrate the reinsurance operations acquired from Willis Towers Watson plc, that the acquired operations will perform as expected, or that we will not incur unforeseen obligations or liabilities. Integration efforts relating

to the Willis Re acquisition are complex, including with respect to technology and IT systems, which may divert management's attention and resources, which could adversely affect our operating results. In addition, we have made certain assumptions relating to the Willis Re acquisition, which assumptions may be inaccurate, including as a result of the failure to realize the expected benefits of the Willis Re acquisition, higher than expected integration costs and unknown liabilities as well as general economic and business conditions that adversely affect the combined company following the acquisition of Willis Re. These assumptions relate to various matters, including: projections of future expenses and expense allocation relating to the Willis Re acquisition and the acquired assets; our ability to maintain, develop and deepen relationships with employees, including key brokers, and customers associated with the acquired assets; the amount of goodwill and intangibles that will result from the acquisition of the Willis Re acquisition; and other financial and strategic risks of the Willis Re acquisition.

We have historically acquired large numbers of insurance brokers, benefit consulting firms and, to a lesser extent, third party claims administration and risk management firms. We may not be able to continue such an acquisition strategy in the future and there are risks associated with such acquisitions, which could adversely affect our growth and results of operations.

Our ordinary-course acquisition program has been an important part of our historical growth, particularly in our brokerage segment, and we believe that similar acquisition activity will be important to maintaining comparable growth in the future. See also the risk factor relating to the Willis Re acquisition above. Failure to successfully identify and complete acquisitions likely would result in us achieving slower growth. Continuing consolidation in our industry and growing interest in acquiring insurance brokers on the part of private equity firms, private equity-backed consolidators and newly public insurance brokers has in some cases made and could in the future make appropriate acquisition targets more difficult to identify and more expensive. Even if we are able to identify appropriate acquisition targets, we may not have sufficient capital to fund acquisitions, be able to execute transactions on favorable terms or integrate targets in a manner that allows us to realize the benefits we have historically experienced from acquisitions. When regulatory approval of acquisitions is required, our ability to complete acquisitions may be limited by an ongoing regulatory review or other issues with the relevant regulator. Our ability to finance and integrate acquisitions may also decrease if we complete a greater number of larger acquisitions than we have historically. See Note 3 to our 2022 consolidated financial statements for information regarding the size of transactions in the reporting period.

Post-acquisition risks include poor cultural fit and risks relating to retention of personnel, retention of clients, entry into unfamiliar or complex markets or lines of business, contingencies or liabilities, such as violations of sanctions laws or anti-corruption laws including the FCPA and U.K. Bribery Act, risks relating to ensuring compliance with licensing and regulatory requirements, tax and accounting issues, the risk that an acquisition distracts management and personnel from our existing business, and integration difficulties relating to accounting, information technology, pay equity, human resources, or employee attrition, some or all of which could have an adverse effect on our results of operations and growth. The failure of acquisition targets to achieve anticipated revenue and earnings levels could also result in goodwill impairment charges.

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

Our reputation is one of our key assets. 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 expertise, level of service, ability to protect client information, trustworthiness, business practices, financial condition and other subjective qualities such as ethics, culture and values. Our success is also dependent on maintaining a good reputation with existing and potential employees, investors, regulators and the communities in which we operate. Negative perceptions or publicity regarding the matters noted above, including our association with clients or business partners with damaged reputations, or from actual or alleged conduct by us or our employees, could damage our reputation. Our reputation could also be harmed by negative perceptions or publicity regarding ESG, including concerns with environmental matters, climate change, workforce diversity, political spending, pay equity, harassment, racial justice, cybersecurity and data privacy, as well as backlash against ESG initiatives generally. Any resulting erosion of trust and confidence could make it difficult for us to attract and retain clients, employees or investors; result in lower ESG ratings, exclusion of our stock from ESG-oriented indices, and reduced demand for our stock from ESG-focused investment funds; increase our cost of borrowing; or harm our relationships with regulators and the communities in which we operate. Any of these matters could have a material adverse effect on our business, financial condition and results of operations. See below for additional risk factors regarding climate risks and ESG initiatives and disclosures.

Our ESG-related aspirations, goals and initiatives, and our public statements and disclosures regarding them, expose us to numerous risks.

Our business may face increased scrutiny from the investment community, clients, employees, other stakeholders, potential acquisition targets, regulators and the media related to our ESG activities, including our goal to reach Net Zero carbon emissions in our direct operations (Scope 1 and Scope 2) by 2050, other goals, targets and objectives we may announce in the future, and our methodologies and timelines for pursuing them. If our ESG practices do not meet investor or other stakeholder expectations and standards, which continue to evolve, our reputation, our ability to attract or retain employees and our attractiveness as an investment,

business partner or as an acquiror could be negatively impacted. Similarly, our failure or perceived failure to pursue or fulfill our goals, targets and objectives, to comply with ethical, environmental or other standards, regulations or expectations or to satisfy various reporting standards with respect to these matters, could have the same negative impacts, as well as expose us to government enforcement actions and private litigation.

If we are unable to apply technology and data analytics effectively in driving value for our clients through technology-based solutions or gain internal efficiencies and effective internal controls through the application of technology and related tools, our operating results, client relationships, growth and compliance programs could be adversely affected.

Our future success depends, in part, on our ability to anticipate and respond effectively to the threat and opportunity presented by digital disruption, "big data" and data analytics, and other developments in technology. These may include new applications or insurance-related services based on artificial intelligence, machine learning, robotics, blockchain, the metaverse or new approaches to data mining that impact the nature of how we generate revenue. We may be exposed to competitive risks related to the adoption and application of new technologies by established market participants (for example, through disintermediation or use of the metaverse) or new entrants such as technology companies, "Insurtech" start-up companies and others. These new entrants are focused on using technology and innovation, including artificial intelligence and blockchain, in an attempt to simplify and improve the client experience, increase efficiencies, alter business models and effect other potentially disruptive changes in the industries in which we operate. We must also develop and implement technology solutions and technical expertise among our employees that anticipate and keep pace with rapid and continuing changes in technology, industry standards, client preferences and internal control standards. We may not be successful in anticipating or responding to these developments on a timely and cost-effective basis and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise, make use of data analytics, and develop new technologies in our business requires us to incur significant expenses. Investments in technology systems and data analytics capabilities may not deliver the benefits or perform as expected, or may be replaced or become obsolete more quickly than expected, which could result in operational difficulties or additional costs. If we cannot offer new technologies or data analytics solutions as quickly as our competitors, or if our competitors develop more cost-effective technologies, data analytics solutions or other product offerings, we could experience a material adverse effect on our operating results, client relationships, growth and compliance programs.

In some cases, we depend on key third-party vendors and partners to provide technology and other support for our strategic initiatives. If these third parties fail to perform their obligations or cease to work with us, our ability to execute on our strategic initiatives could be adversely affected.

Our success depends, in part, on our ability to attract and retain qualified talent, including our senior management team.

We depend upon members of our senior management team, who possess extensive knowledge and a deep understanding of our business and strategy. We could be adversely affected if we fail to plan adequately for the succession of these leaders, including our chief executive officer. We could also be adversely affected if we fail to attract and retain talent and foster a diverse and inclusive workplace throughout our organization. Competition for talent is intense in many areas of our business, particularly in our claims management business, our IT organization and in rapidly developing fields such as artificial intelligence and data engineering. In addition, our industry has experienced competition for leading brokers and in the past we have lost key brokers and groups of brokers, along with their clients, business relationships and intellectual property directly to our competition. We enter into agreements with many of our brokers and significant client-facing employees and all of our executive officers, which prohibit them from disclosing confidential information and/or soliciting our clients, prospects and employees upon their termination of employment. The confidentiality and non-solicitation provisions of such agreements terminate in the event of a hostile change in control, as defined in the agreements. Although we pursue legal actions for alleged breaches of non-compete or other restrictive covenants, theft of trade secrets, breaches of fiduciary duties, intellectual property infringement and related causes of action, such legal actions may not be effective in preventing such breaches, theft or infringement. In certain cases, our competitors have solicited employees in violation of their employment agreements as a matter of standard business practice, apparently determining that the cost of defending litigation is outweighed by the benefits of acquiring our employees in this manner. In addition, the Federal Trade Commission (FTC) recently proposed a rule that would prevent employers from entering into non-competes with employees and require employers to rescind existing non-competes. If this rule goes into effect, or if we fail to adequately address any of the issues referred to above, we could experience a material adverse effect on our business, operating results and financial condition. See also "The substantial increase in remote work among our employees subjects us to certain challenges and risks" below.

Sustained increases in compensation expense and the cost of employee benefits could reduce our profitability.

Compensation expense and the cost of current employees' medical and other benefits, substantially affects our profitability. In the past, we have occasionally experienced significant increases in these costs as a result of macro-economic factors beyond our control, including wage inflation, increases in health care costs, declines in investment returns on pension assets and changes in discount rates

and actuarial assumptions used to calculate pension and related liabilities. Our compensation expense ratio in 2022 as a percent of total revenue was 56% compared to 55% in 2021. A significant decrease in the value of our defined benefit pension plan assets, changes to actuarial assumptions used to determine pension plan liabilities, or decreases in the interest rates used to discount the pension plan's liabilities could cause an increase in pension plan costs in future years. Although we have actively sought to control increases compensation expense and the cost of employee benefits, we can make no assurance that we will succeed in limiting future cost increases, and continued upward pressure in these costs could reduce our profitability.

Our substantial operations outside the U.S. expose us to risks different than those we face in the U.S.

In 2022, we generated approximately 35% of our combined brokerage and risk management revenues outside the U.S. Our business outside the U.S. presents operational, economic and other risks that are different from, or greater than, the risks we face doing comparable business in the U.S. These include, among others, risks relating to:

•Maintaining awareness of and complying with a wide variety of labor practices and foreign laws, including those relating to labor and employment, data privacy requirements, prohibitions on corrupt payments to government officials, export and import duties, environmental policies, sustainability disclosures, as well as laws and regulations applicable to U.S. business operations abroad. We are subject to the risk that we, our employees, our agents, or our affiliated entities, or their respective officers, directors, employees and agents, may take actions determined to be in violation of any of these laws, regulations or policies, for which we might be held responsible. Actual or alleged violations could result in substantial fines, sanctions, civil or criminal penalties, debarment from government contracts, curtailment of operations in certain jurisdictions, competitive or reputational harm, litigation or regulatory action and other consequences that might adversely affect our results of operations, financial condition or strategic objectives. While we believe that relations with work councils and trade unions in these countries are and will continue to be satisfactory, work stoppages could occur and we may not be successful in negotiating new collective bargaining agreements. In addition, collective bargaining negotiations may (1) result in significant increases in the cost of labor, (2) divert management's attention away from operating the business or (3) break down and result in the disruption of operations. The occurrence of any of the preceding conditions could result in increased costs and impair our ability to operate our business. These and other international regulatory risks and labor related risks are described below under "Regulatory, Legal and Accounting Risks";

•We own interests in firms where we do not exercise management control (such as Casanueva Perez S.A.P.I. de C.V. in Mexico) and are therefore unable to direct or manage the business to realize the anticipated benefits, including mitigation of risks, that could be achieved through full ownership;

•The potential costs, difficulties and risks associated with local regulations across the globe, including the risk of personal liability for directors and officers (for example, in the U.K.) and "piercing the corporate veil" risks under the corporate law regimes of certain countries;

•Difficulties in staffing and managing foreign operations. For example, we are building our Latin American operations through acquisitions of local family-owned insurance brokerage firms. If we lose a local leader, recruiting a replacement locally or finding an internal candidate qualified to transfer to such location could be difficult;

•Less flexible employee relationships, which in certain circumstances has limited our ability to prohibit employees from competing with us after they are no longer employed with us or recover damages, and made it more difficult and expensive to terminate their employment;

•Some of our foreign subsidiaries receive revenues or incur obligations in currencies that differ from their functional currencies. We must also translate the financial results of our foreign subsidiaries into U.S. dollars. Although we have used foreign currency hedging strategies in the past and currently have some in place, such risks cannot be eliminated entirely, and significant changes in exchange rates may adversely affect our results of operations;

•Conflicting regulations in the countries in which we do business;

•Political and economic instability (including risks relating to undeveloped or evolving legal systems, unstable governments, acts of terrorism and outbreaks of war, including the military conflict between Russia and Ukraine);

•Coordinating our communications, policies and logistics across geographic distances, multiple time zones and in different languages, including during times of crisis management;

•Risks relating to our post-Brexit plan to address the loss of passporting rights between the U.K. and EU with respect to insurance brokerage services. Our plan (implemented in September 2020) involved transferring the European Economic Area (EEA) clients of our U.K.-based regulated entities to a Swedish subsidiary authorized in the EEA, and providing some services through a U.K. branch of such subsidiary. Although this "reverse branch" model is typical of other brokers

of a similar size, there can be no assurance that the approach of EU regulators will not change. We currently await the outcome of an industry-wide consultation initiated by the European Insurance and Occupational Pensions Authority (EIOPA) in July 2022, the outcome of which could potentially require us to adjust our plans in relation to the U.K. branch and cause further management distraction and cost;

•Unfavorable audits and exposure to additional liabilities relating to various non-income taxes (such as payroll, sales, use, value-added, net worth, property and goods and services taxes) in foreign jurisdictions. In addition, our future effective tax rates could be unfavorably affected by changes in tax rates, discriminatory or confiscatory taxation, changes in the valuation of our deferred tax assets or liabilities, changes in tax laws or their interpretation and the financial results of our international subsidiaries. The Organization for Economic Cooperation and Development (which we refer to as the OECD) continues to issue reports and recommendations as part of its Base Erosion and Profit Shifting project (which we refer to as BEPS), and in response many countries in which we do business are expected to adopt rules which may change various aspects of the existing framework under which our tax obligations are determined. For example, in response to the OECD recommendations for a global minimum tax, the EU has unanimously agreed to modify its domestic laws before the end of 2023 to comply with BEPS Pillar 2, adopting the various elements of a global minimum tax regime. Other countries such as the U.K. and Canada have made similar announcements during 2022. In addition, many jurisdictions adopted stimulus measures in response to COVID-19, many of which offered continued employment benefit subsidies, payroll tax deferrals or tax refunds that have various tax impacts for businesses;

•Legal or political constraints on our ability to maintain or increase prices;

•Cash balances held in foreign banks and institutions where governments have not specifically enacted formal guarantee programs;

•New pandemics (in addition to COVID-19) at a regional or global level;

•Lost business or other financial harm due to protectionism in the U.S. and in countries around the world, including adverse trade policies, governmental actions affecting the flow of goods, services and currency, and governmental restrictions on the transfer of funds to us from our operations outside the U.S.; and

•The trade and military policies of the U.S. government could further develop in ways that exacerbate the risks described above, or introduce new risks for our international operations.

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Changes in tax laws could adversely affect us.

We operate in various jurisdictions and are subject to changes in applicable tax laws, treaties, or regulations in those jurisdictions. A material change in the tax laws, treaties, or regulations, or their interpretation, of any jurisdiction with which we do business, or in which we have significant operations, could adversely affect us. For example, in October 2021, the OECD announced that 136 countries and tax jurisdictions have agreed to implement a new “Pillar 2” approach to international taxation. The first detailed draft rules under that approach were published in December 2021. The U.K. and Canada agreed to adopt these rules in the second half of 2022 and the 27 countries of the EU unanimously agreed to adopt these rules in December 2022. The new approach is expected to come into effect for the first time in 2023, although different countries will potentially implement the necessary rules in different ways, through their individual agreement to tax treaty changes and through changes to their own domestic tax laws. Pillar 1 exempts regulated financial institutions and we believe we qualify for such exemption. Pillar 2 will establish a global minimum tax rate of 15%, such that multinational enterprises with an effective tax rate in a jurisdiction below this minimum rate will need to pay additional tax, which could be collected by the parent company’s tax authorities if that parent country adopts Pillar 2 or by those in other countries, depending on whether and how each country implements the OECD’s approach in its tax treaties and domestic tax legislation. Depending on how the jurisdictions in which we operate, and those in which we and our subsidiaries are based, choose to implement the OECD’s approach in their tax treaties and domestic tax laws, particularly if the U.S. does not adopt Pillar 2, we could be adversely affected due to our income being taxed at higher effective rates, once these new rules come into force.

The COVID-19 pandemic has and could continue to adversely affect our business, results of operations and financial condition.

The global spread of COVID-19 created significant volatility, uncertainty and economic disruption. If more contagious variants of COVID-19 develop and spread in the future, many of the negative impacts of the pandemic could return. Earlier in the pandemic, the decline in economic activity it caused adversely affected our business, results of operations and financial condition. Reductions in our clients’ exposure units (such as headcount, payroll, properties, the market values of their assets, and plant, equipment and other asset utilization levels, among other factors) reduced the amount of insurance coverage and consulting and claims administration services they needed. In addition, earlier in the pandemic, the number of newly arising workers’ compensation and general liability claims, which directly impact our fee revenues in our risk management operation, declined materially. Certain of our brokerage industry

niches, such as hospitality, transportation, manufacturing and construction, were significantly affected by the economic decline during the pandemic. If such a decline in economic activity were to return and clients enter bankruptcy, liquidate their operations or consolidate, our revenues and the collectability of our receivables will be adversely affected. In addition, factors related to the pandemic, including supply chain issues, have contributed to a rise in inflation in the U.S. and around the world that could negatively impact the economy and the capital markets, which could adversely affect our business, results of operations and financial condition.

COVID-19 and the volatile regional and global economic and regulatory conditions stemming from the pandemic, as well as reactions to future pandemics or new strains or resurgences of COVID-19, could also precipitate or aggravate the other risk factors that we identify in this report, which in turn could materially adversely affect our business, financial condition, liquidity, results of operations (including revenues and profitability) and/or stock price. Further, COVID-19 may also affect our operating and financial results in a manner that is not presently known to us or that we currently do not consider to present significant risks to our operations.

The substantial increase in remote work among our employees subjects us to certain challenges and risks.

Many of our employees now work from home on a full- or part-time basis. Remote work for some of our employees could affect their productivity, including due to a lower level of oversight, distractions, disruptions due to caregiving obligations or slower or unreliable Internet access. Remote work may also make some employees feel detached from colleagues and the organization. In some cases, this may make them more vulnerable to solicitations by competing firms. In addition, our increased reliance on work-from-home technologies and our employees' more frequent use of personal devices and non-standard business processing may increase the risk of cybersecurity or data breaches from circumvention of security systems, denial-of-service attacks or other cyber-attacks, hacking, "phishing" attacks, computer viruses, ransomware, malware, employee or insider error, malfeasance, social engineering, physical breaches or other actions.

The increased prevalence of remote work among our employees may also subject us to other challenges and risks. For example, our hybrid work environment may adversely affect our ability to recruit and retain personnel who prefer a fully remote or fully in-person work environment. Operating our business with both remote and in-person workers, or workers who work on flexible schedules, could have a negative impact on our corporate culture, decrease the ability of our employees to collaborate and communicate effectively, decrease the ability of newer production and support staff to learn client-handling and other key skills informally around the office, decrease innovation and productivity, or negatively affect employee morale.

We face significant competitive pressures in each of our businesses.

The insurance brokerage, reinsurance brokerage and employee benefit consulting businesses are highly competitive and many insurance brokerage, reinsurance brokerage and employee benefit consulting organizations actively compete with us in one or more areas of our business around the world. Three of the firms we compete with in the global risk management and brokerage markets have larger revenues than ours. In addition, many other smaller firms that operate nationally or that are strong in a particular country, region or locality may have, in that country, region or locality, an office with revenues as large as or larger than those of our corresponding local office. Our third party claims administration operation also faces significant competition from stand-alone firms as well as divisions of larger firms. Over the past decade or more, private equity sponsors have invested heavily in the insurance brokerage and third party claims administration industries, creating new competitors and strengthening existing ones. Across all of our operations, Insurtech and technology-based start-ups are entering the business. In most cases, these businesses complement or enhance our offerings, but in some cases, they compete with us.

We believe that the primary factors determining our competitive position with other organizations in our industry are the quality of the services we render, the personalized attention we provide, the individual and corporate expertise of the brokers and consultants providing the actual service to the client, our data and analytics capabilities, and our ability to help our clients manage their overall risk exposure and insurance or reinsurance costs. Losing business to competitors offering similar services or products at a lower cost or having other competitive advantages would adversely affect our business.

Consolidation among our existing competitors could create additional competitive pressure on us as such firms grow their market share, take advantage of strategic and operational synergies and develop lower cost structures. In addition, any increase in competition due to new legislative or industry developments could adversely affect us.

These developments include:

- Increased capital-raising by underwriting enterprises, which could result in new risk-taking capital in the industry, which in turn may lead to lower insurance premiums and commissions;
- Underwriting enterprises selling insurance directly to insureds without the involvement of a broker or other intermediary;
- Changes in our business compensation model as a result of regulatory developments;

•Federal and state governments establishing programs to provide health insurance (such as a single-payer system being discussed by some in the U.S.) or, in certain cases, property insurance in catastrophe-prone areas or other alternative market types of coverage, that compete with, or completely replace, insurance products currently offered by underwriting enterprises;

•Climate-change regulation in the U.S. and around the world moving us toward a low-carbon economy, which could create new competitive pressures around climate resilience consulting services and innovative insurance solutions;

•Continued consolidation in the financial services industry, leading to larger financial services institutions offering a wider variety of services including insurance brokerage and risk management services;

•Increased competition from new market participants such as banks, accounting firms, consulting firms and Internet or other technology firms offering risk management or insurance brokerage services, or new distribution channels for insurance such as payroll firms and professional employer organizations; and

•Third party capital providers have entered the insurance and reinsurance risk transfer market offering products and capital directly to our clients. Their presence in the market increases the competitive pressures that we face.

New competition as a result of these or other legislative or industry developments could cause the demand for our products and services to decrease, which could in turn adversely affect our results of operations and financial condition.

Volatility or declines in premiums or other adverse trends in the insurance industry may seriously undermine our profitability.

We derive much of our revenue from commissions and fees for our brokerage services. We do not determine the premiums on which our commissions are generally based. Moreover, premiums are cyclical in nature and may vary widely based on market conditions. Because of market cycles for insurance and reinsurance product pricing, which we cannot predict or control, our brokerage revenues and profitability can be volatile or remain depressed for significant periods of time.

As underwriting enterprises continue to outsource the production of premium revenue to non-affiliated brokers or agents such as us, those companies may seek to further minimize their expenses by reducing the commission rates payable to agents or brokers. The reduction of these commission rates, along with general volatility and/or declines in premiums, may significantly affect our profitability. Because we do not determine the timing or extent of premium pricing changes, it is difficult to forecast our commission revenues precisely, including whether they will significantly decline. As a result, we may have to adjust our budgets for future acquisitions, capital expenditures, dividend payments, debt repayments and other expenditures to account for unexpected changes in revenues, and any decreases in premium rates may adversely affect the results of our operations.

In addition, there have been and may continue to be various trends in the insurance and reinsurance markets toward alternative insurance markets including, among other things, greater levels of self-insurance, captives, rent-a-captives, risk retention groups and non-insurance capital markets-based solutions to traditional insurance. While historically we have been able to participate in certain of these activities on behalf of our clients and obtain fee revenue for such services, there can be no assurance that we will realize revenues and profitability as favorable as those realized from our traditional brokerage activities. Our ability to generate premium-based commission revenue may also be challenged by the growing desire of some clients to compensate brokers based upon flat fees rather than a percentage of premium. This could negatively impact us because fees are generally not indexed for inflation and might not increase with premiums as commissions do or with the level of service provided.

Contingent and supplemental revenues we receive from underwriting enterprises are less predictable than standard commission revenues, and any decrease in the amount of these forms of revenue could adversely affect our results of operations.

A meaningful portion of our revenues consists of contingent and supplemental revenues from underwriting enterprises. Contingent revenues are paid after the insurance contract period, generally in the first or second quarter, based on the growth and/or profitability of business we placed with an underwriting enterprise during the prior year. On the other hand, supplemental revenues are paid up front, on an annual or quarterly basis, generally based on our historical premium volumes with the underwriting enterprise and additional capabilities or services we bring to the engagement. While underwriting enterprises generally maintain supplemental revenues in the current year at a pre-determined rate, that rate can change in future years as described above. If, due to the current economic environment or for any other reason, we are unable to meet an underwriting enterprise's particular profitability, volume or growth thresholds, as the case may be, or such companies increase their estimate of loss reserves (over which we have no control), actual contingent revenues or supplemental revenues could be less than anticipated, which could adversely affect our results of operations. In the case of contingent revenues, under revenue recognition accounting standards, this could lead to the reversal of revenues in future periods that were recognized in prior periods.

We face a variety of risks in our benefit consulting operations distinct from those we face in our insurance brokerage operations.

Our benefit consulting operations face a variety of risks distinct from those faced by our brokerage operations. The portion of our revenue derived from consulting engagements and special project work is more vulnerable to reduction, postponement, cancellation or non-renewal during an economic downturn than traditional insurance brokerage commissions, and we did experience such a reduction earlier in the pandemic. In the event of a future recession or economic downturn, we could again experience deterioration in these sources of revenue. A portion of our benefit consulting operation revenue is tied to assets invested by our clients, and when investment returns are adversely affected (as they were generally in 2022) that portion of our revenue is negatively impacted. Certain areas within our retirement consulting practice may attract a higher level of regulatory scrutiny due to regulators' historical interest in such matters, including pension-related products and investment advisory and broker-dealer services. In addition, we have made significant investments in product and knowledge development to assist clients as they navigate the complex regulatory requirements relating to employer-sponsored healthcare. New laws or regulations reducing employer-sponsored health insurance, by limiting or eliminating tax-advantaged employer-sponsored benefits or otherwise, could impact clients' demand for our services. If we are unable to adapt our services to changes in the legal and regulatory landscape around employer-sponsored benefits, our results of operations could be adversely impacted.

In December 2022, we announced the acquisition of Buck, which is expected to close in the first half of 2023. Upon closing, Buck will be the largest acquisition in the history of our benefit consulting operations and will represent a material portion of such operation's revenue. As such, the integration of Buck into our existing operations will represent a more significant effort than for our typical acquisitions. Risks related to Buck include the possibility that the acquisition does not close when expected or at all because required regulatory approvals are not received or other conditions to the closing are not satisfied on a timely basis or at all; potential adverse reactions or changes to business or employee relationships; the possibility that the anticipated benefits of the acquisition, including expense synergies, are not realized when expected or at all, including as a result of the impact of, or issues arising from, the integration; the possibility that the acquisition may be more expensive to integrate than anticipated, including as a result of unexpected factors or events; diversion of management's attention from ongoing business operations and opportunities; the inability to retain certain key employees of the acquired operations or Gallagher; competitive responses to the acquisition; and risks related to defined benefits administration and enterprise-level software development and sales, new areas for our benefit consulting operations.

We face a variety of risks in our third-party claims administration operations that are distinct from those we face in our brokerage and benefit consulting operations.

In 2020, 2021 and the beginning of 2022, the COVID-19 pandemic caused a reduction in the number of claims we otherwise would have processed, negatively impacting our third party claims administration operations to a greater degree than the rest of our business. If a new COVID-19 variant emerges and we return to the conditions of 2020 and 2021, we could experience the same kind of negative impact in the future. Our third party claims administration operations also face a variety of additional risks distinct from those faced by the rest of our business, including the risks that:

- RISX-FACS®, our proprietary risk management information system, on which our ability to provide clients with insurance claim settlement and administration services is highly dependent, becomes inoperable for some reason. In addition, we are increasing our use of cloud storage and cloud computing application services supported, upgraded and maintained by third-party vendors. A disruption affecting RISX-FACS®, third-party cloud services or any other infrastructure supporting our business, including key customer relationship management software, could have a material adverse effect on our operations, cause reputational harm and damage our employee and client relationships;
- The favorable trend among both underwriting enterprises and self-insured entities toward outsourcing various types of claims administration and risk management services will reverse or slow, causing our revenues or revenue growth to decline;
- Concentration of large amounts of revenue with certain clients results in greater exposure to the potential negative effects of lost business due to changes in management at such clients or changes in state government policies, in the case of our government-entity clients, or for other reasons;
- Contracting terms will become less favorable or the margins on our services will decrease due to increased competition, regulatory constraints or other developments;
- We will not be able to satisfy regulatory requirements related to third party administrators or regulatory developments (including those relating to security and data privacy) will impose additional burdens, costs or business restrictions that make our business less profitable;

•Volatility in our case volumes, which are dependent upon a number of factors and difficult to forecast accurately, could impact our revenues;

•If we do not control our labor and technology costs (and beginning during the pandemic we have been experiencing wage inflation and difficulty attracting and retaining talent), we may be unable to remain competitive in the marketplace and profitably fulfill our existing contracts (other than those that provide cost-plus or other margin protection);

•We may be unable to develop further efficiencies in our claims-handling business and may be unable to obtain or retain certain clients if we fail to make adequate improvements in technology or operations; and

•Underwriting enterprises or certain large self-insured entities may create in-house servicing capabilities that compete with our third party administration and other administration, servicing and risk management products, and we could face additional competition from potential new entrants into the global claims management services market.

If any of these risks materialize, our results of operations and financial condition could be adversely affected.

Climate risks, including the risk of an economic crisis, risks associated with the physical effects of climate change and disruptions caused by the transition to a low-carbon economy, could adversely affect our business, results of operations and financial condition.

Climate change has been widely identified by investors and regulators as a systemic risk to the global economy. The U.S. Federal Reserve has warned that a gradual change in investor sentiment regarding climate risk introduces the possibility of abrupt tipping points or significant swings in sentiment, which could create unpredictable follow-on effects in financial markets. If this occurred, not only would our business be negatively impacted by the general economic decline, but a drop in the stock market affecting our stock price could negatively impact our ability to grow through mergers and acquisitions financed using our common stock.

The transition to a low-carbon economy could harm specific industries or sectors such as oil and gas in ways that could impact our business. Our clients in such industries could go out of business or have reduced needs for insurance-related or consulting services, which could adversely impact our commission revenues, consulting revenues or revenues from managing third-party insurance claims. Negative publicity arising from our association with clients in disfavored businesses or industries, or the perception that we are not sufficiently focused on climate risks facing Gallagher or on reducing our own carbon emissions, could damage our reputation with investors, clients, employees and regulators. In addition, the transition to a low-carbon economy could give rise to the need for innovative insurance and risk management solutions for entirely new industries and companies, as well as advice and services to bolster climate resilience for existing companies. If we fail to innovate and provide valuable services to our clients in response to these changes, we could lose market share to our competitors or new market entrants that do.

We do not generally assume net underwriting risk, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital, and briefly, in connection with our catastrophe bond business, and thus do not generally experience direct material financial implications related to extreme weather events. In addition, we are a professional services firm with people as our most important asset and limited physical operations. However, if underwriting enterprises fail or withdraw from offering certain lines of coverage because of large payouts related to climate change, overall risk-taking capital capacity could be negatively affected, which could reduce our ability to place certain lines of coverage and, as a result, reduce our revenues and profitability. Underwriting enterprises are also clients of our reinsurance brokerage operations, so any of the negative developments for underwriting enterprises referred to above could also reduce our commission revenues from such clients.

Regulatory, Legal and Accounting Risks

Improper disclosure of confidential, personal or proprietary information and cybersecurity attacks could result in regulatory scrutiny, legal liability or reputational harm, and could adversely affect our business, financial condition and reputation.

We collect, use, store, transmit and otherwise process, confidential, personal and proprietary information relating to our company, acquisition targets, our employees and our clients. This information includes personally identifiable information, protected health information, financial information and intellectual property.

We maintain policies, procedures and technical safeguards designed to protect the security and privacy of confidential, personal and proprietary information. Nonetheless, we cannot eliminate the risk of human error, malfeasance or highly sophisticated cyber-attacks. It is possible that our security controls and employee training are not effective. See “The substantial increase in remote work among our employees subjects us to certain challenges and risks” above for a discussion of how remote work enhances these risks.

We have and continue to invest in technology security initiatives, policies, resources and employee training. The cost and operational consequences of implementing, maintaining and enhancing appropriate technical measures is high. Given the continuously evolving cyber threat landscape, it will become increasingly difficult to detect, defend against and remediate cybersecurity incidents and data

breaches. If we are unable to effectively maintain and enhance our system safeguards in line with evolving cyber threats, including in connection with the integration of acquisitions, we may incur unexpected costs, regulatory enforcement action, loss of clients, reputational damage and certain of our systems may become more vulnerable to unauthorized access.

We rely on information technology and third party vendors to support our business activities, including our secure processing of personal, confidential, sensitive, proprietary and other types of information. Despite ongoing efforts to improve our and our vendors' ability to protect and defend against cyber-attacks, we may not be able to protect all of our data. Cybersecurity incidents and data breaches of certain systems on which we rely have occurred, although to date we have not been materially impacted by such events. In the future, breaches of any third-party or internal systems may result from circumvention of security systems, denial-of-service, hacking, "phishing", computer viruses, ransomware, malware, or other cyber-attacks, employee or insider error, malfeasance, social engineering, physical breaches or other actions.

We have from time to time experienced cybersecurity incidents, such as computer viruses, unauthorized parties gaining access to our information technology systems, and privacy incidents, such as loss or inadvertent transmission of data, which to date have not had a material impact on our business. For example, we have previously disclosed a ransomware incident that occurred in 2020.

We are an acquisitive organization. The process of integrating information systems of businesses we acquire is complex and exposes us to additional risk as we might not adequately identify weaknesses in the targets' information systems or information handling, privacy and security policies and protocols, which could expose us to unexpected liabilities or make our own systems and data more vulnerable to attack.

Any future, material cybersecurity or data incident, or media report of the same, even if untrue, may cause us to experience reputational harm, loss of clients and revenue, loss of proprietary data, regulatory action and scrutiny, sanctions or other statutory penalties, litigation, liability for failure to safeguard clients' information or financial losses. Such incidents could result in confidential, personal or proprietary information being lost or stolen, used to perpetuate fraud, maliciously made public, surreptitiously modified, or rendered inaccessible for a period of time. As we experienced in connection with the 2020 ransomware incident referred to above, during a cyber-attack we might have to take our systems offline, which could interfere with services to our clients or damage our reputation. Such losses may not be insured against or be fully covered by insurance we maintain.

Any of the foregoing may have a material adverse effect on our business, financial condition and reputation.

In addition, the competition for talent is high in the cybersecurity and privacy space, and we may not be able to hire, develop or retain suitable talent we need to be capable of identifying, mitigating or remediating these risks.

With respect to our commercial arrangements with third party vendors, we have processes designed to require third party IT outsourcing, offsite storage and other vendors to agree to maintain certain standards with respect to their storage, protection and transfer of confidential, personal and proprietary information. However, we remain at risk of a data breach due to the intentional or unintentional non-compliance by a vendor's employee or agent, the breakdown of a vendor's data protection processes, or a cyber-attack on a vendor's information systems.

Changes in data privacy and protection laws and regulations, or any failure to comply with such laws and regulations, could adversely affect our business and financial results.

We are subject to a variety of continuously evolving and developing laws and regulations globally regarding privacy, data protection, and data security, including those related to the collection, storage, handling, use, disclosure, transfer, and security of personal data. These laws apply to transfers of personal information among our affiliates, as well as to transactions we enter into with third party vendors and clients. Significant uncertainty exists as privacy and data protection laws evolve and may be interpreted and applied differently from country to country, and may create inconsistent or conflicting requirements. Some of these laws provide rights to individuals to access, correct, and delete their personal information and to obtain copies at the expense of the business entities that process their data. Some of these laws carry heavy penalties for violations, e.g., fines of up to 4% of worldwide revenue under the U.K. Data Protection Act and the European Union General Data Protection Regulation (GDPR) and up to $7,500 per intentional violation under the California Consumer Privacy Act (CCPA). In the U.S., there is pending federal legislation and several states have proposed their own comprehensive data privacy bills similar to the GDPR and CCPA.

India and other countries where we have operations outside the U.S. have proposed sweeping new data protection laws, in some cases including data localization laws that may require that personal data stay within their borders.

In addition, in the U.S., legislators are continuing to enact comprehensive cybersecurity laws. For example, we are subject to the New York State Department of Financial Services Cybersecurity Regulation for Financial Services Companies.

Complying with enhanced obligations imposed by various new and emerging laws results in significant costs for developing, implementing and securing our servers lawfully processing personal data and requires we allocate more resources to new privacy compliance processes and to improved technologies, adding to our IT and compliance costs. In addition, enforcement actions and investigations by regulatory authorities related to data security incidents and privacy violations continue to increase. The enactment of more restrictive laws, rules, regulations, or future enforcement actions or investigations could impact us through increased costs or restrictions on our business, and noncompliance could result in regulatory penalties and significant legal liability.

We could be adversely affected by violations or alleged violations of laws that impose requirements for the conduct of our overseas operations, including the FCPA, the U.K. Bribery Act or other anti-corruption laws, sanctioned parties restrictions and FATCA.

In countries outside the U.S., a risk exists that our employees, third party partners or agents could engage in business practices prohibited by applicable laws and regulations, such as the FCPA and the U.K. Bribery Act. Such anti-corruption laws generally prohibit companies from making improper payments to foreign officials and require companies to keep accurate books and records and maintain appropriate internal controls. We operate in some parts of the world that have experienced governmental corruption. In such parts of the world, in certain circumstances, local customs and practice might not be consistent with the requirements of anti-corruption laws.

Our policies mandate strict compliance with such laws and we devote substantial resources to programs to ensure compliance, including investigating business practices and taking steps to address the risk that our employees, third party partners or agents will engage in business practices that are prohibited by our policies and/or such laws and regulations. We offer client service capabilities in many countries around the world through a network of correspondent brokers and consultants. In certain limited instances, we also work with third-party introducers that provide services for public sector or other clients. There is a risk that our correspondent brokers and consultants or introducers engage in business practices that are prohibited by our internal policies or violate applicable laws and regulations, such as the U.S. Foreign Corrupt Practices Act and the U.K. Anti-Bribery Act. Violations by us or a third party acting on our behalf could result in significant internal investigation costs and legal fees, civil and criminal penalties, including prohibitions on the conduct of our business, and reputational harm. As previously disclosed, during 2022, we received a subpoena from the FCPA Unit of the DOJ seeking information related to our insurance business with public entities in Ecuador. We continue to fully cooperate with the investigation.

We may also be subject to legal liability and reputational damage if we violate trade sanctions laws of the U.S., the EU and other jurisdictions in which we operate. In addition, FATCA requires certain of our subsidiaries, affiliates and other entities to obtain valid FATCA documentation from payees prior to remitting certain payments to such payees and our failure to do so properly could result in penalties.

We are subject to regulation worldwide. If we fail to comply with regulatory requirements or if regulations change in a way that adversely affects our operations, we may not be able to conduct our business, or we may be less profitable.

Many of our activities throughout the world are subject to supervision and regulations promulgated by regulatory or self-regulatory bodies such as the SEC, the NYSE, the DOJ, the IRS, the Office of Foreign Assets Control, the FTC and the FINRA in the U.S., the Financial Conduct Authority in the U.K., the Australian Securities and Investments Commission in Australia and insurance regulators in nearly every jurisdiction in which we operate. Our retirement-related consulting and investment services are subject to pension law and financial regulation in many countries. Our activities are also subject to a variety of other laws, rules and regulations addressing licensing, data privacy, wage-and-hour standards, employment and labor relations, anti-competition, anti-corruption, currency, the conduct of business, reserves and the amount of local investment with respect to our operations in certain countries. For example, the DOJ recently revised its Corporate Criminal Enforcement Policies and Practices to include a section on the use of personal devices and third-party messaging applications, indicating that their use poses significant risk to companies and suggesting that it intends to investigate seriously whether companies have ensured that data from these sources is preserved for investigations. This and other forms of regulatory supervision could reduce our profitability or growth by increasing the costs of compliance, increasing the risk of costly enforcement actions, restricting the products or services we sell, the markets we enter, the methods by which we sell our products and services, or the prices we can charge for our services and the form of compensation we can accept from our clients, underwriting enterprises and third parties. As our operations grow around the world, it is increasingly difficult to monitor and enforce regulatory compliance across the organization. A compliance failure by even one of our smallest branches could lead to litigation and/or disciplinary actions that may include compensating clients for loss, the imposition of penalties, and/or the loss of our authorization to operate. In all such cases, we would also likely incur significant internal investigation costs and legal fees.

The global nature of our operations increases the complexity and cost of compliance with laws and regulations, including increased staffing needs, the development of new policies, procedures and internal controls and providing training to employees in multiple locations, adding to our cost of doing business. Many of these laws and regulations may have differing or conflicting legal standards across jurisdictions, increasing further the complexity and cost of compliance. In emerging markets and other jurisdictions with less

developed legal systems, local laws and regulations may not be established with sufficiently clear and reliable guidance to provide us with adequate assurance that we are aware of all necessary licenses to operate our business, that we are operating our business in a compliant manner, or that our rights are otherwise protected. In addition, major political and legal developments in jurisdictions in which we do business may lead to new regulatory costs and challenges. For example, China adopted a "blocking" statute similar to that of the EU requiring compliance with certain Chinese laws if they conflict with U.S. laws. In 2022, we acquired Willis Re's reinsurance operations in China. Rising global tensions and protectionism may also lead other countries to adopt similar blocking statutes, which could make it more difficult and costly for us to expand our operations globally.

Changes in legislation or regulations and actions by regulators, including changes in administration and enforcement policies, or the failure of state and local governments to follow through on agreed-upon state and local tax credits or other tax related incentives, could adversely affect our results of operations or require operational changes that could result in lost revenues or higher costs or hinder our ability to operate our business.

For example, the method by which insurance brokers are compensated has received substantial scrutiny in the past because of the potential for conflicts of interest. The potential for conflicts of interest arises when a broker is compensated by two parties in connection with the same or similar transactions. The vast majority of the compensation we receive for our work as insurance and reinsurance brokers is in the form of retail commissions and fees. We receive additional revenue from underwriting enterprises, separate from retail commissions and fees, including, among other things, contingent and supplemental revenues and payments for consulting and analytics services we provide them. Future changes in the regulatory environment may impact our ability to collect these amounts. Adverse regulatory, legal or other developments regarding these revenues could have a material adverse effect on our business, results of operations or financial condition, expose us to negative publicity and reputational damage and harm our relationships with clients, underwriting enterprises or other business partners.

In addition, as regulators and investors increasingly focus on climate change and other sustainability issues, we are exposed to the risk of frameworks and regulations being adopted that require significant effort to comply with and which are ill-adapted to our operations. For example, the CSRD, which envisages the adoption of EU sustainability reporting standards to be developed by the European Financial Reporting Advisory Group, with such standards to be tailored to EU policies building on and contributing to international standardization initiatives, was adopted and entered into force in 2022. The CSRD applies not only to local operations in the EU, but under certain circumstances, to entire global companies that have EU operations. The CSRD will not apply to our operations in 2023, but we expect to begin assessing our obligations under the CSRD in 2023 as they are expected to be substantial in future years. The SEC and the state of California have also proposed new climate change disclosure requirements, and compliance with such rules, when they are finalized, could require significant effort and divert management's attention and resources, which could adversely affect our operating results.

We are subject to a number of contingencies and legal proceedings which, if determined unfavorably to us, would adversely affect our financial results.

We are or have been subject to numerous claims, tax assessments, lawsuits and proceedings that arise in the ordinary course of business. Such claims, lawsuits and other proceedings include claims for damages based on allegations that our employees or sub-agents improperly failed to procure coverage, report claims on behalf of clients, provide underwriting enterprises with complete and accurate information relating to the risks being insured, or provide clients with appropriate consulting, advisory, pension and claims handling services. There is the risk that our employees or sub-agents may fail to appropriately apply funds that we hold for our clients on a fiduciary basis. Certain of our benefits and retirement consultants provide investment advice or decision-making services to clients. Additionally, we acquired a securities business as part of the Willis Re acquisition. If our clients experience investment losses, our reputation could be damaged and our financial results could be negatively affected as a result of claims asserted against us and lost business. Where appropriate, we have established provisions against these matters that we believe are adequate in light of current information and legal advice, and we adjust such provisions from time to time based on current material developments. The damages claimed in such matters are or may be substantial, including, in many instances, claims for punitive, treble or other extraordinary damages. It is possible that, if the outcomes of these contingencies and legal proceedings were not favorable to us, it could materially adversely affect our future financial results. In addition, our results of operations, financial condition or liquidity may be adversely affected if, in the future, our insurance coverage proves to be inadequate or unavailable or we experience an increase in liabilities for which we self-insure. We have purchased errors and omissions insurance and other insurance to provide protection against losses that arise in such matters. Accruals for these items, net of 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 current developments warrant.

As more fully described in Note 17 to our 2022 consolidated financial statements, we are a defendant in various legal actions incidental to our business, including but not limited to matters related to employment practices, alleged breaches of non-compete or other restrictive covenants, theft of trade secrets, breaches of fiduciary duties, intellectual property infringement and related causes of

action. We are also periodically the subject of inquiries and investigations by regulatory and taxing authorities into various matters related to our business. For example, our micro-captive advisory services business has been under investigation by the IRS since 2013. In addition, we are defending a lawsuit (along with Chem-Mod LLC and other defendants) asserting infringement of patents held by Midwest Energy Emissions Corp. and MES Inc. Also as previously disclosed, during 2022, we received a subpoena from the FCPA Unit of the DOJ seeking information related to our insurance business with public entities in Ecuador. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position. In addition, regardless of any unfavorable ruling, any such matter could expose us to negative publicity, reputational damage, harm to our client or employee relationships, or diversion of personnel and management resources, which could adversely affect our ability to recruit quality brokers and other significant employees to our business, and otherwise adversely affect our results of operations.

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

We prepare our financial statements in accordance with U.S. generally accepted accounting principles (which we refer to as GAAP). 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 and estimates that affect the disclosed and recorded amounts of revenues and expenses related to revenue recognition and deferred costs - see Note 4 to our 2022 consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, investments, income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed in our consolidated financial statements. Further, in August 2022, the U.S. enacted tax legislation commonly referred to as the Inflation Reduction Act (which we refer to as the IRA) which, among other things, implements a corporate book minimum tax and an excise tax on stock buy backs beginning for years after 2022. While guidance is still being issued, our current understanding of these new rules suggests that we will not face significant impacts from these changes. As additional guidance relating to the IRA is released, our estimates related to the IRA may change. Additionally, changes in accounting standards (see Note 2 to our 2022 consolidated financial statements) could increase costs to the organization and could have an adverse impact on our future financial position and results of operations.

Limited protection of our intellectual property could harm our business and our ability to compete effectively, and we face the risk that our services or products may infringe upon the intellectual property rights of others.

We cannot guarantee that trade secret, trademark and copyright law protections, or our internal policies and procedures regarding our management of intellectual property, are adequate to deter misappropriation of our intellectual property. Existing laws of some countries in which we provide services or products may offer only limited protection of our intellectual property rights. Also, we may be unable to detect the unauthorized use of our intellectual property and take the necessary steps to enforce our rights, which may have a material adverse impact on our business, financial condition or results of operations. We cannot be sure that our services and products, or the products of others that we offer to our clients, do not infringe on the intellectual property rights of third parties, and we may have infringement claims asserted against us or our clients. These claims may harm our reputation, result in financial liability, consume financial resources to pursue or defend, and prevent us from offering some services or products. In addition, these claims, whether with or without merit, could be expensive, take significant time and divert management's focus and resources from business operations. 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.

Risks Relating to our Investments, Debt and Common Stock

Our clean energy investments are subject to various risks and uncertainties.

We began generating tax credits under IRC Section 45 in 2009. As of December 31, 2022, we had generated a total of $1,706.1 million in IRC Section 45 tax credits, of which approximately $959.6 million have been used to offset U.S. federal tax liabilities and $746.5 million remain unused and available to offset future U.S. federal tax liabilities. Our IRC Section 45 investments' ability to generate additional tax credits expired on December 31, 2021.

Our ability to use tax credits under IRC Section 45 depends upon the operations in which we invested having satisfied the conditions set forth in IRC Section 45. These include, among others, the "placed-in-service" condition and requirements relating to qualified

emissions reductions, coal sales to unrelated parties and at least one of the operations' owners qualifying as a "producer" of refined coal. While we have received some degree of confirmation from the IRS relating to our ability to claim these tax credits, the IRS could ultimately determine that the operations did not satisfy the conditions set forth in IRC Section 45. Similarly, the law permitting us to claim IRC Section 29 tax credits (related to our prior synthetic coal operations) expired on December 31, 2007. At December 31, 2022, we had exposure with respect to $108.0 million of previously earned tax credits under IRC Section 29. We believe our claim for IRC Section 29 tax credits in 2007 and prior years was in accordance with IRC Section 29 and four private letter rulings previously obtained by IRC Section 29-related limited liability companies in which we had an interest. We understand these private letter rulings were consistent with those issued to other taxpayers and we have received no indication from the IRS that it will seek to revoke or modify them. In addition, the IRS audited certain of the IRC Section 29 facilities without requiring any changes.

While none of our prior IRC Section 29 operations are currently under audit, several of the IRC Section 45 operations in which we are invested are under audit by the IRS. One of these partnerships received a notice from the IRS disallowing our co-investors from claiming tax credits. The partnership defended its position in tax court and prevailed in August 2019. The decision was affirmed by the D.C. Court of Appeals. The IRS could place the remaining IRC Section 45 operations and any of the prior IRC Section 29 operations under audit. An adverse outcome with respect to our ability to claim tax credits under any such audit would likely cause a material loss or cause us to be subject to liability under indemnification obligations related to prior sales of partnership interests in IRC Section 29 tax credits.

There is a risk that foreign laws will not protect the intellectual property associated with The Chem-Mod™ Solution to the same extent as U.S. laws, leaving us vulnerable to companies outside the U.S. who may attempt to copy such intellectual property. In addition, other companies may make claims of intellectual property infringement with respect to The Chem-Mod™ Solution. In July 2019, Midwest Energy Emissions Corp. and MES Inc. (which we refer to; together, as Midwest Energy) filed a patent infringement lawsuit in the United States District Court for the District of Delaware against us, Chem-Mod LLC and numerous other related and unrelated parties. The complaint alleges that the named defendants infringed patents held exclusively by Midwest Energy and seeks unspecified damages and injunctive relief. Discovery is complete and the case is scheduled for trial in November 2023. We continue to defend this matter vigorously. Litigation is inherently uncertain and it is not possible for us to predict the ultimate outcome of this matter and the financial impact to us. We believe the probability of a material loss is remote.

The IRC Section 45 operations in which we have invested and the by-products from such operations may result in environmental and product liability claims and environmental compliance costs.

The construction and operation of the IRC Section 45 operations were subject to federal, state and local laws, regulations and potential liabilities arising under or relating to the protection or preservation of the environment, natural resources and human health and safety. Some environmental laws, without regard to fault or the legality of a party's conduct, impose liability on certain entities that are considered to have contributed to, or are otherwise responsible for, the release or threatened release of hazardous substances into the environment. One party may, under certain circumstances, be required to bear more than its share or the entire share of investigation and cleanup costs at a site if payments or participation cannot be obtained from other responsible parties. By having used The Chem-Mod™ Solution at locations owned and operated by others, we and our partners may be exposed to the risk of being held liable for environmental damage from releases of hazardous substances we may have had little, if any, involvement in creating. Such risk remains even after production ceases at an operation to the extent the environmental damage can be traced to the types of chemicals or compounds used or operations conducted in connection with The Chem-Mod™ Solution. Increasing attention to global climate change has resulted in an increased possibility of regulatory attention and private litigation. For example, claims have been made against certain energy companies alleging that greenhouse gas emissions constitute a public nuisance. In addition to the possibility of our being named in such actions, we and our partners could face the risk of environmental and product liability claims related to concrete incorporating fly ash produced using The Chem-Mod™ Solution. No assurances can be given that contractual arrangements and precautions taken to ensure assumption of these risks by facility owners or operators, or other end users, will result in that facility owner or operator, or other end user, accepting full responsibility for any environmental or product liability claim. Nor can we or our partners be certain that facility owners or operators, or other end users, fully complied with all applicable laws and regulations, and this could result in environmental or product liability claims. It is also not uncommon for private claims by third parties alleging contamination to also include claims for personal injury, property damage, nuisance, diminution of property value, or similar claims. Furthermore, many environmental, health and safety laws authorize citizen suits, permitting third parties to make claims for violations of laws or permits. Our insurance may not cover all environmental risk and costs or may not provide sufficient coverage in the event of an environmental or product liability claim, and defense of such claims can be costly, even when such defense prevails. If significant uninsured losses arise from environmental or product liability claims, or if the costs of environmental compliance increase for any reason, our results of operations and financial condition could be adversely affected.

We have debt outstanding that could adversely affect our financial flexibility and subjects us to restrictions and limitations that could significantly impact our ability to operate our business.

As of December 31, 2022, we had total consolidated debt outstanding of approximately $6.1 billion. The level of debt outstanding each period could adversely affect our financial flexibility. We also bear risk at the time our debt matures. Our ability to make interest and principal payments, to refinance our debt obligations and to fund our acquisition program and planned capital expenditures will depend on our ability to generate cash from operations. This, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control, such as an environment of rising interest rates. A small portion of our private placement debt consists of floating rate notes and interest payments under our senior revolving credit facility are based on a floating rate which exposes us to the risk of a changing or unknown rate environment. Our indebtedness will also reduce the ability to use that cash for other purposes, including working capital, dividends to stockholders, acquisitions, capital expenditures, share repurchases, and general corporate purposes. If we cannot service our indebtedness, we may have to take actions such as selling assets, issuing additional equity or reducing or delaying capital expenditures, strategic acquisitions, and

investments, any of which could impede the implementation of our business strategy or prevent us from entering into transactions that would otherwise benefit our business. Additionally, we may not be able to effect such actions, if necessary, or refinance any of our indebtedness on commercially reasonable terms, or at all.

The agreements governing our debt include covenants that, among other things, restrict our ability to dispose of assets, incur additional debt, engage in certain asset sales, mergers, acquisitions or similar transactions, create liens on assets, engage in certain transactions with affiliates, change our business or make investments, and require us to comply with certain financial and legal covenants. The restrictions in the agreements governing our debt may prevent us from taking actions that we believe would be in the best interest of our business and our stockholders and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. We may also incur future debt obligations that might subject us to additional or more restrictive covenants that could affect our financial and operational flexibility, including our ability to pay dividends. We cannot make any assurances that we will be able to refinance our debt or obtain additional financing on terms acceptable to us, or at all. A failure to comply with the restrictions under the agreements governing our debt could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our financial condition and results of operations.

The reinsurance securities business we acquired as part of the Willis Re acquisition serves from time to time as the underwriter and initial purchaser of securities (such as catastrophe bonds) issued by our reinsurance company clients. This involves us, acting as an intermediary, to use our capital on hand and short-term borrowings to cover the purchase price of the securities. We place the securities with investors and use the funds we receive from them to repay our obligations. Risks specific to these short-term borrowings include counterparty risk (which is the risk that arises due to uncertainty about a counterparty's ability to meet its obligations) with respect to the investors. Non-performance by any of our counterparties in these transactions for financial or other reasons could potentially expose us to material losses.

Credit rating downgrades would increase our financing costs and could subject us to operational risk.

If we need to raise capital in the future (for example, in order to maintain adequate liquidity, fund maturing debt obligations or finance acquisitions or other initiatives), credit rating downgrades would increase our financing costs, and could limit our access to financing sources. We would also face the risk of a credit rating downgrade if we do not retire or refinance the debt to levels acceptable to the credit rating agencies in a timely manner. Further, a downgrade to a rating below investment-grade could result in greater operational risks through increased operating costs and increased competitive pressures.

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

We are organized as a holding company, a legal entity separate and distinct from our operating subsidiaries. As a holding company without significant operations of our own, we are dependent upon dividends and other payments from our operating subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, for paying dividends to stockholders, repurchasing our common stock and for corporate expenses. In the event our operating subsidiaries are unable to pay sufficient dividends and other payments to us, we may not be able to service our debt, pay our obligations, pay dividends on or repurchase our common stock.

Further, we derive a meaningful portion of our revenue and operating profit from operating subsidiaries located outside the U.S. Since the majority of financing obligations as well as dividends to stockholders are paid from the U.S., it is important to be able to access the cash generated by our operating subsidiaries located outside the U.S. in the event we are unable to meet these U.S. based cash requirements.

Funds from our operating subsidiaries outside the U.S. may be repatriated to the U.S. via stockholder distributions and intercompany financings, where necessary. A number of factors may arise that could limit our ability to repatriate funds or make repatriation cost prohibitive, including, but not limited to the imposition of currency controls and other government restrictions on repatriation in the jurisdictions in which our subsidiaries operate, fluctuations in foreign exchange rates, the imposition of withholding and other taxes on such payments and our ability to repatriate earnings in a tax-efficient manner.

In the event we are unable to generate or repatriate cash from our operating subsidiaries for any of the reasons discussed above, our overall liquidity could deteriorate and our ability to finance our obligations, including to pay dividends on or repurchase our common stock, could be adversely affected.

Future sales or other dilution of our equity could adversely affect the market price of our common stock.

An important way we grow our business is through acquisitions. One method of acquiring companies or otherwise funding our corporate activities is through the issuance of additional equity securities. The issuance of any additional shares of common or of preferred stock or convertible securities could be substantially dilutive to holders of our common stock. Moreover, to the extent that we issue restricted stock units, performance stock units, options or warrants to purchase shares of our common stock in the future and those options or warrants are exercised or as the restricted stock units or performance stock units vest, our stockholders may experience further dilution. Holders of our common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our stockholders. The market price of our common stock could decline as a result of sales of shares of our common stock or the perception that such sales could occur.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

The executive offices of our corporate segment and certain subsidiary and branch facilities of our brokerage and risk management segments are located at 2850 Golf Road, Rolling Meadows, Illinois, where we own approximately 360,000 square feet of space, and can accommodate 2,000 employees at peak capacity.

Elsewhere, we generally operate in leased premises related to the facilities of our brokerage and risk management operations. We prefer to lease office space rather than own real estate related to the branch facilities of our brokerage and risk management segments. Certain of our office space leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of our leases contain annual escalation clauses generally related to increases in an inflation index. See Notes 15 and 17 to our 2022 consolidated financial statements for information with respect to our lease commitments as of December 31, 2022.

Item 3. Legal Proceedings.

Please see the information set forth in Note 17 to our consolidated financial statements, included herein, under “Litigation, Regulatory and Taxation Matters.”

Item 4. Mine Safety Disclosures.

Not applicable.

Information About Our Executive Officers

Set forth below are the names, ages, positions and business backgrounds of our executive officers as of the date hereof:

Name	Age	Position and Year First Elected
J. Patrick Gallagher, Jr.	70	Chairman since 2006, President since 1990, Chief Executive Officer since 1995
Walter D. Bay	60	Corporate Vice President, General Counsel, Secretary since 2007
Mark H. Bloom	58	Corporate Vice President and Global Chief Information Officer since 2022. Global Chief Information Officer at Aegon N.V., 2016 - 2021
Richard C. Cary	60	Controller since 1997, Chief Accounting Officer since 2001
Joel D. Cavaness	61	Corporate Vice President since 2000, President of our Wholesale Brokerage Operation since 1997
Patrick M. Gallagher	43	Corporate Vice President and President of Property/Casualty Brokerage Operation in the Americas since 2021, Chairman, Canada and Caribbean and CEO of Latin America 2019 - 2021, President, Midwest Region of Property/Casualty Brokerage Operation 2016 - 2019
Thomas J. Gallagher	64	Corporate Vice President since 2001, Chairman of our International Brokerage Operation 2010 - 2016, President of our Global Property/Casualty Brokerage Operation beginning in 2017
Douglas K. Howell	61	Corporate Vice President, Chief Financial Officer since 2003
Scott R. Hudson	61	Corporate Vice President and President of our Risk Management Operation since 2010
Vishal Jain	61	Corporate Vice President since 2016, Chief Service Officer since 2014
Christopher E. Mead	55	Corporate Vice President, Chief Marketing Officer since 2017
Susan E. Pietrucha	56	Corporate Vice President, Chief Human Resource Officer since 2007
William F. Ziebell	60	Corporate Vice President since 2011, regional leader in our Employee Benefit and Consulting Brokerage Operations 2004 - 2016, President beginning in 2017

With the exception of Mr. Bloom, we have employed each such person principally in management capacities for more than the past five years. All executive officers are appointed annually and serve at the pleasure of our board of directors.

Part II

Item 5. Market for the Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Our common stock is listed on the New York Stock Exchange, trading under the symbol "AJG."

As of January 31, 2023, there were approximately 1,000 holders of record of our common stock.

(c)Issuer Purchases of Equity Securities

The following table shows the purchases of our common stock made by or on behalf of us or any "affiliated purchaser" (as such term is defined in Rule 10b-18(a)(3) under the Securities Exchange Act of 1934, as amended) of us for each fiscal month in the three-month period ended December 31, 2022:

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (3)	Maximum Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs (3) (4)
October 1 through October 31, 2022	7,015	$ 175.59	—	$ 1,500
November 1 through November 30, 2022	3,595	191.81	—	1,500
December 1 through December 31, 2022	9,722	185.86	—	1,500
Total	20,332	$ 183.37	—	

(1)Amounts in this column include shares of our common stock purchased by the trustees of trusts established under our Deferred Equity Participation Plan (which we refer to as the DEPP), our Deferred Cash Participation Plan (which we refer to as the DCPP) and our Supplemental Savings and Thrift Plan (which we refer to as the Supplemental Plan), respectively. These plans are considered to be unfunded for purposes of federal tax law since the assets of these trusts are available to our creditors in the event of our financial insolvency. The DEPP is an unfunded, non-qualified deferred compensation plan that generally provides for distributions to certain of our key executives when they reach age 62 or upon or after their actual retirement. Under sub-plans of the DEPP for certain production staff, the plan generally provides for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. See Note 11 to our 2022 consolidated financial statements for more information regarding the DEPP. The DCPP is an unfunded, non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the terms of the DEPP and the DCPP, we may contribute cash to the trust and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions. In the fourth quarter of 2022, we instructed the trustee for the DEPP and the DCPP to reinvest dividends on shares of our common stock held by these trusts and to purchase our common stock using cash that we contributed to the DCPP related to 2022 awards under the DCPP. The Supplemental Plan is an unfunded, non-qualified deferred compensation plan that allows certain highly compensated employees to defer compensation, including company match amounts, on a before-tax basis or after-tax basis. Under the terms of the Supplemental Plan, all amounts credited to an employee's account may be deemed invested, at the employee's election, in a number of investment options that include various mutual funds, an annuity product and a fund representing our common stock. When an employee elects to have some or all of the amounts credited to the employee's account under the Supplemental Plan deemed to be invested in the fund representing our common stock, the trustee of the trust for the Supplemental Plan purchases shares of our common stock in a number sufficient to ensure that the trust holds a number of shares of our common stock with a value equal to the amounts deemed invested in the fund representing our common stock. We want to ensure that at the time when an employee becomes entitled to a distribution under the terms of the Supplemental Plan, any amounts deemed to be invested in the fund representing our common stock are distributed in the form of shares of our common stock held by the trust. We established the trusts for the DEPP, the DCPP and the Supplemental Plan to assist us in discharging our deferred compensation obligations under these plans. All assets of these trusts, including any shares of our common stock purchased by the trustees, remain, at all times, assets of the Company, subject to the claims of our creditors in the event of our financial insolvency. The terms of the DEPP, the DCPP and the Supplemental Plan do not provide for a specified limit on the number of shares of common stock that may be purchased by the respective trustees of the trusts.

(2)The average price paid per share is calculated on a settlement basis and does not include commissions.

(3)Effective July 28, 2021, the board of directors approved a new common stock repurchase plan of up to $1.5 billion of common stock. Repurchases of common stock may be effected from time to time through open market purchases, trading plans established in accordance with the U.S. Securities and Exchange Commission's rules, accelerated stock repurchases, private transactions or other means, depending on satisfactory market conditions, applicable legal requirements and other factors. The repurchase plan has no expiration date and we are under no commitment or obligation to repurchase any particular amount of our common stock under the plan. At our discretion, we may suspend the repurchase plan at any time.

(4)Dollar values stated in millions.

Item 6. [Reserved].

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Introduction

The following discussion and analysis should be read in conjunction with our consolidated financial statements and the related notes included in Item 8 of this annual report. In addition, please see "Information Regarding Non-GAAP Measures and Other" beginning on page 36 for a reconciliation of the non-GAAP measures for adjusted total revenues, organic commission, fee and supplemental revenues and adjusted EBITDAC to the comparable GAAP measures, as well as other important information regarding these measures.

We are engaged in providing insurance brokerage and consulting services, and third-party property/casualty claims settlement and administration services to entities in the U.S. and abroad. We believe that one of our major strengths is our ability to deliver comprehensively structured insurance and risk management services to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks. We are headquartered in Rolling Meadows, Illinois, and provide brokerage, risk management and consulting services in approximately 130 countries around the world through our owned operations and a network of correspondent brokers and consultants. In 2022, we expanded, and expect to continue to expand, our international operations through both acquisitions and organic growth. We generate approximately 65% of our revenues for the combined brokerage and risk management segments domestically, with the remaining 35% generated internationally, primarily in the U.K., Australia, Canada, New Zealand and Bermuda (based on 2022 revenues). We have three reportable segments: brokerage, risk management and corporate, which contributed approximately 85%, 14% and 1%, respectively, to 2022 revenues. Our major sources of operating revenues are commissions, fees and supplemental and contingent revenues from brokerage operations and fees from risk management operations. Investment income is generated from invested cash and fiduciary funds, clean energy investments (prior to 2022), and interest income from premium financing. Our ability to generate additional tax credits from our Section 45 clean energy investments ended in December 2021. Unless Congress reinstates the law allowing for such tax credits, we do not expect to generate any revenue or earnings from such investments in 2023.

This Management's Discussion and Analysis of Financial Condition and Results of Operations contains certain statements relating to future results which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Please see "Information Concerning Forward-Looking Statements" at the beginning of this annual report, for certain cautionary information regarding forward-looking statements and a list of factors that could cause our actual results to differ materially from those predicted in the forward-looking statements.

Prior Year Discussion of Results and Comparisons

For information on fiscal 2021 results and similar comparisons, see "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" of our Form 10-K for the fiscal year ended December 31, 2021.

Summary of Financial Results - Year Ended December 31,

See the reconciliations of non-GAAP measures on page 34.

	Year 2022		Year 2021		Change	
	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP	Reported GAAP	Adjusted Non-GAAP
	(In millions, except per share data)					
Brokerage Segment						
Revenues	$ 7,303.8	$ 7,291.7	$ 5,967.5	$ 5,791.5	22%	26%
Organic revenues		$ 6,267.9		$ 5,712.0		9.7%
Net earnings	$ 1,201.8		$ 1,016.6		18%	
Net earnings margin	16.5%		17.0%		-58 bpts	
Adjusted EBITDAC		$ 2,490.7		$ 1,977.0		26%
Adjusted EBITDAC margin		34.2%		34.1%		+2 bpts
Diluted net earnings per share	$ 5.58	$ 8.19	$ 4.86	$ 6.78	15%	21%
Risk Management Segment						
Revenues before reimbursements	$ 1,092.6	$ 1,091.7	$ 967.6	$ 952.8	13%	15%
Organic revenues		$ 1,078.8		$ 952.2		13.3%
Net earnings	$ 115.8		$ 89.5		29%	
Net earnings margin (before reimbursements)	10.6%		9.3%		+125 bpts	
Adjusted EBITDAC		$ 201.5		$ 181.0		11%
Adjusted EBITDAC margin (before reimbursements)		18.5%		19.0%		-54 bpts
Diluted net earnings per share	$ 0.54	$ 0.56	$ 0.43	$ 0.49	26%	14%
Corporate Segment						
Diluted net loss per share	$ (0.93)	$ (1.02)	$ (0.92)	$ (0.46)		
Total Company						
Diluted net earnings per share	$ 5.19	$ 7.74	$ 4.37	$ 6.81	19%	14%
Total Brokerage and Risk Management Segment						
Diluted net earnings per share	$ 6.12	$ 8.75	$ 5.29	$ 7.27	16%	20%

In our corporate segment, net after-tax (loss) earnings from our clean energy investments was $(9.2) million and $97.4 million in 2022 and 2021, respectively. At this time, we anticipate our clean energy investments will produce after-tax losses in 2023.

The following provides information that management believes is helpful when comparing revenues before reimbursements, net earnings, EBITDAC and diluted net earnings per share for 2022 and 2021. In addition, these tables provide reconciliations to the most

comparable GAAP measures for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share. Reconciliations of EBITDAC for the brokerage and risk management segments are provided on pages 39 and 45 of this filing.

Year Ended December 31 Reported GAAP to Adjusted Non-GAAP Reconciliation:

Segment	Revenues Before Reimbursements		Net Earnings (Loss)		EBITDAC		Diluted Net Earnings (Loss) Per Share		
	2022	2021	2022	2021	2022	2021	2022	2021	Chg
	(In millions, except per share data)								
Brokerage, as reported	$ 7,303.8	$ 5,967.5	$ 1,201.8	$ 1,016.6	$ 2,239.2	$ 1,957.2	$ 5.58	$ 4.86	15%
Net gains on divestitures	(12.1)	(18.8)	(9.5)	(15.0)	(12.1)	(18.8)	(0.05)	(0.07)	
Acquisition integration	—	—	132.7	25.2	167.9	31.7	0.62	0.12	
Workforce and lease termination	—	—	40.2	18.0	48.9	20.6	0.19	0.09	
Acquisition related adjustments	—	—	56.0	86.4	46.8	27.4	0.26	0.42	
Amortization on intangible assets	—	—	342.3	312.0	—	—	1.59	1.50	
Levelized foreign currency translation	—	(157.2)	—	(28.2)	—	(41.1)	—	(0.14)	
Brokerage, as adjusted *	7,291.7	5,791.5	1,763.5	1,415.0	2,490.7	1,977.0	8.19	6.78	21%
Risk Management, as reported	1,092.6	967.6	115.8	89.5	193.8	177.1	$ 0.54	$ 0.43	26%
Net gains on divestures	(0.9)	(0.1)	(0.6)	(0.1)	(0.9)	(0.1)	—	—	
Workforce and lease termination	—	—	4.8	6.0	6.4	7.1	0.02	0.03	
Acquisition related adjustments	—	—	(5.8)	2.1	0.4	0.4	(0.03)	0.01	
Acquisition integration	—	—	1.4	—	1.8	—	0.01	—	
Amortization of intangibles assets	—	—	4.6	5.7	—	—	0.02	0.03	
Levelized foreign currency translation	—	(14.7)	—	(2.1)	—	(3.5)	—	(0.01)	
Risk Management, as adjusted *	1,091.7	952.8	120.2	101.0	201.5	181.0	0.56	0.49	14%
Corporate, as reported	23.7	1,141.3	(201.6)	(151.1)	(166.5)	(231.0)	$ (0.93)	$ (0.92)	
Loss on extinguishment of debt	—	—	—	12.2	—	—	—	0.06	
Transaction-related costs	—	—	30.7	38.5	33.4	47.9	0.14	0.19	
Legal and tax related	—	—	(50.2)	43.6	(5.0)	9.5	(0.23)	0.21	
Corporate, as adjusted *	23.7	1,141.3	(221.1)	(56.8)	(138.1)	(173.6)	(1.02)	(0.46)	
Total Company, as reported	$ 8,420.1	$ 8,076.4	$ 1,116.0	$ 955.0	$ 2,266.5	$ 1,903.3	$ 5.19	$ 4.37	19%
Total Company, as adjusted *	$ 8,407.1	$ 7,885.6	$ 1,662.6	$ 1,459.3	$ 2,554.1	$ 1,984.4	$ 7.74	$ 6.81	14%
Total Brokerage and Risk Management, as reported	$ 8,396.4	$ 6,935.1	$ 1,317.6	$ 1,106.1	$ 2,433.0	$ 2,134.3	$ 6.12	$ 5.29	16%
Total Brokerage and Risk Management, as adjusted *	$ 8,383.4	$ 6,744.3	$ 1,883.7	$ 1,516.1	$ 2,692.2	$ 2,158.0	$ 8.75	$ 7.27	20%

* For the year ended December 31, 2022, the pretax impact of the brokerage segment adjustments totals $732.9 million, with a corresponding adjustment to the provision for income taxes of $171.2 million relating to these items. For the year ended December 31, 2022, the pretax impact of the risk management segment adjustments totals $5.8 million, with a corresponding adjustment to the provision for income taxes of $1.4 million relating to these items. For the year ended December 31, 2022, the pretax impact of the corporate segment adjustments totals $28.4 million, with a corresponding adjustment to the benefit for income taxes of $47.9 million relating to these items and other tax items noted on page 50. For the corporate segment, the clean energy related adjustments are described on page 50.

Reconciliation of Non-GAAP Measures - Pre-tax Earnings and Diluted Net Earnings per Share

(In millions except share and per share data)

	Earnings (Loss) Before Income Taxes	Provision (Benefit) for Income Taxes	Net Earnings (Loss)	Net Earnings (Loss) Attributable to Noncontrolling Interests	Net Earnings (Loss) Attributable to Controlling Interests	Diluted Net Earnings (Loss) per Share
Year Ended Dec 31, 2022						
Brokerage, as reported	**$ 1,596.5**	**$ 394.7**	**$ 1,201.8**	**$ 4.4**	**$ 1,197.4**	**$ 5.58**
Net gains on divestitures	(12.1)	(2.6)	(9.5)	—	(9.5)	(0.04)
Acquisition integration	167.9	35.2	132.7	—	132.7	0.62
Workforce and lease termination	51.4	11.2	40.2	—	40.2	0.19
Acquisition related adjustments	77.0	21.0	56.0	—	56.0	0.26
Amortization of intangible assets	448.7	106.4	342.3	—	342.3	1.59
Brokerage, as adjusted	$ 2,329.4	$ 565.9	$ 1,763.5	$ 4.4	$ 1,759.1	$ 8.19
Risk Management, as reported	**$ 157.2**	**$ 41.4**	**$ 115.8**	**$ —**	**$ 115.8**	**$ 0.54**
Net gains on divestitures	(0.9)	(0.3)	(0.6)	—	(0.6)	—
Workforce and lease termination	6.5	1.7	4.8	—	4.8	0.02
Acquisition related adjustments	(7.8)	(2.0)	(5.8)	—	(5.8)	(0.03)
Acquisition integration	1.8	0.4	1.4	—	1.4	0.01
Amortization of intangible assets	6.2	1.6	4.6	—	4.6	0.02
Risk Management, as adjusted	$ 163.0	$ 42.8	$ 120.2	$ —	$ 120.2	$ 0.56
Corporate, as reported	**$ (426.7)**	**$ (225.1)**	**$ (201.6)**	**$ (2.6)**	**$ (199.0)**	**$ (0.93)**
Transaction-related costs	33.4	2.7	30.7	—	30.7	0.14
Legal and tax related	(5.0)	45.2	(50.2)	—	(50.2)	(0.23)
Corporate, as adjusted	$ (398.3)	$ (177.2)	$ (221.1)	$ (2.6)	$ (218.5)	$ (1.02)
Year Ended Dec 31, 2021						
Brokerage, as reported	**$ 1,345.5**	**$ 328.9**	**$ 1,016.6**	**$ 8.4**	**$ 1,008.2**	**$ 4.86**
Net gains on divestitures	(18.8)	(3.8)	(15.0)	—	(15.0)	(0.07)
Acquisition integration	31.7	6.5	25.2	—	25.2	0.12
Workforce and lease termination	22.8	4.8	18.0	—	18.0	0.09
Acquisition related adjustments	109.0	22.6	86.4	—	86.4	0.42
Amortization of intangible assets	407.6	95.6	312.0	—	312.0	1.50
Levelized foreign currency translation	(36.5)	(8.3)	(28.2)	—	(28.2)	(0.14)
Brokerage, as adjusted	$ 1,861.3	$ 446.3	$ 1,415.0	$ 8.4	$ 1,406.6	$ 6.78
Risk Management, as reported	**$ 120.1**	**$ 30.6**	**$ 89.5**	**$ —**	**$ 89.5**	**$ 0.43**
Net gains on divestitures	(0.1)	—	(0.1)	—	(0.1)	—
Workforce and lease termination	8.0	2.0	6.0	—	6.0	0.03
Acquisition related adjustments	2.7	0.7	2.0	—	2.0	0.01
Amortization of intangible assets	7.5	1.8	5.7	—	5.7	0.03
Levelized foreign currency translation	(2.7)	(0.6)	(2.1)	—	(2.1)	(0.01)

Risk Management, as adjusted	$ 135.5	$ 34.5	$ 101.0	$ —	$ 101.0	$ 0.49
Corporate, as reported	**$ (490.5)**	**$ (339.4)**	**$ (151.1)**	**$ 39.8**	**$ (190.9)**	**$ (0.92)**
Loss on extinguishment of debt	16.2	4.0	12.2	—	12.2	0.06
Transaction-related costs	47.9	9.4	38.5	—	38.5	0.19
Income tax related	9.5	(34.1)	43.6	—	43.6	0.21
Corporate, as adjusted	$ (416.9)	$ (360.1)	$ (56.8)	$ 39.8	$ (96.6)	$ (0.46)

Agreement to Acquire Buck

On December 20, 2022, we signed a definitive agreement to acquire Buck for a gross consideration of $660.0 million or approximately $585.0 million net of agreed seller funded expenses and net working capital. We expect to fund the transaction via free cash flow and short-term borrowings. Buck is a leading provider of retirement, human resource and employee benefits consulting and administration services. Buck has been in existence for more than 100 years and has a diverse client base by both size and industry. Buck has over 2,300 employees, including more than 220 credentialed actuaries, and primarily serves customers throughout the U.S., Canada and the U.K. The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals.

Insurance Market Overview

Fluctuations in premiums charged by property/casualty underwriting enterprises have a direct and potentially material impact on the insurance brokerage industry. Commission revenues are generally based on a percentage of the premiums paid by insureds and normally follow premium levels. Insurance premiums are cyclical in nature and may vary widely based on market conditions. Various factors, including competition for market share among underwriting enterprises, increased underwriting capacity and improved economies of scale following consolidations, can result in flat or reduced property/casualty premium rates (a “soft” market). A soft market tends to put downward pressure on commission revenues. Various countervailing factors, such as greater than anticipated loss experience, unexpected loss exposure and capital shortages, can result in increasing property/casualty premium rates (a “hard” market). A hard market tends to favorably impact commission revenues. Hard and soft markets may be broad-based or more narrowly focused across individual product lines or geographic areas. As markets harden, buyers of insurance (such as our brokerage clients), have historically tried to mitigate premium increases and the higher commissions these premiums generate, including by raising their deductibles and/or reducing the overall amount of insurance coverage they purchase. As the market softens, or costs decrease, these trends have historically reversed. During a hard market, buyers may switch to negotiated fee in lieu of commission arrangements to compensate us for placing their risks, or may consider the alternative insurance market, which includes self-insurance, captives, rent-a-captives, risk retention groups and capital market solutions to transfer risk. Our brokerage units are very active in these markets as well. While increased use by insureds of these alternative markets historically has reduced commission revenue to us, such trends generally have been accompanied by new sales and renewal increases in the areas of risk management, claims management, captive insurance and self-insurance services and related growth in fee revenue. Inflation tends to increase the levels of insured values and risk exposures, resulting in higher overall premiums and higher commissions. However, the impact of hard and soft market fluctuations has historically had a greater impact on changes in premium rates, and therefore on our revenues, than inflationary pressures.

We typically cite the Council of Insurance Agents & Brokers (which we refer to as the CIAB) insurance pricing quarterly survey at this time as an indicator of the current insurance rate environment. The fourth quarter 2022 survey had not been published as of the filing date of this report. The first three 2022 quarterly surveys indicated that U.S. commercial property/casualty rates increased by 6.6%, 7.1%, and 8.1% on average, for the first, second and third quarters of 2022, respectively. We expect a similar trend to be noted when the CIAB fourth quarter 2022 survey report is issued, which would indicate overall continued price firming and hardening in some lines of business. The CIAB represents the leading domestic and international insurance brokers, who write approximately 85% of the commercial property/casualty premiums in the U.S.

We believe increases in property/casualty rates will continue throughout 2023 due to rising loss costs, higher reinsurance pricing (particularly in property catastrophe), increased frequency of catastrophe losses and social inflation. If loss trends deteriorate over the coming quarters, including the impact of natural catastrophes, it could lead to a more difficult rate and conditions environment in certain lines. The combination of increasing insurable values (due in large part to inflation, including wage inflation), a tight labor market and lower unemployment is likely contributing to increases in client insured exposures. Additionally, we expect that our history of strong new business generation, solid retentions and enhanced value-added services for our carrier partners should all result in further organic growth opportunities around the world. Overall, we believe that in a positive rate environment with increasing

exposures, our professionals can demonstrate their expertise and high-quality, value-added capabilities by strengthening our clients' insurance portfolios and delivering insurance and risk management solutions within our clients' budget. Based on our experience, there is adequate capacity in the insurance and reinsurance market for most lines of coverage, however, the U.S. property catastrophe market could face significant price increases, tightening terms and conditions and a supply/demand imbalance throughout 2023 renewals.

Clean energy investments - We have investments in limited liability companies that own or have owned 29 clean coal production plants developed by us and six clean coal production plants we purchased from a third party. All 35 plants produced refined coal using propriety technologies owned by Chem-Mod. We believe that the production and sale of refined coal at these plants prior to 2022 was qualified to receive refined coal tax credits under IRC Section 45. The plants which were placed in service prior to December 31, 2009 (which we refer to as the 2009 Era Plants) received tax credits through 2019 and the 21 plants which were placed in service prior to December 31, 2011 (which we refer to as the 2011 Era Plants) received tax credits through 2021. All twenty-one of the 2011 Era Plants were under long-term production contracts with several utilities. Those agreements ended December 31, 2021 due to the expiration of the IRC Section 45 program.

We also own a 46.5% controlling interest in Chem-Mod, which prior to 2022 marketed The Chem-Mod™ Solution proprietary technologies principally to refined fuel plants that sell refined fuel to coal-fired power plants owned by utility companies, including those plants in which we hold interests. Currently, Chem-Mod is not anticipated to generate after-tax earnings after 2021.

All estimates set forth above regarding the future results of our clean energy investments are subject to significant risks, including those set forth in the risk factors regarding our IRC Section 45 investments under Item 1A, "Risk Factors."

Business Combinations and Dispositions

See Note 3 to our 2022 consolidated financial statements for a discussion of our 2022 business combinations.

Results of Operations

Information Regarding Non-GAAP Measures and Other

In the discussion and analysis of our results of operations that follows, in addition to reporting financial results in accordance with GAAP, we provide information regarding EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, diluted net earnings per share, as adjusted (adjusted EPS), adjusted revenue, adjusted compensation and operating expenses, adjusted compensation expense ratio, adjusted operating expense ratio and organic revenue. These measures are not in accordance with, or an alternative to, the GAAP information provided in this report. We believe that these presentations provide useful information to management, analysts and investors regarding financial and business trends relating to our results of operations and financial condition or because they provide investors with measures that our chief operating decision maker uses when reviewing the company's performance. See further below for definitions and additional reasons each of these measures is useful to investors. Our industry peers may provide similar supplemental non-GAAP information with respect to one or more of these measures, although they may not use the same or comparable terminology and may not make identical adjustments. The non-GAAP information we provide should be used in addition to, but not as a substitute for, the GAAP information provided. We make determinations regarding certain elements of executive officer incentive compensation, performance share awards and annual cash incentive awards, partly on the basis of measures related to adjusted EBITDAC.

Adjusted Non-GAAP presentation - We believe that the adjusted non-GAAP presentation of our 2022 and 2021 information, presented on the following pages, provides stockholders and other interested persons with useful information regarding certain financial metrics that may assist such persons in analyzing our operating results as they develop a future earnings outlook for us. The after-tax amounts related to the adjustments were computed using the normalized effective tax rate for each respective period.

- **Adjusted measures** - We define these measures as revenues (for the brokerage segment), revenues before reimbursements (for the risk management segment), net earnings, compensation expense and operating expense, respectively, each adjusted to exclude the following, as applicable:
  - Net gains on divestitures, which are primarily net proceeds received related to sales of books of business and other divestiture transactions, such as the disposal of a business through sale or closure.
  - Acquisition integration costs, which include costs related to certain large acquisitions (including Willis Re), outside the scope of our usual tuck-in strategy, not expected to occur on an ongoing basis in the future once we fully assimilate the applicable acquisition. These costs are typically associated with redundant workforce, compensation

expense related to amortization of certain- retention bonus arrangements, extra lease space, duplicate services and external costs incurred to assimilate the acquisition into our IT related systems.

oTransaction-related costs, which primarily are associated with the acquisition of Willis Re and the pending acquisition of Buck. These include costs related to regulatory filings, legal, accounting services, insurance and incentive compensation.

oWorkforce related charges, which primarily include severance costs (either accrued or paid) related to employee terminations and other costs associated with redundant workforce.

oLease termination related charges, which primarily include costs related to terminations of real estate leases and abandonment of leased space.

oAcquisition related adjustments, which include change in estimated acquisition earnout payables adjustments and acquisition related compensation charges.

oAmortization of intangible assets reflects the amortization of customer/expiration lists, non-compete agreements, trade names and other intangible assets acquired through our merger and acquisition strategy, the impact to amortization expense of acquisition valuation adjustments to these assets as well as non-cash impairment charges.

oThe impact of foreign currency translation, as applicable. The amounts excluded with respect to foreign currency translation are calculated by applying current year foreign exchange rates to the same period in the prior year.

oLegal and income tax related, which represents the impact of one-time items recognized in the fourth quarter 2022 related to the following: (a) additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter, (b) gains and costs associated with legal and tax matters, (c) income tax provision adjustments as we filed our 2021 tax returns and (d) income tax benefit related to adjusting certain U.K. deferred income tax assets to the future 25% corporate income tax rate. For fourth quarter 2021, it includes the impact of additional U.K. and U.S. income tax expense related to the non-deductibility of some acquisition related adjustments made and costs incurred related to a legal settlement.

oLoss on extinguishment of debt represents costs incurred on the early redemption of the $650 million of 2031 Senior Notes, which included the redemption price premium, the unamortized discount amount on the debt issuance and the write-off of all the debt acquisition costs.

•**Adjusted ratios** - Adjusted compensation expense and adjusted operating expense, respectively, each divided by adjusted revenues.

Non-GAAP Earnings Measures

We believe that the presentation of EBITDAC, EBITDAC margin, adjusted EBITDAC, adjusted EBITDAC margin, adjusted EPS and adjusted net earnings for the brokerage and risk management segment, each as defined below, provides a meaningful representation of our operating performance. Adjusted EPS is a performance measure and should not be used as a measure of our liquidity. We also consider EBITDAC and EBITDAC margin as ways to measure financial performance on an ongoing basis. In addition, adjusted EBITDAC, adjusted EBITDAC margin and adjusted EPS for the brokerage and risk management segments are presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

•**EBITDAC and EBITDAC Margin** - EBITDAC is net earnings before interest, income taxes, depreciation, amortization and the change in estimated acquisition earnout payables and EBITDAC margin is EBITDAC divided by total revenues (for the brokerage segment) and revenues before reimbursements (for the risk management segment). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance for the overall business and provide a meaningful way to measure its financial performance on an ongoing basis.

•**Adjusted EBITDAC and Adjusted EBITDAC Margin** - Adjusted EBITDAC is EBITDAC adjusted to exclude net gains on divestitures, acquisition integration costs, workforce related charges, lease termination related charges, acquisition related adjustments, transaction related costs, legal and income tax related costs, loss on extinguishment of debt and the period-over-period impact of foreign currency translation, as applicable and Adjusted EBITDAC margin is Adjusted EBITDAC divided by total adjusted revenues (defined above). These measures for the brokerage and risk management segments provide a meaningful representation of our operating performance, and are also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

•**Adjusted EPS and Adjusted Net Earnings** - Adjusted net earnings have been adjusted to exclude the after-tax impact of net gains on divestitures, acquisition integration costs, the impact of foreign currency translation, workforce related

charges, lease termination related charges, acquisition related adjustments, transaction related costs, amortization of intangible assets, legal and income tax related costs and effective income tax rate impact, as applicable. Adjusted EPS is Adjusted Net Earnings divided by diluted weighted average shares outstanding. This measure provides a meaningful representation of our operating performance (and as such should not be used as a measure of our liquidity), and for the overall business is also presented to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability. This is the fourth quarterly period where we have excluded amortization of intangible assets from adjusted EPS, and as such, we have provided the same adjustment for the prior year for comparability.

Organic Revenues (a non-GAAP measure) - For the brokerage segment, organic change in base commission and fee revenues, supplemental revenues and contingent revenues excludes the first twelve months of such revenues generated from acquisitions and such revenues related to divested operations in each year presented. These revenues are excluded from organic revenues in order to help interested persons analyze the revenue growth associated with the operations that were a part of our business in both the current and prior year. In addition, organic change in base commission and fee revenues, supplemental revenues and contingent revenues exclude the period-over-period impact of foreign currency translation to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability. For the risk management segment, organic change in fee revenues excludes the first twelve months of fee revenues generated from acquisitions in each year presented. In addition, change in organic growth excludes the period-over-period impact of foreign currency translation to improve the comparability of our results between periods by eliminating the impact of the items that have a high degree of variability.

These revenue items are excluded from organic revenues in order to determine a comparable, but non-GAAP, measurement of revenue growth that is associated with the revenue sources that are expected to continue in 2023 and beyond. We have historically viewed organic revenue growth as an important indicator when assessing and evaluating the performance of our brokerage and risk management segments. We also believe that using this non-GAAP measure allows readers of our financial statements to measure, analyze and compare the growth from our brokerage and risk management segments in a meaningful and consistent manner.

Reconciliation of Non-GAAP Information Presented to GAAP Measures - This report includes tabular reconciliations to the most comparable GAAP measures, as follows: for EBITDAC (on pages 39 and 45), for adjusted revenues, adjusted EBITDAC and adjusted diluted net earnings per share (on pages 33 and 34), for organic revenue measures (on pages 40 and 45), respectively, for the brokerage and risk management segments, for adjusted compensation and operating expenses and adjusted EBITDAC margin (on page 42), respectively, for the brokerage segment and on page 48 for the risk management segment.

Brokerage

The brokerage segment accounted for 85% of our revenue in 2022. Our brokerage segment is primarily comprised of retail, wholesale and reinsurance brokerage operations. Our brokerage segment generates revenues by:

(i)Identifying, negotiating and placing all forms of insurance or reinsurance coverage, as well as providing risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;

(ii)Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;

(iii)Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resource technology, communications and benefits administration; and

(iv)Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services. In addition, under certain circumstances, both retail brokerage and wholesale brokerage services receive supplemental and contingent revenues.

Supplemental revenue is revenue paid by an underwriting enterprise that is above the base commission paid, is determined by the underwriting enterprise and is established annually in advance of the contractual period based on historical performance criteria. Contingent revenue is revenue paid by an underwriting enterprise based on the overall profit and/or volume of the business placed with that underwriting enterprise during a particular calendar year and is determined after the contractual period.

Financial information relating to our brokerage segment results for 2022 and 2021 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2022	2021	Change
Commissions	$ 5,187.4	$ 4,132.3	$ 1,055.1
Fees	1,476.9	1,296.9	180.0
Supplemental revenues	284.7	248.7	36.0
Contingent revenues	207.3	188.0	19.3
Investment income	135.4	82.8	52.6
Net gains on divestitures	12.1	18.8	(6.7)
Total revenues	7,303.8	5,967.5	1,336.3
Compensation	4,024.7	3,252.4	772.3
Operating	1,039.9	757.9	282.0
Depreciation	103.6	87.8	15.8
Amortization	448.7	407.6	41.1
Change in estimated acquisition earnout payables	90.4	116.3	(25.9)
Total expenses	5,707.3	4,622.0	1,085.3
Earnings before income taxes	1,596.5	1,345.5	251.0
Provision for income taxes	394.7	328.9	65.8
Net earnings	1,201.8	1,016.6	185.2
Net earnings attributable to noncontrolling interests	4.4	8.4	(4.0)
Net earnings attributable to controlling interests	$ 1,197.4	$ 1,008.2	$ 189.2
Diluted net earnings per share	$ 5.58	$ 4.86	$ 0.72
Other Information			
Change in diluted net earnings per share	15%	10%	
Growth in revenues	22%	15%	
Organic change in commissions and fees	9%	8%	
Compensation expense ratio	55%	55%	
Operating expense ratio	14%	13%	
Effective income tax rate	25%	24%	
Workforce at end of period (includes acquisitions)	32,679	29,859	
Identifiable assets at December 31	$ 35,205.1	$ 29,821.0	

The following provides information that management believes is helpful when comparing EBITDAC and adjusted EBITDAC for 2022 and 2021 (in millions):

	2022	2021	Change
Net earnings, as reported	$ 1,201.8	$ 1,016.6	18.2%
Provision for income taxes	394.7	328.9	
Depreciation	103.6	87.8	
Amortization	448.7	407.6	
Change in estimated acquisition earnout payables	90.4	116.3	
EBITDAC	2,239.2	1,957.2	14.4%
Net gains on divestitures	(12.1)	(18.8)	
Acquisition integration	167.9	31.7	
Acquisition related adjustments	46.8	27.4	
Workforce and lease termination related charges	48.9	20.6	
Levelized foreign currency translation	—	(41.1)	
EBITDAC, as adjusted	$ 2,490.7	$ 1,977.0	26.0%
Net earnings margin, as reported	16.5%	17.0%	-58 bpts
EBITDAC margin, as adjusted	34.2%	34.1%	+2 bpts
Reported revenues	$ 7,303.8	$ 5,967.5	
Adjusted revenues - see page 33	$ 7,291.7	$ 5,791.5	

Commissions and fees - The aggregate increase in base commissions and fees for 2022 was due to revenues associated with acquisitions that were made during 2022 and 2021 ($883.2 million) and organic revenue growth. Commission revenues increased 26% and fee revenues increased 14% in 2022 compared to 2021, respectively. The organic change in base commission and fee revenues was 9% in 2022 and 8% in 2021.

In our property/casualty brokerage operations, during the twelve-month period ended December 31, 2022, we saw continued strong customer retention and new business generation and increasing renewal premiums (premium rates and exposures). We believe these favorable trends should continue in 2023; however, if economic conditions worsen, we could see our revenue growth soften.

Items excluded from organic revenue computations yet impacting revenue comparisons for 2022 and 2021 include the following (in millions):

	Year Ended December 31,		
	2022	2021	Change
Base Commissions and Fees			
Commission and fees, as reported	$ 6,664.3	$ 5,429.2	22.7%
Less commission and fee revenues from acquisitions	(883.2)	—	
Less divested operations	—	(2.2)	
Levelized foreign currency translation	—	(143.6)	
Organic base commission and fees	$ 5,781.1	$ 5,283.4	9.4%
Supplemental revenues			
Supplemental revenues, as reported	$ 284.7	$ 248.7	14.5%
Less supplemental revenues from acquisitions	(2.2)	—	
Levelized foreign currency translation	—	(6.6)	
Organic supplemental revenues	$ 282.5	$ 242.1	16.7%
Contingent revenues			
Contingent revenues, as reported	$ 207.3	$ 188.0	10.3%
Less contingent revenues from acquisitions	(3.0)	—	
Levelized foreign currency translation	—	(1.5)	
Organic contingent revenues	$ 204.3	$ 186.5	9.5%
Total reported commissions, fees, supplemental revenues and contingent revenues	$ 7,156.3	$ 5,865.9	22.0%
Less commissions, fees, supplemental revenues and contingent revenues from acquisitions	(888.4)	—	
Less divested operations	—	(2.2)	
Levelized foreign currency translation	—	(151.7)	
Total organic commissions, fees supplemental revenues and contingent revenues	$ 6,267.9	$ 5,712.0	9.7%

Acquisition Activity	2022	2021
Number of acquisitions closed	36	36
Estimated annualized revenues acquired (in millions)	$ 244.0	$ 952.0

For 2022 and 2021, we issued 726,000 and 1,423,000 shares, respectively, of our common stock at the request of sellers and/or in connection with tax-free exchange acquisitions. In addition, on May 17, 2021 we completed a follow-on common stock offering in which we issued 10.3 million shares of our common stock, the net proceeds of which were used to fund a portion of the acquisition of the Willis Re.

On December 20, 2022, we signed a definitive agreement to acquire the partnership interests of Buck and its subsidiaries, for a gross consideration of $660.0 million or approximately $585.0 million net of agreed seller funded expenses and net working capital. We expect to fund the transaction via free cash flow and short-term borrowings. Buck is a leading provider of retirement, human resource and employee benefits consulting and administration services. Buck has been in existence for more than 100 years and has a diverse client base by both size and industry. Buck has over 2,300 employees, including more than 220 credentialed actuaries, and primarily serves customers throughout the U.S., Canada and the U.K. The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals.

On December 1, 2021, we acquired substantially all of the Willis Re for an initial gross consideration of $3.17 billion, and potential additional consideration of $750 million subject to certain third-year revenue targets. We funded the transaction using cash on hand, including the $1.4 billion of net cash raised in our May 17, 2021 follow-on common stock offering, the $850 million of net cash borrowed in our May 20, 2021 30-year senior note issuance, $750 million of net cash borrowed in our November 9, 2021 10-year ($400 million) and 30-year ($350 million) senior note issuances and short-term borrowings.

Following the completion of Willis Re of the reinsurance brokerage operations discussed above, we and Willis Re entered into transition service agreements (which we refer to as TSA). Under the agreement, WTW will provide certain specified back office support services globally on a transitional basis for a period of up to two years from December 1, 2021, based on the specific location and type of services being provided by WTW. Such services include among other things, client related billings, collections and carrier

remittances, payroll and other human resource services, information systems, real estate as well as accounting support. The charges for the transition services are generally intended to allow the providing company to fully recover the allocated direct costs of providing the services, plus all out-of-pocket costs and expenses. Under the TSA, there is the option at our request for two extension periods for each service provided for up to six months each. If we do exercise the extensions there is a profit margin markup added in each period.

On November 9, 2021, we closed and funded an offering of $750.0 million of unsecured senior notes in two tranches. The $400.0 million aggregate principal amount of 2.40% Senior Notes are due 2031 (which we refer to as the 2031 November Notes) and $350.0 million aggregate principal amount of 3.05% Senior Notes are due 2052 (which we refer to as the 2052 November Notes and together with the 2031 November Notes, the November Notes). The weighted average interest rate is 2.80% per annum after giving effect to underwriting costs. We used the net proceeds of the November Notes to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

On May 20, 2021, we closed and funded an offering of $1,500.0 million of unsecured senior notes in two tranches. The $650.0 million aggregate principal amount of 2.50% Senior Notes were due 2031 (which we refer to as the 2031 Notes) and the $850.0 million aggregate principal amount of 3.50% Senior Notes are due 2051 (which we refer to as the 2051 Notes). The weighted average interest rate was 3.31% per annum after giving effect to underwriting costs and the net hedge loss. In conjunction with the termination of the Willis Re transaction, on July 29, 2021, we exercised the special option redemption feature for the 2031 Senior Notes. These notes were redeemed on August 13, 2021, which resulted in a loss on extinguishment of debt of $16.2 million. We used the net proceeds of this offering related to the 2051 Notes to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

On May 17, 2021, we closed on a follow-on public offering of our common stock whereby 10.3 million shares of our stock were issued for net proceeds, after underwriting discounts and other expenses related to this offering, of $1,437.9 million. We used the net proceeds of the offering to fund the acquisition of Willis Re.

Supplemental and contingent revenues - Reported supplemental and contingent revenues recognized in 2022 and 2021 by quarter are as follows (in millions):

	Q1	Q2	Q3	Q4	Full Year
2022					
Reported supplemental revenues	$ 74.3	$ 65.7	$ 64.7	$ 80.0	$ 284.7
Reported contingent revenues	71.6	43.1	52.4	40.2	207.3
Reported supplemental and contingent revenues	$ 145.9	$ 108.8	$ 117.1	$ 120.2	$ 492.0
2021					
Reported supplemental revenues	$ 66.8	$ 55.2	$ 61.0	$ 65.7	$ 248.7
Reported contingent revenues	63.3	43.3	43.7	37.7	188.0
Reported supplemental and contingent revenues	$ 130.1	$ 98.5	$ 104.7	$ 103.4	$ 436.7

Investment income and net gains on divestitures - This primarily represents (1) interest income earned on cash, cash equivalents and restricted funds and interest income from premium financing and (2) net gains related to divestitures and sales of books of business, which were $12.1 million and $18.8 million in 2022 and 2021, respectively. Also included in net gains in 2021 is a $8.7 million gain we recognized related to our acquisition of an additional 70% equity interest in Edelweiss Gallagher Insurance Brokers Limited (which we refer to as Edelweiss), which increased our ownership in Edelweiss to 100%. The gain represents the increase in fair value of our initial 30.0% equity interest in Edelweiss based on the purchase price paid to acquire the additional 70% equity interest.

Investment income in 2022 increased compared to 2021 primarily due to increases in interest income from our U.S. operations primarily due to increases in interest rates earned on our funds.

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2022 and 2021 compensation expense (in millions):

	2022	2021
Compensation expense, as reported	$ 4,024.7	$ 3,252.4
Acquisition integration	(107.4)	(22.3)
Workforce related charges	(36.9)	(16.2)
Acquisition related adjustments	(46.8)	(27.4)
Levelized foreign currency translation	—	(90.5)
Compensation expense, as adjusted	$ 3,833.6	$ 3,096.0
Reported compensation expense ratios	55.1%	54.5%
Adjusted compensation expense ratios	52.6%	53.5%
Reported revenues	$ 7,303.8	$ 5,967.5
Adjusted revenues - see page 33	$ 7,291.7	$ 5,791.5

The $772.3 million increase in compensation expense in 2022 compared to 2021 was primarily due to compensation associated with the acquisitions completed in the twelve month period ended December 31, 2022 - $432.7 million, base compensation related to merit wage increases and hiring of producers and other roles to service and support higher organic growth, benefits and other incentive compensation linked to operating results - $235.1 million in the aggregate, increases in acquisition integration - $85.1 million and acquisition earnout related adjustments - $19.4 million. During 2022, relative to 2021, as we increased our business activities, we saw more normalized usage of our employee medical plan and resumption of annual support-layer wage increases.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2022 and 2021 operating expense (in millions):

	2022	2021
Operating expense, as reported	$ 1,039.9	$ 757.9
Acquisition integration	(60.5)	(9.4)
Workforce and lease termination related charges	(12.0)	(4.4)
Levelized foreign currency translation	—	(25.6)
Operating expense, as adjusted	$ 967.4	$ 718.5
Reported operating expense ratios	14.2%	12.7%
Adjusted operating expense ratios	13.3%	12.4%
Reported revenues	$ 7,303.8	$ 5,967.5
Adjusted revenues - see page 33	$ 7,291.7	$ 5,791.5

The $282.0 million increase in operating expense in 2022 compared to 2021, was primarily due to expenses associated with the acquisitions completed in the twelve-month period ended December 31, 2022 - $127.8 million, increases in technology, advertising, travel, entertainment and other client-related expenses - $103.1 million in the aggregate and acquisition integration costs - $51.1 million. During 2022, relative to 2021, as we increased our business activities, we saw increases in travel and entertainment, full restoration of advertising and hiring to support growth, further investment in support of our hybrid employee environment and continued investment in cybersecurity.

Depreciation - The increase in depreciation expense in 2022 compared to 2021 was due primarily to the impact of purchases of furniture, equipment and leasehold improvements related to office consolidations and moves, and expenditures related to upgrading computer systems. Also contributing to the increases in depreciation expense in 2022 was the depreciation expense associated with acquisitions completed in 2022.

Amortization - The increase in amortization in 2022 compared to 2021 was primarily due to the impact of acquisition valuation true-ups recorded in 2022 relating to acquisitions made in fourth quarter 2021, partially offset by the impact of amortization expense of intangible assets associated with acquisitions completed in 2022 and 2021. Expiration lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names). Based on the results of impairment reviews performed on amortizable intangible assets in 2022 and 2021, we wrote off $2.0 million and $16.8 million, respectively, of amortizable intangible

assets related to the brokerage segment. We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. In reviewing intangible assets, if the undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense. We performed a qualitative impairment review on carrying value of our goodwill for all of our reporting units as of December 31, 2022 and no indicators of impairment were noted.

Change in estimated acquisition earnout payables - The change in the expense from the change in estimated acquisition earnout payables in 2022 compared to 2021 was due primarily to adjustments made to the estimated fair value of earnout obligations related to revised assumptions due to rising interest rates and increased market volatility and projections of future performance. During 2022 and 2021, we recognized $60.2 million and $34.7 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions made from 2019 to 2022. During 2022 and 2021, we recognized $30.2 million and $81.6 million of expense, respectively, related to net adjustments in the estimated fair market values of earnout obligations in connection with revised projections of future performance for 86 and 95 acquisitions, respectively. The net adjustments in 2022, include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2022.

The amounts initially recorded as earnout payables for our 2019 to 2022 acquisitions were measured at fair value as of the acquisition date and are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. We estimate future earnout payments using the earnout formula and performance targets specified in each purchase agreement and these financial projections. Subsequent changes in the underlying financial projections or assumptions will cause the estimated earnout obligations to change and such adjustments are recorded in our consolidated statement of earnings when incurred. Increases in the earnout payable obligations will result in the recognition of expense and decreases in the earnout payable obligations will result in the recognition of income.

Provision for income taxes - The brokerage segment's effective tax rate in 2022 and 2021 was 24.7% and 24.4%, respectively. In first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26% and caused us to incur additional income tax expense. We anticipate reporting an effective tax rate of approximately 24.5% to 26.5% in our brokerage segment based on known changes in tax rates in future periods.

Net earnings attributable to noncontrolling interests - The amounts reported in this line for 2022 and 2021 include noncontrolling interest earnings of $4.4 million and $8.4 million, respectively.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

During 2022, we received a subpoena from the FCPA Unit of the DOJ seeking information related to our insurance business with public entities in Ecuador. We continue to fully cooperate with the investigation.

As previously disclosed, our IRC 831(b) (or "micro-captive") advisory services business has been under audit by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these

operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Risk Management

The risk management segment accounted for 14% of our revenue in 2022. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, not for profit, captive and public entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Financial information relating to our risk management segment results for 2022 and 2021 (in millions, except per share, percentages and workforce data):

Statement of Earnings	2022	2021	Change
Fees	$ 1,090.8	$ 967.2	$ 123.6
Investment income	0.9	0.3	0.6
Net gains on divestitures	0.9	0.1	0.8
Revenues before reimbursements	1,092.6	967.6	125.0
Reimbursements	130.5	133.0	(2.5)
Total revenues	1,223.1	1,100.6	122.5
Compensation	664.9	580.7	84.2
Operating	233.9	209.8	24.1
Reimbursements	130.5	133.0	(2.5)
Depreciation	37.8	46.2	(8.4)
Amortization	6.2	7.5	(1.3)
Change in estimated acquisition earnout payables	(7.4)	3.3	(10.7)
Total expenses	1,065.9	980.5	85.4
Earnings before income taxes	157.2	120.1	37.1
Provision for income taxes	41.4	30.6	10.8
Net earnings	115.8	89.5	26.3
Net earnings attributable to noncontrolling interests	—	—	—
Net earnings attributable to controlling interests	$ 115.8	$ 89.5	$ 26.3
Diluted earnings per share	$ 0.54	$ 0.43	$ 0.11
Other information			
Change in diluted earnings per share	26%	26%	
Growth in revenues (before reimbursements)	13%	18%	
Organic change in fees (before reimbursements)	13%	12%	
Compensation expense ratio (before reimbursements)	61%	60%	
Operating expense ratio (before reimbursements)	21%	22%	
Effective income tax rate	26%	25%	
Workforce at end of period (includes acquisitions)	8,430	7,308	
Identifiable assets at December 31	$ 1,142.5	$ 1,034.4	

The following provides non-GAAP information that management believes is helpful when comparing 2022 and 2021 EBITDAC and adjusted EBITDAC (in millions):

	2022	2021	Change
Net earnings, as reported	$ 115.8	$ 89.5	29.4%
Provision for income taxes	41.4	30.6	
Depreciation	37.8	46.2	
Amortization	6.2	7.5	
Change in estimated acquisition earnout payables	(7.4)	3.3	
Total EBITDAC	193.8	177.1	9.4%
Net gains on divestitures	(0.9)	(0.1)	
Workforce and lease termination related charges	6.4	7.1	
Acquisition related adjustments	0.4	0.4	
Acquisition integration	1.8	—	
Levelized foreign currency translation	—	(3.5)	
EBITDAC, as adjusted	$ 201.5	$ 181.0	11.3%
Net earnings margin, before reimbursements, as reported	10.6%	9.3%	+125 bpts
EBITDAC margin, before reimbursements, as adjusted	18.5%	19.0%	-54 bpts
Reported revenues before reimbursements	$ 1,092.6	$ 967.6	
Adjusted revenues - before reimbursements - see page 33	$ 1,091.7	$ 952.8	

Fees - In 2022, our risk management operations, new core workers' compensation and general liability claims arising improved due to our clients' improving business conditions and are well above 2020 pandemic lows. We believe these favorable trends should continue for 2023, however, deteriorating economic conditions or a reversal in the number of workers employed, could cause fewer new core workers' compensation claims to arise in future quarters. Organic change in fee revenues was 13% in 2022 and 12% in 2021.

Items excluded from organic fee computations yet impacting revenue comparisons in 2022 and 2021 include the following (in millions):

	Year Ended December 31,		
	2022	2021	Change
Fees	$ 1,075.8	$ 954.0	12.8%
International performance bonus fees	15.0	13.2	
Fees as reported	1,090.8	967.2	12.8%
Less fees from acquisitions	(12.0)	—	
Less divested operations	—	(0.3)	
Levelized foreign currency translation	—	(14.7)	
Organic fees	$ 1,078.8	$ 952.2	13.3%

Reimbursements - Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue on a gross basis and service partner vendor fees in the operating expense line in our consolidated statement of earnings. The decrease in reimbursements in 2022 compared to 2021 was primarily due to a change in business mix that is processed internally versus using outside service partners.

Investment income - Investment income primarily represents interest income earned on our cash and cash equivalents. Investment income in 2022 increased compared to 2021 primarily due to increases in interest income from our U.S. operations due to increases in interest rates earned on our funds.

Compensation expense - The following provides non-GAAP information that management believes is helpful when comparing 2022 and 2021 compensation expense compensation expense (in millions):

	2022	2021
Compensation expense, as reported	$ 664.9	$ 580.7
Acquisition integration	(0.3)	—
Workforce and lease termination related charges	(4.0)	(2.3)
Acquisition related adjustments	(0.4)	(0.4)
Levelized foreign currency translation	—	(9.1)
Compensation expense, as adjusted	$ 660.2	$ 568.9
Reported compensation expense ratios (before reimbursements)	60.9%	60.0%
Adjusted compensation expense ratios (before reimbursements)	60.5%	59.7%
Reported revenues (before reimbursements)	$ 1,092.6	$ 967.6
Adjusted revenues (before reimbursements) - see page 33	$ 1,091.7	$ 952.8

The $84.2 million increase in compensation expense in 2022 compared to 2021 was primarily due to increased base compensation related to merit wage increases and hiring to support growth, and other incentive compensation linked to operating results - $76.0 million in the aggregate, and compensation associated with the acquisitions completed in the twelve month period ended December 31, 2022 - $8.2 million.

Operating expense - The following provides non-GAAP information that management believes is helpful when comparing 2022 and 2021 operating expense operating expense (in millions):

	2022	2021
Operating expense, as reported	$ 233.9	$ 209.8
Workforce and lease termination related charges	(2.4)	(4.8)
Acquisition integration	(1.5)	—
Levelized foreign currency translation	—	(2.1)
Operating expense, as adjusted	$ 230.0	$ 202.9
Reported operating expense ratios (before reimbursements)	21.4%	21.7%
Adjusted operating expense ratios (before reimbursements)	21.1%	21.3%
Reported revenues (before reimbursements)	$ 1,092.6	$ 967.6
Adjusted revenues - (before reimbursements) see page 33	$ 1,091.7	$ 952.8

The $24.1 million increase in operating expense in 2022 compared to 2021 was primarily due to increases in professional fees, business insurance, travel, entertainment and other client-related expenses, partially offset by savings in real estate related to office consolidations - $20.1 million in the aggregate, acquisition integration - $1.5 million and expenses associated with the acquisitions completed in the twelve month period ended December 31, 2022 - $2.5 million.

Depreciation - Depreciation expense decreased in 2022 compared to 2021, which reflects the impact of office consolidations that occurred as leases expired in 2022 and 2021 (less depreciation associated with furniture, equipment and leasehold improvements), partially offset by expenditures related to upgrading computer systems.

Amortization - Amortization expense decreased in 2022 compared to 2021. The decrease in amortization in 2022 compared to 2021 was primarily due to the impact of amortization expense of intangible assets associated with acquisitions completed in 2022 and to an intangible asset impairment in 2021. Based on the results of impairment reviews performed on amortizable intangible assets during 2022 and 2021, we wrote off zero and $0.8 million, respectively, of amortizable assets related to the risk management segment.

Change in estimated acquisition earnout payables - The change in expense from the change in estimated acquisition earnout payables in 2022 compared to 2021, were due primarily to adjustments made in 2022 and 2021 to the estimated fair value of an earnout obligation related to revised projections of future performance. During 2022 and 2021, we recognized $0.8 million and $1.0 million, respectively, of expense related to the accretion of the discount recorded for earnout obligations in connection with our

2019 to 2022 acquisitions, respectively. During 2022, we recognized $8.2 million of income related to net adjustments in the estimated fair value of earnout obligations related to revised projections of future performance for three acquisitions. During 2021, we recognized $2.3 million of expense related to net adjustments in the estimated fair value of earnout obligations related to revised projections of future performance for four acquisitions.

Provision for income taxes - We allocate the provision for income taxes to the risk management segment using local statutory rates. The risk management segment's effective tax rate in 2022 and 2021 was 26.3% and 25.5%, respectively. In first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26% and caused us to incur additional income tax expense. We anticipate reporting an effective tax rate on adjusted results of approximately 25.0% to 27.0% in our risk management segment based on known changes in tax rates in future periods.

Corporate

The corporate segment reports the financial information related to our clean energy and other investments, our debt, certain corporate and acquisition-related activities and the impact of foreign currency remeasurement. See Note 14 to our 2022 consolidated financial statements for a summary discussion of the nature of our investments at December 31, 2022 and 2021. See Note 8 to our 2022 consolidated financial statements for a summary of our debt at December 31, 2022 and 2021.

Financial information relating to our corporate segment results for 2022 and 2021 (in millions, except per share and percentages):

Statement of Earnings	2022	2021	Change
Revenues from consolidated clean coal facilities	$ 22.3	$ 1,075.4	$ (1,053.1)
Royalty income from clean coal licenses	0.7	67.7	(67.0)
Loss from unconsolidated clean coal facilities	—	(2.3)	2.3
Other income	0.7	0.5	0.2
Total revenues	23.7	1,141.3	(1,117.6)
Cost of revenues from consolidated clean coal facilities	22.9	1,173.2	(1,150.3)
Compensation	110.2	94.4	15.8
Operating	57.1	104.7	(47.6)
Interest	256.9	226.1	30.8
Loss on extinguishment of debt	—	16.2	(16.2)
Depreciation	3.3	17.2	(13.9)
Total expenses	450.4	1,631.8	(1,181.4)
Loss before income taxes	(426.7)	(490.5)	63.8
Benefit for income taxes	(225.1)	(339.4)	114.3
Net loss	(201.6)	(151.1)	(50.5)
Net (loss) earnings attributable to noncontrolling interests	(2.6)	39.8	(42.4)
Net loss attributable to controlling interests	$ (199.0)	$ (190.9)	$ (8.1)
Diluted net loss per share	$ (0.93)	$ (0.92)	$ (0.01)
Identifiable assets at December 31	$ 2,560.2	$ 2,489.6	
EBITDAC			
Net loss	$ (201.6)	$ (151.1)	$ (50.5)
Benefit for income taxes	(225.1)	(339.4)	114.3
Interest	256.9	226.1	30.8
Loss on extinguishment of debt	—	16.2	(16.2)
Depreciation	3.3	17.2	(13.9)
EBITDAC	$ (166.5)	$ (231.0)	$ 64.5

Revenues - Revenues in the corporate segment consist of the following:

•Revenues from consolidated clean coal production plants represents revenues from the consolidated IRC Section 45 facilities in which we have a majority ownership position and maintain control over the operations at the related facilities. The law governing IRC Section 45 tax credits expired as of December 31, 2021.

•The decrease in revenue from consolidated clean coal production plants in 2022 compared to 2021, was due to the expiration of the IRC Section 45 program. Even though the law governing IRC Section 45 tax credits expired as of December 31, 2021, we did have some production at our clean coal production plants in 2022 to run-off existing chemical supplies.

•Royalty income from clean coal licenses represents revenues related to Chem-Mod LLC. We hold a 46.5% controlling interest in Chem-Mod LLC. As Chem-Mod LLC's manager, we are required to consolidate its operations.

•The decrease in royalty income in 2022 compared to 2021 was due to the IRC Section 45 program expiring as of December 31, 2021.

Loss from unconsolidated clean coal production plants represents our equity portion of the pretax operating results from the unconsolidated IRC Section 45 facilities. The production of refined coal generates pretax operating losses.

Cost of revenues - Cost of revenues from consolidated clean coal production plants in 2022 and 2021 consists of the cost of coal, labor, equipment maintenance, chemicals, supplies, management fees and depreciation incurred by the clean coal production plants to generate the consolidated revenues discussed above. The decrease in cost of revenues in 2022 compared to 2021, was due to the expiration of the IRC Section 45 program. Even though the law governing IRC Section 45 tax credits expired as of December 31, 2021, we did have some production at our clean coal production plants in 2022 to run-off existing chemical supplies.

Compensation expense - Compensation expense for 2022 and 2021 includes salary, incentive compensation, and associated benefit expenses of $110.2 million and $94.4 million, respectively. The $15.8 million increase in 2022 compensation expense compared to 2021 was primarily due to transaction-related costs as described on page 50 in note (2) as well as higher incentive compensation recognized in 2022 compared to 2021.

Operating expense - Operating expense for 2022 includes banking and related fees of $2.5 million, external professional fees and other due diligence costs related to 2022 acquisitions of $40.8 million, which includes specific transaction-related costs as described on page 50 in note (2), other corporate and clean energy related expenses of $44.4 million, including legal fees, and costs associated with the idling of the Section 45 program and a net unrealized foreign exchange remeasurement gain of $30.6 million.

Operating expense for 2021 includes banking and related fees of $3.6 million, external professional fees and other due diligence costs related to 2021 acquisitions of $40.8 million, which includes specific transaction-related costs as described on page 50 in note (2), other corporate and clean energy related expenses of $59.6 million, including legal fees, and costs associated with the idling of the Section 45 program and a net unrealized foreign exchange remeasurement loss of $0.7 million.

Interest expense - The increase in interest expense in 2022 compared to 2021 was due to the following (in millions):

Change in interest expense related to:	**2022 / 2021**
Interest on borrowings from our Credit Agreement	$ 5.2
Interest on the maturity of the Series G notes	(4.0)
Interest on the maturity of the Series C notes	(0.4)
Interest on the $500.0 million notes funded on June 13, 2018	0.7
Interest on the $100.0 million notes funded on February 10, 2020	0.3
Interest on the $75.0 million notes funded on May 5, 2021	1.0
Interest on the $1,500.0 million senior notes funded on May 20, 2021	7.8
Interest on the $750.0 million notes funded on November 9, 2021	18.1
Amortization of hedge gains	2.1
Net change in interest expense	$ 30.8

Depreciation - Depreciation expense in 2022 decreased compared to 2021, due to the IRC Section 45 fixed assets becoming fully depreciated in 2021 related to the expiration of the IRC Section 45 program.

Net (losses) earnings attributable to noncontrolling interests - The amounts reported in this line for 2022 and 2021 primarily include noncontrolling interest (losses) earnings of $(2.6) million and $39.8 million, respectively, related to our investment in ChemMod LLC. As of December 31, 2022 and 2020, we held a 46.5% controlling interest in Chem-Mod LLC. Also, included in net

earnings attributable to noncontrolling interests are offsetting amounts related to non-Gallagher owned interests in several clean energy investments.

Benefit for income taxes - We allocate the provision for income taxes to the brokerage and risk management segments using local statutory rates. As a result, the provision for income taxes for the corporate segment reflects the entire benefit to us of the IRC Section 45 credits generated, because that is the segment which produced the credits. The law that provides for IRC Section 45 tax credits expired in December 2019 for 14 of our 2009 Era Plants and expired in December 2021 for 21 of our 2011 Era Plants. Our consolidated effective tax rate was 15.9% and 2.1%, for 2022 and 2021, respectively. The tax rate for 2022 was lower than the statutory rate primarily due to the state tax benefits of legal entity restructuring, the revaluation of state deferred tax assets to a higher effective tax rate, as well as the establishment of new deferred tax assets related to U.K. loss deferral. The tax rate for 2021 was lower than the statutory rate primarily due to the amount of IRC Section 45 tax credits recognized during the year. There were no IRC Section 45 tax credits produced in 2022. There were $193.4 million of IRC Section 45 tax credits generated and recognized in 2021. In the first quarter of 2022, we increased our state effective income tax rate, which resulted in the overall U.S. effective income tax rate increasing from 25% to 26%, and caused us to incur additional income tax benefit during the quarter and recognized a one-time benefit related to the revaluation of certain deferred income tax assets. In 2022, we recognized a one-time U.S. state tax benefit that resulted from legal entity restructuring and an unfavorable U.K. tax impact related to earnout liability adjustments. In addition, the production of IRC Section 45 clean energy tax credits ceased in December 2021. In second quarter 2021, the U.K. government enacted tax legislation that increases the corporate tax rate from 19.0% to 25.0% effective in April 2023. In late 2022, when it became clear the new U.K. Prime Minister was not going to reverse the corporate rate increase, we recognized a one-time benefit associated with the deferral of U.K. tax losses to a future year. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2022 and 2021 was $59.3 million and $40.0 million, respectively.

Significant Future Income Tax Law Changes - In 2022, the U.S. enacted the IRA and the Creating Helpful Incentives to Produce Semiconductors (which we refer to as CHIPS) and Science Act of 2022. We do not anticipate any significant impacts from either law change, see more discussions of those provisions below.

Also in 2022, several jurisdictions began announcing their intent to adopt the OECD's global minimum tax regime, also referred to as Pillar 2. Both the U.K. and Canada announced their intent to enact the regime to varying degrees by the end of 2023. The EU ultimately reached unanimity to do the same in December 2022. As of the end of 2022, it appears that South Korea may be the only country that has actually enacted Pillar 2. While their legislation appears to have accelerated certain aspects of the Pillar 2 regime that were not intended to take effect until 2025, it remains unclear if there will be actions to reconsider those effective dates. Given different countries may enact Pillar 2 slightly differently than the model rules and on different timelines and additional transitional guidance is still pending, we are still evaluating the potential consequences of Pillar 2 on our financial position.

U.S. Federal Income Tax Law Changes Items Impacting the Company Going Forward

Alternative Minimum Tax Credit - The IRA enacted a book-based Corporate Alternative Minimum Tax (which we refer to as CAMT) for years beginning after 2022. The CAMT imposes a minimum 15% cash tax on adjusted book income before general business credits. As such, we do not currently anticipate being subject to the CAMT and even if we were to find ourselves subject to in in a particular year, we do not believe there would be an impact on our earnings.

Excise Tax On Stock Buybacks - The IRA adds a 1% surtax to corporate stock repurchases effective January 2023. Our board approved a common stock repurchase program in 2021. If we were to effectuate stock repurchases under this program, the excise tax would not have a material impact on our results of operations or cash flows.

New Tax Credits for Renewable Energy - The IRA introduced new tax credits for certain renewable energy projects and onshoring certain manufacturing activities associated with those projects. While we continue to explore additional renewable energy investments, we do not currently anticipate significant benefits from these new incentive programs.

The following provides non-GAAP information that we believe is helpful when comparing 2022 and 2021 operating results for the corporate segment (in millions):

	2022			2021		
	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests	Pretax Loss	Income Tax Benefit	Net Earnings (Loss) Attributable to Controlling Interests
Components of Corporate Segment, as reported						
Interest and banking costs	$ (259.4)	$ 67.3	$ (192.1)	$ (245.9)	$ 61.4	$ (184.5)
Clean energy related (1)	(12.6)	3.4	(9.2)	(135.4)	232.8	97.4
Acquisition costs (2)	(44.9)	3.7	(41.2)	(54.9)	9.5	(45.4)
Corporate (3) (4)	(107.2)	150.7	43.5	(94.1)	35.7	(58.4)
Reported Year Ended	(424.1)	225.1	(199.0)	(530.3)	339.4	(190.9)
Adjustments						
Loss on extinguishment of debt (2)	—	—	—	16.2	(4.0)	12.2
Transaction-related costs (2)	33.4	(2.7)	30.7	47.9	(9.4)	38.5
Legal and income tax related (3)	(5.0)	(45.2)	(50.2)	9.5	34.1	43.6
Components of Corporate Segment, as adjusted						
Interest and banking costs	(259.4)	67.3	(192.1)	(229.7)	57.4	(172.3)
Clean energy related (1)	(12.6)	3.4	(9.2)	(135.4)	232.8	97.4
Acquisition costs	(11.5)	1.0	(10.5)	(7.0)	0.1	(6.9)
Corporate (4)	(112.2)	105.5	(6.7)	(84.6)	69.8	(14.8)
Adjusted Year Ended	$ (395.7)	$ 177.2	$ (218.5)	$ (456.7)	$ 360.1	$ (96.6)

(1)Pretax losses for the years ended December 31, 2022 and 2021 are presented net of amounts attributable to noncontrolling interests of $(2.6) million and $39.8 million, respectively.

(2)We incurred transaction-related costs, which include legal, consulting, employee compensation and other professional fees primarily associated with our acquisition of the Willis Re and the pending acquisition of Buck, which was announced on December 20, 2022. In third quarter 2021, we redeemed $650 million of 2031 Senior Notes and incurred a loss of $16.2 million related to the early extinguishment of such debt.

(3)Adjustments in fourth quarter 2022 include (a) additional U.K. income tax expense related to the non-deductibility of acquisition-related adjustments made in the quarter, (b) gains and costs associated with legal and tax matters, (c) income tax provision adjustments as we filed our 2021 tax returns and (d) income tax benefit related to adjusting certain U.K. deferred income tax assets to the future 25% corporate income tax rate. Adjustments in fourth quarter 2021 include (a) additional U.K. and U.S. income tax expense related to the non-deductibility of acquisition related adjustments made in the quarter, (b) costs related to a legal settlement and (c) income tax adjustments as we filed our 2020 tax returns in the fourth quarter and finalized our 2021 income tax provisions within the U.S. and foreign jurisdictions where we operate.

(4)Corporate pretax loss includes a net unrealized foreign exchange remeasurement gain of $30.6 million in the year ended December 31, 2022 and a net unrealized foreign exchange remeasurement loss $0.9 million in the year ended December 31, 2021.

Interest and banking costs and debt - Interest and banking costs includes expenses related to our debt.

Clean energy related - Includes the operating results related to our investments in clean coal production plants and Chem-Mod LLC and costs related to staff working on other tax advantaged opportunities.

Acquisition costs - Consists mostly of external professional fees and other due diligence costs related to acquisitions. On occasion, we enter into forward currency hedges for the purchase price of committed, but not yet funded, acquisitions with funding requirements in currencies other than the U.S. dollar. The gains or losses, if any, associated with these hedge transactions is also included.

Corporate - Consists of overhead allocations mostly related to corporate staff compensation, other corporate level activities, other corporate level activities and net unrealized foreign exchange remeasurement. In addition, includes the tax expense related to partial taxation of foreign earnings, nondeductible executive compensation and entertainment expenses and the tax benefit from vesting of employee equity awards. The income tax benefit of stock based awards that vested or were settled in the years ended December 31, 2022 and 2021 was $59.3 million and $40.0 million, respectively, and is included in the table above in the Corporate line.

Clean Energy Investments - We have investments in limited liability companies that own or have owned 29 clean coal production plants developed by us and six clean coal production plants we purchased from a third party. All 35 plants produced refined coal using propriety technologies owned by Chem-Mod LLC. We believe that the production and sale of refined coal at these plants prior to 2022 were qualified to receive refined coal tax credits under IRC Section 45. The 14 2009 Era Plants received tax credits through 2019 and the 21 2011 Era Plants received tax credits through 2021.

Our investment in Chem-Mod LLC prior to 2022 generated royalty income from refined coal production plants owned by those limited liability companies in which we invested as well as refined coal production plants owned by other unrelated parties.

See the risk factors regarding our IRC Section 45 investments under Item 1A, “Risk Factors.” for a more detailed discussion of these and other factors could impact the information above. See Note 14 to our 2022 consolidated financial statements for more information regarding risks and uncertainties related to these investments.

Liquidity and Capital Resources

Liquidity describes the ability of a company to generate sufficient cash flows to meet the cash requirements of its business operations. The insurance brokerage industry is not capital intensive. Historically, our capital requirements have primarily included dividend payments on our common stock, repurchases of our common stock, funding of our investments, acquisitions of brokerage and risk management operations and capital expenditures.

On December 1, 2021, we acquired substantially all of the Willis Re for an initial gross consideration of $3.17 billion, and potential additional consideration of $750 million subject to certain third-year revenue targets. We funded the transaction using cash on hand, including the $1.4 billion of net cash raised in our May 17, 2021 follow-on common stock offering, $850 million of net cash borrowed in our May 20, 2021 30-year senior note issuance, $750 million of net cash borrowed in our November 9, 2021 10-year ($400 million) and 30-year ($350 million) senior note issuances and short-term borrowings.

On December 20, 2022, we signed a definitive agreement to acquire the partnership interests of Buck, for a gross consideration of $660.0 million or approximately $585.0 million net of agreed seller funded expenses and net working capital. We expect to fund the transaction via free cash flow and short-term borrowings. The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals. Total expected expense to integrate Buck in to our operations are approximately $125.0 million.

Operating Cash Flows

Historically, we have depended on our ability to generate positive cash flow from operations to meet a substantial portion of our cash requirements. We believe that our cash flows from operations and borrowings under our Credit Agreement will provide us with adequate resources to meet our liquidity needs in the foreseeable future. To fund acquisitions made during 2022 and 2021, we relied on a combination of net cash flows from operations, proceeds from borrowings under our Credit Agreement, proceeds from issuances of senior unsecured notes and the follow-on common stock offering.

Cash provided by operating activities was $2,125.4 million and $1,704.1 million for 2022 and 2021, respectively. The increase in cash provided by operating activities during 2022 compared to the same period in 2021 was primarily due to growth in our core broking and risk management operations, timing differences between periods with cash receipts and disbursements related to other current assets and current liabilities compared to 2021, to the collection of refined coal production related receivables due to the wind up of clean coal operations and the cash benefit related to the utilization of IRC Section 45 tax credits. With respect to the 2022 provision for deferred income taxes, the decrease in the deferred tax asset for the utilization of IRC Section 45 tax credits was offset by the increase in deferred tax assets related to capitalized indirect property costs and U.K. net operating loss carryforwards.

The 2022 and 2021 income taxes paid amounts were unfavorably impacted compared to 2020 due to tax method changes filed with our 2020 tax returns in the fourth quarter of 2021. The U.S. Federal method changes also affected our 2022 and 2021 estimated tax payments. In 2021 we made a payment of approximately $106.0 million of tax prepayments with regards to the tax method changes. Also in 2022, we elected to defer the utilization of 2021 and 2022 net operating losses in the U.K causing additional cash tax payments of $28.4 million relating to 2021 and $49.0 million relating to 2022. Both the U.S. and U.K. payments would have been made in future periods, and do not represent additional taxes due.

During 2022 and 2021, employee matching contributions to the 401(k) plan of $65.7 million and $63.6 million, respectively, relating to 2021 and 2020 were funded using common stock.

Our cash flows from operating activities are primarily derived from our earnings from operations, as adjusted, for our non-cash expenses, which include depreciation, amortization, change in estimated acquisition earnout payables, deferred compensation, restricted stock, and stock-based and other non-cash compensation expenses. Historically, cash provided by operating activities was unfavorably impacted if the amount of IRC Section 45 tax credits generated (which is the amount we recognized for financial reporting purposes) was greater than the amount of tax credits utilized to reduce our tax cash obligations. Excess tax credits produced in 2021 and 2020 resulted in an increase to our deferred tax assets, which was a net use of cash related to operating activities. In 2022,

Section 45 credits were no longer generated due to the IRC Section 45 program expiring as of December 31, 2021, and therefore the Section 45 credit utilization against our cash tax obligation resulted in favorable cash flow in 2022. Please see “Clean energy investments” below for more information on their potential future impact on cash provided by operating activities.

When assessing our overall liquidity, we believe that the focus should be on net earnings as reported in our consolidated statement of earnings, adjusted for non-cash items (i.e., EBITDAC), and cash provided by operating activities in our consolidated statement of cash flows. Consolidated EBITDAC was $2,266.5 million and $1,903.3 million for 2022 and 2021, respectively. Net earnings attributable to controlling interests were $1,114.2 million and $906.8 million for 2022 and 2021, respectively. We believe that EBITDAC items are indicators of trends in liquidity. From a balance sheet perspective, we believe the focus should not be on premium and fees receivable, premiums payable or restricted cash for trends in liquidity. Net cash flows provided by operations will vary substantially from quarter to quarter and year to year because of the variability in the timing of premiums and fees receivable and premiums payable. We believe that in order to consider these items in assessing our trends in liquidity, they should be looked at in a combined manner, because changes in these balances are interrelated and are based on the timing of premium payments, both to and from us. In addition, funds legally restricted as to our use relating to premiums and clients’ claim funds held by us in a fiduciary capacity are presented in our consolidated balance sheet as “Restricted cash” and have not been included in determining our overall liquidity.

Fiduciary Funds

In addition, cash provided by operating activities in 2022 was favorably impacted by timing differences in the receipts and disbursements of client fiduciary related balances in 2022 compared to 2021. The following table summarizes two lines from our consolidated statement of cash flows and provides information that management believes is helpful when comparing changes in client fiduciary related balances for 2022 and 2021 (in millions):

	2022	2021
Net change in premiums and fees receivable	$ (4,789.3)	$ 132.9
Net change in premiums payable to underwriting enterprises	5,084.2	35.5
Net cash provided by the above	$ 294.9	$ 168.4

In our capacity as an insurance broker, we collect premiums from insureds and, after deducting our commissions and/or fees, remit these premiums to underwriting enterprises. We hold unremitted insurance premiums in a fiduciary capacity until we disburse them, and the use of such funds is restricted by laws in certain states and foreign jurisdictions in which our subsidiaries operate. Various state and foreign agencies regulate insurance brokers and provide specific requirements that limit the type of investments that may be made with such funds. Accordingly, we invest these funds in cash and U.S. Treasury fund accounts. We can earn interest income on these unremitted funds, which is included in investment income in the accompanying consolidated statement of earnings. These unremitted amounts are reported as restricted cash in the accompanying consolidated balance sheet, with the related liability reported as premiums payable to underwriting enterprises. Additionally, several of our foreign subsidiaries are required by various foreign agencies to meet certain liquidity and solvency requirements. Related to our third party administration business and in certain of our brokerage operations, we are responsible for client claim funds that we hold in a fiduciary capacity. We do not earn any interest income on the funds held. These client funds have been included in restricted cash, along with a corresponding liability in premiums payable to underwriting enterprises in the accompanying consolidated balance sheet.

At December 31, 2022 and 2021, we had fiduciary funds of $4.6 billion and $4.1 billion, respectively. The increase in the fiduciary funds and the premiums receivables and payables between periods is due primarily to the growth in our reinsurance operations in 2022.

Defined Benefit Pension Plan

Our policy for funding our defined benefit pension plan is to contribute amounts at least sufficient to meet the minimum funding requirements under the IRC. The Employee Retirement Security Act of 1974, as amended (which we refer to as ERISA), could impose a minimum funding requirement for our plan. We were not required to make any minimum contributions to the plan for the 2022 and 2021 plan years. Funding requirements are based on the plan being frozen and the aggregate amount of our historical funding. The plan’s actuaries determine contribution rates based on our funding practices and requirements. Funding amounts may be influenced by future asset performance, the level of discount rates and other variables impacting the assets and/or liabilities of the plan. In addition, amounts funded in the future, to the extent not due under regulatory requirements, may be affected by alternative uses of our cash flows, including dividends, acquisitions and common stock repurchases. During 2022 and 2021 we did not make discretionary contributions to the plan.

See Note 13 to our 2022 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan. We are required to recognize an accrued benefit plan liability for our underfunded defined benefit pension plan (which we refer to together as the Plan). The offsetting adjustment to the liabilities required to be recognized for the Plan is recorded

in “Accumulated Other Comprehensive Loss,” net of tax, in our consolidated balance sheet. We will recognize subsequent changes in the funded status of the Plans through the income statement and as a component of comprehensive earnings, as appropriate, in the year in which they occur. Numerous items may lead to a change in funded status of the Plan, including actual results differing from prior estimates and assumptions, as well as changes in assumptions to reflect information available at the respective measurement dates.

In 2022, the funded status of the Plan was favorably impacted by an increase in the discount rates used in the measurement of the pension liabilities at December 31, 2022 and other assumption changes, the net impact of which was approximately $70.5 million. In addition, the funded status was unfavorably impacted by returns on the plan’s assets being significantly lower in 2022 than anticipated by approximately $(72.8) million (negative return). The net change in the funded status of the Plan in 2022 resulted in a decrease in noncurrent assets in 2022 of $2.3 million. In 2021, the funded status of the Plan was favorably impacted by an increase in the discount rates used in the measurement of the pension liabilities at December 31, 2021, the net impact of which was approximately $13.6 million. In addition, the funded status was favorably impacted by returns on the plan’s assets being higher in 2021 than anticipated by approximately $17.1 million. The net change in the funded status of the Plan in 2021 resulted in a decrease in noncurrent liabilities in 2021 of $30.7 million. While the change in the funded status of the Plan had no direct impact on our cash flows from operations in 2022 and 2021, potential changes in the pension regulatory environment and investment losses in our pension plan have an effect on our capital position and could require us to make significant contributions to our defined benefit pension plan and increase our pension expense in future periods.

Investing Cash Flows

Capital Expenditures - Capital expenditures were $182.7 million and $128.6 million for 2022 and 2021, respectively. In 2022 and 2021 capital expenditures include amounts incurred related to office moves, investments made in information technology and software development projects. Relating to the development of our corporate headquarters, we received property tax related credits under a tax-increment financing note from Rolling Meadows, Illinois and an Illinois state EDGE tax credit. Recent assessed valuations of the corporate headquarters by the county indicates that incentives from these two programs could total between $50.0 million and $80.0 million over a fifteen-year period. In 2023, we expect total expenditures for capital improvements to be approximately $200.0 million, part of which is related to expenditures on office moves and investments being made in information technology and software development projects.

Acquisitions - Cash paid for acquisitions, net of cash and restricted cash acquired, was $764.9 million and $3,250.9 million in 2022 and 2021, respectively. The decreased use of cash for acquisitions in 2022 compared to 2021 was primarily due to our acquisition of Willis Re in 2021. In addition, during 2022 and 2021 we issued 0.9 million shares ($164.6 million) and 1.7 million shares ($249.6 million), respectively, of our common stock as payment for a portion of the total consideration paid for acquisitions and earnout payments. We completed 37 and 38 acquisitions in 2022 and 2021, respectively. Annualized revenues of businesses acquired in 2022 and 2021 totaled approximately $246.5 million and $1,002.0 million, respectively. In 2023, we expect to use new debt, our Credit Agreement, cash from operations and our common stock, or a combination thereof to fund all of the acquisitions we complete.

If liquidity concerns arise, we may be more likely to use common stock to fund acquisitions.

Dispositions - During 2022 and 2021, we sold several books of business and recognized one-time gains of $13.0 million and $18.9 million, respectively.

We received cash proceeds of $11.0 million and $15.7 million for 2022 and 2021, respectively, related to these transactions.

Clean Energy Investments - During the period from 2009 through 2021, we made significant investments in clean energy operations capable of producing refined coal that we believe qualified for tax credits under IRC Section 45. The IRC Section 45 tax credits generate positive cash flow by reducing the amount of federal income taxes we pay. We anticipate positive net cash flow related to IRC Section 45 activity in 2023. However, there are several variables that can impact net cash flow from clean energy investments in any given year. Therefore, accurately predicting cash in particular future periods is not possible at this time. However, if we continue to generate sufficient taxable income to use the tax credits produced by our IRC Section 45 investments, we anticipate that these investments will continue to generate positive net cash flows due to the utilization of IRC Section 45 tax credits to offset taxable income in years after the program expired. In October 2022, we filed our 2021 federal tax return and elected to continue a tax method change in that return. This resulted in an acceleration of the amount of tax credits that we utilized on the return by approximately $150.0 million, which was recorded in fourth quarter 2022. We also amended our 2014 and 2015 federal tax returns in the fourth quarter 2022, which resulted in a refund of $3.7 million of IRC Section 45 tax credits. While we cannot precisely forecast the cash flow impact in any particular period, we anticipate that the net cash flow impact of IRC Section 45 activity will be positive overall. Please see "Clean energy investments" on pages 50 and 51 for a more detailed description of these investments and their risks and uncertainties.

Financing Cash Flows

On August 27, 2020, we entered into an amendment to our amended and restated multicurrency credit agreement dated June 7, 2019 (which we refer to as the Credit Agreement). The amendment to the Credit Agreement provided that the obligation of each subsidiary of Gallagher that was a borrower, guarantor and/or obligor under the Credit Agreement, ceased to apply and that each such subsidiary was released from all of its obligations under the Credit Agreement. The amendment also replaced the minimum asset covenant with a priority indebtedness covenant, substantially similar to other priority indebtedness covenants applicable to us under our private placement note purchase agreements.

On December 14, 2022, we entered into a second amendment to the Credit Agreement. The second amendment to the Credit Agreement provided that LIBOR should be replaced with a successor rate. The amendment also included additional terms and conditions for SOFR loans and RFR loans. See Note 8 to our 2022 consolidated financial statements for more detail.

There were $60.0 million of borrowings outstanding under the Credit Agreement at December 31, 2022. Due to the outstanding borrowing and letters of credit, $1,150.6 million remained available for potential borrowings under the Credit Agreement at December 31, 2022.

We use the Credit Agreement to post letters of credit and to borrow funds to supplement our operating cash flows from time to time. During 2022, we borrowed an aggregate of $2,570.0 million and repaid $2,555.0 million under our Credit Agreement. During 2021, we borrowed an aggregate of $1,280.0 million and repaid $1,235.0 million under our Credit Agreement. Principal uses of the 2022 and 2021 borrowings under the Credit Agreement were to fund acquisitions, earnout payments related to acquisitions and general corporate purposes.

On September 20, 2022, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility) that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The amendment, among other things, extended the expiration date of the Premium Financing Debt Facility from September 15, 2023 to September 15, 2024, and increased the total commitment for the AU$ denominated tranche from AU$340.0 million to AU$410.0 million. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU$350.0 million and NZ$25.0 million tranches (the NZ$ tranche will decrease as of May 1, 2023 to NZ$10.0 million), (ii) Facility C, an AU$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ$15.0 million equivalent multi-currency overdraft tranche. At December 31, 2022, AU$325.0 million and NZ$0.0 million of borrowings were outstanding under Facility B, AU$22.5 million of borrowings outstanding under Facility C and NZ$14.5 million of borrowings were outstanding under Facility D, which in aggregate amount to US$241.9 million of borrowings outstanding under the Premium Financing Debt Facility.

On February 10, 2021, we closed a private placement of $100.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.44% and are due in 2036. We used the proceeds of these offerings in part to fund the $75.0 million February 10, 2021 Series D note maturity, and for acquisitions and general corporate purposes. The weighted average interest rate is 3.97% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately $22.9 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

On May 5, 2021, we closed and funded a private placement of $75.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.46% and are due in 2036. We used the proceeds of this offering in part to fund acquisitions and general corporate purposes. The weighted average interest rate is 3.98% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately $17.2 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

On January 30, 2020, we closed and funded an offering of $575.0 million aggregate principal amount of fixed rate private placement unsecured senior notes. The weighted average maturity of these notes is 11.7 years and the weighted average interest rate is 4.23% per annum after giving effect to underwriting costs and the net hedge loss. In 2017 and 2018, we entered into pre-issuance interest rate hedging transactions related to this private placement. We realized a net cash loss of approximately $8.9 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years.

The notes consist of the following tranches:

•$30.0 million of 3.75% senior notes due in 2027;

•$341.0 million of 3.99% senior notes due in 2030;

- $69.0 million of 4.09% senior notes due in 2032;
- $79.0 million of 4.24% senior notes due in 2035; and
- $56.0 million of 4.49% senior notes due in 2040

We used the proceeds of these offerings to repay certain existing indebtedness and fund acquisitions.

On May 20, 2021, we closed and funded an offering of $1,500.0 million of unsecured senior notes in two tranches. The $650.0 million aggregate principal amount of 2.50% Senior Notes were due 2031 (which we refer to as the 2031 May Notes) and $850.0 million aggregate principal amount of 3.50% Senior Notes are due 2051 (which we refer to as the 2051 May Notes and together with the 2031 May Notes, the May Notes). The weighted average interest rate is 3.13% per annum after giving effect to underwriting costs and the net hedge loss. In 2018 and 2019, we entered into a pre-issuance interest rate hedging transaction related to these notes. We realized a net cash loss of approximately $57.8 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over ten years.

The offering of the May Notes was made pursuant to a shelf registration statement filed with the SEC. The relevant terms of the May Notes, the Indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement dated May 13, 2021, filed with the SEC on May 17, 2021.

The 2031 May Notes had a special optional redemption whereby, we had the option to redeem the 2031 May Notes, in whole and not in part, by providing notice of such redemption to the holders of the 2031 May Notes within 30 days following a Willis Re transaction termination event, at a redemption price equal to 101% of the aggregate principal amount of the 2031 May Notes, plus any accrued and unpaid interest. These notes were redeemed on August 13, 2021. As a result of the redemption of this debt, we incurred a loss on extinguishment of debt of $16.2 million, which included the redemption price premium of $6.5 million, which is presented in cash flows from financing activities, and the unamortized discount amount on the debt issuance and the write-off of all the debt acquisition costs of $9.7 million, which is presented in cash flows from operating activities. The 2051 May Notes are not subject to the special optional redemption. We used the net proceeds of the 2051 May Notes offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

On November 9, 2021, we closed and funded an offering of $750.0 million of unsecured senior notes in two tranches. The $400.0 million aggregate principal amount of 2.40% Senior Notes are due 2031 (which we refer to as the 2031 November Notes) and $350.0 million aggregate principal amount of 3.05% Senior Notes are due 2052 (which we refer to as the 2052 November Notes and together with the 2031 November Notes, the November Notes). The weighted average interest rate is 2.80% per annum after giving effect to underwriting costs. The November Notes were issued pursuant to an indenture, dated as of May 20, 2021, as modified and supplemented in respect of the November Notes by an Officer's Certificate pursuant to the indenture, dated as of November 9, 2021. The relevant terms of the November Notes, the indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement filed with the SEC on November 3, 2021. We used the net proceeds of the November Notes offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

At December 31, 2022, we had $1,600.0 million of Senior Notes, $4,248.0 million of corporate-related borrowings outstanding under separate note purchase agreements entered into during the period from 2011 to 2022, $60.0 million of borrowings outstanding under our credit facility, $241.9 million outstanding under our Premium Financing Debt Facility and a cash and cash equivalent balance of $342.3 million. See Note 8 to our 2022 consolidated financial statements for a discussion of the terms of the Senior Notes, Note purchase agreements, the Credit Agreement and the Premium Financing Debt Facility.

Consistent with past practice, as of December 31, 2022 we had pre-issuance hedges open for $350.0 million for 2023, $500.0 million for 2024 and $100.0 million in 2025.

The Senior Notes, Note Purchase Agreements, the Credit Agreement and the Premium Financing Debt Facility contain various financial covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2022.

Dividends - Our board of directors determines our dividend policy. Our board of directors determines dividends on our common stock on a quarterly basis after considering our available cash from earnings, our anticipated cash needs and current conditions in the economy and financial markets.

In 2022, we declared $434.3 million in cash dividends on our common stock, or $2.04 per common share. On December 16, 2022, we paid a fourth quarter dividend of $0.51 per common share to shareholders of record as of December 2, 2022. On January 25, 2023, we announced a quarterly dividend for first quarter 2023 of $0.55 per common share. If the dividend is maintained at $0.55 per common share throughout 2023, this dividend level would result in an annualized net cash used by financing activities in 2023 of approximately $465.9 million (based on the outstanding shares as of December 31, 2022), or an anticipated increase in cash used of approximately $36.4 million compared to 2022. We can make no assurances regarding the amount of any future dividend payments.

Shelf Registration Statement - On March 8, 2021 we filed a shelf registration statement on Form S-3 with the SEC, registering the offer and sale from time to time, of an indeterminate amount of debt securities, guarantees, common stock, preferred stock, warrants, depositary shares, purchase contracts, or units. The availability of the potential liquidity under this shelf registration statement depends on investor demand, market conditions and other factors. We make no assurances regarding when, or if, we will issue any securities under this registration statement. On November 15, 2016, we filed a shelf registration statement on Form S-4 with the SEC, registering 10.0 million shares of our common stock that we may offer and issue from time to time in connection with future acquisitions of other businesses, assets or securities. At December 31, 2022, 1.7 million shares remained available for issuance under this registration statement. On November 15, 2022, we filed a second shelf registration statement on Form S-4 with the SEC, registering 7.0 million shares of our common stock that we may offer and issue from time to time in connection with future acquisitions of other businesses, assets or securities. At December 31, 2022, 7.0 million shares remained available for issuance under this registration statement.

Common Stock Repurchases - We have in place a common stock repurchase plan approved by our board of directors in July 2021, that authorizes the repurchase of up to $1.5 billion of common stock. During the years ended December 31, 2022 and 2021, we did not repurchase shares of our common stock. The plan authorizes the repurchase of our common stock at such times and prices, as we may deem advantageous, in transactions on the open market or in privately negotiated transactions. We are under no commitment or obligation to repurchase any particular number of shares, and the plan may be suspended at any time at our discretion. Funding for share repurchases may come from a variety of sources, including cash from operations, short-term or long-term borrowings under our Credit Agreement or other sources.

Public Offering of Common Stock - On May 12, 2021, we entered into an Underwriting Agreement with Morgan Stanley & Co. LLC to issue 9.0 million shares of our common stock in a public offering. On May 12 2021, we agreed to price the offering of 9.0 million shares of our common stock at $142.00 and granted the underwriters in the offering a 30-day option to purchase up to an additional 1.3 million shares of our common stock at the same price. On May 12, 2021, the underwriters exercised the option to purchase an additional 1.3 million shares. The offering closed on May 17, 2021 and 10.3 million shares of our common stock were issued for net proceeds, after underwriting discounts and other expenses related to this offering, of $1,437.9 million. We used the net proceeds of this offering related to the 2051 Notes to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

At-the-Market Equity Program - On November 15, 2022, we entered into an Equity Distribution Agreement with Morgan Stanley & Co. LLC, pursuant to which we may offer and sell, from time to time, up to 3,000,000 shares of our common stock through Morgan Stanley as sales agent. We intend to use the net proceeds of sales under this program to fund future acquisitions from time to time or for general corporate purposes. Pursuant to the agreement, shares may be sold by means of ordinary brokers' transactions, including on the New York Stock Exchange, at market prices prevailing at the time of sale, at prices related to the prevailing market prices, or at negotiated prices, in block transactions, or as otherwise agreed upon by us and Morgan Stanley. During the quarter ended December 31, 2022, we did not sell shares of our common stock under the program.

Common Stock Issuances - Another source of liquidity to us is the issuance of our common stock pursuant to our stock option and employee stock purchase plans. Proceeds from the issuance of common stock under these plans were $123.1 million in 2022 and $108.7 million in 2021. On May 10, 2022, our stockholders approved the 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved 2017 Long-Term Incentive Plan. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. Awards which may be granted under the LTIP include non-qualified and incentive stock options, stock appreciation rights, restricted stock units and performance units, any or all of which may be made contingent upon the achievement of performance criteria. Stock options with respect to 13.4 million shares (less any shares of restricted stock issued under the LTIP - 3.3 million shares of our common stock were available for this purpose as of December 31, 2022) were available for grant under the LTIP at December 31, 2022. Our employee stock purchase plan allows our employees to purchase our common stock at 95% of its fair market value. Proceeds from the issuance of our common stock related to these plans have contributed favorably to net cash provided by financing activities in the years ended December 31, 2022 and 2021, and we believe this favorable trend will continue in the foreseeable future.

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning with the match paid in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) $73.8 million and $65.7 million related to the plan in 2022 and 2021, respectively. During 2021, our board of directors authorized the 5.0% employer matching contribution on eligible compensation to the 401(k) plan for the 2021 plan year to be funded with our common stock, which was funded in February 2022. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our common stock, which is expected to be funded in February 2023.

Other Liquidity Matters

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 letter of credit. We had total letters of credit outstanding of $13.0 million at December 31, 2022 and $17.0 million at December 31, 2021. These letters of credit secure our self-insurance deductibles on our own insurance programs, allow certain of our captive operations to meet minimum statutory surplus requirements, lease security deposits and collateral related to premium and claim funds held in a fiduciary capacity. See Note 17 to our 2022 consolidated financial statements for additional discussion of these obligations and commitments.

Earnout Obligations

Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2019 to 2022 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was $1,946.2 million, of which $1,077.3 million was recorded in our consolidated balance sheet as of December 31, 2022 based on the estimated fair value of the expected future payments to be made, of which approximately $734.0 million can be settled in cash or stock at our option and $343.3 million must be settled in cash.

Apart from commitments, guarantees, and contingencies, as disclosed herein and in Note 17 to our 2022 consolidated financial statements, we had no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, results of operations or liquidity. Our cash flows from operations, borrowing availability and overall liquidity are subject to risks and uncertainties. See "Information Concerning Forward-Looking Statements" at the beginning of this report.

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 benefit plan 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. See Note 15 to our 2022 consolidated financial statements for additional discussion of these operating lease obligations.

Defined benefit pension plan obligations include estimates of our minimum funding requirements pursuant to the Employee Retirement Income Security Act and other regulations. We may make additional discretionary contributions. See Note 13 to our 2022 consolidated financial statements for additional information required to be disclosed relating to our defined benefit pension plan.

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, marketing arrangements 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. See Note 17 to our 2022 consolidated financial statements for additional discussion of these contractual obligations.

Outlook - We believe that we have sufficient capital and access to additional capital to meet our short- and long-term cash flow needs.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP, which require management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments (including our IRC Section 45 investments), income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein. We believe the following significant accounting estimates may involve a higher degree of judgment and complexity. See Note 1 to our 2022 consolidated financial statements for other significant accounting policies. See Note 2 to our 2022 consolidated financial statements for a discussion of recently issued accounting pronouncements and their impact or potential future impact on the our financial results, if determinable.

Revenue Recognition

Description
The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period. Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 80% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis. Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 15% of our commission and fee revenues in the first three months, and the remaining 5% thereafter.

For supplemental revenues certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term.

For contingent revenues certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues.

See Revenue Recognition and Contracts with Customers in Notes 1 and 4 to our 2022 consolidated financial statements.

Judgments and Uncertainties
For commissions and fees, these periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date. For supplemental and contingent commissions, we base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate. Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter. For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Effect if Actual Results Differ From Assumptions
We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to recognize revenue. As noted above, estimates are made based on historical experience and other factors. The vast majority of our brokerage contracts and service understandings are for a period of one year or less, and historically, the difference between actual experience compared to estimated performance has not been significant to the quarterly or annual financial statements. We have not made any material changes in the accounting methodology used to recognize revenue during the past three fiscal years.

Income Taxes

Description
We estimate total income tax expense based on statutory tax rates and tax planning opportunities available to us in various jurisdictions in which we earn income. Income tax includes an estimate for withholding taxes on earnings of foreign subsidiaries expected to be remitted to the U.S. but does not include an estimate for taxes on earnings considered to be indefinitely invested in the foreign subsidiary. Deferred income taxes are recognized for the future tax effects of temporary differences between financial and income tax reporting using tax rates in effect for the years in which the differences are expected to reverse. Valuation allowances are recorded when it is likely a tax benefit will not be realized for a deferred tax asset. We record unrecognized tax benefit liabilities for known or anticipated tax issues based on our analysis of whether, and the extent to which, additional taxes will be due. See Income Taxes in Notes 1 and 19 to our 2022 consolidated financial statements.

Judgments and Uncertainties
Changes in projected future earnings could affect the recorded valuation allowances in the future. Our calculations related to income taxes contain uncertainties due to judgment used to calculate tax liabilities in the application of complex tax regulations across the tax jurisdictions where we operate. Our analysis of unrecognized tax benefits contains uncertainties based on judgment used to apply the more likely than not recognition and measurement thresholds.

Effect if Actual Results Differ From Assumptions
Changes in tax laws and rates could affect recorded deferred tax assets and liabilities in the future. Other than those potential impacts, we do not believe there is a reasonable likelihood there will be a material change in the tax related balances or valuation allowances. However, due to the complexity of some of these uncertainties, the ultimate resolution may result in a payment that is materially different from the current estimate of the tax liabilities. To the extent we prevail in matters for which unrecognized tax benefit liabilities have been established, or are required to pay amounts in excess of our recorded unrecognized tax benefit liabilities, our effective tax rate in a given financial statement period could be materially affected. An unfavorable tax settlement would require use of our cash and generally result in an increase in our effective tax rate in the period of resolution. A favorable tax settlement would generally be recognized as a reduction in our effective tax rate in the period of resolution.

Impairment of Goodwill

Description
Goodwill is evaluated for impairment by first performing a qualitative assessment to determine whether a quantitative goodwill test is necessary. If it is determined, based on qualitative factors, the fair value of the reporting unit may be more likely than not less than its carrying amount or if significant changes to macro-economic factors related to the reporting unit have occurred that could materially impact fair value, a quantitative goodwill impairment test would be required. The quantitative test compares the fair value of a reporting unit with its carrying amount. Additionally, we can elect to forgo the qualitative assessment and perform the quantitative test. Upon performing the quantitative test, if the carrying value of the reporting unit exceeds its fair value, an impairment loss is recognized in an amount equal to that excess, not to exceed the carrying amount of goodwill. We have elected to make the first day of the fourth quarter the annual impairment assessment date for goodwill. However, we could be required to evaluate the recoverability of goodwill outside of the required annual assessment if, among other things, we experience disruptions to the business, unexpected significant declines in operating results, divestiture of a significant component of the business or a sustained decline in market capitalization.

Judgments and Uncertainties
We estimate the fair value of our reporting units considering the use of various valuation techniques, with the primary technique being an income approach (discounted cash flow method) and another technique being a market approach (guideline public company method), which use significant unobservable inputs, or Level 3 inputs, as defined by the fair value hierarchy. We include assumptions about revenue growth, operating margins, discount rates and valuation multiples which consider our budgets, business plans, economic projections and marketplace data, and are believed to reflect market participant views which would exist in an exit transaction. Assumptions are also made for varying perpetual growth rates for periods beyond the long-term business plan period. Generally, we utilize operating margin assumptions based on future expectations, operating margins historically realized in the reporting units' industries and industry marketplace valuation multiples. See Intangible Assets in Notes 1 and 7 to our 2022 consolidated financial statements.

Our impairment analysis contains uncertainties due to uncontrollable events that could positively or negatively impact the anticipated future economic and operating conditions.

Effect if Actual Results Differ From Assumptions
We have not made material changes in the accounting methodology used to evaluate impairment of goodwill during the last three years. During fiscal 2022, 2021 and 2020, all of our material reporting units passed the impairment analysis.

Some of the inherent estimates and assumptions used in determining fair value of the reporting units and indefinite life intangible assets are outside the control of management, including interest rates, cost of capital, tax rates, market EBITDAC comparables and credit ratings. While we believe we have made reasonable estimates and assumptions to calculate the fair value of the reporting units and indefinite life intangibles, it is possible a material change could occur. If our actual results are not consistent with our estimates and assumptions used to calculate fair value, it could result in material impairments of our goodwill.

Impairment of Amortizable Intangible Assets

Description
Amortizable intangible assets are evaluated for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable. Examples include a significant adverse change in the extent or manner in which we use the asset, a change in its physical condition, or an unexpected change in financial performance.

When evaluating amortizable intangible assets for impairment, we compare the carrying value of the asset to the asset's estimated undiscounted future cash flows. An impairment is indicated if the estimated future cash flows are less than the carrying value of the asset. The impairment is the excess of the carrying value over the fair value of the asset.

We recorded impairment charges related to amortizable intangible assets of $2.0 million, $17.6 million and $51.7 million 2022, 2021 and 2020, respectively. See Intangible Assets in Notes 1 and 7 to our 2022 consolidated financial statements.

Judgments and Uncertainties
Our impairment analysis contains uncertainties due to judgment in assumptions, including useful lives and intended use of assets, observable market valuations, forecasted revenue growth, operating margins and discount rates based on budgets, business plans, economic projections, anticipated future cash flows and marketplace data that reflects the risk inherent in future cash flows to determine fair value.

Effect if Actual Results Differ From Assumptions
We have not made any material changes in the accounting methodology used to evaluate the impairment of amortizable intangible assets during the last three fiscal years. We do not believe there is a reasonable likelihood there will be a material change in the estimates or assumptions used to calculate impairments or useful lives of amortizable intangible assets. However, if actual results are not consistent with our estimates and assumptions used to calculate estimated future cash flows, we may be exposed to impairment losses that could be material.

Earnout Obligations

Description
Substantially all of the purchase agreements related to the acquisitions we do contain provisions for potential earnout obligations. The amounts recorded as earnout payables, which are primarily based upon the terms of the purchase agreements and the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

Judgments and Uncertainties
The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimate the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 3.0% to 18.5% for our 2022 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 7.5% to 10.8% for our 2022 acquisitions.

Effect if Actual Results Differ From Assumptions
While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations. See Note 3 to our 2022 consolidated financial statements for additional discussion on our 2022 business combinations.

Business Combinations

Description
We account for acquired businesses using the acquisition method of accounting, which requires that once control of a business is obtained, 100% of the assets acquired and liabilities assumed, including amounts attributed to noncontrolling interests, be recorded at the date of acquisition at their respective fair values. Any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

We use various models to determine the value of assets acquired and liabilities assumed such as discounted cash flow to value amortizable intangible assets.

For significant acquisitions we may use independent third-party valuation specialists to assist us in determining the fair value of assets acquired and liabilities assumed. See Note 3 to our 2022 consolidated financial statements for additional discussion on our 2022 business combinations.

Judgments and Uncertainties
Significant judgment is often required in estimating the fair value of assets acquired and liabilities assumed, particularly intangible assets. We make estimates and assumptions about projected future cash flows including sales growth, operating margins, attrition rates, and discount rates based on historical results, business plans, expected synergies, perceived risk and marketplace data considering the perspective of marketplace participants.

Determining the useful life of an intangible asset also requires judgment as different types of intangible assets will have different useful lives.

Effect if Actual Results Differ From Assumptions
While management believes those expectations and assumptions are reasonable, they are inherently uncertain. Unanticipated market or macroeconomic events and circumstances may occur, which could affect the accuracy or validity of the estimates and assumptions, which could result in subsequent impairments.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

We are exposed to various market risks in our day to day operations. Market risk is the potential loss arising from adverse changes in market rates and prices, such as interest and foreign currency exchange rates and equity prices. The following analyses present the hypothetical loss in fair value of the financial instruments held by us at December 31, 2022 that are sensitive to changes in interest rates. The range of changes in interest rates used in the analyses reflects our view of changes that are reasonably possible over a one-year period. This discussion of market risks related to our consolidated balance sheet includes estimates of future economic environments caused by changes in market risks. The effect of actual changes in these market risk factors may differ materially from our estimates. In the ordinary course of business, we also face risks that are either nonfinancial or unquantifiable, including credit risk and legal risk. These risks are not included in the following analyses.

Our invested assets are primarily held as cash and cash equivalents, which are subject to various market risk exposures such as interest rate risk. The fair value of our portfolio of cash and cash equivalents as of December 31, 2022 approximated its carrying value due to its short-term duration. We estimated market risk as the potential decrease in fair value resulting from a hypothetical one-percentage point increase in interest rates for the instruments contained in the cash and cash equivalents investment portfolio. The resulting fair values were not materially different from their carrying values at December 31, 2022.

As of December 31, 2022, we had $5,848.0 million of borrowings outstanding under our various senior notes and note purchase agreements. The aggregate estimated fair value of these borrowings at December 31, 2022 was $4,942.5 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private placement long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance, which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us.

We estimated market risk as the potential impact on the value of the debt recorded in our consolidated balance sheet based on a hypothetical one-percentage point change in our weighted average borrowing rate as of December 31, 2022. A one-percentage point decrease would result in an estimated fair value of $5,284.4 million, or $563.6 million less than their current carrying value. A one-percentage point increase would result in an estimated fair value of $4,640.7 million, or $1,207.3 million less than their current carrying value.

As of December 31, 2022, we had $60.0 million of borrowings outstanding under our Credit Agreement and $241.9 million of borrowings outstanding under our Premium Financing Debt Facility. The fair value of these borrowings approximate their carrying value due to their short-term duration and variable interest rates associated with these debt obligations. Market risk is estimated as the potential increase in fair value resulting from a hypothetical one-percentage point decrease in our weighted average short-term borrowing rate at December 31, 2022 and the resulting fair values are not materially different from their carrying value.

We are subject to foreign currency exchange rate risk primarily from one of our larger U.K. based brokerage subsidiaries that incurs expenses denominated primarily in British pounds while receiving a substantial portion of its revenues in U.S. dollars. Please see Item 1A, “Risk Factors,” for additional information regarding potential foreign exchange rate risks arising from Brexit. In addition, we are subject to foreign currency exchange rate risk from our Australian, Canadian, Indian, Jamaican, New Zealand, Norwegian, Singaporean and various Caribbean and Latin American operations because we transact business in their local denominated currencies. Foreign currency gains (losses) related to this market risk are recorded in earnings before income taxes as transactions occur. Assuming a hypothetical adverse change of 10% in the average foreign currency exchange rate for 2022 (a weakening of the U.S. dollar), earnings before income taxes would have increased by approximately $18.3 million. Assuming a hypothetical favorable change of 10% in the average foreign currency exchange rate for 2022 (a strengthening of the U.S. dollar), earnings before income taxes would have decreased by approximately $31.2 million. We are also subject to foreign currency exchange rate risk associated

with the translation of local currencies of our foreign subsidiaries into U.S. dollars. We manage the balance sheets of our foreign subsidiaries, where practical, such that foreign liabilities are matched with equal foreign assets, maintaining a “balanced book” which minimizes the effects of currency fluctuations. However, our consolidated financial position is exposed to foreign currency exchange risk related to intra-entity loans between our U.S. based subsidiaries and our non-U.S. based subsidiaries that are denominated in the respective local foreign currency. A transaction that is in a foreign currency is first remeasured at the entity’s functional (local) currency, where applicable, (which is an adjustment to consolidated earnings) and then translated to the reporting (U.S. dollar) currency (which is an adjustment to consolidated stockholders’ equity) for consolidated reporting purposes. If the transaction is already denominated in the foreign entity’s functional currency, only the translation to U.S. dollar reporting is necessary. The remeasurement process required by U.S. GAAP for such foreign currency loan transactions will give rise to a consolidated unrealized foreign exchange gain or loss, which could be material, that is recorded in accumulated other comprehensive loss.

Historically, we have not entered into derivatives or other similar financial instruments for trading or speculative purposes. However, with respect to managing foreign currency exchange rate risk in India, Norway and the U.K., we have periodically purchased financial instruments to minimize our exposure to this risk. During 2022, 2021 and 2020, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our future U.K. currency revenues through various future payment dates. In addition, during 2022, 2021 and 2020, we had several monthly put/call options in place with an external financial institution that were designed to hedge a significant portion of our Indian currency disbursements through various future payment dates. Although these hedging strategies were designed to protect us against significant U.K. and Indian currency exchange rate movements, we are still exposed to some foreign currency exchange rate risk for the portion of the payments and currency exchange rate that are unhedged. All of these hedges are accounted for in accordance with ASC Topic 815, “Derivatives and Hedging”, and periodically are tested for effectiveness in accordance with such guidance. In the scenario where such hedge does not pass the effectiveness test, the hedge will be re-measured at the stated point and the appropriate loss, if applicable, would be recognized. For the year ended December 31, 2022 there has been no such effect on our consolidated financial presentation. The impact of these hedging strategies was not material to our consolidated financial statements for 2022, 2021 and 2020. See Note 21 to our 2022 consolidated financial statements for the changes in fair value of these derivative instruments reflected in comprehensive earnings in 2022, 2021 and 2020.

Item 8. Financial Statements and Supplementary Data.

Arthur J. Gallagher & Co.
Consolidated Statement of Earnings
(In millions, except per share data)

	Year Ended December 31,		
	2022	2021	2020
Commissions	$ 5,187.4	$ 4,132.3	$ 3,591.9
Fees	2,567.7	2,264.1	1,957.9
Supplemental revenues	284.7	248.7	221.9
Contingent revenues	207.3	188.0	147.0
Investment income	136.3	83.1	75.9
Net gains (losses) on divestitures	13.0	18.9	(5.8)
Revenues from clean coal activities	23.0	1,140.8	863.5
Other income (losses)	0.7	0.5	(0.4)
Revenues before reimbursements	8,420.1	8,076.4	6,851.9
Reimbursements	130.5	133.0	151.7
Total revenues	8,550.6	8,209.4	7,003.6
Compensation	4,799.8	3,927.5	3,466.5
Operating	1,330.9	1,072.4	906.5
Reimbursements	130.5	133.0	151.7
Cost of revenues from clean coal activities	22.9	1,173.2	882.1
Interest	256.9	226.1	196.4
Loss on extinguishment of debt	—	16.2	—
Depreciation	144.7	151.2	145.1
Amortization	454.9	415.1	417.3
Change in estimated acquisition earnout payables	83.0	119.6	(32.9)
Total expenses	7,223.6	7,234.3	6,132.7
Earnings before income taxes	1,327.0	975.1	870.9
Provision for income taxes	211.0	20.1	12.8
Net earnings	1,116.0	955.0	858.1
Net earnings attributable to noncontrolling interests	1.8	48.2	39.3
Net earnings attributable to controlling interests	$ 1,114.2	$ 906.8	$ 818.8
Basic net earnings per share	$ 5.30	$ 4.47	$ 4.29
Diluted net earnings per share	5.19	4.37	4.20
Dividends declared per common share	2.04	1.92	1.80

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Comprehensive Earnings
(In millions)

	Year Ended December 31,		
	2022	2021	2020
Net earnings	$ 1,116.0	$ 955.0	$ 858.1
Change in pension liability, net of taxes	(12.3)	19.0	0.4
Foreign currency translation, net of taxes	(511.8)	(122.3)	183.7
Change in fair value of derivative instruments, net of taxes	109.8	20.8	(68.1)
Comprehensive earnings	701.7	872.5	974.1
Comprehensive earnings attributable to noncontrolling interests	1.6	49.5	39.7
Comprehensive earnings attributable to controlling interests	$ 700.1	$ 823.0	$ 934.4

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Balance Sheet
(In millions)

	December 31, 2022	December 31, 2021
Cash and cash equivalents	$ 342.3	$ 402.6
Restricted cash	4,621.9	4,063.7
Premiums and fees receivable	16,408.9	11,753.1
Other current assets	1,461.5	1,451.0
Total current assets	22,834.6	17,670.4
Fixed assets - net	576.2	500.8
Deferred income taxes	1,299.0	1,228.5
Other noncurrent assets	989.8	966.5
Right-of-use assets	346.7	358.6
Goodwill - net	9,489.4	8,666.2
Amortizable intangible assets - net	3,372.1	3,954.0
Total assets	$ 38,907.8	$ 33,345.0
Premiums payable to underwriting enterprises	$ 18,698.2	$ 13,845.6
Accrued compensation and other accrued liabilities	2,091.2	1,895.1
Deferred revenue - current	546.7	520.9
Premium financing debt	241.9	228.4
Corporate related borrowings - current	310.0	245.0
Total current liabilities	21,888.0	16,735.0
Corporate related borrowings - noncurrent	5,562.8	5,810.2
Deferred revenue - noncurrent	62.6	58.7
Lease liabilities - noncurrent	300.4	309.3
Other noncurrent liabilities	1,903.8	1,871.7
Total liabilities	29,717.6	24,784.9
Stockholders' equity:		
Common stock - authorized 400.0 shares; issued and outstanding 211.9 shares in 2022 and 208.5 shares in 2021	211.9	208.5
Capital in excess of par value	6,509.9	6,143.7
Retained earnings	3,562.2	2,882.3
Accumulated other comprehensive loss	(1,140.4)	(726.1)
Stockholders' equity attributable to controlling interests	9,143.6	8,508.4
Stockholders' equity attributable to noncontrolling interests	46.6	51.7
Total stockholders' equity	9,190.2	8,560.1
Total liabilities and stockholders' equity	$ 38,907.8	$ 33,345.0

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Cash Flows
(In millions)

	Year Ended December 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net earnings	$ 1,116.0	$ 955.0	$ 858.1
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Net (gain) loss on investments and other	(11.0)	(17.0)	6.3
Loss on extinguishment of debt	—	9.7	—
Depreciation and amortization	599.6	566.3	562.4
Change in estimated acquisition earnout payables	83.0	119.6	(32.9)
Amortization of deferred compensation and restricted stock	85.4	68.9	60.9
Stock-based and other noncash compensation expense	24.4	13.4	13.6
Payments on acquisition earnouts in excess of original estimates	(81.7)	(29.6)	(14.5)
Provision for deferred income taxes	(209.0)	(184.0)	(162.0)
Effect of changes in foreign exchange rate	(34.0)	2.3	2.9
Net change in premium and fees receivable	(4,789.3)	132.9	(796.5)
Net change in deferred revenue	29.3	23.1	18.5
Net change in premiums payable to underwriting enterprises	5,084.2	35.5	1,154.2
Net change in other current assets	(47.1)	(136.8)	(22.5)
Net change in accrued compensation and other accrued liabilities	215.3	222.3	91.8
Net change in income taxes payable	49.9	(123.8)	51.8
Net change in other noncurrent assets and liabilities	10.4	46.3	15.0
Net cash provided by operating activities	2,125.4	1,704.1	1,807.1
Cash flows from investing activities:			
Capital expenditures	(182.7)	(128.6)	(99.3)
Cash paid for acquisitions, net of cash and restricted cash acquired	(764.9)	(3,250.9)	(324.3)
Net proceeds from sales of operations/books of business	11.0	15.7	8.2
Net funding of investment transactions	1.0	(1.1)	(1.4)
Net funding of premium finance loans	(69.2)	(66.8)	(54.6)
Net cash used by investing activities	(1,004.8)	(3,431.7)	(471.4)
Cash flows from financing activities:			
Payments on acquisition earnouts	(106.5)	(137.3)	(38.8)
Proceeds from issuance of common stock	123.1	1,546.7	111.9
Payments to noncontrolling interests	(3.6)	(39.1)	(84.4)
Dividends paid	(429.5)	(392.0)	(347.4)
Net borrowings on premium financing debt facility	25.3	37.0	16.0
Borrowings on line of credit facility	2,570.0	1,280.0	2,630.0
Repayments on line of credit facility	(2,555.0)	(1,235.0)	(3,150.0)
Net borrowings of corporate related long-term debt	(201.5)	1,677.0	424.9
Debt acquisition costs	2.2	(21.3)	(1.3)
Settlements on terminated interest rate swaps	52.7	(31.9)	(66.0)
Net cash (used) provided by financing activities	(522.8)	2,684.1	(505.1)
Effect of changes in foreign exchange rates on cash, cash equivalents and restricted cash	(99.9)	(64.5)	119.8
Net increase in cash, cash equivalents and restricted cash	497.9	892.0	950.4
Cash, cash equivalents and restricted cash at beginning of year	4,466.3	3,574.3	2,623.9
Cash, cash equivalents and restricted cash at end of year	$ 4,964.2	$ 4,466.3	$ 3,574.3

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity
(In millions)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2019	188.1	$ 188.1	$ 3,825.7	$ 1,901.3	$ (759.6)	$ 60.0	$ 5,215.5
Net earnings	—	—	—	818.8	—	39.3	858.1
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(6.4)	(6.4)
Dividends paid to noncontrolling interests	—	—	—	—	—	(46.8)	(46.8)
Net change in pension asset/liability, net of taxes of $0.1 million	—	—	—	—	0.4	—	0.4
Foreign currency translation	—	—	—	—	183.7	0.4	184.1
Change in fair value of derivative instruments, net of taxes of ($22.4) million	—	—	—	—	(68.1)	—	(68.1)
Compensation expense related to stock option plan grants	—	—	13.6	—	—	—	13.6
Common stock issued in:							
Fifty-two purchase transactions	3.0	3.0	306.1	—	—	—	309.1
Stock option plans	1.8	1.8	75.9	—	—	—	77.7
Employee stock purchase plan	0.5	0.5	33.7	—	—	—	34.2
Deferred compensation and restricted stock	0.3	0.3	9.4	—	—	—	9.7
Cash dividends declared on common stock	—	—	—	(348.4)	—	—	(348.4)
Balance at December 31, 2020	193.7	193.7	4,264.4	2,371.7	(643.6)	46.5	6,232.7
Net earnings	—	—	—	906.8	—	48.2	955.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(6.0)	(6.0)
Dividends paid to noncontrolling interests	—	—	—	—	—	(38.3)	(38.3)
Net change in pension asset/liability, net of taxes of $4.6 million	—	—	—	—	19.0	—	19.0
Foreign currency translation	—	—	—	—	(122.3)	1.3	(121.0)
Change in fair value of derivative instruments, net of taxes of $7.4 million	—	—	—	—	20.8	—	20.8
Compensation expense related to stock option plan grants	—	—	17.5	—	—	—	17.5
Common stock issued in:							
Thirty-seven purchase transactions	1.7	1.7	249.6	—	—	—	251.3
Stock option plans	1.4	1.4	66.2	—	—	—	67.6
Employee stock purchase plan	0.4	0.4	40.8	—	—	—	41.2
Shares issued to benefit plans	0.6	0.6	70.8	—	—	—	71.4
Deferred compensation and restricted stock	0.4	0.4	6.5	—	—	—	6.9
Stock issuance from public offering	10.3	10.3	1,427.6	—	—	—	1,437.9
Other compensation expense	—	—	0.3	—	—	—	0.3
Cash dividends declared on common stock	—	—	—	(396.2)	—	—	(396.2)
Balance at December 31, 2021	208.5	$ 208.5	$ 6,143.7	$ 2,882.3	$ (726.1)	$ 51.7	$ 8,560.1

See notes to consolidated financial statements.

Arthur J. Gallagher & Co.
Consolidated Statement of Stockholders' Equity (continued)
(In millions)

	Common Stock Shares	Common Stock Amount	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Noncontrolling Interests	Total
Balance at December 31, 2021	208.5	$ 208.5	$ 6,143.7	$ 2,882.3	$ (726.1)	$ 51.7	$ 8,560.1
Net earnings	—	—	—	1,114.2	—	1.8	1,116.0
Net purchase of subsidiary shares from noncontrolling interests	—	—	—	—	—	(3.2)	(3.2)
Dividends paid to noncontrolling interests	—	—	—	—	—	(3.5)	(3.5)
Net change in pension asset/liability, net of taxes of $(3.0) million	—	—	—	—	(12.3)	—	(12.3)
Foreign currency translation	—	—	—	—	(511.8)	(0.2)	(512.0)
Change in fair value of derivative instruments, net of taxes of $39.3 million	—	—	—	—	109.8	—	109.8
Compensation expense related to stock option plan grants	—	—	27.9	—	—	—	27.9
Common stock issued in:							
Eighteen purchase transactions	0.9	0.9	164.6	—	—	—	165.5
Stock option plans	1.4	1.4	74.7	—	—	—	76.1
Employee stock purchase plan	0.3	0.3	47.3	—	—	—	47.6
Shares issued to benefit plans	0.5	0.5	73.9	—	—	—	74.4
Deferred compensation and restricted stock	0.3	0.3	(22.2)	—	—	—	(21.9)
Cash dividends declared on common stock	—	—	—	(434.3)	—	—	(434.3)
Balance at December 31, 2022	211.9	$ 211.9	$ 6,509.9	$ 3,562.2	$ (1,140.4)	$ 46.6	$ 9,190.2

See notes to consolidated financial statements.

1. Summary of Significant Accounting Policies

Terms Used in Notes to Consolidated Financial Statements

ASC - Accounting Standards Codification.

ASU - Accounting Standards Update.

FASB - The Financial Accounting Standards Board.

GAAP - United States (U.S.) generally accepted accounting principles.

IRC - Internal Revenue Code.

IRS - Internal Revenue Service.

Topic 606 - ASU No. 2014-09, Revenue from Contracts with Customers.

Underwriting enterprises - Insurance companies, reinsurance companies and various other forms of risk-taking entities, including intermediaries of underwriting enterprises.

VIE - Variable interest entity.

Nature of Operations

Arthur J. Gallagher & Co. and its subsidiaries, collectively referred to herein as we, our, us or the company, provide insurance brokerage, consulting and third party claims settlement and administration services to both domestic and international entities. We have three reportable segments: brokerage, risk management and corporate. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients.

Our brokerage segment operations provide brokerage and consulting services to companies and entities of all types, including commercial, not-for-profit, public entities, and, to a lesser extent, individuals, in the areas of insurance and reinsurance placements, risk of loss management and management of employer sponsored benefit programs. Our risk management segment operations provide contract claim settlement, claim administration, loss control services and risk management consulting for commercial, not-for-profit, captive and public entities, and various other organizations that choose to self-insure property/casualty coverages or choose to use a third-party claims management organization rather than the claim services provided by underwriting enterprises. The corporate segment reports the financial information related to our debt and other corporate costs, legacy clean energy investments, external acquisition-related expenses and the impact of foreign currency translation. Legacy clean energy investments consist of our investments in limited liability companies that own or have owned 35 commercial clean coal production facilities that produced refined coal using Chem-Mod LLC's proprietary technologies. We believe these operations produced refined coal that qualifies for tax credits under IRC Section 45.

We do not assume underwriting risk on a net basis, other than with respect to de minimis amounts necessary to provide minimum or regulatory capital insurance to organize captives, pools, specialized underwriters or risk-retention groups. Rather, capital necessary for covering losses is provided by underwriting enterprises.

Investment income and other revenues are primarily generated from our premium financing operations, our invested cash and restricted cash we hold on behalf of our clients, as well as clean energy investments. In addition, our share of the net earnings related to partially owned entities that are accounted for using the equity method is included in investment income.

Arthur J. Gallagher & Co., a global insurance brokerage, risk management and consulting services firm, is headquartered in Rolling Meadows, Illinois. Gallagher provides these services in approximately 130 countries around the world through its owned operations and a network of correspondent brokers and consultants.

Basis of Presentation

The accompanying consolidated financial statements include our accounts and all of our majority-owned subsidiaries (50% or greater ownership). Substantially all of our investments in partially owned entities in which our ownership is less than 50% are accounted for using the equity method based on the legal form of our ownership interest and the applicable ownership percentage of the entity. However, in situations where a less than 50%-owned investment has been determined to be a VIE and we are deemed to be the primary beneficiary in accordance with the variable interest model of consolidation, we will consolidate the investment into our consolidated financial statements. For partially owned entities accounted for using the equity method, our share of the net earnings of these entities is included in consolidated net earnings. All material intercompany accounts and transactions have been eliminated in consolidation.

In the preparation of our consolidated financial statements as of December 31, 2022, management evaluated all material subsequent events or transactions that occurred after the balance sheet date through the date on which the financial statements were issued for potential recognition and/or disclosure in the notes therein.

Use of Estimates

The preparation of our consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These accounting principles require us to make estimates and assumptions that affect the reported amounts of assets and liabilities and revenues and expenses, and the disclosure of contingent assets and liabilities at the date of our consolidated financial statements. We periodically evaluate our estimates and assumptions, including those relating to the valuation of goodwill and other intangible assets, right-of-use assets, investments (including our IRC Section 45 investments), income taxes, revenue recognition, deferred costs, stock-based compensation, claims handling obligations, retirement plans, litigation and contingencies. We base our estimates on historical experience and various assumptions that we believe to be reasonable based on specific circumstances. Such estimates and assumptions could change in the future as more information becomes known, which could impact the amounts reported and disclosed herein.

Revenue Recognition

Our revenues are derived from commissions and fees as primarily specified in a written contract, or unwritten business understanding, with our clients or underwriting enterprises. We also recognize investment income over time from our invested assets and invested assets we hold on behalf of our clients or underwriting enterprises.

BROKERAGE SEGMENT

Our brokerage segment generates revenues by:

(i) Identifying, negotiating and placing all forms of insurance or reinsurance coverage, as well as providing risk-shifting, risk-sharing and risk-mitigation consulting services, principally related to property/casualty, life, health, welfare and disability insurance. We also provide these services through, or in conjunction with, other unrelated agents and brokers, consultants and management advisors;

(ii) Acting as an agent or broker for multiple underwriting enterprises by providing services such as sales, marketing, selecting, negotiating, underwriting, servicing and placing insurance coverage on their behalf;

(iii) Providing consulting services related to health and welfare benefits, voluntary benefits, executive benefits, compensation, retirement planning, institutional investment and fiduciary, actuarial, compliance, private insurance exchange, human resource technology, communications and benefits administration; and

(iv) Providing management and administrative services to captives, pools, risk-retention groups, healthcare exchanges, small underwriting enterprises, such as accounting, claims and loss processing assistance, feasibility studies, actuarial studies, data analytics and other administrative services.

The vast majority of our brokerage contracts and service understandings are for a period of one year or less.

Commissions and fees

The primary source of revenues for our brokerage services is commissions from underwriting enterprises, based on a percentage of premiums paid by our clients, or fees received from clients based on an agreed level of service usually in lieu of commissions. These

commissions and fees revenues are substantially recognized at a point in time on the effective date of the associated policies when control of the policy transfers to the client, as well as deferring certain revenues to reflect delivery of services over the contract period.

Commissions are fixed at the contract effective date and generally are based on a percentage of premiums for insurance coverage or employee headcount for employer sponsored benefit plans. Commissions depend upon a large number of factors, including the type of risk being placed, the particular underwriting enterprise's demand, the expected loss experience of the particular risk of coverage, and historical benchmarks surrounding the level of effort necessary for us to place and service the insurance contract. Rather than being tied to the amount of premiums, fees are most often based on an expected level of effort to provide our services.

Whether we are paid a commission or a fee, the vast majority of our services are associated with the placement of an insurance (or insurance-like) contract. Accordingly, we recognize approximately 80% of our commission and fee revenues on the effective date of the underlying insurance contract. The amount of revenue we recognize is based on our costs to provide our services up and through that effective date, including an appropriate estimate of our profit margin on a portfolio basis (a practical expedient as defined in Topic 606). Based on the proportion of additional services we provide in each period after the effective date of the insurance contract, including an appropriate estimate of our profit margin, we recognize approximately 15% of our commission and fee revenues in the first three months, and the remaining 5% thereafter. These periods may be different than the underlying premium payment patterns of the insurance contracts, but the vast majority of our services are fully provided within one year of the insurance contract effective date.

For consulting and advisory services, we recognize our revenue in the period in which we provide the service or advice. For management and administrative services, our revenue is recognized ratably over the contract period consistent with the performance of our obligations, mostly over an annual term.

Supplemental revenues

Certain underwriting enterprises may pay us additional revenues for the volume of premium placed with them and for insights into our sales pipeline, our sales capabilities or our risk selection knowledge. These amounts are in excess of the commission and fee revenues discussed above, and not all business we place with underwriting enterprises is eligible for supplemental revenues. Unlike contingent revenues, discussed below, these revenues are primarily a fixed amount or fixed percentage of premium of the underlying eligible insurance contracts. For supplemental revenue contracts based on a fixed percentage of premium, our obligation to the underwriting enterprise is substantially completed upon the effective date of the underlying insurance contract and revenue is fully earned at that time. For supplemental revenue contracts based on a fixed amount, revenue is recognized ratably over the contract period consistent with the performance of our obligations, almost always over an annual term. We receive these revenues on a quarterly or annual basis.

Contingent revenues

Certain underwriting enterprises may pay us additional revenues for our sales capabilities, our risk selection knowledge, or our administrative efficiencies. These amounts are in excess of the commission or fee revenues discussed above, and not all business we place with participating underwriting enterprises is eligible for contingent revenues. Unlike supplemental revenues, also discussed above, these revenues are variable, generally based on growth, the loss experience of the underlying insurance contracts, and/or our efficiency in processing the business. We generally operate under calendar year contracts, but we do not receive these revenues from the underwriting enterprises until the following calendar year, generally in the first and second quarters, after verification of the performance indicators outlined in the contracts. Accordingly, during each reporting period, we must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. We base our estimates each period on a contract-by-contract basis where available. In certain cases, it is impractical to assess a very large number of smaller contingent revenue contracts, so we use a historical portfolio estimate in aggregate (a practical expedient as defined in Topic 606). Because our expectation of the ultimate contingent revenue amounts to be earned can vary from period to period, especially in contracts sensitive to loss ratios, our estimates might change significantly from quarter to quarter. For example, in circumstances where our revenues are dependent on a full calendar year loss ratio, adverse loss experience in the fourth quarter could not only negate revenue earnings in the fourth quarter, but also trigger the need to reverse revenues previously recognized during the prior quarters. Variable consideration is recognized when we conclude, based on all the facts and information available at the reporting date, that it is probable that a significant revenue reversal will not occur in future periods.

Sub-brokerage costs

Sub-brokerage costs are excluded from our gross revenues in our determination of total revenues. Sub-brokerage cost represents commissions paid to sub-brokers related to the placement of certain business by our brokerage segment operations. We recognize this contra revenue in the same manner as the commission revenue to which it relates.

RISK MANAGEMENT SEGMENT

Revenues for our risk management segment are comprised of fees generally negotiated (i) on a per-claim or per-service basis, (ii) on a cost-plus basis, or (iii) as performance-based fees. We also provide risk management consulting services that are recognized as the services are delivered.

Per-claim or per-service fees

Where we operate under a contract with our fee established on a per-claim or per-service basis, our obligation is to process claims for a term specified within the contract. Because it is impractical to recognize our revenues on an individual claim-by-claim basis, we recognize revenue plus an appropriate estimate of our profit margin on a portfolio basis by grouping claims with similar characteristics (a practical expedient as defined in Topic 606). We apply actuarially-determined, historical-based patterns to determine our future service obligations, without applying a present value discount.

Cost-plus fees

Where we provide services and generate revenues on a cost-plus basis, we recognize revenue over the contract period consistent with the performance of our obligations.

Performance-based fees

Certain clients pay us additional fee revenues for our efficiency in managing claims or on the basis of claim outcome effectiveness. These amounts are in excess of the fee revenues discussed above. These revenues are variable, generally based on performance metrics set forth in the underlying contracts. We generally operate under multi-year contracts with fiscal year measurement periods. We do not receive these fees, if earned, until the following year after verification of the performance metrics outlined in the contracts. Each period we base our estimates on a contract-by-contract basis. We must make our best estimate of amounts we have earned using historical averages and other factors to project such revenues. Variable consideration is recognized when we conclude that it is probable that a significant revenue reversal will not occur in future periods.

Reimbursements

Reimbursements represent amounts received from clients reimbursing us for certain third-party costs associated with providing our claims management services. In certain service partner relationships, we are considered a principal because we direct the third party, control the specified service and combine the services provided into an integrated solution. Given this principal relationship, we are required to recognize revenue gross and service partner vendor fees in the operating expense in our consolidated statement of earnings.

Deferred Costs

We incur costs to provide brokerage and risk management services. Those costs are either (i) costs to obtain a contract or (ii) costs to fulfill such contract, or (iii) all other costs.

(i)Costs to obtain - we incur costs to obtain a contract with a client. Those costs would not have been incurred if the contract had not been obtained. Almost all of our costs to obtain are incurred prior to, or on, the effective date of the contract and consist primarily of incentive compensation we pay to our production employees. Our costs to obtain are expensed as incurred as described in Note 4 to these consolidated financial statements.

(ii)Costs to fulfill - we incur costs to fulfill a contract (or anticipated contract) with a client. Those costs are incurred prior to the effective date of the contract and relate to fulfilling our primary placement obligations to our clients. Our costs to fulfill prior to the effective date are capitalized and amortized on the effective date. These fulfillment activities include collecting underwriting information from our client, assessing their insurance needs and negotiating their placement with one or more underwriting enterprises. The majority of costs that we incur relate to compensation and benefits of our client service employees. Costs incurred during preplacement activities are expected to be recovered in the future. If the capitalized costs are no longer deemed to be recoverable, then they would be expensed.

(iii)Other costs that are not costs to obtain or fulfill are expensed as incurred. Examples include other operating costs such as rent, utilities, management costs, overhead costs, legal and other professional fees, technology costs, insurance related costs, communication and advertising, and travel and entertainment. Depreciation, amortization and change in estimated acquisition earnout payable are expensed as incurred.

Investment Income

Investment income primarily includes interest and dividend income (including interest income from our premium financing operations), which is accrued as it is earned. Net gains on divestitures represent one-time gains related to sales of brokerage related businesses, which are primarily recognized on a cash received basis. Revenues from clean coal activities include revenues from consolidated clean coal production plants, royalty income from clean coal licenses and income (loss) related to unconsolidated clean coal production plants, all of which are recognized as earned. Revenues from consolidated clean coal production plants represent sales of refined coal. Royalty income from clean coal licenses represents fee income related to the use of clean coal technologies. Income (loss) from unconsolidated clean coal production plants includes losses related to our equity portion of the pretax results of the clean coal production plants.

Earnings per Share

Basic net earnings per share is computed by dividing net earnings by the weighted average number of common shares outstanding during the reporting period. Diluted net earnings per share is computed by dividing net earnings by the weighted average number of common and common equivalent shares outstanding during the reporting period. Common equivalent shares include incremental shares from dilutive stock options, which are calculated from the date of grant under the treasury stock method using the average market price for the period.

Cash and Cash Equivalents

Short-term investments, consisting principally of cash and money market accounts that have average maturities of 90 days or less, are considered cash equivalents.

Restricted Cash

In our capacity as an insurance broker, we collect premiums from insureds and, after deducting our commissions and/or fees, remit these premiums to underwriting enterprises. We hold unremitted insurance premiums in a fiduciary capacity until we disburse them, and the use of such funds is restricted by laws in certain states and foreign jurisdictions in which our subsidiaries operate. Various state and foreign agencies regulate insurance brokers and provide specific requirements that limit the type of investments that may be made with such funds. Accordingly, we invest these funds in cash and U.S. Treasury fund accounts. We can earn interest income on these unremitted funds, which is included in investment income in the accompanying consolidated statement of earnings. These unremitted amounts are reported as restricted cash in the accompanying consolidated balance sheet, with the related liability reported as premiums payable to underwriting enterprises. Additionally, several of our foreign subsidiaries are required by various foreign agencies to meet certain liquidity and solvency requirements. We were in compliance with these requirements at December 31, 2022.

Related to our third party administration business and in certain of our brokerage operations, we are responsible for client claim funds that we hold in a fiduciary capacity. We do not earn any interest income on the funds held. These client funds have been included in restricted cash, along with a corresponding liability in premiums payable to underwriting enterprises in the accompanying consolidated balance sheet.

Premiums and Fees Receivable

Premiums and fees receivable in the accompanying consolidated balance sheet are net of allowances for estimated policy cancellations and doubtful accounts. The allowance for estimated policy cancellations was $9.3 million and $10.0 million at December 31, 2022 and 2021, respectively, which represents a reserve for future reversals in commission and fee revenues related to the potential cancellation of client insurance policies that were in force as of each year end. The allowance for doubtful accounts was $11.1 million and $8.3 million at December 31, 2022 and 2021, respectively. We establish the allowance for estimated policy cancellations through a charge to revenues and the allowance for doubtful accounts through a charge to operating expenses. Both of these allowances are based on estimates and assumptions using historical data to project future experience. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. We periodically review the adequacy of these allowances and make adjustments as necessary.

Derivative Instruments

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. In the normal course of business, we are exposed to the impact of foreign currency fluctuations that impact our results of operations and cash flows. We utilize a foreign currency risk management program involving foreign currency derivatives that consist of several monthly put/call

options designed to hedge a portion of our future foreign currency disbursements through various future payment dates. To mitigate the counterparty credit risk we only enter into contracts with major financial institutions based upon their credit ratings and other factors. These derivative instrument contracts are cash flow hedges that qualify for hedge accounting and primarily hedge against fluctuations between changes in the British pound and Indian Rupee versus the U.S. dollar. Changes in fair value of the derivative instruments are reflected in other comprehensive earnings in the accompanying consolidated balance sheet. The impact of the hedge at maturity is recognized in the income statement as a component of investment income, compensation and operating expenses depending on the nature of the hedged item. We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future. These derivative instrument contracts are periodically monitored for hedge ineffectiveness, the amount of which has not been material to the accompanying consolidated financial statements. We do not use derivatives for trading or speculative purposes.

Premium Financing

Seven subsidiaries of the brokerage segment make short-term loans (generally with terms of twelve months or less) to our clients to finance premiums. These premium financing contracts are structured to minimize potential bad debt expense to us. Such receivables are generally considered delinquent after seven days of the payment due date. In normal course, insurance policies are canceled within one month of the contractual payment due date if the payment remains delinquent. We recognize interest income as it is earned over the life of the contract using the “level-yield” method. Unearned interest related to contracts receivable is included in the receivable balance in the accompanying consolidated balance sheet. The outstanding loan receivable balance was $546.3 million and $509.7 million at December 31, 2022 and 2021, respectively.

Fixed Assets

We carry fixed assets at cost, less accumulated depreciation, in the accompanying consolidated balance sheet. We periodically review long-lived assets for impairment whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. Under those circumstances, if the fair value were less than the carrying amount of the asset, we would recognize a loss for the difference. Depreciation for fixed assets is computed using the straight-line method over the following estimated useful lives:

	Useful Life
Office equipment	Three to ten years
Furniture and fixtures	Three to ten years
Computer equipment	Three to five years
Building	Fifteen to forty years
Software	Three to five years
Refined fuel plants	Ten years
Leasehold improvements	Shorter of the lease term or useful life of the asset

Intangible Assets

Intangible assets represent the excess of cost over the estimated fair value of net tangible assets of acquired businesses. Our primary intangible assets are classified as either goodwill, expiration lists, non-compete agreements or trade names. Expiration lists, non-compete agreements and trade names are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. The establishment of goodwill, expiration lists, non-compete agreements and trade names and the determination of estimated useful lives are primarily based on valuations we receive from qualified independent appraisers. The calculations of these amounts are based on estimates and assumptions using historical and projected financial information and recognized valuation methods. Different estimates or assumptions could produce different results. We carry identifiable intangible assets at cost, less accumulated amortization, in the accompanying consolidated balance sheet.

We review all of our intangible assets for impairment periodically (at least annually for goodwill) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. We perform such impairment reviews at the division (i.e., reporting unit) level with respect to goodwill and at the business unit level for amortizable intangible assets. While goodwill is not amortizable, it is tested for impairment at least annually in the fourth quarter, and more frequently if there are indicators of impairment or whenever business circumstances suggest that the carrying value of goodwill may not be recoverable. We

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 fair value of the reporting unit exceeds its carrying amount, then we will perform a quantitative analysis. The fair value of each reporting unit is compared to its carrying value. If the fair value of the reporting unit is less than its carrying value, a non-cash impairment charge is recognized for the amount by which the carrying value exceeds the reporting unit's fair value with the loss not exceeding the total amount of goodwill allocated to that reporting unit. We completed our 2022 annual assessment in the fourth quarter and concluded goodwill was not impaired, as the fair value of each reporting unit exceeded its carrying value.

The carrying value of amortizable intangible assets attributable to each business or asset group is periodically reviewed by management to determine if there are events or changes in circumstances that would indicate that its carrying amount may not be recoverable. Accordingly, if there are any such changes in circumstances during the year, we assess the carrying value of the amortizable intangible assets by considering the estimated future undiscounted cash flows generated by the corresponding business or asset group. Any impairment identified through this assessment may require that the carrying value of related amortizable intangible assets be adjusted and charged against current period earnings as a component of amortization expense. Based on the results of impairment reviews in 2022, 2021 and 2020, we wrote off $2.0 million, $17.6 million and $51.7 million, respectively, of amortizable intangible assets primarily related to acquisitions (made prior to 2020) of our brokerage and risk management segments, which is included in amortization expense in the accompanying consolidated statement of earnings. The determinations of impairment indicators and fair value are based on estimates and assumptions related to the amount and timing of future cash flows and future interest rates. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein.

Income Taxes

Our tax rate reflects the statutory tax rates applicable to our taxable earnings and tax planning in the various jurisdictions in which we operate. Significant judgment is required in determining the annual effective tax rate and in evaluating uncertain tax positions. We report a liability for unrecognized tax benefits resulting from uncertain tax positions taken or expected to be taken in our tax return. We evaluate our tax positions using a two-step process. The first step involves recognition. We determine whether it is more likely than not that a tax position will be sustained upon tax examination based solely on the technical merits of the position. The technical merits of a tax position are derived from both statutory and judicial authority (legislation and statutes, legislative intent, regulations, rulings and case law) and their applicability to the facts and circumstances of the position. If a tax position does not meet the "more likely than not" recognition threshold, we do not recognize the benefit of that position in the financial statements. The second step is measurement. A tax position that meets the "more likely than not" recognition threshold is measured to determine the amount of benefit to recognize in the financial statements. The tax position is measured as the largest amount of benefit that has a likelihood of greater than 50% of being realized upon ultimate resolution with a taxing authority.

Uncertain tax positions are measured based upon the facts and circumstances that exist at each reporting period and involve significant management judgment. Subsequent changes in judgment based upon new information may lead to changes in recognition, derecognition and measurement. Adjustments may result, for example, upon resolution of an issue with the taxing authorities, or expiration of a statute of limitations barring an assessment for an issue. We recognize interest and penalties, if any, related to unrecognized tax benefits in our provision for income taxes.

Tax law requires certain items to be included in our tax returns at different times than such items are reflected in the financial statements. As a result, the annual tax expense reflected in our consolidated statements of earnings is different than that reported in our tax returns. Some of these differences are permanent, such as expenses that are not deductible in our tax returns, and some differences are temporary and reverse over time, such as depreciation expense and amortization expense deductible for income tax purposes. Temporary differences create deferred tax assets and liabilities. Deferred tax liabilities generally represent tax expense recognized in the financial statements for which a tax payment has been deferred, or expense which has been deducted in the tax return but has not yet been recognized in the financial statements. Deferred tax assets generally represent items that can be used as a tax deduction or credit in tax returns in future years for which a benefit has already been recorded in the financial statements.

We establish or adjust valuation allowances for deferred tax assets when we estimate that it is more likely than not that future taxable income will be insufficient to fully use a deduction or credit in a specific jurisdiction. In assessing the need for the recognition of a valuation allowance for deferred tax assets, we consider whether it is more likely than not that some portion, or all, of the deferred tax assets will not be realized and adjust the valuation allowance accordingly. We evaluate all significant available positive and negative evidence as part of our analysis. Negative evidence includes the existence of losses in recent years. Positive evidence includes the forecast of future taxable income by jurisdiction, tax-planning strategies that would result in the realization of deferred tax assets and the presence of taxable income in prior carryback years. The underlying assumptions we use in forecasting future taxable income require significant judgment and take into account our recent performance. Such estimates and assumptions could change in the future as more information becomes known which could impact the amounts reported and disclosed herein. The ultimate realization of

deferred tax assets depends on the generation of future taxable income during the periods in which temporary differences are deductible or creditable.

Fair Value of Financial Instruments

Fair value accounting establishes a framework for measuring fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e., an exit price). This framework includes a fair value hierarchy that prioritizes the inputs to the valuation technique used to measure fair value.

The classification of a financial instrument within the valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date. The three levels of the hierarchy in order of priority of inputs to the valuation technique are defined as follows:

- Level 1 - Valuations are based on unadjusted quoted prices in active markets for identical financial instruments;
- Level 2 - Valuations are based on quoted market prices, other than quoted prices included in Level 1, in markets that are not active or on inputs that are observable either directly or indirectly for the full term of the financial instrument; and
- Level 3 - Valuations are based on pricing or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement of the financial instrument. Such inputs may reflect management's own assumptions about the assumptions a market participant would use in pricing the financial instrument.

The level in the fair value hierarchy within which the fair value measurement is classified is determined based on the lowest level input that is significant to the fair value measure in its entirety.

The carrying amounts of financial assets and liabilities reported in the accompanying consolidated balance sheet for cash and cash equivalents, restricted cash, premiums and fees receivable, other current assets, premiums payable to underwriting enterprises, accrued compensation and other accrued liabilities and deferred revenue - current, at December 31, 2022 and 2021, approximate fair value because of the short-term duration of these instruments. See Note 3 to these consolidated financial statements for the fair values related to the establishment of intangible assets and the establishment and adjustment of earnout payables. See Note 8 to these consolidated financial statements for the fair values related to borrowings outstanding at December 31, 2022 and 2021 under our debt agreements. See Note 13 to these consolidated financial statements for the fair values related to investments at December 31, 2022 and 2021 under our defined benefit pension plan.

Litigation

We are the defendant in various legal actions related to claims, lawsuits and proceedings incident to the nature of our business. We record liabilities for loss contingencies, including legal costs (such as fees and expenses of external lawyers and other service providers) to be incurred, when it is probable that a liability has been incurred on or before the balance sheet date and the amount of the liability can be reasonably estimated. We do not discount such contingent liabilities. To the extent recovery of such losses and legal costs is probable under our insurance programs, we record estimated recoveries concurrently with the losses recognized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. In order to assess our potential liability, we analyze our litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters. As these liabilities are uncertain by their nature, the recorded amounts may change due to a variety of different factors, including new developments in, or changes in approach, such as changing the settlement strategy as applicable to each matter.

Retention Bonus Arrangements

In connection with the hiring and retention of both new talent and experienced personnel, including our senior management, brokers and other key personnel, we have entered into various agreements with key employees setting up the conditions for the cash payment of certain retention bonuses. These bonuses are an incentive for these employees to remain with the company, for a fixed period of time, to allow us to capitalize on their knowledge and experience. We have various forms of retention bonus arrangements; some are paid up front and some are paid at the end of the term, but all are contingent upon successfully completing a minimum period of employment. A retention bonus that is paid to an employee upfront that is contingent on a certain minimum period of employment, will be initially classified as a prepaid asset and amortized to compensation expense as the future services are rendered over the duration of the stay period. A retention bonus that is paid to an employee at the end of the term that is contingent on a certain minimum period of employment, will be accrued as a liability through compensation expense as the future services are rendered over the duration of the stay period. If an employee leaves prior to the required time frame to earn the retention bonus outright, then all or

any portion that is ultimately unearned or refundable, and recovered by the company if prepaid, is forfeited and reversed through compensation expense.

Stock-Based Compensation

We have several employee equity-settled and cash-settled share-based compensation plans. Equity-settled share-based payments to employees include grants of stock options, performance stock units and restricted stock units and are measured based on estimated grant date fair value. We have elected to use the Black-Scholes option pricing model to determine the fair value of stock options on the dates of grant. Performance stock units are measured on the probable outcome of the performance conditions applicable to each grant. Restricted stock units are measured based on the fair market values of the underlying stock on the dates of grant. Shares are issued on the vesting dates net of the minimum statutory tax withholding requirements, as applicable, to be paid by us on behalf of our employees. As a result, the actual number of shares issued will be fewer than the actual number of performance stock units and restricted stock units outstanding. Furthermore, we record the liability for withholding amounts to be paid by us as a reduction to additional paid-in capital when paid.

Cash-settled share-based payments to employees include awards under our Performance Unit Program and stock appreciation rights. The fair value of the amount payable to employees in respect of cash-settled share-based payments is recognized as compensation expense, with a corresponding increase in liabilities, over the vesting period. The liability is remeasured at each reporting date and at settlement date. Any changes in fair value of the liability are recognized as compensation expense.

We recognize share-based 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 from original estimates.

Employee Stock Purchase Plan

We have an employee stock purchase plan (which we refer to as the ESPP), under which the sale of 8.0 million shares of our common stock has been authorized. Eligible employees may contribute up to 15% of their compensation towards the quarterly purchase of our common stock at a purchase price equal to 95% of the lesser of the fair market value of our common stock on the first business day or the last business day of the quarterly offering period. Eligible employees may annually purchase shares of our common stock with an aggregate fair market value of up to $25,000 (measured as of the first day of each quarterly offering period of each calendar year), provided that no employee may purchase more than 2,000 shares of our common stock under the ESPP during any calendar year. At December 31, 2022, 5.3 million shares of our common stock was reserved for future issuance under the ESPP.

Defined Benefit Pension Plans

We recognize in our consolidated balance sheet, an asset for our defined benefit pension plans' overfunded status or a liability for our plans' underfunded status. We recognize changes in the funded status of our defined benefit pension plans in comprehensive earnings in the year in which the changes occur. We use December 31 as the measurement date for our plans' assets and benefit obligations. See Note 13 to these consolidated financial statements for additional information required to be disclosed related to our defined benefit pension plans.

2. Effect of New Accounting Pronouncements

All new accounting pronouncements are either not applicable or deemed not material to our consolidated financial statements.

3. Business Combinations

During 2022, we acquired substantially all of the net assets of the following firms in exchange for our common stock and/or cash. These acquisitions have been accounted for using the acquisition method for recording business combinations (in millions, except share data):

Name and Effective Date of Acquisition	Common Shares Issued	Common Share Value	Cash Paid	Accrued Liability	Escrow Deposited	Recorded Earnout Payable	Total Recorded Purchase Price	Maximum Potential Earnout Payable
	(000s)							
Devitt Insurance Services Ltd February 1, 2022 (DIS)	—	$ —	$ 73.6	$ 1.3	$ 3.4	$ 12.6	$ 90.9	$ 12.5
Innovu Group Holding Company Limited June 1, 2022 (IGH)	—	—	85.4	—	—	—	85.4	—
f3 Companies October 1, 2022 (f3)	352	61.7	33.1	—	5.0	6.1	105.9	25.0
M&T Insurance Agency October 31, 2022 (M&T)	—	—	171.0	—	—	—	171.0	—
PIUS Limited LLC November 1, 2022 (PIU)	74	10.6	35.6	—	3.8	116.4	166.4	150.0
Thirty-two other acquisitions completed in 2022	300	50.6	457.2	41.7	27.0	106.9	683.4	230.2
	726	$ 122.9	$ 855.9	$ 43.0	$ 39.2	$ 242.0	$ 1,303.0	$ 417.7

On December 20, 2022, we signed a definitive agreement to acquire the partnership interests of BCHR holdings, L.P. and its subsidiaries dba Buck (which we refer to as Buck), for a gross consideration of $660.0 million or approximately $585.0 million net of agreed seller funded expenses and net working capital. We expect to fund the transaction via free cash flow and short-term borrowings. Buck is a leading provider of retirement, human resource and employee benefits consulting and administration services. Buck has been in existence for more than 100 years and has a diverse client base by both size and industry. Buck has over 2,300 employees, including more than 220 credentialed actuaries, and primarily serves customers throughout the U.S., Canada and the United Kingdom (U.K). The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals.

On December 1, 2021, we acquired substantially all of the Willis Towers Watson plc treaty reinsurance brokerage operations (which we refer to as Willis Re) for an initial gross consideration of $3.17 billion, and potential additional consideration of $750 million subject to certain third-year revenue targets. There were twelve remaining international operations with deferred closings that comprised approximately $180 million of the initial purchase consideration that were subject to local regulatory approval and closed in 2022. As of the initial closing date, we were the beneficial owners of the operating activity for the twelve deferred closing locations. Together with our existing reinsurance operations, the combined businesses now trades as Gallagher Re.

Common shares issued in connection with acquisitions are valued at closing market prices as of the effective date of the applicable acquisition or on the days when the shares are issued, if purchase consideration is deferred. We record escrow deposits that are returned to us as a result of adjustments to net assets acquired as reductions of goodwill when the escrows are settled. The maximum potential earnout payables disclosed in the foregoing table represent the maximum amount of additional consideration that could be paid pursuant to the terms of the purchase agreement for the applicable acquisition. The amounts recorded as earnout payables, which are primarily based upon the estimated future operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date, are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration in the foregoing table. We will record subsequent changes in these estimated earnout obligations, including the accretion of discount, in our consolidated statement of earnings when incurred.

The fair value of these earnout obligations is based on the present value of the expected future payments to be made to the sellers of the acquired entities in accordance with the provisions outlined in the respective purchase agreements, which is a Level 3 fair value measurement. In determining fair value, we estimated the acquired entity's future performance using financial projections developed by management for the acquired entity and market participant assumptions that were derived for revenue growth and/or profitability. Revenue growth rates generally ranged from 3.0% to 18.5% for our 2022 acquisitions. We estimated future payments using the earnout formula and performance targets specified in each purchase agreement and the financial projections just described. We then discounted these payments to present value using a risk-adjusted rate that takes into consideration market-based rates of return that reflect the ability of the acquired entity to achieve the targets. The discount rates generally ranged from 7.5% to 10.8% for our 2022 acquisitions. Changes in financial projections, market participant assumptions for revenue growth and/or profitability, or the risk-adjusted discount rate, would result in a change in the fair value of recorded earnout obligations.

During 2022, 2021 and 2020, we recognized $61.0 million, $35.7 million and $32.5 million, respectively, of expense in our consolidated statement of earnings related to the accretion of the discount recorded for earnout obligations in connection with our acquisitions. In addition, during 2022, 2021 and 2020, we recognized $22.0 million of expense, $83.9 million of expense and $65.4 million of income, respectively, related to net adjustments in the estimated fair value of the liability for earnout obligations in connection with revised assumptions due to changes in interest rates volatility and other assumptions and projections of future performance for 89, 99 and 135 acquisitions, respectively. The net adjustments during 2022, include changes made to the estimated fair value of the Willis Re acquisition earnout and reflect updated assumptions as of December 31, 2022. The aggregate amount of maximum earnout obligations related to acquisitions made in 2019 and subsequent years was $1,946.2 million as of December 31, 2022, of which $1,077.3 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be made, of which approximately $734.0 million can be settled in cash or stock at our option and $343.3 million must be settled in cash. The aggregate amount of maximum earnout obligations related to acquisitions made in 2017 and subsequent years was $1,873.9 million as of December 31, 2021, of which $988.5 million was recorded in the consolidated balance sheet as of that date based on the estimated fair value of the expected future payments to be made, of which approximately $670.3 million can be settled in cash or stock at our option and $318.2 million must be settled in cash.

The following is a summary of the estimated fair values of the net assets acquired at the date of each acquisition made in 2022 (in millions):

	DIS	IGH	f3	M&T	PIU	Thirty-two Other Acquisitions	Total
Cash and restricted cash	$ 3.9	$ 7.8	$ —	$ 6.1	$ 2.8	$ 30.9	$ 51.5
Other current assets	18.5	6.5	0.1	27.6	—	73.9	126.6
Fixed assets	0.4	0.5	—	0.2	—	2.1	3.2
Noncurrent assets	1.3	2.0	1.8	1.4	—	11.0	17.5
Goodwill	60.4	47.2	40.5	87.0	116.4	358.4	709.9
Expiration lists	29.0	35.0	65.1	78.9	44.6	311.4	564.0
Non-compete agreements	0.7	4.0	0.2	0.9	1.0	12.7	19.5
Trade names	0.9	0.8	—	—	4.0	0.4	6.1
Total assets acquired	115.1	103.8	107.7	202.1	168.8	800.8	1,498.3
Current liabilities	15.3	11.2	0.3	30.2	2.4	90.9	150.3
Noncurrent liabilities	8.9	7.2	1.5	0.9	—	26.5	45.0
Total liabilities assumed	24.2	18.4	1.8	31.1	2.4	117.4	195.3
Total net assets acquired	$ 90.9	$ 85.4	$ 105.9	$ 171.0	$ 166.4	$ 683.4	$ 1,303.0

Among other things, these acquisitions allow us to expand into desirable geographic locations, further extend our presence in the retail and wholesale insurance and reinsurance brokerage markets and increase the volume of general services currently provided. The excess of the purchase price over the estimated fair value of the tangible net assets acquired at the acquisition date was allocated to goodwill, expiration lists, non-compete agreements and trade names in the amounts of $709.9 million, $564.0 million, $19.5 million and $6.1 million, respectively, within the brokerage and risk management segments.

The fair value of the tangible assets and liabilities for each applicable acquisition at the acquisition date approximated their carrying values. In general, the fair value of expiration lists was established using the excess earnings method, which is an income approach based on estimated financial projections developed by management for each acquired entity using market participant assumptions. Revenue growth and attrition rates generally ranged from 3.0% to 5.2% and 5.5% to 9.5% for our 2022 and 2021 acquisitions,

respectively, for which valuations were performed in 2022. We estimate the fair value as the present value of the benefits anticipated from ownership of the subject expiration list in excess of returns required on the investment in contributory assets necessary to realize those benefits. The rate used to discount the net benefits was based on a risk-adjusted rate that takes into consideration market-based rates of return and reflects the risk of the asset relative to the acquired business. These discount rates generally ranged from 10.0% to 16.5% for our 2022 and 2021 acquisitions, for which valuations were performed in 2022. The fair value of non-compete agreements was established using the profit differential method, which is an income approach based on estimated financial projections developed by management for the acquired company using market participant assumptions and various non-compete scenarios.

Provisional estimates of fair value are established at the time of each acquisition and are subsequently reviewed and finalized within the first year of operations subsequent to the acquisition date to determine the necessity for adjustments. During this period, we may use independent third-party valuation specialists to assist us in finalizing the fair value of assets acquired and liabilities assumed. Fair value adjustments, if any, are most common to the values established for amortizable intangible assets, including expiration lists, non-compete agreements, acquired software, and for earnout liabilities, with the offset to goodwill, net of any income tax effect. Provisional estimates of fair value were used by us to initially record the acquisition of Willis Re as of the December 1, 2021 acquisition date. We used independent third-party valuation specialists to assist us in determining the fair value of assets acquired and liabilities assumed for this transaction. As of December 31, 2022, the specialists completed their analysis and the fair value estimates have been finalized. Based on the work performed in 2022, we made adjustments to the amounts initially recorded for expiration lists, acquired software and for earnout liability. As a result of these adjustments, the amount allocated to expiration lists decreased by $608.0 million, the amount allocated to acquired software increased by $59.1 million and the fair value of the earnout liability as of the acquisition date decreased by $1.6 million. In addition, a net working capital adjustment of $106.0 million was recorded in 2022, related to this transaction, which resulted in a decrease in the initial purchase price consideration paid. These non-cash adjustments resulted in a net increase in goodwill of $441.3 million. The reason for the lower value allocated to expiration lists is due to receipt of additional information regarding average customer lives and the higher value allocated to the acquired software which is a result of the incorporation of additional information related to the licensing of certain software applications.

Expiration lists, non-compete agreements and trade names related to our acquisitions are amortized using the straight-line method over their estimated useful lives (two to fifteen years for expiration lists, two to six years for non-compete agreements and two to fifteen years for trade names), while goodwill is not subject to amortization. We use the straight-line method to amortize these intangible assets because the pattern of their economic benefits cannot be reasonably determined with any certainty. We review all of our identifiable intangible assets for impairment periodically (at least annually) and whenever events or changes in business circumstances indicate that the carrying value of the assets may not be recoverable. In reviewing identifiable intangible assets, if the undiscounted future cash flows were less than the carrying amount of the respective (or underlying) asset, an indicator of impairment would exist and further analysis would be required to determine whether or not a loss would need to be charged against current period earnings as a component of amortization expense. Based on the results of impairment reviews in 2022, 2021 and 2020, we wrote off $2.0 million, $17.6 million and $51.7 million, respectively, of amortizable intangible assets related to the brokerage and risk management segments.

Of the $564.0 million of expiration lists, $19.5 million of non-compete agreements and $6.1 million of trade names related to the 2022 acquisitions, $127.8 million, $8.5 million and $2.0 million, respectively, is not expected to be deductible for income tax purposes. Accordingly, we recorded a deferred tax liability of $29.6 million, and a corresponding amount of goodwill, in 2022 related to the nondeductible amortizable intangible assets.

Our consolidated financial statements for the year ended December 31, 2022 include the operations of the acquired entities from their respective acquisition dates. The following is a summary of the unaudited pro forma historical results, as if these entities had been acquired at January 1, 2021 (in millions, except per share data):

	Year Ended December 31,	
	2022	2021
Total revenues	$ 8,710.2	$ 8,445.8
Net earnings attributable to controlling interests	1,114.8	907.1
Basic net earnings per share	5.29	4.46
Diluted net earnings per share	5.18	4.36

The unaudited pro forma results above have been prepared for comparative purposes only and do not purport to be indicative of the results of operations which actually would have resulted had these acquisitions occurred at January 1, 2021, nor are they necessarily indicative of future operating results. Annualized revenues of entities acquired in 2022 totaled approximately $246.5 million. Total revenues and net loss recorded in our consolidated statement of earnings for 2022 related to the 2022 acquisitions in the aggregate, were $87.9 million and $(0.7) million, respectively.

4. Contracts with Customers

Contract Assets and Liabilities/Contract Balances

Information about unbilled receivables, contract assets and contract liabilities from contracts with customers is as follows (in millions):

	December 31, 2022	December 31, 2021
Unbilled receivables	$ 910.9	$ 730.0
Deferred contract costs	144.5	129.7
Deferred revenue	609.3	579.6

The unbilled receivables, which are included in premium and fees receivable in our consolidated balance sheet, primarily relate to our rights to consideration for work completed but not billed at the reporting date. These are transferred to the receivables when the client is billed. The deferred contract costs represent the costs we incur to fulfill a new or renewal contract with our clients prior to the effective date of the contract. These costs are expensed on the contract effective date. The deferred revenue in the consolidated balance sheet included amounts that represent the remaining performance obligations under our contracts and amounts collected related to advanced billings and deposits received from customers that may or may not ultimately be recognized as revenues in the future. Deposits received from customers could be returned to the customers based on lesser actual transactional volume than originally billed volume.

Significant changes in the deferred revenue balances, which include foreign currency translation adjustments, during the period are as follows (in millions):

	Brokerage	Risk Management	Total
Deferred revenue at December 31, 2020	$ 354.7	$ 186.6	$ 541.3
Incremental deferred revenue	325.0	102.1	427.1
Revenue recognized during the year ended December 31, 2021 included in deferred revenue at December 31, 2020	(296.1)	(103.5)	(399.6)
Net change in collected billings/deposits received from customers	(3.6)	(0.7)	(4.3)
Impact of changes in foreign exchange rates	(3.7)	(0.8)	(4.5)
Deferred revenue recognized from business acquisitions	19.6	—	19.6
Deferred revenue at December 31, 2021	395.9	183.7	579.6
Incremental deferred revenue	342.3	103.2	445.5
Revenue recognized during the year ended December 31, 2022 included in deferred revenue at December 31, 2021	(326.3)	(104.6)	(430.9)
Net change in collected billings/deposits received from customers	21.4	(7.0)	14.4
Impact of changes in foreign exchange rates	(17.9)	—	(17.9)
Deferred revenue recognized from business acquisitions	18.6	—	18.6
Deferred revenue at December 31, 2022	$ 434.0	$ 175.3	$ 609.3

Revenue recognized during 2022 in the table above included revenue from 2021 acquisitions that would not be reflected in prior years.

Remaining Performance Obligations

Remaining performance obligations represent the portion of the contract price for which work has not been performed. As of December 31, 2022, the aggregate amount of the contract price allocated to remaining performance obligations was $609.3 million.

The estimated revenue expected to be recognized in the future related to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period is as follows (in millions):

	Brokerage	Risk Management	Total
2023	$ 404.6	$ 48.4	$ 453.0
2024	26.3	64.5	90.8
2025	1.4	27.2	28.6
2026	0.8	14.4	15.2
2027	0.5	8.4	8.9
Thereafter	0.4	12.4	12.8
Total	$ 434.0	$ 175.3	$ 609.3

Deferred Contract Costs

We capitalize costs incurred to fulfill contracts as “deferred contract costs” which are included in other current assets in our consolidated balance sheet. Deferred contract costs were $144.5 million and $129.7 million as of December 31, 2022 and 2021, respectively. Capitalized fulfillment costs are amortized to expense on the contract effective date. The amount of amortization of the deferred contract costs was $504.4 million and $425.5 million for the years ended December 31, 2022 and 2021, respectively.

We have applied the practical expedient to recognize the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the assets that we otherwise would have recognized is one year or less for our brokerage segment. These costs are included in compensation and operating expenses in our consolidated statement of earnings.

5. Other Financial Data

Other Current Assets

Major classes of other current assets consist of the following (in millions):

	December 31,	
	2022	2021
Premium finance advances and loans	$ 546.3	$ 509.7
Accrued supplemental, direct bill and other receivables	567.8	563.0
Refined coal production related receivables	5.7	76.9
Deferred contract costs	144.5	129.7
Prepaid expenses	197.2	171.7
Total other current assets	$ 1,461.5	$ 1,451.0

The premium finance advances and loans represent short-term loans which we make to many of our brokerage related clients and other non-brokerage clients to finance their premiums paid to underwriting enterprises. These premium finance advances and loans are primarily generated by three Australian and New Zealand premium finance subsidiaries. Financing receivables are carried at amortized cost. Given that these receivables carry a fairly rapid delinquency period of only seven days post payment date, and that contractually the majority of the underlying insurance policies will be canceled within one month of the payment due date in normal course, there historically has been a minimal risk of not receiving payment, and therefore we do not maintain any significant allowance for losses against this balance.

6. Fixed Assets

Major classes of fixed assets consist of the following (in millions):

	December 31,	
	2022	2021
Office equipment	$ 32.2	$ 36.2
Furniture and fixtures	142.0	137.1
Leasehold improvements	190.7	170.8
Computer equipment	295.8	247.1
Land and buildings - corporate headquarters	145.3	145.3
Software	583.4	532.2
Other	16.9	17.2
Work in process	56.0	23.0
	1,462.3	1,308.9
Accumulated depreciation	(886.1)	(808.1)
Net fixed assets	$ 576.2	$ 500.8

The amounts in work in process in the table above primarily are for capitalized expenditures incurred related to IT development projects in 2022 and 2021.

7. Intangible Assets

The carrying amount of goodwill at December 31, 2022 and 2021 allocated by domestic and foreign operations is as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
At December 31, 2022				
United States	$ 5,065.7	$ 74.8	$ —	$ 5,140.5
United Kingdom	2,180.2	17.7	—	2,197.9
Canada	569.7	—	—	569.7
Australia	467.6	10.2	—	477.8
New Zealand	203.8	9.5	—	213.3
Other foreign	871.1	—	19.1	890.2
Total goodwill - net	$ 9,358.1	$ 112.2	$ 19.1	$ 9,489.4
At December 31, 2021				
United States	$ 4,409.1	$ 64.8	$ —	$ 4,473.9
United Kingdom	2,198.7	15.0	—	2,213.7
Canada	572.9	—	—	572.9
Australia	487.2	10.9	—	498.1
New Zealand	217.6	10.2	—	227.8
Other foreign	659.1	—	20.7	679.8
Total goodwill - net	$ 8,544.6	$ 100.9	$ 20.7	$ 8,666.2

The changes in the carrying amount of goodwill for 2022 and 2021 are as follows (in millions):

	Brokerage	Risk Management	Corporate	Total
Balance as of December 31, 2020	$ 6,053.6	$ 70.5	$ 2.9	$ 6,127.0
Goodwill acquired during the year	2,511.8	31.6	18.1	2,561.5
Goodwill adjustments related to appraisals and other acquisition adjustments	50.8	—	—	50.8
Goodwill written-off related to sales of business	(1.0)	—	—	(1.0)
Foreign currency translation adjustments during the year	(70.6)	(1.2)	(0.3)	(72.1)
Balance as of December 31, 2021	8,544.6	100.9	20.7	8,666.2
Goodwill acquired during the year	693.9	16.0	—	709.9
Goodwill adjustments related to appraisals and other acquisition adjustments	428.3	(1.6)	0.2	426.9
Foreign currency translation adjustments during the year	(308.7)	(3.1)	(1.8)	(313.6)
Balance as of December 31, 2022	$ 9,358.1	$ 112.2	$ 19.1	$ 9,489.4

Major classes of amortizable intangible assets consist of the following (in millions):

	December 31, 2022	December 31, 2021
Expiration lists	$ 6,472.3	$ 6,696.8
Accumulated amortization - expiration lists	(3,178.5)	(2,812.2)
	3,293.8	3,884.6
Non-compete agreements	91.3	76.0
Accumulated amortization - non-compete agreements	(67.5)	(62.8)
	23.8	13.2
Trade names	108.5	105.2
Accumulated amortization - trade names	(54.0)	(49.0)
	54.5	56.2
Net amortizable assets	$ 3,372.1	$ 3,954.0

Estimated aggregate amortization expense for each of the next five years is as follows (in millions):

2023	$ 466.1
2024	429.5
2025	388.5
2026	349.7
2027	320.3
Thereafter	1,418.0
Total	$ 3,372.1

8. Credit and Other Debt Agreements

The following is a summary of our corporate and other debt (in millions):

	December 31,	
	2022	2021
Senior Notes:		
Semi-annual payments of interest, fixed rate of 2.40%, balloon due November 9, 2031	$ 400.0	$ 400.0
Semi-annual payments of interest, fixed rate of 3.50%, balloon due May 20, 2051	850.0	850.0
Semi-annual payments of interest, fixed rate of 3.05%, balloon due March 9, 2052	350.0	350.0
Total Senior Notes	1,600.0	1,600.0
Note Purchase Agreements:		
Semi-annual payments of interest, fixed rate of 3.69%, balloon due June 14, 2022	—	200.0
Semi-annual payments of interest, fixed rate of 5.49%, balloon due February 10, 2023	50.0	50.0
Semi-annual payments of interest, fixed rate of 4.13%, balloon due June 24, 2023	200.0	200.0
Semi-annual payments of interest, fixed rate of 4.72%, balloon due February 13, 2024	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.58%, balloon due February 27, 2024	325.0	325.0
Quarterly payments of interest, floating rate of 90 day LIBOR plus 1.40%, balloon due June 13, 2024	50.0	50.0
Semi-annual payments of interest, fixed rate of 4.31%, balloon due June 24, 2025	200.0	200.0
Semi-annual payments of interest, fixed rate of 4.85%, balloon due February 13, 2026	140.0	140.0
Semi-annual payments of interest, fixed rate of 4.73%, balloon due February 27, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.40%, balloon due June 2, 2026	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.36%, balloon due June 24, 2026	150.0	150.0
Semi-annual payments of interest, fixed rate of 3.75%, balloon due January 30, 2027	30.0	30.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due June 27, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due August 2, 2027	125.0	125.0
Semi-annual payments of interest, fixed rate of 4.14%, balloon due August 4, 2027	98.0	98.0
Semi-annual payments of interest, fixed rate of 3.46%, balloon due December 1, 2027	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.55%, balloon due June 2, 2028	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 13, 2028	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.04%, balloon due February 13, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.98%, balloon due February 27, 2029	100.0	100.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due June 27, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 4.19%, balloon due August 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.48%, balloon due December 2, 2029	50.0	50.0
Semi-annual payments of interest, fixed rate of 3.99%, balloon due January 30, 2030	341.0	341.0
Semi-annual payments of interest, fixed rate of 4.44%, balloon due June 13, 2030	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.14%, balloon due March 13, 2031	180.0	180.0
Semi-annual payments of interest, fixed rate of 4.70%, balloon due June 2, 2031	25.0	25.0
Semi-annual payments of interest, fixed rate of 4.09%, balloon due January 30, 2032	69.0	69.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due June 27, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.34%, balloon due August 2, 2032	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.59%, balloon due June 13, 2033	125.0	125.0
Semi-annual payments of interest, fixed rate of 5.29%, balloon due March 13, 2034	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.48%, balloon due June 12, 2034	175.0	175.0
Semi-annual payments of interest, fixed rate of 4.24%, balloon due January 30, 2035	79.0	79.0
Semi-annual payments of interest, fixed rate of 2.44%, balloon due February 10, 2036	100.0	100.0
Semi-annual payments of interest, fixed rate of 2.46%, balloon due May 5, 2036	75.0	75.0
Semi-annual payments of interest, fixed rate of 4.69%, balloon due June 13, 2038	75.0	75.0
Semi-annual payments of interest, fixed rate of 5.45%, balloon due March 13, 2039	40.0	40.0
Semi-annual payments of interest, fixed rate of 4.49%, balloon due January 30, 2040	56.0	56.0
Total Note Purchase Agreements	4,248.0	4,448.0
Credit Agreement:		
Periodic payments of interest and principal, prime or SOFR plus up to 1.40%, expires June 7, 2024	60.0	45.0
Premium Financing Debt Facility - expires September 15, 2024:		
Facility B		
AUD denominated tranche, interbank rates plus 1.500%	217.6	209.5
NZD denominated tranche, interbank rates plus 1.850%	—	6.8
Facility C and D		
AUD denominated tranche, interbank rates plus 0.830%	15.2	2.1
NZD denominated tranche, interbank rates plus 0.990%	9.1	10.0
Total Premium Financing Debt Facility	241.9	228.4
Total corporate and other debt	6,149.9	6,321.4
Less unamortized debt acquisition costs on Senior Notes and Note Purchase Agreements	(20.6)	(22.6)
Less unamortized discount on Bonds Payable	(14.6)	(15.2)
Net corporate and other debt	$ 6,114.7	$ 6,283.6

The Senior Notes in the table above are registered by the company with the Securities and Exchange Commission and are not guaranteed.

Senior Notes - On May 20, 2021, we closed and funded an offering of $1,500.0 million of unsecured senior notes in two tranches. The $650.0 million aggregate principal amount of 2.50% Senior Notes were due 2031 (which we refer to as the 2031 May Notes) and the $850.0 million aggregate principal amount of 3.50% Senior Notes are due 2051 (which we refer to as the 2051 May Notes and together with the 2031 May Notes, the May Notes). The weighted average interest rate is 3.31% per annum after giving effect to underwriting costs and the net hedge loss. In 2018 and 2019, we entered into a pre-issuance interest rate hedging transaction related to

these notes. We realized a net cash loss of approximately $57.8 million on the hedging transactions that will be recognized on a pro rata basis as an increase to our reported interest expense over a ten year period.

The offering of the May Notes was made pursuant to a shelf registration statement filed with the SEC. The relevant terms of the May Notes, the Indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement dated May 13, 2021, filed with the SEC on May 17, 2021.

The 2031 May Notes had a special optional redemption whereby, we had the option to redeem the 2031 May Notes in whole and not in part, by providing notice of such redemption to the holders of the 2031 May Notes within 30 days following a Willis Re transaction termination event, at redemption price equal to 101% of the aggregate principal amount of the 2031 May Notes, plus any accrued and unpaid interest. These notes were redeemed on August 13, 2021. As a result of the redemption of this debt, we incurred a loss on extinguishment of debt $16.2 million, which included the redemption price premium of $6.5 million, which is presented in cash flows from financing activities, and the unamortized discount amount on the debt issuance and the write-off of all the debt acquisition costs of $9.7 million, which is presented in cash flows from operating activities. The 2051 May Notes are not subject to the special optional redemption. We used the net proceeds of the 2051 May Notes offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

On November 9, 2021, we closed and funded an offering of $750.0 million of unsecured senior notes in two tranches. The $400.0 million aggregate principal amount of 2.40% Senior Notes are due 2031 (which we refer to as the 2031 November Notes) and $350.0 million aggregate principal amount of 3.05% Senior Notes are due 2052 (which we refer to as the 2052 November Notes and together with the 2031 November Notes, the November Notes). The weighted average interest rate is 2.80% per annum after giving effect to underwriting costs. The November Notes were issued pursuant to an indenture, dated as of May 20, 2021, as modified and supplemented in respect of the November Notes by an Officer's Certificate pursuant to the indenture, dated as of November 9, 2021. The relevant terms of the November Notes, the indenture and the Officer's Certificate are further described under the caption "Description of Notes" in the prospectus supplement filed with the SEC on November 3, 2021. We used the net proceeds of the November Notes this offering to fund a portion of the cash consideration payable in connection with the Willis Re transaction.

Note Purchase Agreements - On February 10, 2021, we closed a private placement of $100.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.44% and are due in 2036. We used the proceeds of these offerings in part to fund the $75.0 million February 10, 2021 Series D note maturity, and for acquisitions and general corporate purposes. The weighted average interest rate is 3.97% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately $22.9 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

On May 5, 2021, we closed and funded a private placement of $75.0 million aggregate principal amount of unsecured senior notes. The unsecured senior notes were issued with an interest rate of 2.46% and are due in 2036. We used the proceeds of this offering in part to fund acquisitions and general corporate purposes. The weighted average interest rate is 3.98% after giving effect to a net hedging loss. In 2018, we entered into a pre-issuance interest rate hedging transaction related to this private placement. We realized a net cash loss of approximately $17.2 million on the hedging transactions that will be recognized on a pro rata basis as an increase in our reported interest expense over ten years of the total 15-year notes.

We used these offerings to repay certain existing indebtedness and for general corporate purposes, including to fund acquisitions.

On June 14, 2022, we used operating cash to fund the $200.0 million Series G note maturity.

Under the terms of the note purchase agreements described above, we may redeem the notes at any time, in whole or in part, at 100% of the principal amount of such notes being redeemed, together with accrued and unpaid interest and a "make-whole amount". The "make-whole amount" is derived from a net present value computation of the remaining scheduled payments of principal and interest using a discount rate based on the U.S. Treasury yield plus 0.5% and is designed to compensate the purchasers of the notes for their investment risk in the event prevailing interest rates at the time of prepayment are less favorable than the interest rates under the notes. We do not currently intend to prepay any of the notes.

The note purchase agreements described above contain customary provisions for transactions of this type, including representations and warranties regarding us and our subsidiaries and various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2022. The note purchase agreements also provide customary events of default, generally with corresponding grace periods, including, without limitation, payment defaults with

respect to the notes, covenant defaults, cross-defaults to other agreements evidencing our or our subsidiaries' indebtedness, certain judgments against us or our subsidiaries and events of bankruptcy involving us or our material subsidiaries.

The notes issued under the note purchase agreement are senior unsecured obligations of ours and rank equal in right of payment with our Credit Agreement discussed below.

Credit Agreement - On August 27, 2020, we entered into an amendment to our amended and restated multicurrency credit agreement dated June 7, 2019, (which we refer to as the Credit Agreement). The amendment to the Credit Agreement provided that the obligations of each subsidiary of Gallagher that was a borrower, guarantor and/or obligor under the Credit Agreement, ceased to apply and that each subsidiary was released from all of its obligations under the Credit Agreement. The amendment also replaced the minimum asset covenant with a priority indebtedness covenant, substantially similar to other priority indebtedness covenants applicable to us under our private placement note purchase agreements.

On December 14, 2022, we entered into a second amendment to the Credit Agreement. The second amendment to the Credit Agreement provided that LIBOR should be replaced with a successor rate. The amendment also included additional terms and conditions for SOFR loans and RFR loans. See below for more detail.

The Credit Agreement provides that we may elect that each borrowing in U.S. dollars be either base rate loans or SOFR loans, each as defined in the Credit Agreement. However, the Credit Agreement provides that all loans denominated in currencies other than U.S. dollars will be eurocurrency or risk-free rate (RFR) loans. Interest rates on base rate loans and outstanding drawings on letters of credit in U.S. dollars under the Credit Agreement will be based on the base rate, as defined in the Credit Agreement, plus a margin of 0.00% to 0.40%, depending on the financial leverage ratio we maintain. Interest rates on eurocurrency, SOFR loans, RFR loans or outstanding drawings on letters of credit in currencies other than U.S. dollars under the Credit Agreement will be based on adjusted SOFR rate, eurocurrency rate or RFR rate, as applicable, as defined in the Credit Agreement, plus a margin of 0.825% to 1.40%, depending on the financial leverage ratio we maintain. Interest rates on swing loans will be based, at our election, on either the base rate or an alternate rate that may be quoted by the lead lender. The annual facility fee related to the Credit Agreement is 0.125% and 0.250% of the revolving credit commitment, depending on the financial leverage ratio we maintain.

The terms of the Credit Agreement include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2022. The Credit Agreement also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness.

At December 31, 2022, $10.6 million of letters of credit (for which we had $17.4 million of liabilities recorded at December 31, 2022) were outstanding under the Credit Agreement. See Note 17 to these consolidated financial statements for a discussion of the letters of credit. There was $60.0 million of borrowings outstanding under the Credit Agreement at December 31, 2022. Accordingly, at December 31, 2022, $1,150.6 million remained available for potential borrowings.

Premium Financing Debt Facility - On September 20, 2022, we entered into an amendment to our revolving loan facility (which we refer to as the Premium Financing Debt Facility), that provides funding for the three Australian (AU) and New Zealand (NZ) premium finance subsidiaries. The amendment, among other things, extended the expiration date of the Premium Financing Debt Facility from September 15, 2023 to September 15, 2024, and increased the total commitment for the AU$ denominated tranche from AU$340.0 million to AU$410.0 million. The Premium Financing Debt Facility is comprised of: (i) Facility B is separated into AU$350.0 million and NZ$25.0 million tranches (the NZ$ tranche will decrease as of May 1, 2023 to NZ$10.0 million), (ii) Facility C, an AU$60.0 million equivalent multi-currency overdraft tranche and (iii) Facility D, a NZ$15.0 million equivalent multi-currency overdraft tranche.

The interest rates on Facility B are Interbank rates, which vary by tranche, duration and currency, plus a margin of 1.500% and 1.850% for the AU$ and NZ$ tranches, respectively. The interest rates on Facilities C and D are 30 day Interbank rates, plus a margin of 0.830% and 0.990% for the AU$ and NZ$ tranches, respectively. The annual fee for Facility B is 0.675% and 0.8325% for the undrawn commitments for the AU$ and NZ$ tranches, respectively. The annual fee for Facility C is 0.77% and for Facility D is 0.90% of the total commitments of the facilities.

The terms of our Premium Financing Debt Facility include various financial covenants, including covenants that require us to maintain specified financial ratios. We were in compliance with these covenants as of December 31, 2022. The Premium Financing Debt Facility also includes customary provisions for transactions of this type, including events of default, with corresponding grace periods and cross-defaults to other agreements evidencing our indebtedness. Facilities B, C and D are secured by the premium finance receivables of the Australian and New Zealand premium finance subsidiaries.

At December 31, 2022, AU$325.0 million and NZ$0.0 million of borrowings were outstanding under Facility B, AU$22.5 million of borrowings outstanding under Facility C and NZ$14.5 million of borrowings were outstanding under Facility D, which in aggregate amount to US$241.9 million of borrowings under the Premium Finance Debt Facility. Accordingly, as of December 31, 2022, AU$25.0 million and NZ$25.0 million remained available for potential borrowing under Facility B, and AU$37.5 million and NZ$0.5 million under Facilities C and D, respectively.

See Note 17 to these consolidated financial statements for additional discussion on our contractual obligations and commitments as of December 31, 2022.

The aggregate estimated fair value of the $5,848.0 million in debt under our various senior notes and note purchase agreements at December 31, 2022 was $4,942.5 million due to the long-term duration and fixed interest rates associated with these debt obligations. No active or observable market exists for our private long-term debt. Therefore, the estimated fair value of this debt is based on the income valuation approach, which is a valuation technique that converts future amounts (for example, cash flows or income and expenses) to a single current (that is, discounted) amount. The fair value measurement is determined on the basis of the value indicated by current market expectations about those future amounts. Because our debt issuances generate a measurable income stream for each lender, the income approach was deemed to be an appropriate methodology for valuing the private placement long-term debt. The methodology used calculated the original deal spread at the time of each debt issuance, which was equal to the difference between the yield of each issuance (the coupon rate) and the equivalent benchmark treasury yield at that time. The market spread as of the valuation date was calculated, which is equal to the difference between an index for investment grade insurers and the equivalent benchmark treasury yield today. An implied premium or discount to the par value of each debt issuance based on the difference between the origination deal spread and market as of the valuation date was then calculated. The index we relied on to represent investment graded insurers was the Bloomberg Valuation Services (BVAL) U.S. Insurers BBB index. This index is comprised primarily of insurance brokerage firms and was representative of the industry in which we operate. For the purpose of our analysis, the average BBB rate was assumed to be the appropriate borrowing rate for us. The estimated fair value of the $60.0 million of borrowings outstanding under our Credit Agreement approximate their carrying value due to their short-term duration and variable interest rates. The estimated fair value of the $241.9 million of borrowings outstanding under our Premium Financing Debt Facility approximates their carrying value due to their short-term duration and variable interest rates.

9. Earnings per Share

The following table sets forth the computation of basic and diluted net earnings per share (in millions, except per share data):

	Year Ended December 31,		
	2022	2021	2020
Net earnings attributable to controlling interests	$ 1,114.2	$ 906.8	$ 818.8
Weighted average number of common shares outstanding	210.3	202.7	191.0
Dilutive effect of stock options using the treasury stock method	4.4	4.6	4.0
Weighted average number of common and common equivalent shares outstanding	214.7	207.3	195.0
Basic net earnings per share	$ 5.30	$ 4.47	$ 4.29
Diluted net earnings per share	$ 5.19	$ 4.37	$ 4.20

Anti-dilutive stock-based awards of 2.0 million, 1.3 million and 1.0 million shares were outstanding at December 31, 2022, 2021 and 2020, respectively, but were excluded in the computation of the dilutive effect of stock-based awards for the year then ended. These stock-based awards were excluded from the computation because the exercise prices on these stock-based awards were greater than the average market price of our common shares during the respective period, and therefore, would be anti-dilutive to earnings per share under the treasury stock method.

10. Stock Option Plans

On May 10, 2022, our stockholders approved the Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (which we refer to as the LTIP), which replaced our previous stockholder-approved Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan (which we refer to as the 2017 LTIP). The LTIP term began May 10, 2022 and terminates on the date of the annual meeting of stockholders in 2032, unless terminated earlier by our board of directors. All of our officers, employees and non-employee directors are eligible to receive awards under the LTIP. The compensation committee of our board of directors determines the annual number of shares delivered under the LTIP. The LTIP provides for non-qualified and incentive stock options, stock appreciation rights, restricted stock and restricted stock units, any or all of which may be made contingent upon the achievement of performance criteria.

Shares of our common stock available for issuance under the LTIP include authorized and unissued shares of common stock or authorized and issued shares of common stock reacquired and held as treasury shares or otherwise, or a combination thereof. The number of available shares will be reduced by the aggregate number of shares that become subject to outstanding awards granted under the LTIP. A maximum of 3.5 million shares issued for full value awards (i.e., awards other than stock options or stock appreciation rights) will be counted one-for-one against the 13.5 million share pool, and every share subject to a full value award in excess of such limit will be counted as 3.8 shares against the pool. To the extent that shares subject to an outstanding award granted under either the LTIP or prior equity plans are not issued or delivered by reason of the expiration, termination, cancellation or forfeiture of such award or by reason of the settlement of such award in cash, then such shares will again be available for grant under the LTIP.

The maximum number of shares available under the LTIP for restricted stock, restricted stock unit awards and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 3.3 million as of December 31, 2022.

The LTIP provides for the grant of stock options, which may be either tax-qualified incentive stock options or non-qualified options and stock appreciation rights. The compensation committee determines the period for the exercise of a non-qualified stock option, tax-qualified incentive stock option or stock appreciation right, provided that no option can be exercised later than seven years after its date of grant. The exercise price of a non-qualified stock option or tax-qualified incentive stock option and the base price of a stock appreciation right cannot be less than 100% of the fair market value of a share of our common stock on the date of grant, provided that the base price of a stock appreciation right granted in tandem with an option will be the exercise price of the related option.

Upon exercise, the option exercise price may be paid in cash, by the delivery of previously owned shares of our common stock, through a net-exercise arrangement, or through a broker-assisted cashless exercise arrangement. The compensation committee determines all of the terms relating to the exercise, cancellation or other disposition of an option or stock appreciation right upon a termination of employment, whether by reason of disability, retirement, death or any other reason. Stock option and stock appreciation right awards under the LTIP are non-transferable.

On February 1, 2022 and March 15, 2022, the compensation committee granted 1,197,000 and 1,141,000 options, respectively, under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2025, 2026, and 2027, respectively. On March 16, 2021, the compensation committee granted 1,640,000 options under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2024, 2025 and 2026, respectively. On March 12, 2020, the compensation committee granted 1,590,740 options under the 2017 LTIP to our officers and key employees that become exercisable at the rate of 34%, 33% and 33% on the anniversary date of the grant in 2023, 2024 and 2025, respectively.

The 2022, 2021 and 2020 options expire seven years from the date of grant, or earlier in the event of certain terminations of employment. For our executive officers age 55 or older, stock options awarded in 2022, 2021 and 2020 are not subject to forfeiture upon such officers' departure from the company after two years from the date of grant.

Our stock option plans provide for the immediate vesting of all outstanding stock option grants in the event of a change in control of our company, as defined in the applicable plan documents.

During 2022, 2021 and 2020, we recognized $27.9 million, $17.5 million and $13.6 million, respectively, of compensation expense related to our stock option grants.

For purposes of expense recognition in 2022, 2021 and 2020, the estimated fair values of the stock option grants are amortized to expense over the options' vesting period. We estimated the fair value of stock options at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions:

	Year Ended December 31,		
	2022	2021	2020
Expected dividend yield	1.3%	1.5%	2.1%
Expected risk-free interest rate	1.9%	0.9%	0.7%
Volatility	23.1%	22.9%	17.3%
Expected life (in years)	5.4	5.4	5.4

Option valuation models require the input of highly subjective assumptions including the expected stock price volatility. The Black-Scholes option pricing model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. The weighted average fair value per option for all options granted during 2022, 2021 and 2020, as determined on the grant date using the Black-Scholes option pricing model, was $33.25, $23.38 and $9.99, respectively.

The following is a summary of our stock option activity and related information for 2022 and 2021 (in millions, except exercise price and year data):

	Shares Under Option	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value
Year Ended December 31, 2022				
Beginning balance	7.5	$ 81.30		
Granted	2.4	157.74		
Exercised	(1.4)	53.53		
Forfeited or canceled	(0.2)	109.10		
Ending balance	8.3	$ 107.47	4.18	$ 668.9
Exercisable at end of year	1.8	$ 61.11	1.56	$ 230.8
Ending unvested and expected to vest	5.9	$ 118.80	4.86	$ 413.2
Year Ended December 31, 2021				
Beginning balance	7.5	$ 65.09		
Granted	1.6	127.90		
Exercised	(1.4)	49.10		
Forfeited or canceled	(0.2)	88.84		
Ending balance	7.5	$ 81.30	3.90	$ 666.3
Exercisable at end of year	2.1	$ 51.46	1.57	$ 242.3
Ending unvested and expected to vest	5.1	$ 91.56	4.72	$ 401.7

Options with respect to 13.4 million shares (less any shares of restricted stock issued under the LTIP - see Note 12 to these consolidated financial statements) were available for grant under the LTIP at December 31, 2022.

The total intrinsic value of options exercised during 2022, 2021 and 2020 amounted to $168.2 million, $127.4 million and $106.4 million, respectively. As of December 31, 2022, we had approximately $94.3 million of total unrecognized compensation expense related to nonvested options. We expect to recognize that cost over a weighted average period of approximately four years.

Other information regarding stock options outstanding and exercisable at December 31, 2022 is summarized as follows (in millions, except exercise price and year data):

Range of Exercise Prices			Options Outstanding			Options Exercisable	
			Number Outstanding	Weighted Average Remaining Contractual Term (in years)	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
$ 43.71	$ —	$ 43.71	$ 0.4	$ 0.21	$ 43.71	$ 0.4	$ 43.71
49.55	—	56.86	0.7	1.21	56.84	0.7	56.85
70.74	—	70.74	0.8	2.21	70.74	0.4	70.74
79.59	—	79.59	1.0	3.20	79.59	0.3	79.59
86.17	—	86.17	1.5	4.20	86.17	—	86.17
127.90	—	127.90	1.5	5.21	127.90	—	—
156.85	—	156.85	1.2	6.09	156.85	—	—
158.56	—	161.14	1.2	6.21	158.65	—	—
$ 43.71	$ —	$ 161.14	$ 8.3	$ 4.18	$ 107.47	$ 1.8	$ 61.11

11. Deferred Compensation

We have a Deferred Equity Participation Plan, (which we refer to as the DEPP), which is a non-qualified plan that generally provides for distributions to certain of our key executives when they reach age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) or upon or after their actual retirement if later. Under the provisions of the DEPP, we typically contribute cash in an amount approved by the compensation committee to a rabbi trust on behalf of the executives participating in the DEPP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. Distributions under the DEPP may not normally be made until the participant reaches age 62 (or the one-year anniversary of the date of the grant for participants over the age of 61 as of the grant date) and are subject to forfeiture in the event of voluntary termination of employment prior to then. DEPP awards are generally made annually in the first quarter. In addition, we annually make awards under sub-plans of the DEPP for certain production staff, which generally provide for vesting and/or distributions no sooner than five years from the date of awards, although certain awards vest and/or distribute after the earlier of fifteen years or the participant reaching age 65. All contributions to the plan (including sub-plans) deemed to be invested in shares of our common stock are distributed in the form of our common stock and all other distributions are paid in cash.

Our common stock that is issued to or purchased by the rabbi trust as a contribution under the DEPP is valued at historical cost, which equals its fair market value at the date of grant or date of purchase. When common stock is issued, we record an unearned deferred compensation obligation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair market value of our common stock owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements.

In the first quarter of each of 2022, 2021 and 2020, the compensation committee approved $26.3 million, $17.0 million and $14.1 million, respectively, of awards in the aggregate to certain key executives under the DEPP that were contributed to the rabbi trust in the first quarters of 2022, 2021 and 2020, respectively. We contributed cash to the rabbi trust and instructed the trustee to acquire a specified number of shares of our common stock on the open market to fund these 2022, 2021 and 2020 awards. During 2022, 2021 and 2020, we charged $18.5 million, $14.1 million and $12.2 million, respectively, to compensation expense related to these awards.

In 2022, 2021 and 2020, the compensation committee approved $1.9 million, $3.2 million and $1.8 million, respectively, of awards under the sub-plans referred to above, which were contributed to the rabbi trust in first quarter 2022, 2021 and 2020, respectively. During 2022, 2021 and 2020, we charged $2.3 million, $2.3 million and $1.9 million, respectively, to compensation expense related to these awards. There were no distributions from the sub-plans during 2022 and 2021.

At December 31, 2022 and 2021, we recorded $77.7 million (related to 2.5 million shares) and $67.4 million (related to 2.7 million shares), respectively, of unearned deferred compensation as a reduction of capital in excess of par value in the accompanying consolidated balance sheet. The total intrinsic value of our unvested equity based awards under the plan at December 31, 2022 and 2021 was $478.7 million and $451.0 million, respectively. During 2022, 2021 and 2020, cash and equity awards with an aggregate fair value of $45.6 million, $19.1 million and $41.2 million, respectively, were vested and distributed to executives under the DEPP.

We have a Deferred Cash Participation Plan (which we refer to as the DCPP), which is a non-qualified deferred compensation plan for certain key employees, other than executive officers, that generally provides for vesting and/or distributions no sooner than five years from the date of awards. Under the provisions of the DCPP, we typically contribute cash in an amount approved by the compensation committee to the rabbi trust on behalf of the executives participating in the DCPP, and instruct the trustee to acquire a specified number of shares of our common stock on the open market or in privately negotiated transactions based on participant elections. In the first quarter of each of 2022, 2021 and 2020, the compensation committee approved $8.3 million, $7.2 million and $3.0 million, respectively, of awards in the aggregate to certain key executives under the DCPP that were contributed to the rabbi trust in second quarters of 2022, 2021 and 2020, respectively. During 2022, 2021 and 2020 we charged $13.4 million, $9.6 million and $6.9 million to compensation expense related to these awards. There were $16.9 million, $6.7 million and $3.2 million of distributions from the DCPP during 2022, 2021 and 2020, respectively.

12. Restricted Stock, Performance Share and Cash Awards

Restricted Stock Awards

As discussed in Note 10 to these consolidated financial statements, on May 10, 2022, our stockholders approved the LTIP, which replaced our previous stockholder-approved 2017 LTIP. The LTIP provides for the grant of a stock award either as restricted stock or as restricted stock units to officers, employees and non-employee directors. In either case, the compensation committee may determine that the award will be subject to the attainment of performance measures over an established performance period. Stock awards and the related dividend equivalents are non-transferable and subject to forfeiture if the holder does not remain continuously employed with us during the applicable restriction period or, in the case of a performance-based award, if applicable performance measures are not attained. The compensation committee will determine all of the terms relating to the satisfaction of performance measures and the termination of a restriction period, or the forfeiture and cancellation of a restricted stock award upon a termination of employment, whether by reason of disability, retirement, death or any other reason.

The agreements awarding restricted stock units under the LTIP will specify whether such awards may be settled in shares of our common stock, cash or a combination of shares and cash and whether the holder will be entitled to receive dividend equivalents, on a current or deferred basis, with respect to such award. Prior to the settlement of a restricted stock unit, the holder of a restricted stock unit will have no rights as a stockholder of the company. The maximum number of shares available under the LTIP for restricted stock, restricted stock units and performance unit awards settled with stock (i.e., all awards other than stock options and stock appreciation rights) is 4.0 million. At December 31, 2022, 3.3 million shares were available for grant under the LTIP for such awards.

In 2022, 2021 and 2020, we granted 650,355, 326,584 and 422,610 restricted stock units, respectively, to employees under the LTIP and 2017 LTIP, with an aggregate fair value of $99.4 million, $40.1 million and $34.9 million, respectively, at the date of grant.

The 2022, 2021 and 2020 restricted stock units vest as follows: 641,000 units granted in first quarter 2022, 314,000 units granted in first quarter 2021 and 405,870 units granted in first quarter 2020 vest in full based on continued employment through March 15, 2027, March 16, 2026 and March 12, 2025, respectively, while the other 2022, 2021 and 2020 restricted stock unit awards generally vest in full based on continued employment through the vesting period on the anniversary date of the grant. For our executive officers age 55 or older, restricted stock units awarded in 2022, 2021 and 2020 are not subject to forfeiture upon such officers' departure from the company after two years from the date of grant.

The vesting periods of the 2022, 2021 and 2020 restricted stock unit awards are as follows (in actual shares):

	Restricted Stock Units Granted		
Vesting Period	**2022**	**2021**	**2020**
One year	9,270	10,105	16,740
Two years	—	2,105	8,870
Five years	641,085	314,374	397,000
Total shares granted	650,355	326,584	422,610

We account for restricted stock awards at historical cost, which equals its fair market value at the date of grant, which is amortized to compensation expense ratably over the vesting period of the participants. Future changes in the fair value of our common stock that is

owed to the participants do not have any impact on the amounts recorded in our consolidated financial statements. During 2022, 2021 and 2020, we charged $36.4 million, $26.7 million and $23.0 million, respectively, to compensation expense related to restricted stock awards granted in 2011 through 2022. The total intrinsic value of unvested restricted stock at December 31, 2022 and 2021 was $401.3 million and $331.8 million, respectively. During 2022 and 2021, equity awards (including accrued dividends) with an aggregate fair value of $62.0 million and $48.9 million were vested and distributed to employees under this plan.

Performance Share Awards

On March 15, 2022, March 16, 2021 and March 12, 2020, pursuant to the 2017 LTIP, the compensation committee approved 54,000, 67,000 and 82,500, respectively of provisional performance share awards, with an aggregate fair value of $8.6 million, $8.6 million and $7.1 million, respectively, for future grants to our officers. Each performance unit award was equivalent to the value of one share of our common stock on the date such provisional award was approved. At the end of the performance period, eligible participants will receive a number of earned shares based on the growth in adjusted EBITDAC per share (as defined in the 2022 Proxy Statement). Earned shares for the 2022, 2021 and 2020 provisional awards will fully vest based on continuous employment through March 15, 2025, March 16, 2024 and March 12, 2023, respectively, and will be settled in unrestricted shares of our common stock on a one-for-one basis as soon as practicable thereafter. The 2022, 2021 and 2020 awards are subject to a three-year performance period that begins on January 1, 2022, 2021 and 2020, respectively, and vest on the three-year anniversary of the date of grant (March 15, 2025, March 16, 2024 and March 12, 2023). For certain of our executive officers age 55 or older, awards granted are no longer subject to forfeiture upon such officers' departure from the company after two years from the date of grant. During 2022, 2021 and 2020, we recognized $15.2 million, $15.9 million and $16.2 million, respectively, to compensation expense related to performance share awards granted in 2018 through 2022. The total intrinsic value of unvested performance share awards at December 31, 2022 and 2021 was $62.7 million and $64.3 million. During 2022, 2021 and 2020, equity awards (including accrued dividends) with an aggregate fair value of $21.8 million, $19.1 million and $12.5 million was vested and distributed to employees under this plan.

Cash Awards

On March 15, 2022, pursuant to our Performance Unit Program (which we refer to as the Program), the compensation committee approved provisional cash awards of $19.9 million in the aggregate for future grants to our officers and key employees that are denominated in units (125,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. The Program consists of a one-year performance period based on our financial performance and a three-year vesting period measured from January 1 of the year of grant. At the discretion of the compensation committee and determined based on our performance, the eligible officer or key employee will be granted a percentage of the provisional cash award units that equates to the EBITDAC growth achieved (as defined in the Program). At the end of the performance period, eligible participants will be granted a number of units based on achievement of the performance goal and subject to approval by the compensation committee. Granted units for the 2022 provisional award will fully vest based on continuous employment through January 1, 2025. The ultimate award value will be equal to the trailing twelve-month price of our common stock on December 31, 2024, multiplied by the number of units subject to the award, but limited to between 0.5 and 1.5 times the original value of the units determined as of the grant date. The fair value of the awarded units will be paid out in cash as soon as practicable in 2025. If an eligible employee leaves us prior to the vesting date, the entire award will be forfeited. We did not recognize any compensation expense during the year ended December 31, 2022 related to the 2022 provisional award under the Program. Based on company performance for 2022, we expect to grant 122,000 units under the Program in first quarter 2023 that will fully vest on January 1, 2025.

On March 16, 2021, pursuant to the Program, the compensation committee approved provisional cash awards of $18.8 million in the aggregate for future grants to our officers and key employees that are denominated in units (147,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Terms of the 2021 provisional award were similar to the terms of the 2022 provisional awards. Based on our performance for 2021, we granted 143,000 units under the Program in first quarter 2022 that will fully vest on January 1, 2024. During 2022 we charged $12.4 million to compensation expense related to these awards. We did not recognize any compensation expense during 2021 related to the 2021 provisional award under the Program.

On March 12, 2020, pursuant to the Program, the compensation committee approved provisional cash awards of $18.4 million in the aggregate for future grants to our officers and key employees that are denominated in units (213,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Terms of the 2020 provisional award were similar to the terms of the 2022 provisional awards. Based on our performance for 2020, we granted 208,000 units under the Program in first quarter 2021 that will fully vest on January 1, 2023. During 2022 and 2021, we charged $12.1 million and $12.6 million to compensation expense related to these awards. We did not recognize any compensation expense during 2020 related to the 2020 provisional award under the Program.

On March 14, 2019, pursuant to the Program, the compensation committee approved provisional cash awards of $16.5 million in the aggregate for future grants to our officers and key employees that are denominated in units (206,800 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Terms of the 2019 provisional award were similar to the terms of the 2022 provisional awards. Based on our performance for 2019, we granted 200,000 units under the Program in first quarter 2020 that will fully vest on January 1, 2022. During 2021 and 2020, we charged $11.5 million and $10.6 million, respectively, to compensation expense related to these awards. We did not recognize any compensation expense during 2019 related to the 2019 provisional award under the Program.

On March 15, 2018, pursuant to the Program, the compensation committee approved provisional cash awards of $15.0 million in the aggregate for future grants to our officers and key employees that are denominated in units (219,000 units in the aggregate), each of which was equivalent to the value of one share of our common stock on the date the provisional award was approved. Terms of the 2018 provisional award were similar to the terms of the 2019 provisional awards. Based on our performance for 2018, we granted 190,000 units under the Program in first quarter 2019 that fully vested on January 1, 2021. During 2020 and 2019, we charged $9.9 million and $8.9 million, respectively, to compensation expense related to these awards. We did not recognize any compensation expense during 2018 related to the 2018 provisional award under the Program.

During 2022, cash awards related to the 2019 provisional awards with an aggregate fair value of $21.1 million (177,000 units in the aggregate) were vested and distributed to employees under the Program. During 2021, cash awards related to the 2018 provisional awards with an aggregate fair value of $17.7 million (176,300 units in the aggregate) were vested and distributed to employees under the Program. During 2020, cash awards related to the 2017 provisional award with an aggregate value of $18.9 million (221,600 units in the aggregate) were vested and distributed to employees under the Program.

13. Retirement Plans

We have a noncontributory defined benefit pension plan that, prior to July 1, 2005, covered substantially all of our domestic employees who had attained a specified age and one year of employment. Benefits under the plan were based on years of service and salary history. In 2005, we amended our defined benefit pension plan to freeze the accrual of future benefits for all U.S. employees, effective on July 1, 2005. Since the plan is frozen, there is no difference between the projected benefit obligation and accumulated benefit obligation at December 31, 2022 and 2021. In the table below, the service cost component represents plan administration costs that are incurred directly by the plan. A reconciliation of the beginning and ending balances of the pension benefit obligation and fair value of plan assets and the funded status of the plan is as follows (in millions):

	Year Ended December 31,	
	2022	2021
Change in pension benefit obligation:		
Benefit obligation at beginning of year	$ 279.4	$ 290.6
Service cost	0.5	0.5
Interest cost	6.8	6.4
Net actuarial gain	(58.7)	(2.8)
Benefits paid	(16.1)	(15.3)
Benefit obligation at end of year	$ 211.9	$ 279.4
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 282.3	$ 262.8
Actual (loss) return on plan assets	(53.7)	34.8
Contributions by the company	—	—
Benefits paid	(16.1)	(15.3)
Fair value of plan assets at end of year	$ 212.5	$ 282.3
Funded status of the plan (underfunded)	$ 0.6	$ 2.9
Amounts recognized in the consolidated balance sheet consist of:		
Noncurrent assets - accrued benefit liability	$ 0.6	$ 2.9
Accumulated other comprehensive income	54.2	42.5
Net amount included in retained earnings	$ 54.8	$ 45.4

The components of the net periodic pension benefit cost for the plan and other changes in plan assets and obligations recognized in earnings and other comprehensive earnings consist of the following (in millions):

	Year Ended December 31,		
	2022	2021	2020
Net periodic pension cost:			
Service cost	$ 0.5	$ 0.5	$ 0.8
Interest cost on benefit obligation	6.8	6.4	8.0
Expected return on plan assets	(19.1)	(17.7)	(16.4)
Amortization of net loss	2.4	5.9	6.2
Net periodic benefit income	(9.4)	(4.9)	(1.4)
Other changes in plan assets and obligations recognized in other comprehensive earnings:			
Net loss (gain) incurred	14.1	(19.9)	4.7
Amortization of net loss	(2.4)	(5.9)	(6.2)
Total recognized in other comprehensive income (loss)	11.7	(25.8)	(1.5)
Total recognized in net periodic pension cost and other comprehensive income (loss)	$ 2.3	$ (30.7)	$ (2.9)

The following weighted average assumptions were used at December 31 in determining the plan's pension benefit obligation:

	December 31,	
	2022	2021
Discount rate	5.25%	2.50%
Weighted average expected long-term rate of return on plan assets	7.00%	7.00%

The following weighted average assumptions were used at January 1 in determining the plan's net periodic pension benefit cost:

	Year Ended December 31,		
	2022	2021	2020
Discount rate	2.50%	2.25%	3.00%
Weighted average expected long-term rate of return on plan assets	7.00%	7.00%	7.00%

The following benefit payments are expected to be paid by the plan (in millions):

2023	$ 17.1
2024	17.1
2025	17.3
2026	17.3
2027	17.3
2028 to 2032	81.9

The following is a summary of the plan's weighted average asset at December 31 by asset category:

	December 31,	
Asset Category	2022	2021
Equity securities	62.0%	60.0%
Debt securities	31.0%	32.0%
Real estate	7.0%	8.0%
Total	100.0%	100.0%

Plan assets are invested in various pooled separate accounts under annuity contracts managed by two life underwriting enterprises. The plan's investment policy provides that investments will be allocated in a manner designed to provide a long-term investment return greater than the actuarial assumptions, maximize investment return commensurate with risk and to comply with the Employee Income Retirement Security Act of 1974, as amended (which we refer to as ERISA), by investing the funds in a manner consistent with ERISA's fiduciary standards. The weighted average expected long-term rate of return on plan assets assumption was determined based on a review of the asset allocation strategy of the plan using expected ten-year return assumptions for all of the asset classes in which the plan was invested at December 31, 2022 and 2021. The return assumptions used in the valuation were based on data provided by the plan's external investment advisors.

The following is a summary of the plan's assets carried at fair value as of December 31 by level within the fair value hierarchy (in millions):

	December 31,	
Fair Value Hierarchy	2022	2021
Level 1	$ —	$ —
Level 2	112.9	158.1
Level 3	99.6	124.2
Total fair value	$ 212.5	$ 282.3

The plan's Level 2 assets consist of ownership interests in various pooled separate accounts within a life insurance carrier's group annuity contract. The fair value of the pooled separate accounts is determined based on the net asset value of the respective funds, which is obtained from the underwriting enterprise and determined each business day with issuances and redemptions of units of the funds made based on the net asset value per unit as determined on the valuation date. We have not adjusted the net asset values provided by the underwriting enterprise. There are no restrictions as to the plan's ability to redeem its investment at the net asset value of the respective funds as of the reporting date. The plan's Level 3 assets consist of pooled separate accounts within another life insurance carrier's annuity contracts for which fair value has been determined by an independent valuation. Due to the nature of these

annuity contracts, our management makes assumptions to determine how a market participant would price these Level 3 assets. In determining fair value, the future cash flows to be generated by the annuity contracts were estimated using the underlying benefit provisions specified in each contract, market participant assumptions and various actuarial and financial models. These cash flows were then discounted to present value using a risk-adjusted rate that takes into consideration market based rates of return and probability-weighted present values.

The following is a reconciliation of the beginning and ending balances for the Level 3 assets of the plan measured at fair value (in millions):

	Year Ended December 31,	
	2022	2021
Fair value at January 1	$ 124.2	$ 121.0
Settlements	(1.5)	(15.2)
Unrealized (loss) gain	(23.1)	18.4
Fair value at December 31	$ 99.6	$ 124.2

We were not required under the IRC to make any minimum contributions to the plan for each of the 2022, 2021 and 2020 plan years. This level of required funding is based on the plan being frozen and the aggregate amount of our historical funding. During 2022, 2021 and 2020 we did not make discretionary contributions to the plan.

We also have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan's age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) $73.8 million, $65.7 million and $63.6 million related to the plan in 2022, 2021 and 2020, respectively. Our board of directors authorized the use of common stock to fund our 2020 employer matching contributions to the 401(k) plan, which we funded in February 2021. During 2021, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2021 plan year to be funded with our common stock, which was funded in February 2022. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our common stock, which is expected to be funded in February 2023.

We also have a nonqualified deferred compensation plan, the Supplemental Savings and Thrift Plan, for certain employees who, due to IRS rules, cannot take full advantage of our matching contributions under the 401(k) plan. The plan permits these employees to annually elect to defer a portion of their compensation until their retirement or a future date. Our matching contributions to this plan (up to a maximum of the lesser of a participant's elective deferral of base salary, annual bonus and commissions or 5.0% of eligible compensation, less matching amounts contributed under the 401(k) plan) are also at the discretion of our board of directors. Matching contributions can be funded in cash or company stock. We expensed $11.0 million, $8.7 million and $7.8 million related to contributions made to a rabbi trust maintained under the plan in 2022, 2021 and 2020, respectively. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the plan for the 2022 plan year to be funded with our common stock, which is expected to be funded in February 2023. The fair value of the assets in the plan's rabbi trust at December 31, 2022 and 2021, including employee contributions and investment earnings, was $578.2 million and $606.6 million, respectively, and has been included in other noncurrent assets and the corresponding liability has been included in other noncurrent liabilities in the accompanying consolidated balance sheet.

We also have several foreign benefit plans, the largest of which is a defined contribution plan that provides for us to make contributions of 5.0% of eligible compensation. In addition, the plan allows for voluntary contributions by U.K. employees, which we match 100%, up to a maximum of an additional 5.0% of eligible compensation. Net expense for foreign retirement plans amounted to $62.9 million, $51.8 million and $44.3 million in 2022, 2021 and 2020, respectively.

14. Investments

Chem-Mod LLC - At December 31, 2022, we held a 46.5% controlling interest in Chem-Mod LLC. Chem-Mod LLC possesses the exclusive marketing rights, in the U.S. and Canada, for technologies used to reduce emissions created during the combustion of coal. Prior to 2022, the refined coal production plants discussed below, as well as those owned by other unrelated parties, licensed and used

Chem-Mod LLC's proprietary technologies, The Chem-Mod™ Solution, in the production of refined coal. The Chem-Mod™ Solution used a dual injection sorbent system to reduce mercury, sulfur dioxide and other emissions at coal-fired power plants.

We believe that the application of The Chem-Mod™ Solution prior to 2022 qualified for refined coal tax credits under IRC Section 45 when used with refined coal production plants placed in service by December 31, of both 2011 and 2009. Chem-Mod LLC was marketing its technologies principally to coal-fired power plants owned by utility companies, including those utilities that were operating with the IRC Section 45 refined coal production plants in which we hold an investment.

Chem-Mod LLC is determined to be a variable interest entity (which we refer to as a VIE). We are the manager (decision maker) of Chem-Mod LLC and therefore consolidate its operations into our consolidated financial statements. At December 31, 2022, total assets and total liabilities of this VIE included in our consolidated balance sheet were $14.8 million and $1.1 million, respectively. At December 31, 2021, total assets and total liabilities of this VIE included in our consolidated balance sheet were $19.4 million and $1.1 million, respectively. For 2022, total revenues and expenses were $1.0 million and $5.7 million, respectively. For 2021, total revenues and expenses were $82.7 million and $14.5 million, respectively. We are under no obligation to fund Chem-Mod's operations in the future.

Chem-Mod International LLC - At December 31, 2022, we held a 31.5% noncontrolling ownership interest in Chem-Mod International LLC. Chem-Mod International LLC has the rights to market The Chem-Mod™ Solution in countries other than the U.S. and Canada. Such marketing activity has been limited to date.

C-Quest Technology LLC and C-Quest Technologies International LLC (which we refer together as C-Quest) - At December 31, 2022, we held a noncontrolling 12% interest in C-Quest's global entities. C-Quest possesses rights, information and technology for the reduction of carbon dioxide emissions created by burning fossil fuels. Thus far, C-Quest's operations have been limited to laboratory testing. C-Quest is determined to be a VIE, but we do not consolidate this investment into our consolidated financial statements because we are not the primary beneficiary or decision maker.

Clean Coal Investments -

- We have investments in limited liability companies that own or have owned 35 refined coal production plants which produce refined coal using proprietary technologies owned by Chem-Mod LLC. We believe the production and sale of refined coal at these plants prior to 2022 was qualified to receive refined coal tax credits under IRC Section 45. The 14 plants placed in service prior to December 31, 2009 were eligible to receive tax credits through 2019 and the 21 plants placed in service prior to December 31, 2011 were eligible to receive tax credits through 2021.
- As of December 31, 2022:
  - We have a noncontrolling interest in one plant, which is owned by a limited liability company (which we refer to as a LLC). We have determined that this LLC is a VIE, for which we are not the primary beneficiary and therefore do not consolidate it. At December 31, 2022, total assets and total liabilities of this VIE were $35.3 million and $35.3 million, respectively. For 2022, total revenues and expenses of this VIE were zero and $0.3 million, respectively.
- We and our co-investors each funded our portion of the on-going operations of the limited liability companies in proportion to our investment ownership percentages. Other than our portion of the on-going operational and decommission funding, there are no additional amounts that we are committed to related to funding these investments.

Other Investments - At December 31, 2022, we owned a noncontrolling, minority interest in one startup venture totaling $2.2 million, four venture capital funds totaling $3.4 million and five certified low-income housing developments with zero carrying value. The low-income housing developments and real estate entities have been determined to be VIEs, but are not required to be consolidated due to our lack of control over their respective operations. At December 31, 2022, total assets and total liabilities of these VIEs were approximately $4.6 million and $0.4 million, respectively.

15. Leases

We have operating leases primarily related to branch facilities, data centers, sales offices, and agent locations, automobiles and office equipment. Many of our leases include both lease (fixed rent payments) and non-lease components (common-area or other maintenance costs) which are accounted for as a single lease component as we have elected the practical expedient to group lease and non-lease components for all leases. Variable lease payments, such as periodically indexed and/or market adjustments, are presented as lease expense in the period in which they are incurred. Since we did not elect the short-term policy election, we record leases of 12 months or less on the balance sheet.

We exclude options to extend or terminate a lease from our recognition as part of our right-of-use assets and lease liabilities until those options are reasonably certain and/or executed. We do not have any material guarantees, options to purchase, or restrictive covenants related to our leases.

As our leases do not provide an implicit rate, we use our incremental borrowing rate based on the information available at the lease commencement date in determining the present value of the lease payments. We consider qualitative factors including our derived credit rating, notched adjustments for collateralization, lease term, and, if significant, adjustments to our collateralized rate to borrow in the same currency in which the lease is denominated.

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

Lease Components	Statement of Earnings Classification	Year ended December 31, 2022
Operating lease expense	Operating expense	$ 139.9
Variable lease expense	Operating expense	21.7
Sublease income	Investment income	(1.2)
Total net lease expense		$ 160.4

Variable lease cost consist primarily of common-area and other maintenance costs for our lease facilities, as well as variable lease payments related to indexed and/or market adjustments. Our sublease income derives primarily from a few office lease arrangements and we have no significant sublease losses.

Supplemental Cash Flow Information Related to Leases (in millions)	Year ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 121.4
Right-of-use assets obtained in exchange for new operating lease liabilities	$ 102.9

We present all noncash transactions related to adjustments to the lease liability or right-of-use asset as noncash transactions. This includes all noncash charges related to any modification or reassessment events triggering remeasurement.

Supplemental balance sheet information related to leases is as follows (in millions, except lease term and discount rate):

Lease Components	Balance Sheet Classification	December 31, 2022
Lease right-of-use assets	Right-of-use assets	$ 346.7
Other current lease liabilities	Accrued compensation and other current liabilities	82.4
Lease liabilities	Lease liabilities - noncurrent	300.4
Total lease liabilities		$ 382.8
Weighted-average remaining lease term, years		5.4
Weighted-average discount rate		3.3%

Maturities of operating lease liabilities for each of the next five years and thereafter are as follows (in millions):

2023	$ 98.6
2024	84.2
2025	67.7
2026	54.3
2027	41.7
Thereafter	72.6
Total lease payments	419.1
Less interest	(36.3)
Total	$ 382.8

Our leases have remaining lease terms of 0.1 years to 14.0 years, some of which may include options to extend the leases for up to 20.0 years and some of which may include options to terminate the leases.

As of December 31, 2022, we had $22.4 million of additional leases that have not yet commenced. These leases will commence in 2023 with lease terms of 0.5 years to 10.0 years.

16. Derivatives and Hedging Activity

We are exposed to market risks, including changes in foreign currency exchange rates and interest rates. To manage the risk related to these exposures, we enter into various derivative instruments that reduce these risks by creating offsetting exposures. We generally do not enter into derivative transactions for trading or speculative purposes.

Foreign Exchange Risk Management

We are exposed to foreign exchange risk when we earn revenues, pay expenses, or enter into monetary intercompany transfers denominated in a currency that differs from our functional currency, or other transactions that are denominated in a currency other than our functional currency. We use foreign exchange derivatives, typically forward contracts and options, to reduce our overall exposure to the effects of currency fluctuations on cash flows. These exposures are hedged, on average, for less than three years.

Interest Rate Risk Management

We enter into various long-term debt agreements. We use interest rate derivatives, typically swaps, to reduce our exposure to the effects of interest rate fluctuations on the forecasted interest rates for up to three years into the future.

We have not received or pledged any collateral related to derivative arrangements at December 31, 2022.

The notional and fair values of derivatives designated as hedging instruments are as follows at December 31, 2022 and 2021 (in millions):

		Derivative Assets		Derivative Liabilities	
Instrument	Notional Amount	Balance Sheet Classification	Fair Value	Balance Sheet Classification	Fair Value
At December 31, 2022					
Interest rate contracts	$ 950.0	Other current assets	$ 56.5	Accrued compensation and	$ —
		Other noncurrent assets	56.6	other current liabilities	
				Other noncurrent liabilities	—
Foreign exchange contracts (1)	113.0	Other current assets	0.8	Accrued compensation and	18.5
			14.5	other current liabilities	
		Other noncurrent assets	—	Other noncurrent liabilities	27.0
Total	$ 1,063.0		$ 128.4		$ 45.5
At December 31, 2021					
Interest rate contracts	$ 1,000.0	Other current assets	$ 4.8	Accrued compensation and	$ 1.3
		Other noncurrent assets	3.4	other current liabilities	
				Other noncurrent liabilities	11.5
Foreign exchange contracts (1)	17.3	Other current assets	4.3	Accrued compensation and	1.3
				other current liabilities	
		Other noncurrent assets	4.3	Other noncurrent liabilities	7.2
Total	$ 1,017.3		$ 16.8		$ 21.3

(1)Included within foreign exchange contracts at December 31, 2022 were $948.8 million of call options offset with $948.8 million of put options, and $12.4 million of buy forwards offset with $125.4 million of sell forwards. Included within foreign exchange contracts at December 31, 2021 were $483.8 million of call options offset with $483.8 million of put options, and $10.5 million of buy forwards offset with $27.9 million of sell forwards.

Fair values of these hedge contracts are based on observable and unobservable inputs. Observable inputs include all of the following: quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (for example: interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads) and market-corroborated inputs. Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

The effect of cash flow hedge accounting on accumulated other comprehensive loss were as follows (in millions):

Instrument	Amount of Gain (Loss) Recognized in Accumulated Other Comprehensive Loss (1)	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Earnings	Amount of Gain (Loss) Recognized in Earnings Related to Amount Excluded from Effectiveness Testing	Statement of Earnings Classification
Year ended December 31, 2022				
Interest rate contracts	$ 179.3	$ (1.2)	$ —	Interest expense
Foreign exchange contracts	(26.8)	6.3	(0.1)	Commission revenue
		(1.1)	1.9	Compensation expense
		(0.8)	1.4	Operating expense
Total	$ 152.5	$ 3.2	$ 3.2	
Year ended December 31, 2021				
Interest rate contracts	$ 35.8	$ (1.1)	$ —	Interest expense
Foreign exchange contracts	(13.5)	(3.3)	—	Commission revenue
		(0.8)	1.0	Compensation expense
		(0.6)	0.7	Operating expense
Total	$ 22.3	$ (5.8)	$ 1.7	

(1)During 2022, the amount excluded from the assessment of hedge effectiveness for our foreign exchange contracts recognized in accumulated other comprehensive loss was a gain of $0.9 million.

We estimate that approximately $29.4 million of pretax loss currently included within accumulated other comprehensive income will be reclassified into earnings in the next twelve months.

17. Commitments, Contingencies and Off-Balance Sheet Arrangements

In connection with our investing and operating activities, we have entered into certain contractual obligations and commitments. See Note 8 to these consolidated financial statements for additional discussion of these obligations and commitments. Our future minimum cash payments, including interest, associated with our contractual obligations pursuant to the Senior Notes, Note purchase agreements, Credit Agreement, Premium Financing Debt Facility, operating leases and purchase commitments at December 31, 2022 were as follows (in millions):

	Payments Due by Period						
Contractual Obligations	2023	2024	2025	2026	2027	Thereafter	Total
Senior Notes	$ —	$ —	$ —	$ —	$ —	$ 1,600.0	$ 1,600.0
Note purchase agreements	250.0	475.0	200.0	640.0	478.0	2,205.0	4,248.0
Credit Agreement	60.0	—	—	—	—	—	60.0
Premium Financing Debt Facility	241.9	—	—	—	—	—	241.9
Interest on debt	229.0	212.3	197.7	178.8	160.4	1,408.1	2,386.3
Total debt obligations	780.9	687.3	397.7	818.8	638.4	5,213.1	8,536.2
Operating lease obligations	98.6	84.2	67.7	54.3	41.7	72.6	419.1
Less sublease arrangements	(0.9)	(0.6)	(0.3)	(0.3)	(0.2)	—	(2.3)
Outstanding purchase obligations	117.4	86.8	36.1	16.8	12.3	14.6	284.0
Total contractual obligations	$ 996.0	$ 857.7	$ 501.2	$ 889.6	$ 692.2	$ 5,300.3	$ 9,237.0

The amounts presented in the table above may not necessarily reflect our actual future cash funding requirements, because the actual timing of the future payments made may vary from the stated contractual obligation.

On December 20, 2022, we signed a definitive agreement to acquire the partnership interests of Buck, for a gross consideration of $660.0 million or approximately $585.0 million net of agreed seller funded expenses and net working capital. We expect to fund the transaction via free cash flow and short-term borrowings. The transaction is expected to close during the first half of 2023, subject to customary regulatory approvals.

Senior Notes, Note Purchase Agreements, Credit Agreement and Premium Financing Debt Facility - See Note 8 to these consolidated financial statements for a summary the amounts outstanding under the Senior Notes, Note purchase agreements, the Credit Agreement and Premium Financing Debt Facility.

Operating Lease Obligations - Our corporate segment's executive offices and certain subsidiary and branch facilities of our brokerage and risk management segments are located in a building we own at 2850 Golf Road, Rolling Meadows, Illinois, where we have approximately 360,000 square feet of space and will accommodate approximately 2,000 employees at peak pre-pandemic capacity. Relating to the development of our corporate headquarters, we expect to receive property tax related credits under a tax-increment financing note from Rolling Meadows and an Illinois state Economic Development for a Growing Economy (which we refer to as EDGE) tax credit. Incentives from these two programs could total between $50.0 million and $80.0 million over a fifteen-year period. We have earned approximately $41.4 million of EDGE credits from inception in 2017 through December 31, 2022.

We generally operate in leased premises at our other locations. Certain of these leases have options permitting renewals for additional periods. In addition to minimum fixed rentals, a number of leases contain annual escalation clauses which are generally related to increases in an inflation index.

Total rent expense, including rent relating to cancelable leases and leases with initial terms of less than one year, amounted to $176.6 million in 2022, $153.4 million in 2021 and $154.0 million in 2020.

We have leased certain office space to several non-affiliated tenants under operating sublease arrangements. In the normal course of business, we expect that certain of these leases will not be renewed or replaced. We adjust charges for real estate taxes and common area maintenance annually based on actual expenses, and we recognize the related revenues in the year in which the expenses are incurred. These amounts are not included in the minimum future rentals to be received in the contractual obligations table above.

Outstanding Purchase Obligations - We typically do not have a material amount of outstanding purchase obligations at any point in time. The amount disclosed in the contractual obligations table above represents the aggregate amount of unrecorded purchase obligations that we had outstanding at December 31, 2022. These obligations represent agreements to purchase goods or services that were executed in the normal course of business.

Off-Balance Sheet Commitments - Our total unrecorded commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2022 were as follows (in millions):

	Amount of Commitment Expiration by Period						Total Amounts
Off-Balance Sheet Commitments	**2023**	**2024**	**2025**	**2026**	**2027**	**Thereafter**	**Committed**
Letters of credit	$ —	$ —	$ —	$ —	$ —	$ 13.0	$ 13.0
Financial guarantees	1.4	2.0	0.2	0.1	0.1	—	3.8
Total commitments	$ 1.4	$ 2.0	$ 0.2	$ 0.1	$ 0.1	$ 13.0	$ 16.8

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements. See the Off-Balance Sheet Debt section below for a discussion of letters of credit. All of the letters of credit represent multiple year commitments that have annual, automatic renewing provisions and are classified by the latest commitment date.

Substantially all of the purchase agreements related to these acquisitions we do contain provisions for potential earnout obligations. For all of our acquisitions made in the period from 2019 to 2022 that contain potential earnout obligations, such obligations are measured at fair value as of the acquisition date and are included on that basis in the recorded purchase price consideration for the respective acquisition. The amounts recorded as earnout payables are primarily based upon estimated future potential operating results of the acquired entities over a two- to three-year period subsequent to the acquisition date. The aggregate amount of the maximum earnout obligations related to these acquisitions was $1,946.2 million, of which $1,077.3 million was recorded in our consolidated balance sheet as of December 31, 2022 based on the estimated fair value of the expected future payments to be made, of which approximately $734.0 million can be settled in cash or stock at our option and $343.3 million must be settled in cash.

Off-Balance Sheet Debt - Our unconsolidated investment portfolio includes investments in enterprises where our ownership interest is between 1% and 50%, in which management has determined that our level of influence and economic interest is not sufficient to require consolidation. As a result, these investments are accounted for under the equity method. None of these unconsolidated investments had any outstanding debt at December 31, 2022 and 2021 that was recourse to us.

At December 31, 2022, we had posted two letters of credit totaling $9.2 million in the aggregate, related to our self-insurance deductibles, for which we had a recorded liability of $17.4 million. We have an equity investment in a rent-a-captive facility, which we use as a placement facility for certain of our insurance brokerage operations. At December 31, 2022, we had posted seven letters of credit totaling $2.5 million to allow certain of our captive operations to meet minimum statutory surplus requirements plus additional collateral related to premium and claim funds held in a fiduciary capacity, one letter of credit totaling $0.8 million for collateral related to claim funds held in a fiduciary capacity by a recent acquisition, and two letter of credit totaling $0.5 million as security deposits for a 2015 acquisition's lease. These letters of credit have never been drawn upon.

Our commitments associated with outstanding letters of credit, financial guarantees and funding commitments at December 31, 2022 were as follows (all dollar amounts in table are in millions):

Description, Purpose and Trigger	Collateral	Compensation to Us	Maximum Exposure	Liability Recorded
Other investments				
Funding commitment to an equity investment - to be funded in 2023	None	None	$ —	$ —
Trigger - Agreed conditions met				
Other				
Credit support under letters of credit (LOC) for deductibles due by us on our own insurance coverages - expires after 2026	None	None	9.2	17.4
Trigger - We do not reimburse the insurance companies for deductibles the insurance companies advance on our behalf				
Credit enhancement under letters of credit for our captive insurance operations to meet minimum statutory capital requirements - expires after 2026	None	Reimbursement of LOC fees	2.5	—
Trigger - Dissolution or catastrophic financial results of the operation				
Collateral related to claims funds held in a fiduciary capacity by a recent acquisition - expires 2023	None	None	0.8	—
Trigger - Claim payments are not made				
Credit support under letters of credit in lieu of security deposits for two leases from acquisitions - expires after 2023 and 2026	None	None	0.5	—
Trigger - Lease payments do not get made				
Financial guarantees of loans to 5 Canadian-based employees - expires when loan balances are reduced to zero through May 2029 - Principal and interest are paid quarterly	(1)	None	0.8	—
Trigger - Default on loan payments				
Financial guarantee of external loan to subsidiary in Chile - expires when loan balance is reduced to zero through July 2024 - Principal and interest are paid quarterly	None	None	3.0	—
Trigger - Default on loan payments				
			$ 16.8	$ 17.4

(1)The guarantees are collateralized by shares in minority holdings of our Canadian operating companies.

Since commitments may expire unused, the amounts presented in the table above do not necessarily reflect our actual future cash funding requirements.

Litigation, Regulatory and Taxation Matters - We routinely are involved in legal proceedings, claims, disputes, regulatory matters and governmental inspections or investigations arising in the ordinary course of or incidental to our business, including those noted below in this section. We record accruals in the consolidated financial statements for pending litigation when we determine that an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. For the matters we disclose that do not include an estimate of the amount of loss or range of losses, such an estimate is not possible or is immaterial, and we may be unable to estimate the possible loss or range of losses that could potentially result from the application of non-monetary remedies, unless disclosed below. We currently believe that the ultimate outcome of these proceedings, individually and in the aggregate, will not materially harm our financial position, results of operations or cash flows. However, legal proceedings and government investigations are subject to inherent uncertainties, and unfavorable rulings or other adverse events could occur, including the payment of substantial monetary damages or an injunction or other order prohibiting us from selling one or more products at all or in particular ways, precluding particular business practices or requiring other remedies, which may result in a material adverse impact on our business, results of operations or financial position.

During 2022, we received a subpoena from the FCPA Unit of the U.S. Department of Justice seeking information related to our insurance business with public entities in Ecuador. We continue to fully cooperate with the investigation.

In July 2019, Midwest Energy Emissions Corp. and MES Inc. (which we refer to together as Midwest Energy) filed a patent infringement lawsuit in the United States District Court for the District of Delaware against us, Chem-Mod LLC and numerous other related and unrelated parties. The complaint alleges that the named defendants infringe patents held exclusively by Midwest Energy and seeks unspecified damages and injunctive relief. Discovery is complete and the case is scheduled for trial in November 2023. We continue to defend this matter vigorously.

As previously disclosed, our IRC 831(b) (or “micro-captive”) advisory services businesses has been under audit by the IRS since 2013. Among other matters, the IRS is investigating whether we have been acting as a tax shelter promoter in connection with these operations. Additionally, the IRS is conducting a criminal investigation related to IRC 831(b) micro-captive underwriting enterprises. We have been advised that we are not a target of the criminal investigation. We are fully cooperating with both matters.

Contingent Liabilities - We purchase insurance to provide protection from errors and omissions (which we refer to as E&O) claims that may arise during the ordinary course of business. Currently we retain the first $15.0 million of every E&O claim up to $15.0 million. In addition, we retain, in aggregate: up to another $2.0 million between $15.0 million and $100.0 million, plus up to another $10.0 million between $100.0 million and $225.0 million, and up to another $20.0 million between $225.0 million and $400.0 million. We have historically maintained self-insurance reserves for the portion of our E&O exposure that is not insured. We periodically determine a range of possible reserve levels using actuarial techniques that rely heavily on projecting historical claim data into the future. Our E&O reserve in the December 31, 2022 consolidated balance sheet is above the lower end of the most recently determined actuarial range by $10.0 million and below the upper end of the actuarial range by $1.8 million. We can make no assurances that the historical claim data used to project the current reserve levels will be indicative of future claim activity. Thus, the E&O reserve level and corresponding actuarial range could change in the future as more information becomes known, which could materially impact the amounts reported and disclosed herein.

Tax-advantaged Investments No Longer Held - Between 1996 and 2007, we developed and then sold portions of our ownership in various energy related investments, many of which qualified for tax credits under IRC Section 29. We recorded tax benefits in connection with our ownership in these investments. At December 31, 2022, we had exposure on $108.0 million of previously earned tax credits. Under the TCJA, a portion of these previously earned tax credits were refunded in 2019 for tax year 2018, according to a specific formula. Under the Coronavirus Act, Relief, and Economic Security Act (the CARES Act), which was passed on March 27, 2020, we accelerated the refund of all remaining credits on April 17, 2020, and the remaining credits were refunded to us in the second quarter of 2020. In 2004, 2007 and 2009, the IRS examined several of these investments and all examinations were closed without any changes being proposed by the IRS. However, any future adverse tax audits, administrative rulings or judicial decisions could disallow previously claimed tax credits.

Due to the contingent nature of this exposure and our related assessment of its likelihood, no reserve has been recorded in our December 31, 2022 consolidated balance sheet related to this exposure.

18. Insurance Operations

We have ownership interests in several underwriting enterprises based in the U.S., Bermuda, Gibraltar, Guernsey, Isle of Man and Malta that primarily operate segregated account “rent-a-captive” facilities. These “rent-a-captive” facilities enable our clients to receive the benefits of owning a captive underwriting enterprise without incurring certain disadvantages of ownership. Captive underwriting enterprises, or “rent-a-captive” facilities, are created for clients to insure their risks and capture any underwriting profit and investment income, which would then be available for use by the insureds, generally to reduce future costs of their insurance programs. In general, these companies are set up as protected cell companies that are comprised of separate cell business units (which we refer to as Captive Cells) and the core regulated company (which we refer to as the Core Company). The Core Company is owned and operated by us and no insurance policies are assumed by the Core Company. All insurance is assumed or written within individual Captive Cells. Only the activity of the supporting Core Company of the rent-a-captive facility is recorded in our consolidated financial statements, including cash and stockholder’s equity of the legal entity and any expenses incurred to operate the rent-a-captive facility. Most Captive Cells reinsure individual lines of insurance coverage from external underwriting enterprises. In addition, some Captive Cells offer individual lines of insurance coverage from one of our underwriting enterprise subsidiaries. The different types of insurance coverage include special property, general liability, products liability, medical professional liability, other liability and medical stop loss. The policies are generally claims-made. Insurance policies are written by an underwriting enterprise and the risk is assumed by each of the Captive Cells. In general, we structure these operations to have no underwriting risk on a net written basis. In situations where we have assumed underwriting risk on a net written basis, we have managed that exposure by obtaining full collateral for the underwriting risk we have assumed from our clients. We typically require pledged assets including cash and/or investment accounts or letters of credit to limit our risk.

We have a wholly owned underwriting enterprise subsidiary based in the U.S. that cedes all of its insurance risk to reinsurers or captives under facultative and quota share treaty reinsurance agreements. This company was established in fourth quarter 2014 and began writing business in December 2014. These reinsurance arrangements diversify our business and minimize our exposure to losses or hazards of an unusual nature. The ceding of insurance does not discharge us of our primary liability to the policyholder. In the event that all or any of the reinsuring companies are unable to meet their obligations, we would be liable for such defaulted amounts. Therefore, we are subject to credit risk with respect to the obligations of our reinsurers or captives. In order to minimize our exposure to losses from reinsurer credit risk and insolvencies, we have managed that exposure by obtaining full collateral for which we typically require pledged assets, including cash and/or investment accounts or letters of credit, to fully offset the risk.

Reconciliations of direct to net premiums, on a written and earned basis, for 2022, 2021 and 2020 related to the wholly-owned underwriting enterprise subsidiary discussed above are as follows (in millions):

	2022		2021		2020	
	Written	Earned	Written	Earned	Written	Earned
Direct	$ 24.4	$ 28.7	$ 30.9	$ 35.9	$ 37.7	$ 40.7
Assumed	0.4	0.2	0.2	0.2	0.1	0.9
Ceded	(24.8)	(28.9)	(31.1)	(36.1)	(37.8)	(41.6)
Net	$ —	$ —	$ —	$ —	$ —	$ —

At December 31, 2022 and 2021, our underwriting enterprise subsidiary had reinsurance recoverables of $20.4 million and $28.0 million, respectively, related to liabilities established for ceded unearned premium reserves and loss and loss adjustment expense reserves. These reinsurance recoverables relate to direct and assumed business that has been fully ceded to our reinsurers or captives and have been included in premiums and fees receivables in the accompanying consolidated balance sheet.

19. Income Taxes

We and our principal domestic subsidiaries are included in a consolidated U.S. federal income tax return. Our international subsidiaries file various income tax returns in their jurisdictions. Significant components of earnings before income taxes and the provision for income taxes are as follows (in millions):

	Year Ended December 31,		
	2022	2021	2020
Earnings before income taxes:			
United States	$ 781.6	$ 593.0	$ 524.4
Foreign, principally Australia, Canada, New Zealand and the U.K.	545.4	382.1	346.5
Total earnings before income taxes	$ 1,327.0	$ 975.1	$ 870.9
Provision for income taxes:			
Federal:			
Current	$ 109.1	$ 44.6	$ 43.6
Deferred	(3.5)	(151.6)	(112.4)
	105.6	(107.0)	(68.8)
State and local:			
Current	114.3	50.6	36.6
Deferred	(83.5)	(11.6)	(19.3)
	30.8	39.0	17.3
Foreign:			
Current	196.6	108.8	94.6
Deferred	(122.0)	(20.7)	(30.3)
	74.6	88.1	64.3
Total provision for income taxes	$ 211.0	$ 20.1	$ 12.8

A reconciliation of the provision for income taxes with the U.S. federal statutory income tax rate is as follows (in millions, except percentages):

	Year Ended December 31,					
	2022		2021		2020	
	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings	Amount	% of Pretax Earnings
Federal statutory rate	$ 278.7	21.0	$ 204.8	21.0	$ 182.9	21.0
State income taxes - net of federal benefit	32.9	2.5	30.7	3.2	22.2	2.6
Differences related to non U.S. operations	(31.9)	(2.4)	(8.7)	(0.9)	(2.5)	(0.3)
Alternative energy and other tax credits	(6.9)	(0.5)	(199.0)	(20.4)	(154.3)	(17.7)
Other permanent differences	22.5	1.7	(3.5)	(0.4)	(15.7)	(1.8)
Stock-based compensation	(59.3)	(4.5)	(40.0)	(4.1)	(31.4)	(3.6)
Changes in unrecognized tax benefits	4.0	0.3	0.8	0.1	—	—
Change in valuation allowance	15.5	1.2	26.4	2.7	6.5	0.7
Change in tax rates	(44.5)	(3.4)	8.6	0.9	5.5	0.6
Other	—	—	—	—	(0.4)	—
Provision for income taxes	$ 211.0	$ 15.9	$ 20.1	$ 2.1	$ 12.8	$ 1.5

A reconciliation of the beginning and ending balances of the total amounts of gross unrecognized tax benefits is as follows (in millions):

	December 31, 2022	December 31, 2021
Gross unrecognized tax benefits at January 1	$ 11.7	$ 11.2
Increases in tax positions for current year	3.8	2.5
Settlements	(1.7)	—
Lapse in statute of limitations	(1.4)	(1.6)
Increases in tax positions for prior years	3.1	0.1
Decreases in tax positions for prior years	(2.1)	(0.5)
Gross unrecognized tax benefits at December 31	$ 13.4	$ 11.7

The total amount of net unrecognized tax benefits that, if recognized, would affect the effective tax rate was $12.3 million and $10.0 million at December 31, 2022 and 2021, respectively. We accrue interest and penalties related to unrecognized tax benefits in our provision for income taxes. At December 31, 2022 and 2021, we had accrued interest and penalties related to unrecognized tax benefits of $3.4 million and $3.3 million, respectively.

We file income tax returns in the U.S. and in various state, local and foreign jurisdictions. We are routinely examined by tax authorities in these jurisdictions. At December 31, 2022, our corporate returns had been examined by the IRS or the statute had lapsed through calendar year 2018, with the exception of calendar years 2011 through 2012, which are still under examination by the IRS. In addition, from 2011 forward, various state and foreign jurisdictions remain open. It is reasonably possible that our gross unrecognized tax benefits may change within the next twelve months. However, we believe any changes in the recorded balance would not have a significant impact on our consolidated financial statements.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Significant components of our deferred tax assets and liabilities are as follows (in millions):

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Alternative minimum tax and other credit carryforwards	$ 772.7	$ 1,074.0
Accrued and unfunded compensation and employee benefits	321.8	265.6
Amortizable intangible assets	69.3	92.7
Compensation expense related to stock options	11.1	5.8
Accrued liabilities	126.6	112.1
Accrued pension liability	3.1	1.5
Investments	2.6	3.1
Net operating loss carryforwards	129.4	32.7
Capital loss carryforwards	8.1	8.9
Lease liabilities	96.5	106.4
Capitalized indirect property costs	394.1	—
Hedging instruments	—	27.3
Other	4.3	5.0
Total deferred tax assets	1,939.6	1,735.1
Valuation allowance for deferred tax assets	(135.2)	(154.9)
Deferred tax assets	1,804.4	1,580.2
Deferred tax liabilities:		
Nondeductible amortizable intangible assets	433.9	394.7
Investment-related partnerships	6.6	4.6
Depreciable fixed assets	46.5	16.2
Right-of-use assets	88.6	96.9
Hedging instruments	10.7	—
Other prepaid items	11.8	8.8
Total deferred tax liabilities	598.1	521.2
Net deferred tax assets	$ 1,206.3	$ 1,059.0

At December 31, 2022 and 2021, $92.4 million and $165.7 million, respectively, have been included in noncurrent liabilities in the accompanying consolidated balance sheet. AMT credits have been utilized or refunded in 2020, due to the CARES Act legislation, general business and other tax credits of $757.4 million begin to expire, if not utilized, in 2034 and state credits, net of federal benefit, of $14.8 million expire, if not used, by 2027. Net operating loss carryforwards of $129.4 million, related to federal, state and foreign begin to expire, if not utilized in 2023. We expect the historically favorable trend in earnings before income taxes to continue in the foreseeable future. Valuation allowances have been established for certain foreign intangible assets (including nondeductible amortization and earnout payable expenses) and various net operating loss carryforwards that may not be utilized in the future.

There are undistributed earnings of $835.1 million and $806.0 million at December 31, 2022 and 2021, respectively, of foreign subsidiaries which are considered permanently invested outside of the U.S. The amount of unrecognized deferred tax liability on these undistributed earnings was not material at December 31, 2022 and 2021. There are only select jurisdictions for which the company regards the undistributed earnings as no longer permanently reinvested. We have recognized the deferred tax liability associated with these undistributed earnings during 2022, however, such liability was also not material.

Current U.S. tax law requires U.S. shareholders to include in income certain “global intangible low-taxed income” (which we refer to as GILTI) beginning in 2018. Our policy is to include the GILTI income in the future period when the tax arises and we recorded income tax expense on such income in 2022, 2021 and 2020. Current U.S. tax law includes the U.S. Base Erosion and Anti-Abuse Tax (which we refer to as BEAT) beginning in 2018. Based on our analysis, we determined that our base erosion payments do not exceed the threshold for applicability for the years in 2022, 2021 and 2020, and we do not currently anticipate any significant long-term impact from the BEAT in our provision for income taxes in future periods.

Deferred Income Taxes - The CARES Act delayed certain payroll tax payments until the years 2021 and 2022. At December 31, 2021, $6.5 million, of deferred tax assets have been included due to deferral of payroll taxes, which was reversed in 2022.

20. Supplemental Disclosures of Cash Flow Information

	Year ended December 31,		
Supplemental disclosures of cash flow information (in millions):	**2022**	**2021**	**2020**
Interest paid	$ 240.2	$ 215.7	$ 188.9
Income taxes paid, net	317.6	325.4	113.0

Income taxes paid in the table above were net of AMT credits and $(28.5) million in 2021 due to the CARES Act, $(20.0) million in 2020 due to similar temporary relief measures available globally. The 2021 income taxes paid amount was unfavorably impacted due to payment of the $20.0 million of 2020 tax-payment deferrals (as noted in the previous sentence) and also approximately $106.0 million of tax payments made in 2021 with regards to tax method changes filed with our 2020 tax returns in the fourth quarter of 2021. Those U.S. federal method changes also affected our 2022 and 2021 estimated tax payments. Also in 2022, we elected to defer the utilization of 2021 and 2022 net operating losses in the U.K. causing additional cash tax payments of $28.4 million relating to 2021 and $49.0 million relating to 2022. Both the U.S. and U.K. payments would have been made in future periods, and do not represent additional taxes due.

The following is a reconciliation of our end of period cash, cash equivalents and restricted cash balances as presented in the consolidated statement of cash flows for the years ended December 31, 2022, 2021 and 2020 (in millions):

	December 31,		
	2022	**2021**	**2020**
Cash and cash equivalents	$ 342.3	$ 402.6	$ 664.6
Restricted cash	4,621.9	4,063.7	2,909.7
Total cash, cash equivalents and restricted cash	$ 4,964.2	$ 4,466.3	$ 3,574.3

We have a qualified contributory savings and thrift 401(k) plan covering the majority of our domestic employees. For eligible employees who have met the plan’s age and service requirements to receive matching contributions, we historically have matched 100% of pre-tax and Roth elective deferrals up to a maximum of 5.0% of eligible compensation, subject to federal limits on plan contributions and not in excess of the maximum amount deductible for federal income tax purposes. Beginning in 2021, the amount matched by the company will be discretionary and annually determined by management. Employees must be employed and eligible for the plan on the last day of the plan year to receive a matching contribution, subject to certain exceptions enumerated in the plan document. Matching contributions are subject to a five-year graduated vesting schedule and can be funded in cash or company stock. We expensed (net of plan forfeitures) $73.8 million, $65.7 million and $63.6 million related to the plan in 2022, 2021 and 2020,

respectively. During 2021, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2021 plan year to be funded with our common stock, which was funded in February 2022. During 2022, our board of directors authorized the 5.0% employer matching contributions on eligible compensation to the 401(k) plan for the 2022 plan year to be funded with our with our common stock, which is expected to be funded in February 2023.

21. Accumulated Other Comprehensive Loss

The after-tax components of our accumulated comprehensive loss attributable to controlling interests consist of the following (in millions):

	Pension Liability	Foreign Currency Translation	Fair Value of Derivative Instruments	Accumulated Comprehensive Loss
Balance as of January 1, 2020	$ (56.5)	$ (674.8)	$ (28.3)	$ (759.6)
Net change in period	0.4	183.7	(68.1)	116.0
Balance as of December 31, 2020	(56.1)	(491.1)	(96.4)	(643.6)
Net change in period	19.0	(122.3)	20.8	(82.5)
Balance as of December 31, 2021	(37.1)	(613.4)	(75.6)	(726.1)
Net change in period	(12.3)	(511.8)	109.8	(414.3)
Balance as of December 31, 2022	$ (49.4)	$ (1,125.2)	$ 34.2	$ (1,140.4)

The foreign currency translation in 2022, 2021 and 2020 relates to the net impact of changes in the value of the local currencies relative to the U.S. dollar for our operations in the U.K., Australia, Canada, New Zealand, the Caribbean, India and other non-U.S. locations. The reporting currency for our financial statements is the U.S. dollar. Certain of our assets, liabilities, expenses and revenues are denominated in currencies other than the U.S. dollar, primarily the British pound, Australian dollar, Canadian dollar, and New Zealand dollar. To prepare our consolidated financial statements, we must translate those assets, liabilities, expenses and revenues into U.S. dollars at the applicable exchange rates. Assets and liabilities of non-U.S. dollar functional currency operations are translated into U.S. dollars at end-of-period exchange rates while revenues, expenses and cash flows are translated at average monthly exchange rates over the period. Equity is translated at historical exchange rates and the resulting cumulative translation adjustments are included as a component of accumulated other comprehensive loss in the consolidated balance sheet. The net change in the foreign currency translation during 2022 primarily relates to goodwill (see Note 7 to these consolidated financial statements for the impact on goodwill) and amortizable intangible assets held by operations with a non-U.S. dollar functional currency.

During 2022, 2021 and 2020, $2.2 million, $5.8 million and $6.1 million, respectively, of expense related to the pension liability was reclassified from accumulated other comprehensive loss to compensation expense in the statement of earnings. During 2022, 2021 and 2020, $3.2 million of income, $5.8 million of expense and $6.3 million of expense, respectively, related to the fair value of derivative investments, was reclassified from accumulated other comprehensive loss to the statement of earnings. During 2022, 2021 and 2020, no amounts related to foreign currency translation were reclassified from accumulated other comprehensive loss to the statement of earnings.

22. Segment Information

We have three reportable segments: brokerage, risk management and corporate.

The brokerage segment is primarily comprised of our retail and wholesale insurance and reinsurance brokerage operations. The brokerage segment (which comprises our retail P/C, wholesale, reinsurance, benefits and captive operations) generates revenues through commissions paid by underwriting enterprises and through fees charged to our clients. Our brokers, agents and administrators act as intermediaries between underwriting enterprises and our clients and we do not assume net underwriting risks.

The risk management segment provides contract claim settlement and administration services for enterprises and public entities that choose to self-insure some or all of their property/casualty coverages and for underwriting enterprises that choose to outsource some or all of their property/casualty claims departments. These operations also provide claims management, loss control consulting and

insurance property appraisal services. Revenues are principally generated on a negotiated per-claim or per-service fee basis. Our risk management segment also provides risk management consulting services that are recognized as the services are delivered.

The corporate segment manages our clean energy and other investments. In addition, the corporate segment reports the financial information related to our debt and other corporate costs, external acquisition-related expenses and the impact of foreign currency translation.

Allocations of investment income and certain expenses are based on reasonable assumptions and estimates primarily using revenue, headcount and other information. We allocate the provision for income taxes to the brokerage and risk management segments using the local country statutory rates. Reported operating results by segment would change if different methods were applied.

Financial information relating to our segments for 2022, 2021 and 2020 is as follows (in millions):

Year Ended December 31, 2022	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 5,187.4	$ —	$ —	$ 5,187.4
Fees	1,476.9	1,090.8	—	2,567.7
Supplemental revenues	284.7	—	—	284.7
Contingent revenues	207.3	—	—	207.3
Investment income	135.4	0.9	—	136.3
Net gains on divestitures	12.1	0.9	—	13.0
Revenue from clean coal activities	—	—	23.0	23.0
Other net income	—	—	0.7	0.7
Revenues before reimbursements	7,303.8	1,092.6	23.7	8,420.1
Reimbursements	—	130.5	—	130.5
Total revenues	7,303.8	1,223.1	23.7	8,550.6
Compensation	4,024.7	664.9	110.2	4,799.8
Operating	1,039.9	233.9	57.1	1,330.9
Reimbursements	—	130.5	—	130.5
Cost of revenues from clean coal activities	—	—	22.9	22.9
Interest	—	—	256.9	256.9
Depreciation	103.6	37.8	3.3	144.7
Amortization	448.7	6.2	—	454.9
Change in estimated acquisition earnout payables	90.4	(7.4)	—	83.0
Total expenses	5,707.3	1,065.9	450.4	7,223.6
Earnings (loss) before income taxes	1,596.5	157.2	(426.7)	1,327.0
Provision (benefit) for income taxes	394.7	41.4	(225.1)	211.0
Net earnings (loss)	1,201.8	115.8	(201.6)	1,116.0
Net earnings (loss) attributable to noncontrolling interests	4.4	—	(2.6)	1.8
Net earnings (loss) attributable to controlling interests	$ 1,197.4	$ 115.8	$ (199.0)	$ 1,114.2
Net foreign exchange gain	$ 2.6	$ 31.4	$ —	$ 34.0
Revenues:				
United States	$ 4,503.9	$ 1,029.6	$ 23.7	$ 5,557.2
United Kingdom	1,544.3	44.1	—	1,588.4
Australia	281.8	129.1	—	410.9
Canada	356.0	5.9	—	361.9
New Zealand	166.9	14.4	—	181.3
Other foreign	450.9	—	—	450.9
Total revenues	$ 7,303.8	$ 1,223.1	$ 23.7	$ 8,550.6
At December 31, 2022				
Identifiable assets:				
United States	$ 17,827.2	$ 914.4	$ 2,560.2	$ 21,301.8
United Kingdom	9,486.6	115.9	—	9,602.5
Australia	1,797.9	89.0	—	1,886.9
Canada	1,476.4	4.4	—	1,480.8
New Zealand	731.0	18.8	—	749.8
Other foreign	3,886.0	—	—	3,886.0
Total identifiable assets	$ 35,205.1	$ 1,142.5	$ 2,560.2	$ 38,907.8
Goodwill - net	$ 9,358.1	$ 112.2	$ 19.1	$ 9,489.4
Amortizable intangible assets - net	3,325.9	46.2	—	3,372.1

Year Ended December 31, 2021	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 4,132.3	$ —	$ —	$ 4,132.3
Fees	1,296.9	967.2	—	2,264.1
Supplemental revenues	248.7	—	—	248.7
Contingent revenues	188.0	—	—	188.0
Investment income	82.8	0.3	—	83.1
Net gains on divestitures	18.8	0.1	—	18.9
Revenue from clean coal activities	—	—	1,140.8	1,140.8
Other net revenues	—	—	0.5	0.5
Revenues before reimbursements	5,967.5	967.6	1,141.3	8,076.4
Reimbursements	—	133.0	—	133.0
Total revenues	5,967.5	1,100.6	1,141.3	8,209.4
Compensation	3,252.4	580.7	94.4	3,927.5
Operating	757.9	209.8	104.7	1,072.4
Reimbursements	—	133.0	—	133.0
Cost of revenues from clean coal activities	—	—	1,173.2	1,173.2
Interest	—	—	226.1	226.1
Loss on extinguishment of debt	—	—	16.2	16.2
Depreciation	87.8	46.2	17.2	151.2
Amortization	407.6	7.5	—	415.1
Change in estimated acquisition earnout payables	116.3	3.3	—	119.6
Total expenses	4,622.0	980.5	1,631.8	7,234.3
Earnings (loss) before income taxes	1,345.5	120.1	(490.5)	975.1
Provision (benefit) for income taxes	328.9	30.6	(339.4)	20.1
Net earnings (loss)	1,016.6	89.5	(151.1)	955.0
Net earnings attributable to noncontrolling interests	8.4	—	39.8	48.2
Net earnings (loss) attributable to controlling interests	$ 1,008.2	$ 89.5	$ (190.9)	$ 906.8
Net foreign exchange loss	$ (1.7)	$ —	$ (0.6)	$ (2.3)
Revenues:				
United States	$ 3,804.8	$ 910.7	$ 1,141.3	$ 5,856.8
United Kingdom	1,199.0	46.0	—	1,245.0
Australia	252.6	123.5	—	376.1
Canada	302.2	5.8	—	308.0
New Zealand	162.4	14.6	—	177.0
Other foreign	246.5	—	—	246.5
Total revenues	$ 5,967.5	$ 1,100.6	$ 1,141.3	$ 8,209.4
At December 31, 2021				
Identifiable assets:				
United States	$ 15,548.3	$ 790.7	$ 2,489.6	$ 18,828.6
United Kingdom	8,251.3	134.1	—	8,385.4
Australia	1,684.2	84.7	—	1,768.9
Canada	1,436.1	4.4	—	1,440.5
New Zealand	754.5	20.5	—	775.0
Other foreign	2,146.6	—	—	2,146.6
Total identifiable assets	$ 29,821.0	$ 1,034.4	$ 2,489.6	$ 33,345.0
Goodwill - net	$ 8,544.6	$ 100.9	$ 20.7	$ 8,666.2
Amortizable intangible assets - net	3,906.1	47.9	—	3,954.0

Year Ended December 31, 2020	Brokerage	Risk Management	Corporate	Total
Revenues:				
Commissions	$ 3,591.9	$ —	$ —	$ 3,591.9
Fees	1,136.9	821.0	—	1,957.9
Supplemental revenues	221.9	—	—	221.9
Contingent revenues	147.0	—	—	147.0
Investment income	75.2	0.7	—	75.9
Net losses on divestitures	(5.8)	—	—	(5.8)
Revenue from clean coal activities	—	—	863.5	863.5
Other net losses	—	—	(0.4)	(0.4)
Revenues before reimbursements	5,167.1	821.7	863.1	6,851.9
Reimbursements	—	151.7	—	151.7
Total revenues	5,167.1	973.4	863.1	7,003.6
Compensation	2,882.5	517.5	66.5	3,466.5
Operating	687.2	162.6	56.7	906.5
Reimbursements	—	151.7	—	151.7
Cost of revenues from clean coal activities	—	—	882.1	882.1
Interest	—	—	196.4	196.4
Depreciation	73.5	49.4	22.2	145.1
Amortization	411.3	6.0	—	417.3
Change in estimated acquisition earnout payables	(29.7)	(3.2)	—	(32.9)
Total expenses	4,024.8	884.0	1,223.9	6,132.7
Earnings (loss) before income taxes	1,142.3	89.4	(360.8)	870.9
Provision (benefit) for income taxes	276.3	22.5	(286.0)	12.8
Net earnings (loss)	866.0	66.9	(74.8)	858.1
Net earnings attributable to noncontrolling interests	4.9	—	34.4	39.3
Net earnings (loss) attributable to controlling interests	$ 861.1	$ 66.9	$ (109.2)	$ 818.8
Net foreign exchange loss	$ (2.6)	$ (0.1)	$ (0.2)	$ (2.9)
Revenues:				
United States	$ 3,369.4	$ 816.4	$ 863.1	$ 5,048.9
United Kingdom	993.7	40.7	—	1,034.4
Australia	216.1	98.4	—	314.5
Canada	243.8	5.3	—	249.1
New Zealand	141.8	12.6	—	154.4
Other foreign	202.3	—	—	202.3
Total revenues	$ 5,167.1	$ 973.4	$ 863.1	$ 7,003.6
At December 31, 2020				
Identifiable assets:				
United States	$ 8,897.9	$ 716.2	$ 2,172.2	$ 11,786.3
United Kingdom	6,135.1	139.2	—	6,274.3
Australia	1,373.3	89.6	—	1,462.9
Canada	1,053.6	4.8	—	1,058.4
New Zealand	766.0	24.1	—	790.1
Other foreign	959.4	—	—	959.4
Total identifiable assets	$ 19,185.3	$ 973.9	$ 2,172.2	$ 22,331.4
Goodwill - net	$ 6,053.6	$ 70.5	$ 2.9	$ 6,127.0
Amortizable intangible assets - net	2,376.3	23.6	—	2,399.9

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Arthur J. Gallagher & Co.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of Arthur J. Gallagher & Co. (Gallagher) as of December 31, 2022 and 2021, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, the related notes and the financial statement schedule listed in the Index at Item 15(2)(a) (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Gallagher at December 31, 2022 and 2021, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), Gallagher's internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 10, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of Gallagher's management. Our responsibility is to express an opinion on Gallagher's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Gallagher in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Business acquisitions – Accounting for acquisitions

Description of the Matter

As described in Note 3 to the financial statements, Gallagher completed 37 acquisitions during 2022 for total net consideration of $1,303.0 million. All the acquisitions have been accounted for using the acquisition method for recording business combinations. The excess of the purchase price over the estimated fair value of the net assets acquired, including identifiable intangible assets, at the acquisitions date was allocated to goodwill. Identifiable intangible assets from the acquisitions consists primarily of acquired customer lists of $564.0 million. Provisional estimates of fair value are established on the closing date of each acquisition and are subsequently reviewed and finalized within twelve months of the acquisition date.

Auditing the accounting for these acquisitions involved subjectivity in evaluating management's estimates, specifically, the identification and measurement of intangible assets and earnout obligations. Gallagher, with the assistance of a third-party valuation firm, as applicable, used the discounted cash flow method to measure the fair value of the intangible assets and earnout obligations to finalize the accounting for its acquisitions. The significant assumptions used to estimate the fair value of the intangible assets and earnout obligations included discount rates, revenue growth rates, and projected profit margins. These assumptions are forward-looking and could be affected by future economic and market conditions.

How We Addressed the Matter in Our Audit	We obtained an understanding, evaluated the design and tested the operating effectiveness of the controls over Gallagher's accounting for acquisitions. For example, we tested controls over the recognition and measurement of assets acquired, consideration paid and payable, and management's review of significant assumptions used to determine the fair value of intangible assets and earnout obligations of the acquisitions for which management finalized its accounting. To test the estimated fair value of intangible assets and earnout obligations, our audit procedures included, among other things, an evaluation of the identification of intangible assets and earnout obligations based on the terms of the purchase agreements. Additionally, we have tested the significant assumptions, including discount rates, revenue growth rates, and projected profit margins, used to value the identifiable intangible assets and earnout obligations for acquisitions that Gallagher has deemed the accounting as final as well as testing the completeness and accuracy of the underlying data supporting the fair value estimates. We also compared the above assumptions to the historical results of the acquired companies, past performance of similar Gallagher acquisitions, and current market conditions. For select acquisitions, we utilized the assistance of our valuation specialists to evaluate the methods and assumptions used to determine the fair value of intangible assets and earnout obligations.

/s/ Ernst & Young LLP
Ernst & Young LLP

We have served as Gallagher's auditor since 1973
Chicago, Illinois
February 10, 2023

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) under the Exchange Act. Under the supervision and with the participation of management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting based on the framework in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework).

In conducting our assessment of the effectiveness of its internal control over financial reporting, we have excluded 18 of the 37 entities acquired in 2022, which are included in our 2022 consolidated financial statements. Collectively, these acquired entities constituted approximately 0.5% of total assets as of December 31, 2022, approximately 0.4% of total revenues, and approximately (0.1)% of net earnings for the year then ended.

Based on our assessment under the framework in Internal Control – Integrated Framework, management concluded that our internal control over financial reporting was effective as of December 31, 2022. In addition, the effectiveness of our internal control over financial reporting as of December 31, 2022, has been audited by Ernst & Young LLP, an independent registered public accounting firm, as stated in their attestation report which is included herein.

Arthur J. Gallagher & Co.
Rolling Meadows, Illinois
February 10, 2023

/s/ J. Patrick Gallagher, Jr.
J. Patrick Gallagher, Jr.
Chairman, President and Chief Executive Officer

/s/ Douglas K. Howell
Douglas K. Howell
Chief Financial Officer

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of
Arthur J. Gallagher & Co.

Opinion on Internal Control over Financial Reporting

We have audited Arthur J. Gallagher & Co.'s (Gallagher) internal control over financial reporting as of December 31, 2022, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), (the COSO criteria). In our opinion, Gallagher maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on the COSO criteria.

As indicated in the accompanying Management's Report on Internal Control Over Financial Reporting, management's assessment of and conclusion on the effectiveness of internal control over financial reporting did not include the internal controls of 18 of the 37 entities acquired in 2022, which are included in the 2022 consolidated financial statements of Gallagher and constituted approximately 0.5% of total assets as of December 31, 2022, approximately 0.4% of total revenues, and approximately (0.1)% of net earnings for the year then ended. Our audit of internal control over financial reporting of Gallagher also did not include an evaluation of the internal control over financial reporting of these acquired entities**.**

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheet as of December 31, 2022 and 2021, the related consolidated statements of earnings, comprehensive earnings, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2022, the related notes and the financial statement schedule listed in the Index at Item 15(2)(a) (collectively referred to as the "consolidated financial statements") of Gallagher and our report dated February 10, 2023 expressed an unqualified opinion thereon.

Basis for Opinion

Gallagher's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on Gallagher's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to Gallagher in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Ernst & Young LLP
Ernst & Young LLP

Chicago, Illinois
February 10, 2023

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

There were no changes in or disagreements with our accountants on matters related to accounting and financial disclosure.

Item 9A. Controls and Procedures.

Conclusion Regarding the Effectiveness of Disclosure Controls and Procedures.

We carried out an evaluation required by the Exchange Act, under the supervision and with the participation of our principal executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rule 13a-15(e) of the 1934 Act, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed by us in the reports that we file or submit under the 1934 Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms and to provide reasonable assurance that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Design and Evaluation of Internal Control over Financial Reporting.

Our disclosure controls and procedures are designed to provide reasonable assurance of achieving their objectives as specified above. Management does not expect, however, that our disclosure controls and procedures will prevent or detect all error and fraud. Any control system, no matter how well designed and operated, is based upon certain assumptions and can provide only reasonable, not absolute, assurance that its objectives will be met. Further, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002, we included a report of management's assessment of the design and effectiveness of our internal controls as part of this annual report for the fiscal year ended December 31, 2022. Our independent registered public accounting firm also attested to, and reported on, the effectiveness of internal control over financial reporting. Management's report and the independent registered public accounting firm's attestation report are included in Item 8, "Financial Statements and Supplementary Data," under the captions entitled "Management's Report on Internal Control Over Financial Reporting" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting."

Changes in Internal Control over Financial Reporting.

On December 1, 2021, we acquired Willis Re. We have been in the process of incorporating Willis Re's internal controls into our control structure. The acquisition of, and the ongoing integration of, Willis Re represents a material change in internal control over financial reporting since management's last assessment of our internal control over financial reporting, which was completed as of December 31, 2021. Except as described above, during the three-month period ended December 31, 2022, there has not occurred any change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

Part III

Item 10. Directors, Executive Officers and Corporate Governance.

Our 2023 Proxy Statement will include the information required by this item under the headings “Election of Directors,” “Other Board Matters,” “Board Committees” and, if necessary, “Delinquent Section 16(a) Reports,” which we incorporate herein by reference.

Item 11. Executive Compensation.

Our 2023 Proxy Statement will include the information required by this item under the headings “Compensation Committee Report” and “Compensation Discussion and Analysis,” which we incorporate herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

Our 2023 Proxy Statement will include the information required by this item under the headings “Security Ownership by Certain Beneficial Owners and Management” and “Equity Compensation Plan Information,” which we incorporate herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

Our 2023 Proxy Statement will include the information required by this item under the headings “Certain Relationships and Related Transactions” and “Other Board Matters,” which we incorporate herein by reference.

Item 14. Principal Accountant Fees and Services.

Our independent registered public accounting firm is Ernst & Young LLP, Chicago, Illinois, Auditor Firm ID: 42.

Our 2023 Proxy Statement will include the information required by this item under the heading “Ratification of Appointment of Independent Auditor - Principal Accountant Fees and Services,” which we incorporate herein by reference.

Part IV

Item 15. Exhibits and Financial Statement Schedules.

The following documents are filed as a part of this report:

1.Consolidated Financial Statements:

(a)Consolidated Statement of Earnings for each of the three years in the period ended December 31, 2022.

(b)Consolidated Balance Sheet as of December 31, 2022 and 2021.

(c)Consolidated Statement of Cash Flows for each of the three years in the period ended December 31, 2022.

(d)Consolidated Statement of Stockholders’ Equity for each of the three years in the period ended December 31, 2022.

(e)Notes to Consolidated Financial Statements.

(f)Report of Independent Registered Public Accounting Firm on Financial Statements.

(g)Management’s Report on Internal Control Over Financial Reporting.

(h)Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting.

2.Consolidated Financial Statement Schedules required to be filed by Item 8 of this Form:

(a)Schedule II - Valuation and Qualifying Accounts.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. Exhibits:

2.1	Security and Asset Purchase Agreement, dated as of August 12, 2021, by and between Arthur J. Gallagher & Co. and Willis Watson plc (incorporated by reference to Exhibit 2.1 to our Form 8-K Current Report dated August 16, 2021).
2.2	Letter Agreement, dated December 1, 2021, by and between Willis Towers Watson plc and Arthur J. Gallagher & Co. (incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated December 6, 2021, File No. 1-09761).
3.1.1	Amended and Restated Certificate of Incorporation of Arthur J. Gallagher & Co. (incorporated by reference to the same exhibit number to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2008, File No. 1-09761).
3.1.2	Certificate of Change of Registered Agent and Location of Registered Office (incorporated by reference to Exhibit 3.1 to our Form 8-K Current Report dated July 29, 2022, File No. 1-09761).
3.2	Amended and Restated By-Laws of Arthur J. Gallagher & Co. (incorporated by reference to Exhibit 3.1 to our Form 8-K Current Report dated December 6, 2022, File No. 1-09761).
4.1	Description of Securities (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2019, File No. 1-09761).
4.2.1	Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019, among Arthur J. Gallagher & Co., the other borrowers party thereto, the lenders party thereto, Bank of Montreal, as administrative agent, BMO Capital Markets, BofA Securities, Inc., Barclays Bank PLC, Citibank, N.A. and JPMorgan Chase Bank, N.A., as joint lead arrangers, joint book runners and co-syndication agents, and Capital One, National Association, HSBC Bank USA, National Association, PNC Bank, National Association and U.S. Bank National Association, as co-documentation agents (incorporated by reference to Exhibit 4.1 to our Form 8-K Current Report dated June 7, 2019).
4.2.2	Amendment No. 1, dated August 27, 2020, to the Second Amended and Restated Multicurrency Credit Agreement dated June 7, 2019, between Arthur J. Gallagher & Co., Bank of Montreal, as administrative agent, and other lenders signatory thereto (incorporated by reference to Exhibit 4.1 to our Form 10-Q Quarterly Report for the quarterly period ended September 30, 2020, File No. 1-09761).
4.2.3	Amendment No. 2, dated December 14, 2022, to the Second Amended and Restated Multicurrency Credit Agreement dated June 7, 2019, between Arthur J. Gallagher & Co., Bank of Montreal, as administrative agent, and other lenders signatory thereto.
4.3	Indenture, dated as of May 20, 2021, between the Company and The Bank of New York Mellon Trust Company, N.A., as Trustee (incorporated by reference to Exhibit 4.1 to our Form 8-K Current Report dated May 20, 2021, File No. 1-09761).
*10.11	Form of Indemnity Agreement between Arthur J. Gallagher & Co. and each of our directors and corporate officers (incorporated by reference to the same exhibit number to our Form 10-Q Quarterly Report for the quarterly period ended March 31, 2009, File No. 1-09761).
*10.12	Arthur J. Gallagher & Co. Deferral Plan for Nonemployee Directors (amended and restated as of February 1, 2022).
*10.14.1	Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired prior to January 1, 2008 (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2011, File No. 1-09761).
*10.14.2	Form of Change in Control Agreement between Arthur J. Gallagher & Co. and those Executive Officers hired after January 1, 2008 (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2011, File No. 1-09761).
*10.15	The Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan, as amended and restated effective October 20, 2020 (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2020, File No. 1-09761).
*10.16	Arthur J. Gallagher & Co., Deferred Equity Participation Plan (as amended and restated as of February 20, 2021) (incorporated by reference to the same exhibit number to our Form 10-Q for the quarterly period ended March 31, 2021 File No. 1 09761).
*10.16.1	Form of Deferred Equity Participation Plan Award Agreement.
*10.17	Arthur J. Gallagher & Co. Severance Plan (effective September 15, 1997, as amended and restated effective January 1, 2009) (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2008, File No. 1-09761).

*10.17.1	First Amendment to the Arthur J. Gallagher & Co. Severance Plan (effective September 15, 1997, as amended and restated effective January 1, 2009) (incorporated by reference to Exhibit 10.1 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2010, File No. 1-09761).
*10.18	Arthur J. Gallagher & Co. Deferred Cash Participation Plan, amended and restated as of September 11, 2018 (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2019, File No. 1-09761).
*10.42.1	Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement.
*10.42.2	Form of Long-Term Incentive Plan Stock Option Award Agreement.
*10.42.3	Form of Long-Term Incentive Plan Stock Appreciation Rights Award Agreement (incorporated by reference to the same exhibit number to our Form 10-K Annual Report for 2010, File No. 1-09761).
*10.42.4	Form of Long-Term Incentive Plan Restricted Stock Unit Award Agreement for executive officers over the age of 55.
*10.42.5	Form of Long-Term Incentive Plan Stock Option Award Agreement for executive officers over the age of 55.
*10.43	Arthur J. Gallagher & Co. Performance Unit Program (incorporated by reference to the same exhibit number to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2007, File No. 1-09761).
*10.43.1	Form of Performance Unit Grant Agreement under the Performance Unit Program.
*10.43.2	Form of Performance Unit Grant Agreement under the Performance Unit Program for executive officers over the age of 55.
*10.44	Senior Management Incentive Plan (incorporated by reference to Exhibit 10.44 to our Form 10-Q Quarterly Report for the quarterly period ended June 30, 2015, File No. 1-09761).
*10.48	Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan (incorporated by reference to Exhibit 4.8 to our Form S-8 Registration Statement, File No. 333-221274).
*10.50	Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan (incorporated by reference to Exhibit 4.3 to our Form S-8 Registration Statement, File No. 333-258331).
*10.51	Form of Partnership Share Agreement under the Arthur J. Gallagher & Co. U.K. Employee Share Incentive Plan (incorporated by reference to Exhibit 4.4 to our Form S-8 Registration Statement, File No. 333-258331).
*10.52	Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.1 to our Form 8-K Current Report dated May 13, 2022 File No. 1-09761).
21.1	Subsidiaries of Arthur J. Gallagher & Co., including state or other jurisdiction of incorporation or organization and the names under which each does business.
23.1	Consent of Ernst & Young LLP, Independent Registered Public Accounting Firm.
24.1	Power of Attorney.
31.1	Rule 13a-14(a) Certification of Chief Executive Officer.
31.2	Rule 13a-14(a) Certification of Chief Financial Officer.
32.1	Section 1350 Certification of Chief Executive Officer.
32.2	Section 1350 Certification of Chief Financial Officer.
101.INS	Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104	Cover Page Interactive Data File formatted in Inline XBRL (included as Exhibit 101).

All other exhibits are omitted because they are not applicable, or not required, or because the required information is included in our consolidated financial statements or the notes thereto. The registrant agrees to furnish to the Securities and Exchange Commission upon request a copy of any long-term debt instruments that have been omitted pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K.

* Such exhibit is a management contract or compensatory plan or arrangement required to be filed as an exhibit to this form pursuant to item 601 of Regulation S-K.

Item 16. Form 10-K Summary.

None.

Signatures

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on the 10th day of February, 2023.

ARTHUR J. GALLAGHER & CO.

By /s/ J. PATRICK GALLAGHER, JR.
J. Patrick Gallagher, Jr.
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below on the 10th day of February, 2023 by the following persons on behalf of the Registrant in the capacities indicated.

Name	Title
/s/ J. PATRICK GALLAGHER, JR. J. Patrick Gallagher, Jr.	Chairman, President; Chief Executive Officer and Director (Principal Executive Officer)
/s/ DOUGLAS K. HOWELL Douglas K. Howell	Vice President and Chief Financial Officer (Principal Financial Officer)
/s/ RICHARD C. CARY Richard C. Cary	Controller (Principal Accounting Officer)
*SHERRY S. BARRAT Sherry S. Barrat	Director
*WILLIAM L. BAX WILLIAM L. BAX	Director
*TERESA H. CLARKE Teresa H. Clarke	Director
* D. JOHN COLDMAN D. John Coldman	Director
* DAVID S. JOHNSON David S. Johnson	Director
*KAY W. MCCURDY Kay W. McCurdy	Director
*CHRISTOPHER C. MISKEL Christopher C. Miskel	Director
* RALPH J. NICOLETTI Ralph J. Nicoletti	Director
*NORMAN L. ROSENTHAL Norman L. Rosenthal	Director

*By: /s/ WALTER D. BAY
Walter D. Bay, Attorney-in-Fact

Schedule II
Arthur J. Gallagher & Co.
Valuation and Qualifying Accounts

	Balance at Beginning of Year	Amounts Recorded in Earnings	Adjustments		Balance at End of Year
			(In millions)		
Year ended December 31, 2022					
Allowance for doubtful accounts	$ 8.3	$ 6.8	$ (4.0)	(1)	$ 11.1
Allowance for estimated policy cancellations	10.0	2.4	(3.1)	(2)	9.3
Valuation allowance for deferred tax assets	154.9	(19.7)	—		135.2
Accumulated amortization of expiration lists, non-compete agreements and trade names	2,924.0	454.9	(78.9)	(3)	3,300.0
Year ended December 31, 2021					
Allowance for doubtful accounts	$ 10.1	$ 7.0	$ (8.8)	(1)	$ 8.3
Allowance for estimated policy cancellations	9.9	(1.3)	1.4	(2)	10.0
Valuation allowance for deferred tax assets	94.9	60.0	—		154.9
Accumulated amortization of expiration lists, non-compete agreements and trade names	2,537.0	415.1	(28.1)	(3)	2,924.0
Year ended December 31, 2020					
Allowance for doubtful accounts	$ 8.7	$ 6.6	$ (5.2)	(1)	$ 10.1
Allowance for estimated policy cancellations	8.3	4.1	(2.5)	(2)	9.9
Valuation allowance for deferred tax assets	80.5	14.4	—		94.9
Accumulated amortization of expiration lists, non-compete agreements and trade names	2,087.5	417.3	32.2	(3)	2,537.0

(1)Net activity of bad debt write offs and recoveries and acquired businesses.
(2)Additions to allowance related to acquired businesses.
(3)Elimination of fully amortized expiration lists, non-compete agreements and trade names, intangible asset/amortization reclassifications and disposal of acquired businesses.

EXHIBIT 4.2.3

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This AMENDMENT NO. 2 TO CREDIT AGREEMENT (this *"Amendment"*) is dated as of December 14, 2022, and is by and among Arthur J. Gallagher & Co., a Delaware corporation (the *"Borrower"*) and Bank of Montreal, as Administrative Agent.

PRELIMINARY STATEMENTS

A.The Borrower, the financial institutions from time to time party thereto and the Administrative Agent have heretofore entered into that certain Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019 (as amended, restated, supplemented or otherwise modified from time to time in accordance with its provisions, the *"Credit Agreement"*);

B.Certain Loans and/or other extensions of credit under the Credit Agreement bear or are permitted to bear interest, or incur or are permitted to incur fees, commissions or other amounts, based on LIBOR in accordance with the terms of the Credit Agreement or the other Loan Documents; and

C.The Administrative Agent and Company have determined in accordance with Section 11.2(b) of the Credit Agreement that LIBOR should be replaced with a successor rate or rates and such Section provides that if the Administrative Agent shall have determined that new benchmark interest rates exists to replace any LIBOR, then the Administrative Agent and the Borrower shall be permitted to amend such applicable provisions including certain conforming changes as are necessary or advisable, and such amendment shall become effective without any further action or consent of any other party to any Loan Document if the same is not objected to in writing by the Required Lenders by 5:00 p.m. (Chicago time) on the fifth Business Day after the Administrative Agent shall have posted such proposed amendment to all Lenders and the Borrower (it being understood and agreed that this Amendment was posted to the Lenders and Company on December 7, 2022).

NOW, THEREFORE, in consideration of the premises set forth above, the terms and conditions contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Use of Defined Terms. Unless otherwise defined or the context otherwise requires, terms for which meanings are provided in the Credit Agreement shall have such meanings when used in this Amendment.

ARTICLE II

AMENDMENTS

Section 2.1 The Credit Agreement is, effective as of the Amendment No. 2 Effective Date (as defined herein), hereby amended to delete the stricken text (indicated textually in the same manner as the following example: ~~stricken text~~) and to add the underlined text (indicated textually in the same manner as the following example: underlined text) as set forth in the pages of the Amended Credit Agreement attached as Annex I hereto, except that any Schedule or Exhibit to the Credit Agreement not amended pursuant to the terms of this Amendment or otherwise included as part of said Annex I shall remain in effect without any amendment or other modification thereto.

Section 2.2 The provisions in the Amended Credit Agreement attached as Annex I hereto shall not apply with respect to any (a) Loan bearing interest or incurring fees, commissions or other amounts based on LIBOR, but excluding any Base Rate Loan (each, a "*LIBOR Credit Extension*") requested, made or outstanding that bears interest with reference to a LIBOR rate that (i) is or was set prior to the Amendment No. 2 Effective Date and (ii) is held constant for a specifically designated period and is not reset on a daily or substantially daily basis (disregarding day count, weekend or holiday conventions) and (b) any retroactive margin, yield, fee or commission increases available to the Administrative Agent or the Lenders as a result of any inaccuracy in any financial statement or compliance certificate that, if corrected, would have led to the application of a higher interest margin or yield with respect to any LIBOR Credit Extension or any higher fee or commission for any applicable period, and in each case, the LIBOR Related Definitions and provisions with respect thereto (as in effect immediately prior to giving effect to the provisions of this Amendment on the Amendment No. 2 Effective Date) shall continue in effect solely for such purpose; *provided that*, with respect to any such LIBOR Credit Extension described in clause (a) of this Section 2.2, such LIBOR Credit Extension shall only continue in effect in accordance with its terms until the then-current Interest Period for such LIBOR Credit Extension has concluded.

As used herein, "*LIBOR Related Definition*" means any term defined in the Credit Agreement or any other Loan Document (or any partial definition thereof) as in effect immediately prior to giving effect to the provisions of this Amendment on the Amendment No. 2 Effective Date, however phrased, primarily relating to the determination, administration or calculation of LIBOR, including by way of example any instances of the LIBOR Index Rate and other applicable terms such as "Eurodollar Reserve Percentage." LIBOR Related Definition does not include any term such as "Base Rate", or other analogous or similar term generally indicating use of a benchmark rate other than, immediately prior to giving effect to the provisions of this Amendment, LIBOR Quoted Rate, even if such term, immediately prior to giving effect to the provisions of this Amendment, would have included a component based on the LIBOR Quoted Rate.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

Section 3.1 Loan Document. The Borrower and Lenders acknowledge and agree that this Amendment shall constitute a Loan Document.

Section 3.2 Authority and Validity. The Borrower has all requisite corporate or other applicable entity power and authority to execute and deliver this Amendment and perform its obligations under this Amendment and the Loan Documents (as amended by this Amendment). This Amendment has been duly authorized, executed, and delivered by the Borrower, and this Amendment and the Credit Agreement (as amended by this Amendment) constitute the valid and binding obligation of the Borrower enforceable against it in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency,

fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law).

Section 3.3 Non-Contravention. The execution and delivery by the Borrower of this Amendment and the performance by each Borrower of this Amendment and the Credit Agreement (as amended by this Amendment) do not: (a) contravene or constitute a default under any provision of law or any judgment, injunction, order or decree binding upon any Borrower or any provision of the organizational documents (*e.g.,* charter, certificate or articles of incorporation and by-laws, certificate or articles of association and operating agreement, partnership agreement, or other similar organizational documents) of any Borrower, (b) contravene or constitute a default under any covenant, indenture or agreement of or affecting any Borrower or any of their Property, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (c) result in the creation or imposition of any Lien on any Property of any Borrower.

Section 3.4 Approvals. No authorization, consent, license or exemption from, or filing or registration with, any court or governmental department, agency or instrumentality, nor any approval or consent of any other Person, is or will be necessary to the valid execution and delivery by any Borrower of this Amendment or performance by any Borrower of this Amendment or the Credit Agreement (as amended by this Amendment), except for such approvals which have been obtained prior to the date of this Amendment and remain in full force and effect.

Section 3.5. No Default. At the time of and after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing.

ARTICLE IV

CONDITIONS PRECEDENT

Section 4.1 Effectiveness. This Amendment shall become effective as of 5:00 p.m. (Chicago time) five (5) Business Days after the date hereof (the *"Amendment No. 2 Effective Date"*) if, and only if, the following conditions precedent are satisfied:

(a) The Administrative Agent's receipt of executed counterparts of this Amendment, sufficient in number for distribution to the Administrative Agent and the Company;

(b) The representations and warranties of the Borrower contained in Article III of this Amendment shall be true and correct in all material respects on and as of the Amendment Effective Date and after giving effect to this Amendment, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct in all material respects only as of such earlier date; and

(c) The Administrative Agent has not received, by such time, written notice of objection to this Amendment from Lenders comprising the Required Lenders.

ARTICLE V

MISCELLANEOUS PROVISIONS

Section 5.1 Ratification of and References to the Credit Agreement. Except for the amendments expressly set forth above, the Credit Agreement and each other Loan Document is hereby ratified, approved and confirmed in each and every respect. Reference to this specific Amendment need not be made in the Credit Agreement, the Note(s), or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to or with respect to the Credit Agreement,

any reference in any of such items to the Credit Agreement being sufficient to refer to the Credit Agreement as amended hereby.

Section 5.2 Headings. The various headings of this Amendment are for convenience of reference only, are not part of this Amendment and shall not affect the construction of, or be taken into consideration in interpreting, this Amendment.

Section 5.3 Execution in Counterparts. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single agreement. Delivery of executed counterparts of this Amendment by telecopy or in electronic (i.e., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Amendment.

Section 5.4 No Other Amendments. Except for the amendments expressly set forth in this Amendment, the text of the Credit Agreement and the other Loan Documents shall remain unchanged and in full force and effect, and the Lenders and the Administrative Agent expressly reserve the right to require strict compliance with the terms of the Credit Agreement and the other Loan Documents.

Section 5.5 Costs and Expenses. The Company agrees to pay promptly following an invoice therefor all reasonable costs and expenses of or incurred by the Administrative Agent in connection with the negotiation, preparation, execution and delivery of this Amendment, including the reasonable fees and expenses of counsel for the Administrative Agent, in each case, subject to the limitations set forth in Section 14.14 of the Credit Agreement.

Section 5.6 Governing Law; Submission to Jurisdiction; Waiver of Jury Trial. This Amendment, and the rights and duties of the parties hereto, shall be construed and determined in accordance with the internal laws of the State of Illinois. The provisions of Section 14.19 (Submission to Jurisdiction; Waiver of Jury Trial) of the Credit Agreement shall be applicable *mutatis mutandis* to this Amendment.

[Remainder of Page to be Left Blank]

This Amendment No. 2 to Credit Agreement is entered into by the parties hereto for the uses and purposes hereinabove set forth as of the date first above written.

BORROWER

ARTHUR J. GALLAGHER & CO.

By: /s/ Sara Walsh
Name: Sara Walsh
Title: Assistant VP – Corporate Finance
Assistant Corporate Treasurer

BANK OF MONTREAL, as Administrative Agent

By: /s/ Mark Mital
Name: Mark Mital
Title: Managing Director

•First Amendment to Second Amended and Restated Multicurrency Credit Agreement dated August ~~_, 2020~~

~~*This Conformed Second Amended and Restated Multicurrency Credit Agreement is for convenient reference purposes only and does not supersede or replace the Second Amended and Restated Multicurrency Credit Agreement and above-referenced amendments thereto*~~

SECOND AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT DATED AS OF
JUNE 7, 2019 AMONG
ARTHUR J. GALLAGHER & CO., AS A BORROWER,
AND
THE OTHER BORROWERS PARTY HERETO*, THE LENDERS PARTY HERETO,
AND

BANK OF MONTREAL,
as Administrative Agent,

BMO CAPITAL MARKETS CORP.,
BOFA SECURITIES, INC.,
BARCLAYS BANK PLC,
CITIBANK, N.A.
AND
JPMORGAN CHASE BANK, N.A.,
as Joint Lead Arrangers,
Joint Bookrunners and
as Co-Syndication Agents

AND
CAPITAL ONE, NATIONAL ASSOCIATION,
HSBC BANK USA, NATIONAL ASSOCIATION,
PNC BANK, NATIONAL ASSOCIATION
AND
U.S. BANK NATIONAL ASSOCIATION,
as Co-Documentation Agents

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* The Subsidiary that were Borrowers on the Effective Date were removed as borrowers by Amendment No. 1

Table of Contents

(This Table of Contents is not part of the Agreement)

SECOND AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT

THIS SECOND AMENDED AND RESTATED MULTICURRENCY CREDIT AGREEMENT is entered into as of June 7, 2019, by and among Arthur J. Gallagher & Co., a Delaware corporation (the *"Company"*), the Subsidiaries from time to time party to this Agreement as joint and several obligors (such Subsidiaries together with the Company individually, a *"Borrower"* and collectively, the *"Borrowers"*), the several financial institutions from time to time party to this Agreement, as Lenders, and Bank of Montreal, as Administrative Agent as provided herein. All capitalized terms used herein without definition shall have the same meanings herein as such terms are defined in Section 6.1 hereof.

PRELIMINARY STATEMENT

A.The Borrowers, the lenders party thereto (the *"Existing Lenders"*), and the Administrative Agent previously entered into an Amended and Restated Multicurrency Credit Agreement dated as of April 8, 2016 (as heretofore amended or otherwise modified, the *"Existing Credit Agreement"*). Pursuant to the Existing Credit Agreement, the Administrative Agent and the Existing Lenders agreed, among other things, to extend a $800,000,000 revolving credit facility to the Borrowers.

B.The Borrowers have requested that (i) the maturity date under the Existing Credit Agreement be extended, (ii) the amount of the revolving credit facility available under the Existing Credit Agreement be increased, (iii) certain other amendments be made to the Existing Credit Agreement, and (iv) for the sake of clarity and convenience, the Existing Credit Agreement be restated in its entirety as so amended, and the Administrative Agent and the Lenders have agreed to such requests on the terms and conditions set forth in this Agreement.

C.This Agreement amends and restates the Existing Credit Agreement in its entirety and from and after the date of this Agreement, all references to the Existing Credit Agreement in any Loan Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement. This Agreement shall become effective as of the date hereof, and supersede all provisions of the Existing Credit Agreement as of such date, upon the execution of this Agreement by each of the parties hereto and fulfillment of the conditions precedent contained in Section 8.1 hereof.

D.This Agreement shall constitute for all purposes an amendment to the Existing Credit Agreement and not a new or substitute agreement.

NOW, THEREFORE, in consideration of the mutual agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

SECTION 1. THE CREDITS.

Section 1.1. The Revolving Credit Commitments. Subject to the terms and conditions hereof, each Lender, by its acceptance hereof, severally agrees to make a loan or loans (individually a *"Revolving Loan"* and collectively for all the Lenders *"Revolving Loans"*) in U.S. Dollars and Alternative Currencies to the Borrowers from time to time on a revolving basis in an aggregate outstanding Original Dollar Amount up to the amount of such Lender's Revolving Credit Commitment, subject to any reductions thereof pursuant to the terms hereof on or after the Effective Date and before the Termination Date. The sum of the (i) aggregate Original Dollar Amount of Revolving Loans, (ii) the aggregate Original Dollar Amount of Swing Loans, and (iii) the aggregate U.S. Dollar Equivalent of all L/C Obligations at any time outstanding shall not exceed the Revolving Credit Commitments in effect at such time. Each Borrowing of Revolving Loans shall be made ratably from the Lenders in proportion to their respective Percentages. As provided in Section 1.5(a) hereof, the Company on behalf of the Borrowers, may elect that each Borrowing of Revolving Loans denominated in U.S. Dollars be either Base Rate Loans or ~~Eurocurrency~~SOFR Loans. All Loans denominated in an Alternative Currency shall be Eurocurrency Loans or RFR Loans. Revolving Loans may be repaid and the principal amount thereof reborrowed before the Termination Date, subject to all the terms and conditions hereof.

Section 1.2. Letters of Credit. (a) *General Terms.* Subject to the terms and conditions hereof, as part of the Revolving Credit, the L/C Issuer shall issue standby and commercial letters of credit (each a *"Letter of Credit"*) for the account of the Borrowers or for the account of the Borrowers and one or more of their Restricted Subsidiaries in U.S. Dollars or an Alternative Currency in the U.S. Dollar Equivalent of an aggregate undrawn face amount up to the L/C Sublimit. Notwithstanding anything herein to the contrary, the Existing L/Cs (all of which are listed and described on Schedule 1.2(a) hereto) shall each constitute a *"Letter of Credit"* herein for all purposes of the Agreement to the same extent, and with the same force and effect, as if such Existing L/Cs had been issued at the request of the Company on behalf of the Borrowers under the Revolving Credit. Each Letter of Credit shall be issued by the L/C Issuer in the manner described above, but each Lender shall be obligated to reimburse the L/C Issuer for such Lender's Percentage of the amount of each drawing thereunder and, accordingly, each Letter of Credit shall constitute usage of the Revolving Credit Commitment of each Lender *pro rata* in an amount equal to its Percentage of the L/C Obligations then outstanding.

(b)*Applications.* At any time on or after the Effective Date and before the Termination Date, the L/C Issuer shall, at the request of the Company on behalf of the Borrowers, issue one or more Letters of Credit in a form satisfactory to the L/C Issuer, with expiration dates no later than the earlier of (i) 12 months from the date of issuance or (ii) 365 days after the Termination Date, in an aggregate face amount as set forth above, upon the receipt of an application duly executed by the Company on behalf of the Borrowers and, if such Letter of Credit is for the account of one of its Restricted Subsidiaries, such Restricted Subsidiary for the relevant Letter of Credit in the form customarily prescribed by the L/C Issuer for the type of Letter of Credit, whether standby or commercial, requested (each an *"Application"*); *provided,* that with respect to any Letter of Credit with an expiration date that is later than the Termination Date, the Borrowers shall deliver to the Administrative Agent no later than 20 days prior to the Termination Date cash collateral in the U.S. Dollar Equivalent of the full amount then available for drawing under such Letter of Credit.

Any such cash collateral required by this Section 1.2(b) shall be held by the Administrative Agent pursuant to the terms of Section 10.4 hereof. Notwithstanding anything contained in any Application to the contrary (i) the Borrowers' obligation to pay fees in connection with each Letter of Credit shall be as exclusively set forth in Section 4.1(b) hereof, (ii) except as provided above, at any time when no Event of Default exists the L/C Issuer will not call for the funding by the Borrowers of any amount under a Letter of Credit before being

presented with a drawing thereunder, and (iii) if the L/C Issuer is not timely reimbursed for the amount of any drawing under a Letter of Credit on the date such drawing is paid, the Borrowers' obligation to reimburse the L/C Issuer for the amount of such drawing shall bear interest (which the Borrowers hereby promise to pay) from and after the date such drawing is paid until payment in full thereof at a rate per annum (x) if such Letter of Credit is denominated in U.S. Dollars, equal to the sum of the Applicable Margin for Base Rate Loans *plus* the Base Rate from time to time in effect and (y) if such Letter of Credit is denominated in an Alternative Currency, equal to the sum of the Applicable Margin for Eurocurrency Loans or RFR Loans, as applicable, *plus* the rate established pursuant to Section 3.2(c)(iii) hereof for Eurocurrency Loans or RFR Loans, as applicable, denominated in ~~an~~such Alternative Currency. The L/C Issuer will promptly notify the Lenders of each issuance by it of a Letter of Credit. If the L/C Issuer issues any Letters of Credit with expiration dates that are automatically extended under the terms set forth in such Letter of Credit, then the L/C Issuer will give notice of non-renewal to the beneficiary of such Letter of Credit with a copy to the Company on behalf of the Borrowers before the time necessary to prevent such automatic extension if before such required notice date (i) the expiration date of such Letter of Credit if so extended would be later than 365 days after the Termination Date, (ii) the Revolving Credit Commitments have been terminated or (iii) an Event of Default exists and the Required Lenders have given the L/C Issuer instructions not to so permit the extension of the expiration date of such Letter of Credit. The L/C Issuer agrees to issue amendments to the Letters of Credit increasing the amount, or extending the expiration date, thereof at the request of the Company, on behalf of the Borrowers, subject to the conditions of Section 8.2 and the other terms of this Section 1.2. Without limiting the generality of the foregoing, the L/C Issuer's obligation to issue, amend or extend the expiration date of a Letter of Credit is subject to the conditions of Section 8.2 and the other terms of this Section 1.2 and the L/C Issuer will not issue, amend or extend the expiration date of any Letter of Credit if any Lender notifies the L/C Issuer of any failure to satisfy or otherwise comply with such conditions and terms and directs the L/C Issuer not to take such action.

(c) *The Reimbursement Obligations.* Subject to Section 1.2(b) hereof, the obligation of the Borrowers to reimburse the L/C Issuer for all drawings under a Letter of Credit (a *"Reimbursement Obligation"*) shall be governed by the Application related to such Letter of Credit, except that, if and as long as no Default or Event of Default exists and the other conditions in Section 8.2 hereof are satisfied, any Reimbursement Obligation outstanding on account of a drawing under a Letter of Credit shall automatically convert into a Borrowing of Base Rate Loans in the U.S. Dollar Equivalent of such Reimbursement Obligation on the date such drawing occurs and the L/C Issuer shall notify the Administrative Agent and each Lender thereof, and each Lender shall thereupon fund its Base Rate Loan in such Borrowing in accordance with Sections 1.1 and 1.5 (except for any requirement that a Borrowing of Base Rate Loans be in a certain amount). If the conditions in Section 8.2 cannot be satisfied with respect to any drawing, then reimbursement of such drawing shall be made in the U.S. Dollar Equivalent in immediately available funds at the Administrative Agent's principal office in Chicago, Illinois or such other office as the Administrative Agent may designate in writing to the Company (who shall thereafter cause to be distributed to the L/C Issuer such amount(s) in like funds) by no later than 1:00 p.m. (Chicago time) on the date when such drawing is paid or, if such drawing was paid after 11:30 a.m. (Chicago time), by the end of such day. If the Borrowers do not make any such reimbursement payment on the date due and the Participating Lenders fund their participations therein in the manner set forth in Section 1.2(e) below, then all payments thereafter received by the Administrative Agent in discharge of any of the relevant Reimbursement Obligations shall be distributed in accordance with Section 1.2(e) below.

(d) *Obligations Absolute.* The Borrowers' obligation to reimburse L/C Obligations as provided in subsection (c) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement and the relevant Application under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit

or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the L/C Issuer under a Letter of Credit against presentation of a draft or other document that does not strictly comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrowers' obligations hereunder. None of the Administrative Agent, the Lenders, or the L/C Issuer shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder (irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the L/C Issuer; *provided* that the foregoing shall not be construed to excuse the L/C Issuer from liability to the Borrowers to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrowers to the extent permitted by applicable law) suffered by the Borrowers that are caused by the L/C Issuer's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the L/C Issuer (as determined by a court of competent jurisdiction by final and nonappealable judgment), the L/C Issuer shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the L/C Issuer may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(e) *The Participating Interests.* Each Lender (other than the Lender then acting as L/C Issuer in issuing Letters of Credit), by its acceptance hereof, severally agrees to purchase from the L/C Issuer, and the L/C Issuer hereby agrees to sell to each such Lender (a *"Participating Lender"*), an undivided percentage participating interest (a *"Participating Interest"*), to the extent of its Percentage, in each Letter of Credit issued by, and each Reimbursement Obligation owed to, the L/C Issuer. Upon any failure by the Borrowers to pay any Reimbursement Obligation at the time required on the date the related drawing is paid, as set forth in Section 1.2(c) above, or if the L/C Issuer is required at any time to return to a Borrower or to a trustee, receiver, liquidator, custodian or other Person any portion of any payment of any Reimbursement Obligation, each Participating Lender shall, not later than the Business Day it receives a certificate in the form of Exhibit A hereto from the L/C Issuer (with a copy to the Administrative Agent) to such effect, if such certificate is received before 1:00 p.m. (Chicago time), or not later than 1:00 p.m. (Chicago time) the following Business Day, if such certificate is received after such time, pay to the Administrative Agent for the account of the L/C Issuer an amount equal to its Percentage of such unpaid or recaptured Reimbursement Obligation together with interest on such amount accrued from the date the related payment was made by the L/C Issuer to the date of such payment by such Participating Lender at a rate per annum equal to (i) from the date the related payment was made by the L/C Issuer to the date two Business Days after payment by such Participating Lender is due hereunder, (x) if such Letter of Credit is denominated in U.S. Dollars, the Federal Funds Rate for each such day and (y) if such Letter of Credit is denominated in an Alternative Currency, at the cost to the Administrative Agent of funding the amount it advanced to fund such Lender's payment, as determined by the Administrative Agent and (ii) from the date two Business Days after the date such payment is due from such Participating Lender to the date such payment is made by such Participating Lender, (x) if such Letter of Credit is denominated in U.S. Dollars, the Base Rate in effect for each such day and (y) if such

Letter of Credit is denominated in an Alternative Currency, the rate established by Section 3.2(c) hereof for Eurocurrency Loans denominated in such currency. Each such Participating Lender shall thereafter be entitled to receive its Percentage of each payment received in respect of the relevant Reimbursement Obligation and of interest paid thereon, with the L/C Issuer retaining its Percentage thereof as a Lender hereunder.

The several obligations of the Participating Lenders to the L/C Issuer under this Section 1.2 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever (except, without limiting the Borrowers' obligations under each Application, to the extent the Borrowers are relieved from their obligation to reimburse the L/C Issuer for a drawing under a Letter of Credit because of the L/C Issuer's gross negligence or willful misconduct in determining that documents received under the Letter of Credit comply with the terms thereof) and shall not be subject to any set-off, counterclaim or defense to payment which any Participating Lender may have or have had against any Borrower, the L/C Issuer, any other Lender or any other Person whatsoever. Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of any Revolving Credit Commitment of any Lender.

(f) *Indemnification.* The Participating Lenders shall, to the extent of their respective Percentages, indemnify the L/C Issuer (to the extent not reimbursed by the Borrowers) against any cost, expense (including reasonable counsel fees and disbursements), claim, demand, action, loss or liability (except such as result from the L/C Issuer's gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment) that the L/C Issuer may suffer or incur in connection with any Letter of Credit. The obligations of the Participating Lenders under this Section 1.2(f) and all other parts of this Section 1.2 shall survive termination of this Agreement and of all other L/C Documents.

(g)*Replacement of the L/C Issuer*. The L/C Issuer may be replaced at any time by written agreement among the Company, the Administrative Agent, the replaced L/C Issuer and the successor L/C Issuer. The Administrative Agent shall notify the Lenders of any such replacement of the L/C Issuer. At the time any such replacement shall become effective, the Borrowers shall pay all unpaid fees accrued for the account of the replaced L/C Issuer. From and after the effective date of any such replacement (i) the successor L/C Issuer shall have all the rights and obligations of the L/C Issuer under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "L/C Issuer " shall be deemed to refer to such successor or to any previous L/C Issuer, or to such successor and all previous L/C Issuers, as the context shall require. After the replacement of an L/C Issuer hereunder, the replaced L/C Issuer shall remain a party hereto and shall continue to have all the rights and obligations of an L/C Issuer under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(h)*Manner of Requesting a Letter of Credit.* The Company, on behalf of the Borrowers, shall provide at least five (5) Business Days' advance written notice to the Administrative Agent of each request for the issuance of a Letter of Credit, such notice in each case to be accompanied by an Application for such Letter of Credit properly completed and executed by the Company, on behalf of the Borrowers, and, in the case of an extension or amendment or an increase in the amount of a Letter of Credit, a written request therefor, in a form acceptable to the Administrative Agent and the L/C Issuer, in each case, together with the fees called for by this Agreement. The Administrative Agent shall promptly notify the L/C Issuer of the Administrative Agent's receipt of each such notice (and the L/C Issuer shall be entitled to assume that the conditions precedent to any such issuance, extension, amendment or increase have been satisfied unless notified to the contrary by the Administrative Agent or the Required Lenders) and the L/C Issuer shall promptly notify the Administrative Agent and the Lenders of the issuance of the Letter of Credit so requested.

Section 1.3. Applicable Interest Rates. (a) *Base Rate Loans.* Each Base Rate Loan made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 365 or 366 days, as the case may be, (360 days, in the case of clause (b) and (c) of the definition of Base Rate) and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, continued or created by conversion from a Eurocurrency Loan or SOFR Loan until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin for Base Rate Loans *plus* the Base Rate from time to time in effect, payable on the last day of its Interest Period and at maturity (whether by acceleration or otherwise).

(b) *SOFR Loans.* Each SOFR Loan denominated in US Dollars made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and the actual number of days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, continued, or created by conversion from a Base Rate Loan, as applicable, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin *plus* the applicable Adjusted Term SOFR applicable for such Interest Period, payable on the last day of the Interest Period and at maturity (whether by acceleration or otherwise), and, if the applicable Interest Period is longer than three months, on each day occurring every three months after the commencement of such Interest Period. For the avoidance of doubt, SOFR Loans may only be borrowed in US Dollars. There shall not be more than five Borrowings of SOFR Loans outstanding at any one time.

(c) *Eurocurrency Loans.* Each Eurocurrency Loan denominated in an Alternative Currency made or maintained by a Lender shall bear interest during each Interest Period it is outstanding (computed on the basis of a year of 360 days and actual days elapsed or, in the case of a Loan denominated in pounds sterling, 365 or 366 days, as the case may be, and actual days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced, continued, or created by conversion from a Base Rate until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin for Eurocurrency Loans plus the Adjusted ~~LIBOR~~Eurocurrency Rate applicable for such Interest Period, payable on the last day of the Interest Period and at maturity (whether by acceleration or otherwise), and, if the applicable Interest Period is longer than three months, on each day occurring every three months after the commencement of such Interest Period. There shall not be more than ten Borrowings of Eurocurrency Loans outstanding at any one time.

(~~c~~d) *RFR Loans.* Each RFR Loan denominated in an Alternative Currency made or maintained by a Lender shall bear interest (computed on the basis of a year of 360 days and the actual number of days elapsed) on the unpaid principal amount thereof from the date such Loan is advanced or continued, as applicable, until maturity (whether by acceleration or otherwise) at a rate per annum equal to the sum of the Applicable Margin *plus* the applicable Daily Simple RFR *plus* the applicable RFR Adjustment, payable on each Interest Payment Date and at maturity (whether by acceleration or otherwise). For the avoidance of doubt, RFR Loans may only be borrowed in Sterling.

(e) *Rate Determinations*. The Administrative Agent shall determine each interest rate applicable to the Loans and the other Obligations, and a reasonable determination thereof by the Administrative Agent shall be conclusive and binding except in the case of manifest error or willful misconduct. The Original Dollar Amount of each ~~Eurocurrency~~ Loan denominated in an Alternative Currency shall be determined or redetermined, as applicable, effective as of the ~~first~~ day ~~of each~~it is advanced or continued for an Interest Period ~~applicable to such Loan~~. In connection with the use or administration of SOFR or any Daily Simple RFR, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any

other party to this Agreement or any other Loan Document. The Administrative Agent will promptly notify the Company and the Lenders of the effectiveness of any Conforming Changes in connection with the use or administration of SOFR or any Daily Simple RFR.

Section 1.4. Minimum Borrowing Amounts for Revolving Loans. Each Borrowing of Base Rate Loans shall be in an amount not less than $1,000,000 and in integral multiples of $100,000, *provided* that a Borrowing of Base Rate Loans applied to pay a Reimbursement Obligation pursuant to Section 1.2(c) hereof shall be in an amount equal to such Reimbursement Obligation. Each Borrowing of SOFR Loans, Eurocurrency Loans and RFR Loans shall be in an amount not less than an Original Dollar Amount of $3,000,000 and, if greater, in units of the relevant currency as would have an Original Dollar Amount most closely approximating $500,000 or an integral multiple thereof.

Section 1.5. Manner of Borrowing, and Designating Interest Rates Applicable to, Revolving Loans. (a) *Notice to the Administrative Agent*. The Company, on behalf of the Borrowers, shall give notice to the Administrative Agent by no later than 11:00 a.m. (Chicago time) (i) at least ~~four~~three U.S. Government Securities Business Days before the date on which the Borrowers request the Lenders to advance a Borrowing of ~~Eurocurrency~~SOFR Loans ~~denominated in an Alternative Currency~~, (ii) at least three Business Days before the date on which the Borrowers request the Lenders to advance a Borrowing of RFR Loans or Eurocurrency Loans ~~denominated in U.S. Dollars,~~ and (iii) at least one Business Day before the date on which the Borrowers request the Lenders to advance a Borrowing of Base Rate Loans. The Loans included in each Borrowing shall bear interest initially at the type of rate specified in such notice of a new Borrowing. Thereafter, subject to the terms and conditions hereof, the Company, on behalf of the Borrowers, may from time to time elect to change or continue the type of interest rate borne by each Borrowing or, subject to the minimum amount requirement for each outstanding Borrowing set forth in Section 1.4 hereof, a portion thereof, as follows: (i) if such Borrowing is of SOFR Loans or Eurocurrency Loans, on the last day of the Interest Period applicable thereto, the Company may continue all or part of such Borrowing as SOFR Loans or Eurocurrency Loans, as applicable, for an Interest Period or Interest Periods specified by the Company or~~, if such Eurocurrency Loan is denominated in U.S. Dollars,~~ convert all or part of such Borrowing into Base Rate Loans, (ii) if such Borrowing is of RFR Loans, on the last day of the Interest Period applicable thereto, the Company may continue all or part of such Borrowing as RFR Loans in the same Alternative Currency for an Interest Period or Interest Periods specified by the Company or convert all or part of such Borrowing into Base Rate Loans, and (~~ii~~iii) if such Borrowing is of Base Rate Loans, on any Business Day, the Company may (subject to the notice requirements set forth herein) convert all or part of such Borrowing into ~~Eurocurrency~~SOFR Loans ~~denominated in U.S. Dollars~~ for an Interest Period or Interest Periods specified by the Company. The Company shall give all such notices requesting the advance, continuation, or conversion of a Borrowing to the Administrative Agent by telephone, telecopy or other telecommunication device acceptable to the Administrative Agent (which notice shall be irrevocable once given and, if by telephone, shall be promptly confirmed in writing). Notices of the continuation of a Borrowing of SOFR Loans or Eurocurrency Loans for an additional Interest Period or of the conversion of part or all of a Borrowing of ~~Eurocurrency~~SOFR Loans ~~denominated in U.S. Dollars~~ into Base Rate Loans or of Base Rate Loans into ~~Eurocurrency~~ SOFR Loans ~~denominated in U.S. Dollars~~ must be given by no later than 11:00 a.m. (Chicago time) at least three Business Days before the date of the requested continuation or conversion. Notices of the continuation of a Borrowing of ~~Eurocurrency~~RFR Loans denominated in an Alternative Currency must be given no later than 12:00 noon (Chicago time) at least ~~four~~five Business Days before the requested continuation. All such notices concerning the advance, continuation, or conversion of a Borrowing shall specify the date of the requested advance, continuation or conversion of a Borrowing (which shall be a Business Day), the amount of the requested Borrowing to be advanced, continued, or converted, the type of Loans to comprise such new, continued or converted Borrowing and, if such Borrowing is to be comprised of SOFR Loans, Eurocurrency Loans or RFR Loans, the currency and the Interest Period applicable thereto

and shall be substantially in the form attached hereto as Exhibit B (Notice of Borrowing) or Exhibit C (Notice of Continuation/Conversion), as applicable, or in such other form acceptable to the Administrative Agent. Upon notice to the Company by the Administrative Agent or the Required Lenders during the continuance of any Event of Default (or, in the case of an Event of Default under Section 10.1(k) or 10.1(l) hereof with respect to the Company, without notice), (i) no outstanding Revolving Loan denominated in U.S. Dollars may be converted to or continued as a ~~Eurocurrency~~SOFR Loan, (ii) unless repaid, each SOFR Loan and Eurocurrency Loan ~~denominated in U.S. Dollars~~ shall be converted to a Base Rate Loan at the end of the Interest Period applicable thereto, and (iii) unless repaid, each ~~Eurocurrency~~RFR Loan denominated in an Alternative Currency shall automatically be continued as ~~a~~an ~~Eurocurrency~~RFR Loan with an Interest Period of one month. The Borrowers agree that the Administrative Agent may rely on any such telephonic, telecopy or other telecommunication notice given by any person it in good faith believes is an Authorized Representative of the Company without the necessity of independent investigation, and in the event any such notice by telephone conflicts with any written confirmation, such telephonic notice shall govern if the Administrative Agent has acted in reliance thereon.

(b)*Notice to the Lenders*. The Administrative Agent shall give prompt telecopy or other telecommunication notice to each Lender of any notice from the Company received pursuant to Section 1.5(a) above. The Administrative Agent shall give notice to the Company and each Lender by like means of the interest rate applicable to each Borrowing of SOFR Loans, RFR Loans and Eurocurrency Loans and, if such Borrowing is denominated in an Alternative Currency, shall give notice by such means to the Company and each Lender of the Original Dollar Amount thereof.

(c)*Company's Failure to Notify*. Any outstanding Borrowing of Base Rate Loans shall automatically be continued for an additional Interest Period on the last day of its then current Interest Period unless the Company has notified the Administrative Agent within the period required by Section 1.5(a) that it intends to convert such Borrowing into a Borrowing of SOFR Loans or Eurocurrency Loans or notifies the Administrative Agent within the period required by Section 3.5 that it intends to prepay such Borrowing. If the Company fails to give notice pursuant to Section 1.5(a) above of the continuation or conversion of any outstanding principal amount of a Borrowing of ~~Eurocurrency~~SOFR Loans ~~denominated in U.S. Dollars~~ before the last day of its then current Interest Period within the period required by Section 1.5(a) and has not notified the Administrative Agent within the period required by Section 3.5 that it intends to prepay such Borrowing, such Borrowing shall automatically be converted into a Borrowing of Base Rate Loans. ~~If the Company fails to give notice pursuant to Section 1.5(a) above of the continuation of any~~Any outstanding ~~principal amount of a~~ Borrowing of Eurocurrency Loans and RFR Loans denominated in an Alternative Currency ~~before the last day of its then current Interest Period within the period required by Section 1.5(a) and~~shall automatically continue as Eurocurrency Loans or RFR Loans, as applicable, in such Alternative Currency unless the Company has ~~not~~ notified the Administrative Agent ~~within the period required by Section 3.5~~ that ~~it~~the Borrower intends to prepay such Borrowing~~, such Borrowing shall automatically be continued as a Borrowing of Eurocurrency Loans in the same Alternative Currency with an Interest Period of one month~~ in accordance with Section 3.5.

(d)*Disbursement of Revolving Loans*. Not later than 11:00 a.m. (Chicago time) on the date of any requested advance of a new Borrowing of SOFR Loans, Eurocurrency Loans, or RFR Loans and not later than 1:00 p.m. (Chicago time) on the date of any requested advance of a new Borrowing of Base Rate Loans, subject to Section 8 hereof, each Lender shall make available its Loan comprising part of such Borrowing in funds immediately available at the principal office of the Administrative Agent in Chicago, Illinois~~, except that if such~~. If a Borrowing is denominated in an Alternative Currency each Lender shall, subject to Section 8 hereof, make available its Loan comprising part of such Borrowing at such office as the Administrative Agent has previously specified in a notice to each Lender, in such funds as are then customary

for the settlement of international transactions in such currency and no later than such local time as is necessary for such funds to be received and transferred to the Company for same day value on the date of the Borrowing. The Administrative Agent shall make the proceeds of each new Borrowing denominated in U.S. Dollars available to the Company at the Administrative Agent's principal office in Chicago, Illinois, by depositing or wire transferring such proceeds to the credit of the Company's Designated Disbursement Account or as the Company and the Administrative Agent may otherwise agree, and the Administrative Agent shall make the proceeds of each new Borrowing denominated in an Alternative Currency available at such office as the Administrative Agent has previously agreed to with the Company, in each case in the type of funds received by the Administrative Agent from the Lenders.

(e)*Administrative Agent Reliance on Lender Funding.* Unless the Administrative Agent shall have been notified by a Lender before the date on which such Lender is scheduled to make payment to the Administrative Agent of the proceeds of a Revolving Loan (which notice shall be effective upon receipt) that such Lender does not intend to make such payment, the Administrative Agent may assume that such Lender has made such payment when due and the Administrative Agent may in reliance upon such assumption (but shall not be required to) make available to the Company the proceeds of the Loan to be made by such Lender and, if any Lender has not in fact made such payment to the Administrative Agent, such Lender shall, on demand, pay to the Administrative Agent the amount made available to the Company attributable to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was made available to the Company and ending on (but excluding) the date such Lender pays such amount to the Administrative Agent at a rate per annum equal to: (i) from the date the related advance was made by the Administrative Agent to the date two Business Days after payment by such Lender is due hereunder, at a rate per annum equal to the greater of the Federal Funds Rate or, in the case of a Loan denominated in an Alternative Currency, the cost to the Administrative Agent of funding the amount it advanced to fund such Lender's Loan, as reasonably determined by the Administrative Agent and a rate determined by the Administrative Agent in accordance with banking industry rules on interbank compensation for each such day and (ii) from the date two Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day or, in the case of a Loan denominated in an Alternative Currency, the rate established by Section 3.2(c) for ~~Eurocurrency~~ Loans denominated in such currency. If such amount is not received from such Lender by the Administrative Agent immediately upon demand, the Borrowers will, on demand, repay to the Administrative Agent the proceeds of the Loan attributable to such Lender with interest thereon at a rate per annum equal to the interest rate applicable to the relevant Loan, but without such payment being considered a payment or prepayment of a Loan under Section 3.6 hereof, so that the Borrowers will have no liability under such Section with respect to such payment; *provided,* that such repayment by the Borrowers shall not be deemed to release or otherwise limit any claims or rights that the Borrowers may have against any Lender for the failure to fund any Loans hereunder.

Section 1.6. Defaulting Lenders. (a) *Defaulting Lender Adjustments.* Notwithstanding anything to the contrary contained in this Agreement, if any Lender becomes a Defaulting Lender, then, until such time as such Lender is no longer a Defaulting Lender, to the extent permitted by applicable law:

(i)*Waivers and Amendments*. Such Defaulting Lender's right to approve or disapprove any amendment, waiver or consent with respect to this Agreement shall be restricted as set forth in the definition of Required Lenders and Section 14.12.

(ii)*Defaulting Lender Waterfall*. Any payment of principal, interest, fees or other amounts received by the Administrative Agent for the account of such Defaulting Lender (whether voluntary or mandatory, at maturity, pursuant to Section 10 or otherwise) or received by the Administrative

Agent from a Defaulting Lender pursuant to Section 14.6 hereto shall be applied at such time or times as may be determined by the Administrative Agent as follows: *first*, to the payment of any amounts owing by such Defaulting Lender to the Administrative Agent hereunder; *second*, to the payment on a *pro rata* basis of any amounts owing by such Defaulting Lender to any L/C Issuer or the Swing Line Lender hereunder; *third*, to Cash Collateralize the L/C Issuer's Fronting Exposure with respect to such Defaulting Lender in accordance with Section 1.7; *fourth*, as the Company may request (so long as no Default or Event of Default exists), to the funding of any Loan in respect of which such Defaulting Lender has failed to fund its portion thereof as required by this Agreement, as determined by the Administrative Agent; *fifth*, if so determined by the Administrative Agent and the Company, to be held in a deposit account and released *pro rata* in order to (x) satisfy such Defaulting Lender's potential future funding obligations with respect to Loans under this Agreement and (y) Cash Collateralize the L/C Issuer's future Fronting Exposure with respect to such Defaulting Lender with respect to future Letters of Credit issued under this Agreement, in accordance with Section 1.7; *sixth*, to the payment of any amounts owing to the Lenders, the L/C Issuer or the Swing Line Lender as a result of any judgment of a court of competent jurisdiction obtained by any Lender, the L/C Issuer or the Swing Line Lender against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; *seventh*, so long as no Default or Event of Default exists, to the payment of any amounts owing to any Borrower as a result of any judgment of a court of competent jurisdiction obtained by such Borrower against such Defaulting Lender as a result of such Defaulting Lender's breach of its obligations under this Agreement; and *eighth*, to such Defaulting Lender or as otherwise directed by a court of competent jurisdiction; *provided* that if (x) such payment is a payment of the principal amount of any Loans or L/C Obligations in respect of which such Defaulting Lender has not fully funded its appropriate share, and (y) such Loans were made or the related Letters of Credit were issued at a time when the conditions set forth in Section 8.2 were satisfied or waived, such payment shall be applied solely to pay the Loans of, and L/C Obligations owed to, all Non-Defaulting Lenders on a *pro rata* basis prior to being applied to the payment of any Loans of, or L/C Obligations owed to, such Defaulting Lender until such time as all Loans and funded and unfunded participations in L/C Obligations and Swing Loans are held by the Lenders *pro rata* in accordance with their Percentages of the relevant Revolving Credit Commitments without giving effect to Section 1.6(a)(iv) below. Any payments, prepayments or other amounts paid or payable to a Defaulting Lender that are applied (or held) to pay amounts owed by a Defaulting Lender or to post Cash Collateral pursuant to this Section 1.6(a)(ii) shall be deemed paid to and redirected by such Defaulting Lender, and each Lender irrevocably consents hereto.

(iii)*Certain Fees*.

(A)Each Defaulting Lender shall be entitled to receive a facility fee pursuant to Section 4.1(a) for any period during which that Lender is a Defaulting Lender only to extent allocable to the sum of (1) the outstanding principal amount of the Revolving Loans funded by it, and (2) its Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 1.7.

(B)Each Defaulting Lender shall be entitled to receive a letter of credit participation fee pursuant to Section 4.1(b) for any period during which that Lender is a Defaulting Lender only to the extent allocable to its Percentage of the stated amount of Letters of Credit for which it has provided Cash Collateral pursuant to Section 1.7.

(C)With respect to any facility fee or letter of credit participation fee not required to

be paid to any Defaulting Lender pursuant to clause (A) or (B) above, the Borrowers shall (x) pay to each Non-Defaulting Lender that portion of any such fee otherwise payable to such Defaulting Lender with respect to such Defaulting Lender's participation in L/C Obligations or Swing Loans that has been reallocated to such Non-Defaulting Lender pursuant to clause (iv) below, (y) pay to each L/C Issuer and Swing Line Lender, as applicable, the amount of any such fee otherwise payable to such Defaulting Lender to the extent allocable to such L/C Issuer's or Swing Line Lender's Fronting Exposure to such Defaulting Lender, and (z) not be required to pay the remaining amount of any such fee.

(iv)*Reallocation of Participations to Reduce Fronting Exposure*. All or any part of such Defaulting Lender's participation in L/C Obligations and Swing Loans shall be reallocated among the Non-Defaulting Lenders in accordance with their respective Percentages (calculated without regard to such Defaulting Lender's Revolving Credit Commitment) but only to the extent that (x) the conditions set forth in Section 8.2 are satisfied at the time of such reallocation (and, unless the Company shall have otherwise notified the Administrative Agent at such time, the Borrowers shall be deemed to have represented and warranted that such conditions are satisfied at such time), and (y) such reallocation does not cause the aggregate Revolving Loans and interests in L/C Obligations and Swing Loans of any Non-Defaulting Lender to exceed such Non-Defaulting Lender's Revolving Credit Commitment. Subject to Section 14.27, no reallocation hereunder shall constitute a waiver or release of any claim of any party hereunder against a Defaulting Lender arising from that Lender having become a Defaulting Lender, including any claim of a Non-Defaulting Lender as a result of such Non-Defaulting Lender's increased exposure following such reallocation.

(v)*Cash Collateral; Repayment of Swing Loans*. If the reallocation described in clause (iv) above cannot, or can only partially, be effected, the Borrowers shall, without prejudice to any right or remedy available to them hereunder or under law, (x) first, prepay Swing Loans in an amount equal to the Swing Lender's Fronting Exposure and (y) second, Cash Collateralize the L/C Issuer's Fronting Exposure in accordance with the procedures set forth in Section 1.7.

(b)*Defaulting Lender Cure*. If the Borrowers, the Administrative Agent, the Swing Line Lender and each L/C Issuer agree in writing that a Lender is no longer a Defaulting Lender, the Administrative Agent will so notify the parties hereto, whereupon as of the effective date specified in such notice and subject to any conditions set forth therein (which may include arrangements with respect to any Cash Collateral), that Lender will, to the extent applicable, purchase at par that portion of outstanding Loans of the other Lenders or take such other actions as the Administrative Agent may determine to be necessary to cause the Revolving Loans and funded and unfunded participations in Letters of Credit and Swing Loans to be held *pro rata* by the Lenders in accordance with their respective Percentages (without giving effect to Section 1.6(a)(iv)), whereupon such Lender will cease to be a Defaulting Lender; *provided* that no adjustments will be made retroactively with respect to fees accrued or payments made by or on behalf of the Borrowers while that Lender was a Defaulting Lender; and *provided*, *further*, that except to the extent otherwise expressly agreed by the affected parties, no change hereunder from Defaulting Lender to Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender's having been a Defaulting Lender.

(c)*New Swing Loans/Letters of Credit*. So long as any Lender is a Defaulting Lender, no L/C Issuer shall be required to issue, extend, renew or increase any Letter of Credit unless it is satisfied that it will have no Fronting Exposure after giving effect thereto.

Section 1.7. Cash Collateral for Fronting Exposure At any time that there shall exist a Defaulting Lender, within one (1) Business Day following the written request of the Administrative Agent or any L/C Issuer (with a copy to the Administrative Agent), the Borrowers shall Cash Collateralize the L/C Issuers'

Fronting Exposure with respect to such Defaulting Lender (determined after giving effect to Section 1.6(a)(iv) and any Cash Collateral provided by such Defaulting Lender) in an amount not less than the Minimum Collateral Amount.

(a)*Grant of Security Interest*. The Borrower, and to the extent provided by any Defaulting Lender, such Defaulting Lender, hereby grants to the Administrative Agent, for the benefit of the L/C Issuers, and agree to maintain, a first priority security interest in all such Cash Collateral as security for such Defaulting Lender's obligation to fund participations in respect of L/C Obligations, to be applied pursuant to clause (b) below. If at any time the Administrative Agent determines that Cash Collateral is subject to any right or claim of any Person other than the Administrative Agent and the L/C Issuers as herein provided, or that the total amount of such Cash Collateral is less than the Minimum Collateral Amount, the Borrowers shall, promptly upon demand by the Administrative Agent, pay or provide to the Administrative Agent additional Cash Collateral in an amount sufficient to eliminate such deficiency (after giving effect to any Cash Collateral provided by the Defaulting Lender).

(b)*Application*. Notwithstanding anything to the contrary contained in this Agreement, Cash Collateral provided under this Section 1.7 or Section 1.6 in respect of Letters of Credit shall be applied to the satisfaction of the Defaulting Lender's obligation to fund participations in respect of L/C Obligations (including, as to Cash Collateral provided by a Defaulting Lender, any interest accrued on such obligation) for which the Cash Collateral was so provided, prior to any other application of such property as may otherwise be provided for herein.

(c)*Termination of Requirement*. Cash Collateral (or the appropriate portion thereof) provided to reduce any L/C Issuer's Fronting Exposure shall no longer be required to be held as Cash Collateral pursuant to this Section 1.7(c) following (A) the elimination of the applicable Fronting Exposure (including by the termination of Defaulting Lender status of the applicable Lender), or (B) the determination by the Administrative Agent and each L/C Issuer that there exists excess Cash Collateral; *provided* that the Person providing Cash Collateral and each L/C Issuer may agree that Cash Collateral shall be held to support future anticipated Fronting Exposure or other obligations.

SECTION 2. THE SWING LINE.

Section 2.1. Swing Loans. Subject to all of the terms and conditions hereof, as part of the Revolving Credit, the Swing Line Lender may, in its discretion, make loans in U.S. Dollars to the Borrowers under the Swing Line (individually, a *"Swing Loan"* and collectively, the *"Swing Loans"*) which shall not in the aggregate at any time outstanding exceed the Swing Line Sublimit. The Swing Line Loans may be availed of by the Borrowers from time to time and borrowings thereunder may be repaid and used again during the period beginning on the Effective Date and ending on the Termination Date; *provided* that each Swing Loan must be repaid on the last day of the Interest Period applicable thereto. Each Swing Loan shall be in an amount not less than $500,000 and in integral multiples of $100,000.

Section 2.2. Interest on Swing Loans. Each Swing Loan shall bear interest until maturity (whether by acceleration or otherwise) at a rate per annum equal to (i) the sum of the Base Rate *plus* the Applicable Margin for Base Rate Loans from time to time in effect (computed on the basis of a year 365 or 366 days, as the case may be, (360 days, in the case of clause (b) and (c) of the definition of Base Rate) for the actual number of days elapsed) or (ii) the Quoted Rate (computed on the basis of a year of 360 days for the actual number of days elapsed). Interest on each Swing Loan shall be due and payable on the last day of each Interest Period applicable thereto, and interest after maturity (whether by lapse of time, acceleration or otherwise) shall be due and payable upon demand.

Section 2.3. Requests for Swing Loans. The Company, on behalf of the Borrowers, shall give the Administrative Agent prior notice (which may be written or oral) no later than 3:00 p.m. (Chicago time) on the date upon which the Company requests that any Swing Loan be made, of the amount and date of such Swing Loan and the Interest Period selected therefor. The Administrative Agent shall promptly advise the Swing Line Lender of any such notice received from the Company. Within 30 minutes after receiving such notice, the Swing Line Lender shall in its discretion quote an interest rate to the Company at which the Swing Line Lender would be willing to make such Swing Loan available to the Borrowers for a given Interest Period (the rate so quoted for a given Interest Period being herein referred to as the *"Quoted Rate"*). The Borrowers acknowledge and agree that the interest rate quote is given for immediate and irrevocable acceptance, and if the Company does not so immediately accept the Quoted Rate for the full amount requested by the Borrowers for such Swing Loan, the Quoted Rate shall be deemed immediately withdrawn and such Swing Loan shall bear interest at the rate per annum determined by adding the Applicable Margin for Base Rate Loans to the Base Rate for the Interest Period selected by the Company. Subject to all of the terms and conditions hereof, the proceeds of such Swing Loan shall be deposited or wire transferred to the Company's Designated Disbursement Account. Anything contained in the foregoing to the contrary notwithstanding the undertaking of the Swing Line Lender to make Swing Loans shall be subject to all of the terms and conditions of this Agreement; *provided* that the Swing Line Lender shall be entitled to assume that the conditions precedent to an advance of any Swing Loan have been satisfied unless notified to the contrary by the Administrative Agent or the Required Lenders. No Lender shall acquire a participation in a Swing Loan pursuant to this Section 2 if an Event of Default shall have occurred and be continuing at the time such Swing Loan was made and either the Administrative Agent or the Required Lenders shall have notified the Swing Line Lender prior to the time such Swing Loan was made that such an Event of Default shall have occurred and be continuing.

Section 2.4. Refunding Loans. In its sole and absolute discretion, the Swing Line Lender may at any time, on behalf of the Borrowers (and the Borrowers hereby irrevocably authorize the Swing Line Lender to act on their behalf for such purpose) and with notice to the Company, request each Lender to make a Revolving Loan in the form of a Base Rate Loan in an amount equal to such Lender's Percentage of the amount of the Swing Loans outstanding on the date such notice is given (which Loans shall thereafter bear interest as provided for in Section 1.3(a)). Unless an Event of Default described in Section 10.1(k) or (l) exists with respect to the Company, regardless of the existence of any other Event of Default, each Lender shall make the proceeds of its requested Revolving Loan available to the Swing Line Lender, in immediately available funds, at the Swing Line Lender's principal office in Chicago, Illinois, before 12:00 Noon (Chicago time) on the Business Day following the day such notice is given. The proceeds of such Revolving Loans shall be immediately applied to repay such outstanding Swing Loans.

Section 2.5. Participations. If any Lender refuses or otherwise fails to make a Revolving Loan when requested by the Swing Line Lender pursuant to Section 2.4 above (because an Event of Default described in Section 10.1(k) or (l) exists with respect to the Company or otherwise), such Lender shall, by the time and in the manner such Revolving Loan was to have been funded to the Swing Line Lender, purchase from the Swing Line Lender an undivided participating interest in the relevant outstanding Swing Loans in an amount equal to its Percentage of the aggregate principal amount of Swing Loans that were to have been repaid with such Revolving Loans, *provided* no purchase of a participation in a Swing Loan bearing interest at the Quoted Rate need be made until after expiration of the Interest Period applicable thereto. Each Lender that so purchases a participation in a Swing Loan shall thereafter be entitled to receive its Percentage of each payment of principal received on the relevant Swing Loan and of interest received thereon accruing from the date such Lender funded to the Swing Line Lender its participation in such Loan. The several obligations of the Lenders under this Section 2.5 shall be absolute, irrevocable and unconditional under any and all circumstances whatsoever and shall not be subject to any set-off, counterclaim or defense to payment which any Lender may have or have had against any Borrower, any other Lender or any other Person whatsoever.

Without limiting the generality of the foregoing, such obligations shall not be affected by any Default or Event of Default or by any reduction or termination of the Revolving Credit Commitment of any Lender, and each payment made by a Lender under this Section 2.5 shall be made without any offset, abatement, withholding or reduction whatsoever.

CTION 3. GENERAL PROVISIONS APPLICABLE TO ALL LOANS; REVOLVING CREDIT COMMITMENT TERMINATIONS AND INCREASES

Section 3.1. Interest Periods. As provided in Section 1.5(a) hereof in the case of Revolving Loans and in Section 2.3 in the case of Swing Loans, at the time of each request to advance, continue, or create by conversion a Borrowing of Loans (other than Base Rate Loans), the Company shall select an Interest Period applicable to such Loans from among the available options. The term *"Interest Period"* means the period commencing on the date a Borrowing of Loans is advanced, continued, or created by conversion and ending: (a) in the case of Base Rate Loans, on the last day of the calendar quarter in which such Borrowing is advanced, continued, or created by conversion (or on the last day of the following quarter if such Loan is advanced, continued or created by conversion on the last day of a calendar quarter), (b) in the case of Eurocurrency Loans, one, ~~two,~~ three, or six months thereafter, (c) in the case of SOFR Loans, one, three or six months thereafter, (d) in the case of RFR Loans, one month thereafter, and (~~c~~e) in the case of Swing Loans, on the date one to five days thereafter as mutually agreed by the Swing Line Lender and the Company; *provided, however,* that:

(a)any Interest Period for a Borrowing of Revolving Loans consisting of Base Rate Loans that otherwise would end after the Termination Date shall end on the Termination Date;

(b)for any Borrowing of Revolving Loans consisting of SOFR Loans, Eurocurrency Loans, RFR Loans or for any Swing Loan, the Company may not select an Interest Period that extends beyond the Termination Date;

(c)whenever the last day of any Interest Period would otherwise be a day that is not a Business Day, the last day of such Interest Period shall be extended to the next succeeding Business Day; *provided* that, if such extension would cause the last day of an Interest Period for a Borrowing of SOFR Loans, Eurocurrency Loans or RFR Loans to occur in the following calendar month, the last day of such Interest Period shall be the immediately preceding Business Day; ~~and~~

(d)for purposes of determining an Interest Period for a Borrowing of SOFR Loans, Eurocurrency Loans or RFR Loans, a month means a period starting on one day in a calendar month and ending on the numerically corresponding day in the next calendar month; *provided, however,* that if there is no numerically corresponding day in the month in which such an Interest Period is to end or if such an Interest Period begins on the last Business Day of a calendar month, then such Interest Period shall end on the last Business Day of the calendar month in which such Interest Period is to end; and

(e) no tenor that has been removed from this definition pursuant to Section 11.2 shall be available for specification in any borrowing request or interest rate election.

Section 3.2. Default Rate. Notwithstanding anything to the contrary contained herein, while any Event of Default exists or after acceleration, (x) the Borrowers shall pay interest (after as well as before entry of judgment thereon to the extent permitted by law) on the principal amount of all Loans and Reimbursement Obligations at a rate per annum equal to, and (y) with respect to any outstanding Letter of Credit, the Borrowers shall pay Letter of Credit fees at a rate per annum equal to:

(a)for any Base Rate Loan or any Swing Loan bearing interest based on the Base Rate, the sum of two percent (2.0%) *plus* the rate otherwise applicable thereto under Section 1 or 2 hereof, respectively;

(b)for any Swing Loan bearing interest at the Quoted Rate, the sum of two percent (2.0%) *plus* the rate of interest in effect thereon at the time of such default until the end of the Interest Period applicable thereto and, thereafter, at a rate per annum equal to the sum of two percent (2%) *plus* the Applicable Margin for Base Rate Loans *plus* the Base Rate from time to time in effect;

(c)for any SOFR Loan, Eurocurrency Loan, or RFR Loan, the sum of two percent (2.0%) *plus* the rate otherwise applicable thereto under Section 1 hereof; and

(d)for any Reimbursement Obligation, the sum of two percent (2.0%) *plus* the rate otherwise applicable thereto under Section 1.2; and

(e)for any Letter of Credit, the sum of two percent (2.0%) *plus* the letter of credit fee due under Section 4.1 with respect to such Letter of Credit;

provided, however, that in the absence of acceleration, any adjustments pursuant to this Section shall be made at the election of the Administrative Agent, acting at the request or with the consent of the Required Lenders, with written notice to the Company (which notice may be revoked at the direction of the Required Lenders notwithstanding any provision of Section 14.12 requiring the unanimous consent of the Lenders to reduce interest rates). Interest accrued pursuant to this Section 3.2 shall be payable on demand.

Section 3.3. Evidence of Indebtedness. (a) Each Lender shall maintain in accordance with its usual practice an account or accounts evidencing the indebtedness of the Borrowers to such Lender resulting from each Loan made by such Lender from time to time, including the amounts of principal and interest payable and paid to such Lender from time to time hereunder.

(b)The Administrative Agent shall also maintain accounts in which it will record (i) the amount of each Loan made hereunder, the type thereof and the Interest Period with respect thereto, (ii) the amount of any principal or interest due and payable or to become due and payable from the Borrowers to each Lender hereunder and (iii) the amount of any sum received by the Administrative Agent hereunder from the Borrowers and each Lender's share thereof.

(c)The entries maintained in the accounts maintained pursuant to paragraphs (a) and (b) above shall be *prima facie* evidence of the existence and amounts of the Obligations therein recorded; *provided, however,* that the failure of the Administrative Agent or any Lender to maintain such accounts or any error therein shall not in any manner affect the obligation of the Borrowers to repay the Obligations in accordance with their terms. The Administrative Agent and each Lender agree to promptly provide to the Company copies of such accounts upon the reasonable request of the Company.

(d)Any Lender may request that its Loans be evidenced by a promissory note or notes in the forms of Exhibit D (in the case of its Revolving Loans and referred to herein as a *"Revolving Credit Note"*), or Exhibit E (in the case of its Swing Loans and referred to herein as a *"Swing Line Note"*), as applicable (the Revolving Credit Notes, and Swing Line Note being hereinafter referred to collectively as the *"Notes"* and individually as a *"Note"*). In such event, the Borrowers shall prepare, execute and deliver to such Lender a Note payable to such Lender or its registered assigns. Thereafter, the Loans evidenced by such Note or Notes and interest thereon shall at all times (including after any assignment pursuant to Section 14.11) be represented by one or more Notes payable to the order of the payee named therein or any assignee pursuant to Section 14.11, except to the extent that any such Lender or assignee subsequently returns any such Note for cancellation and requests that such Loans once again be evidenced as described in subsections (a) and (b) above.

Section 3.4. Maturity of Loans. Each Revolving Loan shall mature and become due and payable by the Borrowers on the Termination Date. Each Swing Loan shall mature and become due and payable by the Borrowers on the last day of the Interest Period applicable thereto or, if earlier, the Termination Date.

Section 3.5. Prepayments. (a) *Optional*. The Borrowers may prepay without premium or penalty and in whole or in part (but, if in part, then: (i) if such Borrowing is of Base Rate Loans, in an amount not less than $1,000,000 and in integral multiples of $100,000 (except in the case of repayments of Base Rate Loans made under Section 1.2(c) which may be repaid in the full amount of such Base Rate Loans), (ii) if such Borrowing is of ~~Eurocurrency~~SOFR Loans~~ denominated in U.S. Dollars~~, in an amount not less than $1,000,000 and in integral multiples of $100,000, (iii) if such Borrowing is denominated in an Alternative Currency, an amount for which the U.S. Dollar Equivalent is not less than $1,000,000 and in integral multiples most closely approximating $100,000 and (iv) in an amount such that the minimum amount required for a Borrowing pursuant to Section 1.4 hereof remains outstanding) any Borrowing of (w) SOFR Loans upon three U.S. Government Securities Business Days' prior notice by the Company to the Administrative Agent, (x) Eurocurrency Loans ~~denominated in U.S. Dollars~~ upon three Business Days' prior notice by the Company to the Administrative Agent, (y) ~~Eurocurrency~~RFR Loans denominated in an Alternative Currency at any time upon ~~four~~five Business Days prior notice by the Company to the Administrative Agent, or (z) Base Rate Loans, at any time with notice delivered by the Company to the Administrative Agent no later than 11:00 a.m. (Chicago time) on the date of prepayment, such prepayment to be made by the payment of the principal amount to be prepaid and accrued interest thereon to the date fixed for prepayment and, in the case of SOFR Loans, Eurocurrency Loans and RFR Loans, any compensation required by Section 3.6 hereof. Swing Loans bearing interest at the Quoted Rate may only be paid on the last day of the Interest Period then applicable to such Loans. The Administrative Agent will promptly advise each Lender of any such prepayment notice it receives from the Company. Any amount of Loans paid or prepaid before the Termination Date may, subject to the terms and conditions of this Agreement, be borrowed, repaid and borrowed again.

(b)*Mandatory*. If at any time the sum of the (i) aggregate U.S. Dollar Equivalent of Revolving Loans, (ii) the aggregate Original Dollar Amount of Swing Loans, and (iii) the aggregate U.S. Dollar Equivalent of all L/C Obligations shall exceed 100% of the Revolving Credit Commitments in effect at such time, the Borrowers shall immediately and without notice or demand pay over to the Administrative Agent for the account of the Lenders as and for a mandatory prepayment on such Obligations an aggregate amount sufficient to reduce such outstanding Obligations to an amount not to exceed 100% of the Revolving Credit Commitments then in effect, with each such prepayment first to be applied to the Revolving Loans and Swing Loans until paid in full with any remaining balance to be held by the Administrative Agent in the Collateral Account as security for the Obligations owing with respect to the Letters of Credit.

Section 3.6. Funding Indemnity for Fixed Rate Loans . If any Lender shall incur any loss, cost or expense (including, without limitation, any loss (including loss of profit), cost or expense incurred by reason of the liquidation or re--employment of deposits or other funds acquired by such Lender to fund or maintain any Fixed Rate Loan or the relending or reinvesting of such deposits or amounts paid or prepaid to such Lender) as a result of:

(a) any payment, prepayment or conversion of a Fixed Rate Loan on a date prior to the last day of its Interest Period,

(b) any failure (because of a failure to meet the conditions of Section 8 or otherwise) by the Borrowers to borrow or continue a Fixed Rate Loan, or to convert a Base Rate Loan into a Fixed Rate Loan, on the date specified in a notice given pursuant to Section 1.5(a) or 2.3 or established pursuant to Section 1.5(c) hereof, or

(c) any acceleration of the maturity of a Fixed Rate Loan as a result of the occurrence of any Event of Default hereunder,

then, upon the demand of such Lender, the Borrowers shall pay to such Lender such amount as will reimburse such Lender for such loss, cost or expense. If any Lender makes such a claim for compensation, it shall provide to the Company, with a copy to the Administrative Agent, a certificate executed by an officer of such Lender setting forth the amount of such loss, cost or expense in reasonable detail and such certificate shall be conclusive if reasonably determined.

Section 3.7. Commitment Terminations. The Borrowers shall have the right at any time and from time to time, upon five (5) Business Days' prior written notice from the Company to the Administrative Agent (or such shorter period of time agreed to by the Administrative Agent), to terminate the Revolving Credit Commitments without premium or penalty, in whole or in part, any partial termination to be (i) in an amount not less than $5,000,000, and (ii) allocated ratably among the Lenders in proportion to their respective Percentages, *provided* that the Revolving Credit Commitments may not be reduced to an amount less than the sum of the Original Dollar Amount of all Revolving Loans and Swing Loans and the U.S. Dollar Equivalent of all L/C Obligations then outstanding. Any termination of the Revolving Credit Commitments below the L/C Sublimit or Swing Line Sublimit then in effect shall reduce the L/C Sublimit and Swing Line Sublimit, as applicable, to an amount equal to the reduced aggregate amount of the Revolving Credit Commitments. The Administrative Agent shall give prompt notice to each Lender of any such termination of the Revolving Credit Commitments. Any termination of the Revolving Credit Commitments pursuant to this Section 3.7 may not be reinstated.

Section 3.8. Increase in Commitments. The Borrowers may from time to time, on any Business Day after the Effective Date and prior to the Termination Date so long as no Default or Event of Default exists, increase the aggregate amount of the Revolving Credit Commitments by the Company delivering a Commitment Amount Increase Request at least five (5) Business Days prior to the desired effective date of such increase (the "*Commitment Amount Increase*") identifying an additional Lender (or additional Revolving Credit Commitments for existing Lender(s)) and the amount of its Revolving Credit Commitment (or additional amount of its Revolving Credit Commitment(s)); *provided, however,* that (i) the aggregate amount of the Revolving Credit Commitments shall not at any time exceed $1,700,000,000, (ii) any increase of the aggregate amount of the Revolving Credit Commitments shall be in an amount not less than $25,000,000 and (iii) each of the representations and warranties set forth in Section 7 and in the other Loan Documents shall be and remain true and correct in all material respects on the effective date of such increase (where not already qualified by materiality, otherwise in all respects), except to the extent the same expressly

relate to an earlier date, in which case they shall be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of such earlier date. The effective date of any Commitment Amount Increase shall be agreed upon by the Company, on behalf of the Borrowers, and the Administrative Agent. Upon the effectiveness thereof, Schedule 1 shall be deemed amended to reflect the increase and the new Lender(s) (or, if applicable, existing Lender(s)) shall advance Revolving Loans, or the existing Lenders shall make such assignments (which assignments shall not be subject to the requirements set forth in Section 14.11) of the outstanding Loans and L/C Obligations to the Lenders providing the Commitment Amount Increase so that, after giving effect to such assignments, each Lender (including the Lenders providing the Commitment Amount Increase) will hold Loans and L/C Obligations equal to its Percentage of all outstanding Loans and L/C Obligations. It shall be a condition to such effectiveness that (i) either no Eurocurrency Loans or SOFR Loans be outstanding on the date of such effectiveness or the Borrowers pay any applicable breakage cost under Section 3.6 incurred by any Lender resulting from the repayment of its Loans and (ii) the Borrowers shall not have terminated any portion of the Revolving Credit Commitments pursuant to Section 3.7 hereof. The Borrowers agree to pay any reasonable expenses of the Administrative Agent relating to any Commitment Amount Increase. Notwithstanding anything herein to the contrary, no Lender shall have any obligation to increase its Revolving Credit Commitment and no Lender's Revolving Credit Commitment shall be increased without its written consent thereto, and each Lender may at its option, unconditionally and without cause, decline to increase its Revolving Credit Commitment.

Section 3.9. Appointment of Company as Agent for Borrowers. Each Borrower irrevocably appoints the Company as its agent hereunder to make requests on such Borrower's behalf for Borrowings, to select the interest rate to be applicable to such Borrowings, and to take any other action contemplated by the Loan Documents with respect to credit extended hereunder to the Borrowers. The Administrative Agent and the Lenders shall be entitled to conclusively presume that any action by the Company under the Loan Documents is taken on behalf of any one or more of the Borrowers whether or not the Company so indicates.

SECTION 4. FEES; PLACE AND APPLICATION OF PAYMENTS.

Section 4.1. Fees. (a) *Facility Fee.* For the period from the Effective Date to but not including the Termination Date, the Borrowers shall pay to the Administrative Agent, for the ratable account of the Lenders in accordance with their Percentages, a facility fee accruing at the rate per annum equal to the Applicable Margin for Facility Fee on the average daily amount of the Revolving Credit Commitments whether or not in use. Such facility fee shall be payable quarterly in arrears on the last day of each calendar quarter in each year (commencing June 30, 2019) and on the Termination Date, unless the Revolving Credit Commitments are terminated in whole on an earlier date, in which event the fee for the period to but not including the date of such termination shall be paid in whole on the date of such termination.

(b)*Letter of Credit Fees.* On the date of issuance or extension, or increase in the amount, of any Letter of Credit pursuant to Section 1.2 hereof, the Borrowers shall pay to the L/C Issuer for its own account a fronting fee equal to 1/4 of 1% (0.25%) of the U.S. Dollar Equivalent of the face amount of (or of the increase in the face amount of) such Letter of Credit. Quarterly in arrears, on the last day of each calendar quarter (commencing June 30, 2019) the Borrowers shall pay to the Administrative Agent, for the ratable benefit of the Lenders in accordance with their Percentages, a letter of credit fee at a rate per annum equal to the Applicable Margin for ~~Eurocurrency~~SOFR Loans in effect during each day of such quarter applied to the daily average U.S. Dollar Equivalent of the face amount of Letters of Credit outstanding during such quarter. In addition, the Borrowers shall pay to the L/C Issuer for its own account the L/C Issuer's standard issuance, drawing, negotiation, amendment, and other administrative fees for each Letter of Credit (whether a Commercial Letter of Credit or Standby Letter of Credit) as established by the L/C Issuer from time to time. All the standard fees set forth in the preceding sentence shall be retained by the L/C Issuer for its own account

(such standard fees referred to in the preceding sentence may be established by the L/C Issuer from time to time).

(c)*Closing Fees.* On the Effective Date, the Borrowers shall pay to the Administrative Agent, for the benefit of the Lenders, the upfront fees due to the Lenders as heretofore agreed.

(d)*Administrative Agent Fees*. The Borrowers shall pay to the Administrative Agent the

fees agreed to between the Administrative Agent and the Company pursuant to a separate written letter agreement dated as of May 10, 2019.

(e)*Fee Calculations*. All fees payable under this Section 4.1 shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

Section 4.2. Place and Application of Payments. (a) All payments of principal of and interest on the Loans and the Reimbursement Obligations, and of all other Obligations payable by the Borrowers under this Agreement, shall be made to the Administrative Agent by no later than 1:00 p.m. (Chicago time) on the due date thereof at the principal office of the Administrative Agent in Chicago, Illinois (or such other location in the State of Illinois as the Administrative Agent may designate to the Company) or, if such payment is on a Reimbursement Obligation, no later than provided by Section 1.2(c) hereof or, if such payment is to be made in an Alternative Currency, no later than 12:00 noon local time at the place of payment to such office as the Administrative Agent has previously specified in a notice to the Company for the benefit of the Lender or Lenders entitled thereto. Any payments received after such time shall be deemed to have been received by the Administrative Agent on the next Business Day. All such payments shall be made (i) in U.S. Dollars, in immediately available funds at the place of payment, or (ii) in the case of amounts payable hereunder in an Alternative Currency, in such Alternative Currency in such funds then customary for the settlement of international transactions in such currency, in each case without set-off or counterclaim. The Administrative Agent will promptly thereafter cause to be distributed like funds relating to the payment of principal or interest on Loans and on Reimbursement Obligations in which the Lenders have purchased Participating Interests ratably to the Lenders and like funds relating to the payment of any other amount payable to any Lender to such Lender, in each case to be applied in accordance with the terms of this Agreement. If the Administrative Agent causes amounts to be distributed to the Lenders in reliance upon the assumption that the Borrowers will make a scheduled payment and such scheduled payment is not so made, each Lender shall, on demand, repay to the Administrative Agent the amount distributed to such Lender together with interest thereon in respect of each day during the period commencing on the date such amount was distributed to such Lender and ending on (but excluding) the date such Lender repays such amount to the Administrative Agent, at a rate per annum equal to: (i) from the date the distribution was made to the date two (2) Business Days after payment by such Lender is due hereunder, the Federal Funds Rate for each such day or, in the case of a Loan denominated in an Alternative Currency, the cost to the Administrative Agent of funding the amount it advanced to fund such Lender's Loan, as reasonably determined by the Administrative Agent and (ii) from the date two (2) Business Days after the date such payment is due from such Lender to the date such payment is made by such Lender, the Base Rate in effect for each such day or, in the case of a Loan denominated in an Alternative Currency, the rate established by Section 3.2~~(c)~~ for ~~Eurocurrency~~ Loans denominated in such currency.

(b)Anything contained herein to the contrary notwithstanding, all payments and collections received in respect of the Obligations by the Administrative Agent or any of the Lenders after acceleration or the final maturity of the Obligations or termination of the Revolving Credit Commitments as a result of an Event of Default shall be remitted to the Administrative Agent and distributed as follows:

(i)first, to the payment of any outstanding costs and expenses incurred by the Administrative Agent, in protecting, preserving or enforcing rights under the Loan Documents;

(ii)second, to the payment of the Swing Loans, both for principal and accrued but unpaid interest;

(iii)third, to the payment of any outstanding interest and fees due under the Loan Documents to be allocated *pro rata* in accordance with the aggregate unpaid amounts owing to each holder thereof;

(iv)fourth, to the payment of principal on the Loans (other than Swing Loans), unpaid Reimbursement Obligations, together with amounts to be held by the Administrative Agent as collateral security for any outstanding L/C Obligations pursuant to Section 10.4 hereof (until the Administrative Agent is holding an amount of cash equal to the then outstanding amount of all such L/C Obligations), the aggregate amount paid to, or held as collateral security for, the Lenders and L/C Issuer to be allocated *pro rata* in accordance with the aggregate unpaid amounts owing to each holder thereof;

(v)fifth, to the payment of all other unpaid Obligations to be allocated *pro rata* in accordance with the aggregate unpaid amounts owing to each holder thereof; and

(vi)finally, to the Company, on behalf of the Borrowers, or whoever else may be lawfully entitled thereto.

SECTION 5. JOINT AND SEVERAL OBLIGORS AND FURTHER ASSURANCES.

Section 5.1. Joint and Several Obligors. The payment and performance of the Obligations shall at all times be a joint and several obligation of the Company and each other Borrower pursuant to Section 13.A hereof or pursuant to one or more Additional Obligor Supplements delivered to the Administrative Agent, as the same may be amended, modified or supplemented from time to time.

Section 5.2. Guaranties. The payment and performance of the Obligations shall at all times be guaranteed by each Subsidiary of the Borrower which is not itself a Borrower and is a guarantor under any Note Purchase Agreement (each, a *"Guarantor"*) pursuant to Section 13.B hereof or pursuant to one or more Additional Guarantor Supplements delivered to the Administrative Agent, as the same may be amended, modified or supplemented from time to time (individually, a *"Guaranty"* and, collectively, the *"Guaranties"*). As of the Effective Date, there are no Guarantors.

Section 5.3. Further Assurances. The Company agrees that it shall, and shall cause each Domestic Subsidiary that is a Restricted Subsidiary to, from time to time at the request of the Administrative Agent or the Required Lenders, execute and deliver such documents and do such acts and things as the Administrative Agent or the Required Lenders may reasonably request in order to provide for the joint and several obligation or guaranties, as applicable, contemplated by this Section 5. In the event any Subsidiary (other than a Borrower or Guarantor) becomes an obligor or guarantor under a Note Purchase Agreement after the date hereof, the Company shall cause such Subsidiary to execute an Additional Guarantor Supplement within three (3) days after the Subsidiary became an obligor or guarantor under such Note Purchase Agreement. In connection with any Additional Obligor Supplement or Additional Guarantor Supplement, the Company

shall also deliver to the Administrative Agent, or cause the applicable Material Wholly-Owned Domestic Subsidiary or other Subsidiary, as applicable, to deliver to the Administrative Agent, at the Company's cost and expense, such other instruments, documents, notes, certificates, and opinions reasonably required by the Administrative Agent in connection therewith.

Section 5.4. Release of Borrower or Guarantor. If any Borrower (other than the Company) ceases to be a direct Material Wholly-Owned Domestic Subsidiary as a result of a disposition, dissolution or other transaction not prohibited by the terms hereof or as a result of designation as an Unrestricted Subsidiary in accordance with Section 9.18, then such Borrower shall automatically cease to be a Borrower hereunder and shall be released from any of its obligations as a Borrower hereunder. If any Guarantor (a) ceases to be a Subsidiary as a result of a disposition, dissolution or other transaction not prohibited by the terms hereof, or (b) otherwise ceases to be a Guarantor under the Note Purchase Agreements, then such Guarantor shall automatically cease to be a Guarantor hereunder and shall be released from any of its obligations as a Guarantor hereunder. The Administrative Agent shall execute and deliver to such departing Borrower or Guarantor or its designee, at the Company's sole cost and expense, any document or instrument that such departing Borrower or Guarantor or the Company shall reasonably request to evidence such release, and the Lenders hereby authorize the Administrative Agent to execute and deliver any such document or instrument.

SECTION 6. DEFINITIONS; INTERPRETATION.

Section 6.1. Definitions. The following terms when used herein have the following meanings:

"Account" is defined in Section 10.4(b) hereof.

"Additional Guarantor Supplement" means an agreement in the form attached hereto as Exhibit J or such other form acceptable to the Administrative Agent.

"Additional Obligor Supplement" means an agreement in the form attached hereto as Exhibit I or such other form acceptable to the Administrative Agent.

"Adjusted ~~LIBOR~~Eurocurrency Rate" means a rate per annum determined in accordance with the following formula:

$$\text{Adjusted } \text{~~LIBOR~~Eurocurrency Rate} = \frac{\text{~~LIBOR~~Eurocurrency Rate}}{1 - \text{Eurocurrency Reserve Percentage}}$$

"Eurocurrency Reserve Percentage" means, for any Borrowing of Eurocurrency Loans, the daily average for the applicable Interest Period of the maximum rate, expressed as a decimal, at which reserves (including, without limitation, any supplemental, marginal and emergency reserves) are imposed during such Interest Period by the Board of Governors of the Federal Reserve System (or any successor) on *"eurocurrency liabilities"*, as defined in such Board's Regulation D (or in respect of any other category of liabilities that includes deposits by reference to which the interest rate on Eurocurrency Loans is determined or any category of extensions of credit or other assets that include loans by non-United States offices of any Lender to United States of America residents), subject to any amendments of such reserve requirement by such Board or its successor, taking into account any transitional adjustments thereto. For purposes of this definition, the Eurocurrency Loans shall be deemed to be *"eurocurrency liabilities"* as defined in Regulation D without benefit or credit for any prorations, exemptions or offsets under Regulation D. The Eurocurrency Reserve Percentage shall be adjusted automatically on and as of the effective date of any change in any such

reserve percentage.

"~~LIBOR~~Adjusted Term SOFR" means, for ~~an Interest Period for a Borrowing of Eurocurrency Loans~~purposes of any calculation with respect to any tenor, ~~(a)~~ the ~~LIBOR Index Rate for such Interest Period, if such rate is available, and~~rate per annum equal to (a) Term SOFR for such tenor *plus* (b) ~~if~~ the ~~LIBOR Index Rate cannot be determined, the arithmetic average of~~ the rates of interest per annum (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which deposits in U.S. Dollars or the relevant Alternative Currency, as appropriate, in immediately available funds are offered to the Administrative Agent at 11:00 a.m. (London, England time) two Business Days before the beginning of such Interest Period by three or more major banks in the interbank eurocurrency market selected by the Administrative Agent for delivery on the first day of and for a period equal to such Interest Period in an amount equal or comparable to the principal ~~amount of the Eurocurrency Loan scheduled to be made as part of such Borrowing~~Term SOFR Adjustment; *provided* that ~~in no event~~if Adjusted Term SOFR as so determined shall ~~"LIBOR"~~ever be less than ~~0.00%. *"LIBOR Index Rate"* means, for any Interest Period, the rate~~ per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in U.S. Dollars or the relevant Alternative Currency, as appropriate, in the London interbank eurocurrency market for a period equal to such Interest Period, as reported on the applicable Bloomberg screen page (or such other commercially available source providing ~~such quotations as may~~the Floor, then Adjusted Term SOFR shall be deemed to be ~~designated by~~ the ~~Administrative Agent from time to time) as of 11:00 a.m. (London, England time) on the day two Business Days before the commencement of such Interest Period~~Floor.

"Administrative Agent" means Bank of Montreal in its capacity as administrative agent hereunder for the Lenders and any successor pursuant to Section 12.7 hereof.

"Administrative Questionnaire" means an Administrative Questionnaire in a form supplied by the Administrative Agent.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, with respect to a specified Person, another Person that directly or

indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

"Agreement" means this Second Amended and Restated Multicurrency Credit Agreement, as the same may be amended, modified, restated or supplemented from time to time pursuant to the terms hereof.

"Alternative Currency" means any of euros, pounds sterling, and Japanese yen, and any other currency approved by the Administrative Agent, in each case for so long as such currency is readily available to all the Lenders and is freely transferable and freely convertible to U.S. Dollars ~~and there is a published LIBOR Index Rate for such currency for interest periods of one, two, three and six calendar months~~; *provided* that if any Lender provides written notice to the Company (with a copy to the Administrative Agent) that any currency control or other exchange regulations are imposed in the country in which any such Alternative Currency is issued and that in the reasonable opinion of such Lender funding a Loan in such currency is impractical, then such currency shall cease to be an Alternative Currency hereunder until such time as all the Lenders reinstate such country's currency as an Alternative Currency.

"Amendment No. 1 to Credit Agreement" means, that certain Amendment No. 1 to Credit Agreement

dated as of August [ ]27, 2020 among the Borrowers, the Administrative Agent and the Lenders party thereto.

"Amendment No. 1 Effective Date" means, the date on which the conditions precedent set forth in Section 4.1 of the Amendment No. 1 to Credit Agreement were satisfied or waived in accordance therewith.

"Amendment No. 2 to Credit Agreement" means, that certain Amendment No. 1 to Credit Agreement dated as of December 14, 2022 among the Borrower, the Administrative Agent and the Lenders party thereto

"Amendment No. 2 Effective Date" means, December 14, 2022.

"Anti-Corruption Laws" means all laws, rules, and regulations of any U.S. Governmental Authority, the European Union, the United Nations Security Council, or the United Kingdom, in each case that are applicable to a Borrower or any of their Subsidiaries from time to time concerning or relating to bribery or corruption.

"Applicable Margin" means, with respect to Loans, Reimbursement Obligations, and the facility fees and letter of credit fees payable under Section 4.1 hereof until the first Pricing Date, the rates per annum shown opposite Level IV below, and thereafter from one Pricing Date to the next, the Applicable Margin means the rates per annum determined in accordance with the following applicable pricing matrix. If the Company maintains a public Debt Rating from either Moody's or S&P, the Applicable Margins shall be based on the Ratings Based Pricing Matrix set forth below. If the Company does not maintain a public Debt Rating from either Moody's or S&P, the Applicable Margins shall be based on the Financial Covenant Based Pricing Matrix set forth below.

FINANCIAL COVENANT BASED PRICING MATRIX

LEVEL	CASH FLOW LEVERAGE RATIO FOR SUCH PRICING DATE	APPLICABLE MARGIN FOR BASE RATE LOANS SHALL BE:	APPLICABLE MARGIN FOR EUROCURRENCY LOANS, SOFR LOANS AND RFR LOANS SHALL BE:	APPLICABLE MARGIN FOR LETTER OF CREDIT FEE SHALL BE:	APPLICABLE MARGIN FOR FACILITY FEE SHALL BE:
V	Greater than or equal to 3.00 to 1.00	0.400%	1.400%	1.400%	0.250%
IV	Less than 3.00 to 1.00 but greater than or equal to 2.00 to 1.00	0.200%	1.200%	1.200%	0.200%
III	Less than 2.00 to 1.00 but greater than or equal to 1.50 to 1.00	0.025%	1.025%	1.025%	0.175%
II	Less than 1.50 to 1.00, but greater than or equal to 1.00 to 1.00	0.000%	0.925%	0.925%	0.150%
I	Less than 1.00 to 1.00	0.000%	0.825%	0.825%	0.125%

RATINGS BASED PRICING MATRIX

APPLICABLE MARGIN FOR BASE RATE LOANS SHALL	APPLICABLE MARGIN FOR EUROCURRENCY LOANS, SOFR LOANS AND RFR LOANS	APPLICABLE MARGIN FOR LETTER OF CREDIT	APPLICABLE MARGIN FOR FACILITY FEE

Level	Debt Rating	be:	shall be:	Fee shall be:	shall be:
V	BB+/Ba1 or lower	0.400%	1.400%	1.400%	0.250%
IV	BBB-/Baa3	0.200%	1.200%	1.200%	0.200%
III	BBB/Baa2	0.025%	1.025%	1.025%	0.175%
II	BBB+/Baa1	0.000%	0.925%	0.925%	0.150%
I	A-/A3 or higher	0.000%	0.825%	0.825%	0.125%

At such time as the Applicable Margin is based on the Financial Covenant Pricing Matrix, the term *"Pricing Date"* means, for any fiscal quarter of the Company ending on or after June 30, 2019, the date on which the Administrative Agent is in receipt of the Company's most recent financial statements (and, in the case of the year-end financial statements, audit report) for the fiscal quarter then ended, pursuant to Section 9.4 hereof. The Applicable Margin shall be established based on the Cash Flow Leverage Ratio for the most recently completed fiscal quarter and the Applicable Margin established on a Pricing Date shall remain in effect until the next Pricing Date. If the Company has not delivered its financial statements by the date such financial statements (and, in the case of the year-end financial statements, audit report) are required to be delivered under Section 9.4 hereof, until such financial statements and audit report are delivered, the Applicable Margin shall be the highest Applicable Margin (*i.e.,* the Cash Flow Leverage Ratio shall be deemed to be greater than 3.00 to 1.0). If the Company subsequently delivers such financial statements before the next Pricing Date, the Applicable Margin established by such late delivered financial statements shall take effect from the date of delivery until the next Pricing Date. In all other circumstances, the Applicable Margin established by such financial statements shall be in effect from the Pricing Date that occurs immediately after the end of the fiscal quarter covered by such financial statements until the next Pricing Date. Each determination of the Applicable Margin made by the Administrative Agent in accordance with the foregoing shall be conclusive and binding on the Borrowers and the Lenders if reasonably determined.

At such time as the Applicable Margin is based on the Ratings Based Pricing Matrix, if the Debt Rating issued by each of S&P, Moody's and Fitch are: (i) in three different Tiers, then the middle of such Debt Ratings shall apply or (ii) in two different Tiers, then the lower of such Debt Rating shall apply, unless there is a split in Debt Ratings of more than one Tier, in which case the Tier that is one Tier above the lower Debt Rating shall apply. If only one of S&P or Moody's provides a Debt Rating, that Debt Rating shall apply. For purposes of clarity, Tier I is the "highest" Tier and Tier V is the "lowest" Tier. The Debt Ratings shall be determined from the most recent public announcement of any Debt Ratings or changes thereto. If any Debt Rating shall be changed, such

change shall be effective as of the date on which it is first publicly announced by the applicable rating agency. Each change in the Applicable Margin shall apply during the period commencing on the effective date of such change and ending on the date immediately preceding the effective date of the next such change.

"Application" is defined in Section 1.2(b) hereof.

"Approved Fund" means any Fund that is administered or managed by (a) a Lender, (b) an Affiliate of a Lender or (c) an entity or an Affiliate of an entity that administers or manages a Lender.

"Assignment and Acceptance" means an assignment and acceptance entered into by a Lender and an Eligible Assignee (with the consent of any party whose consent is required by Section 14.11 hereof), and accepted by the Administrative Agent, in substantially the form of Exhibit H or any other form approved by the Administrative Agent.

"Authorized Representative" means those persons shown on the list of officers provided by the Company pursuant to Section 8.1(f) hereof, or on any update of such list provided by the Company to the Administrative Agent, or any further or different officer of the Company so named by any Authorized Representative of the Company in a written notice to the Administrative Agent.

"Available Tenor" means as of any date of determination and with respect to the then-current Benchmark for U.S. Dollars or any Alternative Currency, as applicable, (a) if such Benchmark is a term rate, any tenor for such Benchmark (or component thereof) that is or may be used for determining the length of an interest period pursuant to this Agreement or (b) otherwise, any payment period for interest calculated with reference to such Benchmark (or component thereof) that is or may be used for determining any frequency of making payments of interest calculated with reference to such Benchmark, in each case, as of such date and not including, for the avoidance of doubt, any tenor for such Benchmark that is then-removed from the definition of *"Interest Period"* pursuant to Section 11.2.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means, (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Base Rate" means, for any day, the rate per annum equal to the greatest of: (a) the rate of interest announced or otherwise established by the Administrative Agent from time to time as its

prime commercial rate, or its equivalent, for U.S. Dollar loans to borrowers located in the United States of America as in effect on such day, with any change in the Base Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate (it being acknowledged and agreed that such rate may not be the Administrative Agent's best or lowest rate), (b) the sum of (i) the rate determined by the Administrative Agent to be the average (rounded upward, if necessary, to the next higher 1/100 of 1%) of the rates per annum quoted to the Administrative Agent at approximately 10:00 a.m. (Chicago time) (or as soon thereafter as is practicable) on such day (or, if such day is not a Business Day, on the immediately preceding Business Day) by two or more Federal funds brokers selected by the Administrative Agent for sale to the Administrative Agent at face value of Federal funds in the secondary market in an amount equal or comparable to the principal amount for which such rate is being determined, *plus* (ii) 1/2 of 1%, and (c) the ~~LIBOR Quoted Rate for~~Adjusted Term SOFR for a one-month tenor in effect on such day *plus* 1.00%. ~~As used herein,~~Any change in the ~~term *"LIBOR Quoted*~~Base Rate~~" means, for any day, the rate per annum equal~~ due to a change in the ~~quotient of (i) the~~prime rate ~~per annum (rounded upward, if necessary, to the next higher one-hundred-thousandth of a percentage point) for deposits in U.S. Dollars in the London interbank eurodollar market for a one-month interest period as reported on the~~, the quoted federal funds rate or Term SOFR, as applicable ~~Bloomberg screen page (or such other commercially available source providing such quotations as may be designated by the Administrative Agent from time to time) as of 11:00 a.m. (London, England time) on such day (or, if such day is not a Business Day~~, shall be effective from and including the effective date of the change in such rate. If the Base Rate is being used as an alternative rate of interest pursuant to Section 11.2, ~~on~~then the ~~immediately preceding~~

~~Business Day) divided by~~Base Rate shall be the greater of clauses (a) and (~~ii~~b) ~~one~~above and shall be determined without reference to clause (~~1~~c) ~~*minus*~~above. If the ~~Eurocurrency Reserve Percentage; *provided* that in no event~~Base Rate as determined above shall ~~the LIBOR Quoted Rate~~ be less than ~~0.00~~the Floor plus 1.00%, then Base Rate shall be deemed to be the Floor plus 1.00%.

"Base Rate Loan" means a Revolving Loan bearing interest prior to maturity at a rate specified in Section 1.3(a) hereof.

"Benchmark" means, initially, with respect to any (a) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars or Sterling the Term SOFR Reference Rate or Daily Simple RFR, as applicable, for such Currency; *provided* that if a Benchmark Transition Event has occurred with respect to such Term SOFR Reference Rate or Daily Simple RFR or the then-current Benchmark for such Currency, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 11.2(b) or (b) Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Euros or Yen, EURIBOR or TIBOR, respectively; *provided* that if a Benchmark Transition Event has occurred with respect to EURIBOR or TIBOR, as applicable, or the then-current Benchmark for such Currency, then "Benchmark" means, with respect to such Obligations, interest, fees, commissions or other amounts, the applicable Benchmark Replacement to the extent that such Benchmark Replacement has replaced such prior benchmark rate pursuant to Section 11.2(b).

"Benchmark Replacement" means, with respect to any Benchmark Transition Event for any then-current Benchmark, the sum of: (i) the alternate benchmark rate that has been selected by the Administrative Agent and the Company as the replacement for such Benchmark giving due consideration to (A) any selection or recommendation of a replacement benchmark rate or the mechanism for determining such a rate by the Relevant Governmental Body or (B) any evolving or then-prevailing market convention for determining a benchmark rate as a replacement for such Benchmark for syndicated credit facilities denominated in the applicable Currency at such time and (ii) the related Benchmark Replacement Adjustment. If the Benchmark Replacement as determined would be less than the Floor, the Benchmark Replacement will be deemed to be the Floor for the purposes of this Agreement and the other Loan Documents.

"Benchmark Replacement Adjustment" means, with respect to any replacement of the then-current Benchmark with an Unadjusted Benchmark Replacement for any applicable Available Tenor, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by the Administrative Agent and the Company giving due consideration to (a) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (b) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of such Benchmark with the applicable Unadjusted Benchmark Replacement for syndicated credit facilities denominated in the applicable Currency.

"Benchmark Replacement Date" means the earliest to occur of the following events with respect to the then-current Benchmark for any currency:

(a) in the case of clause (a) or (b) of the definition of *"Benchmark Transition Event"*, the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of such Benchmark (or the published component used in

the calculation thereof) permanently or indefinitely ceases to provide all Available Tenors of such Benchmark (or such component thereof); or

(b) in the case of clause (c) of the definition of *"Benchmark Transition Event"*, the first date on which such Benchmark (or the published component used in the calculation thereof) has been determined and announced by or on behalf of the administrator of such Benchmark (or such component thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) to be no longer representative or not to comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks; provided, that such non-representativeness or non-compliance will be determined by reference to the most recent statement or publication referenced in such clause (c) and even if any Available Tenor of such Benchmark (or such component thereof) continues to be provided on such date.

For the avoidance of doubt, the *"Benchmark Replacement Date"* will be deemed to have occurred in the case of clause (a) or (b) with respect to any Benchmark upon the occurrence of the applicable

event or events set forth therein with respect to all then-current Available Tenors of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Transition Event" means, with respect to the then-current Benchmark for any Currency, the occurrence of one or more of the following events with respect to such Benchmark:

(a) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) announcing that such administrator has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof), permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof);

(b) a public statement or publication of information by the regulatory supervisor for the administrator of such Benchmark (or the published component used in the calculation thereof), the Federal Reserve Board, the Federal Reserve Bank of New York, the central bank for the Currency applicable to such Benchmark, an insolvency official with jurisdiction over the administrator for such Benchmark (or such component), a resolution authority with jurisdiction over the administrator for such Benchmark (or such component) or a court or an entity with similar insolvency or resolution authority over the administrator for such Benchmark (or such component), which states that the administrator of such Benchmark (or such component) has ceased or will cease to provide all Available Tenors of such Benchmark (or such component thereof) permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide any Available Tenor of such Benchmark (or such component thereof); or

(c) a public statement or publication of information by or on behalf of the administrator of such Benchmark (or the published component used in the calculation thereof) or the regulatory supervisor for the administrator of such Benchmark (or such component thereof) announcing that all Available Tenors of such Benchmark (or such component thereof) are no longer, or as of a specified future date will no longer be, representative or do not, or as a specified future date will not, comply with the International Organization of Securities Commissions (IOSCO) Principles for Financial Benchmarks.

For the avoidance of doubt, a *"Benchmark Transition Event"* will be deemed to have occurred with respect to any Benchmark if a public statement or publication of information set forth above has occurred with respect to each then-current Available Tenor of such Benchmark (or the published component used in the calculation thereof).

"Benchmark Unavailability Period" means, with respect to any then-current Benchmark for any currency, the period (if any) (a) beginning at the time that a Benchmark Replacement Date with respect to such Benchmark has occurred if, at such time, no Benchmark Replacement has replaced such Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.2 and (b) ending at the time that a Benchmark Replacement has replaced such

Benchmark for all purposes hereunder and under any Loan Document in accordance with Section 11.2.

"Benefit Plan" means any of (a) an "employee benefit plan" (as defined in ERISA) that is subject to Title I of ERISA, (b) a "plan" as defined in and subject to Section 4975 of the Code or (c) any Person whose assets include (for purposes of ERISA Section 3(42) or otherwise for purposes of Title I of ERISA or Section 4975 of the Code) the assets of any such "employee benefit plan" or "plan".

"Borrower" and *"Borrowers"* are defined in the first paragraph of this Agreement.

"Borrowing" means the total of Loans of a single type advanced, continued for an additional Interest Period, or converted from a different type into such type by the Lenders on a single date and for a single Interest Period. Borrowings of Revolving Loans are made and maintained ratably from each of the Lenders according to their Percentages. A Borrowing is: *"advanced"* on the day Lenders advance funds comprising such Borrowing to the Borrowers; *"continued"* on the date a new Interest Period for the same type of Loans commences for such Borrowing; and *"converted"* when such Borrowing is changed from one type of Loan to another, all as requested by the Company pursuant to Section 1.5(a) hereof. Borrowings of Swing Loans are made by the Swing Line Lender in accordance with the procedures set forth in Section 2 hereof.

"Business Day" means any day other than a Saturday or Sunday on which Lenders are not authorized or required to close in Chicago, Illinois and, if the applicable Business Day relates to the borrowing or payment of a Eurocurrency Loan, on which banks are dealing in deposits in U.S. Dollars in the interbank market in London, England and, if the applicable Business Day relates to the borrowing or payment of ~~a~~an ~~Eurocurrency~~RFR Loan denominated in an Alternative Currency, on which banks and foreign exchange markets are open for business in the city where disbursements of or payments on such Loan are to be made and, if such Alternative Currency is the euro or any national currency of a nation that is a member of the European Economic and Monetary Union, which is a TARGET Settlement Day.

"Capital Lease" means any lease of Property which, in accordance with GAAP, would be required to be capitalized on the balance sheet of the lessee.

"Capitalized Lease Obligation" means the amount of the liability shown on the balance sheet of any Person in respect of a Capital Lease as determined in accordance with GAAP.

"Cash Collateralize" means, to pledge and deposit with or deliver to the Administrative Agent, for the benefit of one or more of the L/C Issuer or Lenders, as collateral for L/C Obligations or obligations of Lenders to fund participations in respect of L/C Obligations, cash or deposit account balances subject to a

first priority perfected security interest in favor of the Administrative Agent or, if the Administrative Agent and each applicable L/C Issuer shall agree in their sole discretion, other credit support, in each case pursuant to documentation in form and substance satisfactory to the Administrative Agent and each applicable L/C Issuer. *"Cash Collateral"* shall have a meaning correlative to the foregoing and shall include the proceeds of such cash collateral and other credit support.

"Cash Flow Leverage Ratio" means, as of any time the same is to be determined, the ratio of (a) Funded Debt as of the last day of the most recent four fiscal quarters of the Company then ended *minus* Excess Cash as of the last day of the same such period to (b) EBITDA for the same most recent four fiscal quarters then ended.

"Change in Control" means and includes any of the following:

(a)any person or group (within the meaning of Sections 13(d)(2) and 14(d)(2) of the Securities Exchange Act of 1934, as amended) is or becomes the beneficial owner, directly or indirectly, of 50% or more of the Voting Stock of the Company; or

(b)during any period of twelve consecutive calendar months, individuals who at the beginning of such period constituted the Board of Directors of the Company, together with any new directors whose nomination or election by the Board of Directors of the Company or nomination or election by the Company's stockholders was approved by at least a majority of the directors then still in office who either were directors at the beginning of the period or whose nomination or election was previously so approved, cease for any reason other than death or disability to constitute at least a majority of the directors then in office.

"Change in Law" means the occurrence, after the date of this Agreement (or, with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any Governmental Authority, or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any Governmental Authority; *provided* that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, regulations, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

"Code" means the Internal Revenue Code of 1986, as amended, and any successor statute thereto.

"Commercial Letter of Credit" means a Letter of Credit that finances a commercial transaction by paying part or all of the purchase price for goods against delivery of a document of title covering such goods and any other required documentation.

"Commitment Amount Increase" is defined in Section 3.8 hereof.

"Commitment Amount Increase Request" means a Commitment Amount Increase Request

in the form of Exhibit F hereto.

"Company" is defined in the first paragraph of this Agreement.

"Compliance Certificate" means a written certificate in the form of Exhibit G hereto.

"Conforming Changes" means with respect to either the use or administration of any Daily Simple RFR or Term SOFR, or the use, administration, adoption or implementation of any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of *"Base Rate,"* the definition of *"Business Day,"* the definition of *"Interest Period,"* the definition of *"U.S. Government Securities Business Day," "RFR Business Day,"* the timing and frequency of determining rates and making payments of interest, the timing of borrowing requests or prepayment, conversion or continuation notices, the applicability and length of lookback periods, the applicability of breakage provisions, and other technical, administrative or operational matters) that the Administrative Agent determines may be appropriate to reflect the adoption and implementation of any such rate or to permit the use and administration thereof by the Administrative Agent in a manner substantially consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or if the Administrative Agent determines that no market practice for the administration of any such rate exists, in such other manner of administration as the Administrative Agent decides is reasonably necessary in connection with the administration of this Agreement and the other Loan Documents).

"Connection Income Taxes" means Other Connection Taxes that are imposed on or measured by net income (however denominated) or that are franchise Taxes or branch profit Taxes.

"Consolidated Indebtedness" means, without duplication, all Indebtedness for Borrowed Money of the Company and its Restricted Subsidiaries, determined on a consolidated basis eliminating intercompany items.

"Consolidated Priority Indebtedness" means, without duplication, all Priority Indebtedness of the Company and its Restricted Subsidiaries determined on a consolidated basis eliminating intercompany items.

"Consolidated Total Assets" means, as of the date of any determination thereof and without duplication, total assets of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP less, to the extent included therein, the Company's investment in Unrestricted Subsidiaries.

"Consolidated Total Capitalization" means, as of the date of any determination thereof and without duplication, the sum of (a) Consolidated Indebtedness *plus* (b) Net Worth.

"Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. *"Controlling"* and *"Controlled"* have meanings analogous thereto.

"Controlled Group" means, with respect to the Company, all members of a controlled group of corporations and all trades or businesses (whether or not incorporated) under common control which, together with the Company or any of its Subsidiaries, are treated as a single employer under Section 414 of the Code.

"Credit Event" means the advancing of any Loan or the issuance of, or extension of the expiration date or increase in the amount of, any Letter of Credit.

"Daily Simple RFR" means, for any day (each, an *"RFR Rate Day"*), a rate per annum equal to, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Sterling, the greater of (i) SONIA for the day (such day "i") that is five (5) RFR Business Days prior to (A) if such RFR Rate Day is an RFR Business Day, such RFR Rate Day or (B) if such RFR Rate Day is not an RFR Business Day, the RFR Business Day immediately preceding such RFR Rate Day, in each case, as such SONIA is published by the SONIA Administrator on the SONIA Administrator's Website, and (ii) the Floor. If by 5:00 pm (local time for the applicable RFR) on the second (2nd) RFR Business Day immediately following any day "i", the RFR in respect of such day "i" has not been published on the applicable RFR Administrator's Website and a Benchmark Replacement Date with respect to the applicable Daily Simple RFR has not occurred, then the RFR for such day "i" will be the RFR as published in respect of the first preceding RFR Business Day for which such RFR was published on the RFR Administrator's Website; *provided that* any RFR determined pursuant to this sentence shall be utilized for purposes of calculation of Daily Simple RFR for no more than three (3) consecutive RFR Rate Days. Any change in Daily Simple RFR due to a change in the applicable RFR shall be effective from and including the effective date of such change in the RFR without notice to the Company.

"Debt Rating" means the rating as determined by S&P, Moody's and Fitch (collectively, the *"Debt Ratings"*) of the Company's senior unsecured non-credit-enhanced long-term indebtedness for borrowed money.

"Debtor Relief Laws" means the Bankruptcy Code of the United States of America, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States of America or other applicable jurisdictions from time to time in effect.

"Default" means any event or condition the occurrence of which would, with the passage of time or the giving of notice, or both, constitute an Event of Default.

"Defaulting Lender" means, subject to Section 1.6(b), any Lender that (a) has failed to (i) fund all or any portion of its Loans within two (2) Business Days of the date such Loans were required to be funded hereunder unless such Lender notifies the Administrative Agent and the Company in writing that such failure is the result of such Lender's good faith determination that one or more conditions precedent to funding (each of which conditions precedent, together with any applicable default, shall be specifically identified in such writing) has not been satisfied, or (ii)

pay to the Administrative Agent, any L/C Issuer, the Swing Line Lender or any other Lender any other amount required to be paid by it hereunder (including in respect of its participation in Letters of Credit or Swing Loans) within two (2) Business Days of the date when due, (b) has notified the Borrower, the Administrative Agent or any L/C Issuer or the Swing Line Lender in writing that it does not intend to comply with its funding obligations hereunder, or has made a public statement to that effect (unless such writing or public statement relates to such Lender's obligation to fund a Loan hereunder and states that such position is based on such Lender's good faith determination that a condition precedent to funding (which condition precedent, together with any applicable default, shall be specifically identified in such writing or public statement) cannot be satisfied), (c) has failed, within three (3) Business Days after written request by the Administrative Agent or the Company, to confirm in writing to the Administrative Agent and the Company that it will comply with its prospective funding obligations hereunder (*provided* that such Lender shall cease to be a Defaulting Lender pursuant to this clause (c) upon receipt of such written confirmation by the Administrative Agent and the Company), or (d) has, or has a direct or indirect parent company that has, at any time after the Effective Date (i) become the subject of a proceeding under any Debtor Relief Law, (ii)

had appointed for it a receiver, custodian, conservator, trustee, administrator, assignee for the benefit of creditors or similar Person charged with reorganization or liquidation of its business or assets, including the Federal Deposit Insurance Corporation or any other state or federal regulatory authority acting in such a capacity, or (iii) become the subject of a Bail-In Action; *provided* that a Lender shall not be a Defaulting Lender solely by virtue of the ownership or acquisition of any equity interest in that Lender or any direct or indirect parent company thereof by a Governmental Authority so long as such ownership interest does not result in or provide such Lender with immunity from the jurisdiction of courts within the United States of America or from the enforcement of judgments or writs of attachment on its assets or permit such Lender (or such Governmental Authority) to reject, repudiate, disavow or disaffirm any contracts or agreements made with such Lender. Any determination by the Administrative Agent that a Lender is a Defaulting Lender under clauses (a) through (d) above shall be conclusive and binding absent manifest error, and such Lender shall be deemed to be a Defaulting Lender (subject to Section 1.6(b)) upon delivery of written notice of such determination to the Company, the L/C Issuer, the Swing Line Lender and each Lender.

"Designated Disbursement Account" means the account of the Company maintained with the Administrative Agent or its Affiliate and designated in writing to the Administrative Agent as the Borrower's Designated Disbursement Account (or such other account as the Company and the Administrative Agent may otherwise agree).

"Domestic Subsidiary" means each Subsidiary which is organized under the laws of the United States of America or any State thereof.

"EBIT" means, for any period, the sum, determined on a GAAP consolidated basis, without duplication, for the Company and its Restricted Subsidiaries of Net Income for such period *plus* all amounts deducted in determining Net Income for such period in respect of (a) Interest Expense, (b) income and franchise taxes and (c) to the extent also included in the corresponding calculation under the Note Purchase Agreements, the expense resulting from any change in estimated acquisition earnout payables, *minus* all amounts included in determining Net Income for such period in respect of (x) earnings of Unrestricted Subsidiaries and (y) to the extent

also included in the corresponding calculation under the Note Purchase Agreements, the income resulting from any change in estimated acquisition earnout payables.

"EBITDA" means, for any period, determined on a GAAP consolidated basis, without duplication, for the Company and its Restricted Subsidiaries, the sum of EBIT for such period *plus* all amounts deducted in determining Net Income for such period in respect of (a) amortization, (b) depreciation, (c) non-cash stock-based compensation expense, (d) restructuring, workforce and lease termination charges, (e) any premiums or make-whole amounts paid in connection with the early extinguishment of Indebtedness for Borrowed Money, and (f) acquisition-related professional expenses; *provided* that in the case of an acquisition, merger, consolidation, business combination or other similar transaction with a purchase price paid at closing (as determined in good faith by a Responsible Officer)), excluding any earnouts that may be payable at any time, of

$50,000,000 or less, for the twelve months most recently ended (on an equal monthly basis) prior to consummation of such transaction, the acquired entity or the acquired business shall be deemed to have EBITDA equal to the purchase price thereof divided by 8.5, *minus* any gains attributable to the early extinguishment of Indebtedness for Borrowed Money.

Solely for the purposes of calculating EBITDA, if during any period the Company or any Subsidiary shall have completed an acquisition, disposition, merger, consolidation, business combination or other similar

transaction or has reported in its financial statements required to be delivered hereunder any discontinued operations (as defined under GAAP), then EBITDA for such period shall be adjusted on a *pro forma* basis, if relevant to the computation thereof, to include or exclude, as appropriate, the EBITDA relating to such acquisition, disposition, consolidated or merged business or entity, combined business or other similar transaction or such discontinued operations, in each case assuming that all such acquisitions dispositions, mergers, consolidations, business combinations or other similar transactions and discontinuations had occurred on the first day of such period. Any such *pro forma* adjustment shall be made in good faith by a responsible financial or accounting officer of the Company. The calculations included in the Compliance Certificate delivered pursuant to Section 9.4 shall set forth as a separate line item the net amount of any *pro forma* adjustments made pursuant to this paragraph. The Company agrees to provide any additional information relating to such *pro forma* adjustment as the Administrative Agent may reasonably request.

Solely for the purposes of (i) calculating EBIT and EBITDA (and the defined terms of this Agreement as used in such calculation) and (ii) any *pro forma* adjustment to EBITDA as provided in this Agreement, no Clean Energy Subsidiary shall be deemed to be a Restricted Subsidiary of the Company (and each Clean Energy Subsidiary shall be excluded from the calculation of EBITDA) if, during the relevant period, the aggregate tax credits generated by the Clean Energy Subsidiaries exceed the aggregate pre-tax losses generated by the Clean Energy Subsidiaries. *"Clean Energy Subsidiary"* shall mean (1) AJG Coal, Inc. and any permitted successor thereto, (2) each of the direct and indirect Subsidiaries of AJG Coal, Inc. and any permitted successor thereto and (3) any Person not constituting a Subsidiary to the extent an investment in such Person is accounted for in the Net Income of a Clean Energy Subsidiary; *provided* that such Clean Energy Subsidiary is principally engaged in the business of clean energy-related ventures; *provided further* that neither the Company nor any Restricted Subsidiary not constituting a Clean Energy Subsidiary shall be permitted to transfer, sell, assign (including by way of merger, liquidation or

dissolution) any asset or business (other than any clean energy-related assets or business) to any Clean Energy Subsidiary.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority,

(b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clauses (a) or (b) of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein, and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the Administrative Agent has received signed counterpart signature pages of this Agreement from each of the signatories (or, in the case of a Lender, confirmation that such Lender has executed such a counterpart and dispatched it for delivery to the Administrative Agent) and the documents required by Section 8.1 hereof.

"Eligible Assignee" means (a) a Lender, (b) an Affiliate of a Lender, (c) an Approved Fund, and (d) any other Person (other than a natural person) approved by (i) the Administrative Agent, (ii) the L/C Issuer

and Swing Line Lender, and (iii) unless an Event of Default has occurred and is continuing, the Company (each such approval not to be unreasonably withheld or delayed); *provided* that notwithstanding the foregoing, "Eligible Assignee" shall not include any Borrower or any of the Company's Affiliates or Subsidiaries.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended, or any successor statute thereto.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Eurocurrency Loan" means a Revolving Loan bearing interest prior to maturity at the rate specified in Section 1.3(~~b~~c) hereof.

"Eurocurrency Rate" means, for an Interest Period for a Borrowing of Eurocurrency Loans:

(a)denominated in Euros, the greater of (A) the rate of interest per annum equal to the Euro Interbank Offered Rate ("*EURIBOR*") as administered by the European Money Markets Institute, or a comparable or successor administrator approved by the Administrative Agent **(in each case, the "*EURIBOR Rate*")**, at approximately 11:00 a.m. (Brussels time) on the Rate Determination Date and (B) 0.00%; and

(b)denominated in Yen, the greater of (A) the rate per annum equal to the Tokyo Interbank Offered Rate ("*TIBOR*") as administered by the Ippan Shadan Hojin JBA TIBOR Administration, or a comparable or successor administrator approved by the Administrative Agent **(in each case, the "*TIBOR Rate*")**, at approximately 11:00 a.m. (Tokyo time) on the Rate Determination Date and (B) 0.00%.

"Eurocurrency Reserve Percentage" is defined in the definition of "Adjusted ~~LIBOR~~Eurocurrency Rate."

"Event of Default" means any of the events or circumstances specified in Section 10.1 hereof.

"Excess Cash" means, as of any date the same is to be determined, 50% of cash and cash equivalents as set forth on the consolidated balance sheet of the Company most recently delivered to the Lenders hereunder attributable to the Company and its Restricted Subsidiaries (but not including the amounts set forth in the "Restricted cash" line item of such consolidated balance sheet attributable to the Company and its Restricted Subsidiaries (or, if no such line item appears in such consolidated balance sheet, amounts that would have been set forth in such line item if such balance sheet were prepared in the same manner as the consolidated balance sheet delivered to the Lenders for the fiscal year ended December 31, 2017)).

"Excluded Taxes" means any of the following Taxes imposed on or with respect to a Recipient or required to be withheld or deducted from a payment to a Recipient, (a) Taxes imposed on or measured by net income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (i) imposed as a result of such Recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax (or any political subdivision thereof) or (ii) that are Other Connection Taxes, (b) in the case of a Lender, U.S. federal withholding Taxes imposed on amounts payable to or for the account of such Lender with respect to an applicable interest in a Loan or Revolving Credit Commitment pursuant to a law in effect on the date on

which (i) such Lender acquires such interest in the Loan or Revolving Credit Commitment (other than pursuant to an assignment requested by the Company under Section 11.6) or (ii) such Lender changes its lending office, except in each case to the extent that, pursuant to Section 14.1 amounts with respect to such Taxes were payable either to such Lender's assignor immediately before such Lender became a party hereto or to such Lender immediately before it changed its lending office, (c) Taxes attributable to such Recipient's failure to comply with Section 14.1(g), and (d) any withholding Taxes imposed under FATCA.

"Existing Credit Agreement" is defined in the Preliminary Statements of this Agreement.

"Existing L/Cs" means the outstanding letters of credit issued by Bank of Montreal pursuant to the Existing Credit Agreement prior to the Effective Date, all of which are listed and described on Schedule 1.2(a) hereof.

"Existing Lenders" is defined in the Preliminary Statements of this Agreement.

"FATCA" means Sections 1471 through 1474 of the Code, as of the date of this Agreement (or any amended or successor version that is substantively comparable and not materially more onerous to comply with), any current or future regulations or official interpretations thereof, and any agreements entered into pursuant to Section 1471(b)(1) of the Code or any fiscal or regulatory legislation, rules or practices adopted pursuant to any intergovernmental agreement entered into in connection with the implementation of the withholding of U.S. tax under such Sections of the Code.

"Federal Funds Rate" means the fluctuating interest rate per annum described in clause (b)(i) of the definition of Base Rate.

"Fitch" means Fitch Ratings, Inc. or any successor to the rating agency business thereof.

"Fixed Rate Loans" means Swing Loans bearing interest at the Quoted Rate, SOFR Loans, and Eurocurrency Loans, unless the context in which such term is used shall otherwise require.

"Floor" means a rate of interest equal to 0.00%.

"Foreign Lender" means a Lender that is not a U.S. Person.

"Fronting Exposure" means, at any time there is a Defaulting Lender, (a) with respect to any L/C Issuer, such Defaulting Lender's Percentage of the outstanding L/C Obligations with respect to Letters of Credit issued by such L/C Issuer other than L/C Obligations as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or Cash Collateralized by the Borrowers or such Defaulting Lender in accordance with the terms hereof, and (b) with respect to the Swing Line Lender, such Defaulting Lender's Percentage of outstanding Swing Loans made by the Swing Line Lender other than Swing Loans as to which such Defaulting Lender's participation obligation has been reallocated to other Lenders or repaid in accordance with the terms hereof.

"Fund" means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

"Funded Debt" means, at any time the same is to be determined, the aggregate of all Indebtedness for Borrowed Money of the Company and its Restricted Subsidiaries on a consolidated basis at such time

plus all Indebtedness for Borrowed Money of any other Person which is directly or indirectly guaranteed by the Company or any of its Restricted Subsidiaries or which the Company or any of its Restricted Subsidiaries has agreed (contingently or otherwise) to purchase or otherwise acquire or in respect of which the Company or any of its Restricted Subsidiaries has otherwise assured a creditor against loss.

"GAAP" means generally accepted accounting principles set forth from time to time in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board (or agencies with similar functions of comparable stature and authority within the U.S. accounting profession), which are applicable to the circumstances as of the date of determination.

"Governmental Authority" means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

"Guarantor" is defined in Section 5.2 hereof.

"Guaranty" is defined in Section 5.2 hereof.

"Indebtedness for Borrowed Money" means for any Person (without duplication) (i) all indebtedness created, assumed or incurred in any manner by such Person representing money borrowed (including by the issuance of debt securities), (ii) all indebtedness for the deferred purchase price of property or services (other than (a) trade accounts payable arising in the ordinary course of business which are not more than 90 days past due and (b) obligations to make earn-out payments in cash, debt instruments or capital stock, pursuant to acquisitions occurring prior to the date of this Agreement or permitted under this Agreement), (iii) all indebtedness secured by any Lien upon Property of such Person, whether or not such Person has assumed or become liable for the payment of such indebtedness, (iv) all Capitalized Lease Obligations of such Person, (v) all obligations of such Person on or with respect to letters of credit, bankers' acceptances and other similar extensions of credit whether or not representing obligations for borrowed money, excluding, in each case, indebtedness which is non-recourse to such Person and its subsidiaries, and (vi) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (i) through (v) hereof.

"Indemnified Taxes" means (a) all Taxes other than Excluded Taxes, imposed on or with respect to any payment made by or on account of any obligation of any Borrower under any Loan Document and (b) to the extent not otherwise described in (a), Other Taxes.

"Interest Coverage Ratio" means, as of any time the same is to be determined, the ratio of
(a) EBIT for the four (4) fiscal quarter period of the Company most recently ended to (b) Interest Expense paid or payable in cash during the same such four (4) fiscal quarter period.

"Interest Expense" means, with reference to any period, the sum of all interest charges (including imputed interest charges with respect to Capitalized Lease Obligations and all amortization of debt discount and expense and, for the avoidance of doubt, excluding any premiums or make-whole amounts paid in connection with the early extinguishment of Indebtedness for Borrowed Money) of the Company and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP excluding incremental interest charges resulting from consolidation under FIN 46.

"*Interest Payment Date*" means, as to any RFR Loan, the last Business Day of each calendar month and the Termination Date.

"Interest Period" is defined in Section 3.1 hereof.

"L/C Documents" means the Letters of Credit, any draft or other document presented in connection with a drawing thereunder, the Applications and this Agreement.

"L/C Issuer" means Bank of Montreal or any of its Affiliates and any other Lender or Lenders selected by the Company (with such Lender's consent) and reasonably acceptable to the Administrative Agent.

"L/C Obligations" means the U.S. Dollar Equivalent of the aggregate undrawn face amounts of all outstanding Letters of Credit and all unpaid Reimbursement Obligations.

"L/C Sublimit" means $75,000,000, as such amount may be reduced pursuant to the terms hereof.

"Lender" means and includes each financial institution party hereto and the other financial institutions from time to time party to this Agreement, including each assignee Lender pursuant to Section 14.11 hereof and, unless the context otherwise requires, the Swing Line Lender.

"Letter of Credit" is defined in Section 1.2(a) hereof.

~~*"LIBOR Rate Successor Rate"* is defined in Section 11.2(b).~~

~~*"LIBOR Successor Rate Conforming Changes"* is defined in Section 11.2(b).~~

~~*"LIBOR Index Rate"* is defined in the definition of "Adjusted LIBOR."~~

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, Capital Lease or other title retention arrangement.

"Loan" means and includes each Revolving Loan and Swing Loan; and the term *"type"* of Loan refers to its status as a Revolving Loan or a Swing Loan, or, if a Revolving Loan, to its status as a Base Rate Loan ~~or~~, SOFR Loan, Eurocurrency Loan or RFR Loan.

"Loan Documents" means this Agreement, the Notes, the Applications, the Letters of Credit, the Additional Guarantor Supplements, the Additional Obligor Supplements and each other instrument or document to be delivered hereunder or thereunder or otherwise in connection therewith and, in each case, as the same may be amended, modified restated or supplemented from time to time.

"Material" means, with respect to any Subsidiary, a Subsidiary (a) that is a Restricted Subsidiary and (b) whose assets represent more than 5% of the assets of the Company and its Restricted Subsidiaries on a consolidated basis.

"Material Adverse Effect" means (a) a material adverse change in, or material adverse effect upon, the operations, business, Property or condition (financial or otherwise) of the Company or of the Company

and its Restricted Subsidiaries taken as a whole, (b) a material impairment of the ability of the Company and its Restricted Subsidiaries, taken as a whole, to perform their obligations under this Agreement, the Notes, the Applications, or the Letters of Credit, as applicable, or (c) a material adverse effect upon the legality, validity, binding effect or enforceability against the Borrowers and the Guarantors, taken as a whole, of this Agreement, the Notes, the Applications, or the Letters of Credit, as applicable, or the rights and remedies of the Administrative Agent, the L/C Issuer or the Lenders thereunder.

"Minimum Collateral Amount" means, at any time, (a) with respect to Cash Collateral consisting of cash or deposit account balances, an amount equal to 105% of the Fronting Exposure of all L/C Issuers with respect to Letters of Credit issued and outstanding at such time and (b) otherwise, an amount determined by the Administrative Agent and the L/C Issuer in their sole discretion.

"Moody's" means Moody's Investors Service, Inc. and any successor thereto.

"Net Income" means, for any Person and with reference to any period, the net income (or net loss) of such Person and its subsidiaries for such period as computed on a consolidated basis in accordance with GAAP, and, without limiting the foregoing, after deduction from gross income of all expenses and reserves, including reserves for all taxes on or measured by income.

"Net Worth" means, at any time the same is to be determined, the total shareholders' equity (including capital stock, additional paid-in capital and retained earnings after deducting treasury stock, but excluding minority interests in Subsidiaries) which would appear on the balance sheet of the Company and its Restricted Subsidiaries determined on a consolidated basis in accordance with GAAP less, to the extent included therein, the Company's investment in Unrestricted Subsidiaries.

"Non-Borrower Restricted Subsidiary" means any Restricted Subsidiary that is not a Borrower.

"Non-Consenting Lender" means any Lender that does not approve any consent, waiver or amendment that (a) requires the approval of all Lenders or all affected Lenders in accordance with the terms of Section 14.12 and (b) has been approved by the Required Lenders.

"Non-Defaulting Lender" means, at any time, each Lender that is not a Defaulting Lender at such time.

"Note Purchase Agreements" means, collectively, the (i) Note Purchase Agreement, dated as of February 10, 2011, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of October 18, 2013, the Second Amendment thereto dated as of June 24, 2014, the Third Amendment thereto dated as of June 2, 2016, the Fourth Amendment thereto dated as of June 13, 2018 and the Fifth Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (ii) Note Purchase Agreement, dated as of July 10, 2012, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of October 18, 2013, the Second Amendment thereto dated as of June 24, 2014, the Third Amendment thereto dated as of June 2, 2016, the Fourth Amendment thereto dated as of June 13, 2018 and the Fifth Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (iii) Note Purchase Agreement, dated as of June 14, 2013, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of October 18, 2013, the Second Amendment thereto dated as of June 24,

2014, the Third Amendment thereto dated as of June 2, 2016, the Fourth Amendment thereto dated as of June 13, 2018 and the Fifth Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (iv) Note Purchase Agreement, dated as of December 20, 2013, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 24, 2014, the Second Amendment thereto dated as of June 2, 2016, the Third Amendment thereto dated as of June 13, 2018 and the Fourth Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (v) Note Purchase Agreement, dated as of June 24, 2014, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 2, 2016, the Second Amendment thereto dated as of June 13, 2018 and the Third Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (vi) Note Purchase Agreement, dated as of June 2, 2016, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 13, 2018 and the Second Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (vii) Note Purchase and Private Shelf Agreement, dated as of December 1, 2016, by and among Obligors (as defined therein), on one hand, and the Initial Purchasers (as defined therein), PGIM, Inc. and certain other affiliates of PGIM, Inc., on the other hand, as amended by Amendment No. 1 thereto dated as of July 13, 2017, the Second Amendment thereto dated as of June 13, 2018, the Third Amendment thereto dated as of December 20, 2018 and the Fourth Amendment thereto dated June 11, 2019 and as further amended, modified, supplemented or restated from time to time, (viii) Note Purchase Agreement, dated as of June 27, 2017, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of June 13, 2018 and the Second Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (ix) Note Purchase Agreement, dated as of June 13, 2018, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended by the First Amendment thereto dated as of December 20, 2018 and as further amended, modified, supplemented or restated from time to time, (x) Note Purchase Agreement, dated as of February 13, 2019, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended, modified, supplemented or restated from time to time and (xi) Note Purchase Agreement, dated as of January 30, 2020, by and among the Obligors (as defined therein), on one hand, and the Purchasers (as defined therein) listed on Schedule A thereto, on the other hand, as amended, modified, supplemented or restated from time to time.

"Notes" is defined in Section 3.3(d) hereof.

"Obligations" means all obligations of the Borrowers to pay principal and interest on the Loans and the L/C Obligations, all fees and charges payable hereunder, and all other payment obligations of the Borrowers, and any of them, arising under or in relation to any Loan Document, in each case whether now existing or hereafter arising, due or to become due, direct or indirect, absolute or contingent, and howsoever evidenced, held or acquired.

"OFAC" means the United States Department of Treasury Office of Foreign Assets Control.

"Original Dollar Amount" means the amount of any Obligations denominated in U.S. Dollars and, in relation to any Loan denominated in an Alternative Currency, the U.S. Dollars Equivalent of such Loan on the day it is advanced or continued for an Interest Period.

"Other Connection Taxes" means, with respect to any Recipient, Taxes imposed as a result of a present or former connection between such Recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, court or documentary, intangible, recording, filing or similar Taxes that arise from any payment made under, from the execution, delivery, performance, enforcement or registration of, from the receipt or perfection of a security interest under, or otherwise with respect to, any Loan Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 11.6).

"Participant" is defined in Section 14.10 hereof.

"Participant Register" is defined in Section 14.10 hereof.

"Participating Interest" is defined in Section 1.2(e) hereof.

"Participating Lender" is defined in Section 1.2(e) hereof.

"Patriot Act" is defined in Section 14.20.

"PBGC" means the Pension Benefit Guaranty Corporation or any Person succeeding to any or all of its functions under ERISA.

"Percentage" means, for each Lender, the percentage of the Revolving Credit Commitments represented by such Lender's Revolving Credit Commitment or, if the Revolving Credit Commitments have been terminated, the percentage held by such Lender (including through participation interests in L/C Obligations outstanding under the Revolving Credit and Swing Loans) of the aggregate principal amount of all Revolving Loans, Swing Loans and L/C Obligations then outstanding.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, joint venture, association, company, unincorporated organization or any other entity or organization, including a government or any agency or political subdivision thereof.

"Plan" means any employee pension benefit plan covered by Title IV of ERISA or subject to the minimum funding standards under Section 412 of the Code that either (i) is maintained by a member of the Controlled Group for employees of a member of the Controlled Group or (ii) is maintained pursuant to a collective bargaining agreement or any other arrangement under which more than one employer makes contributions and to which a member of the Controlled Group is then making or accruing an obligation to make contributions or has within the preceding five plan years made contributions.

"Premium Finance Subsidiary" means a Subsidiary that engages in the business of financing insurance policy premiums.

"Priority Indebtedness" means, without duplication (a) any Indebtedness for Borrowed Money of the Company or a Restricted Subsidiary secured by a Lien permitted by Section 9.8(h) and (b) any Indebtedness for Borrowed Money of the Company's Restricted Subsidiaries; *provided that* there shall be excluded from

any calculation of Priority Indebtedness: (i) the Indebtedness for Borrowed Money of any Borrower or Guarantor (other than Indebtedness for Borrowed Money of any Borrower or Guarantor secured by a Lien permitted by Section 9.8(h)), (ii) the Indebtedness for Borrowed Money of any Restricted Subsidiary owing to the Company or a Wholly-owned Restricted Subsidiary of the Company, and (iii) with respect to any Person which becomes a Restricted Subsidiary after the Amendment No. 1 Effective Date, Indebtedness for Borrowed Money of such Person existing at the time such Person became a Restricted Subsidiary and any extension, renewal or refunding thereof, provided that such Indebtedness for Borrowed Money was not incurred in contemplation of such Person becoming a Restricted Subsidiary.

"Property" means any interest in any kind of property or asset, whether real, personal or mixed, or tangible or intangible.

"PTE" means a prohibited transaction class exemption issued by the U.S. Department of Labor, as any such exemption may be amended from time to time.

"Quoted Rate" is defined in Section 2.3 hereof.

"Recipient" means (a) the Administrative Agent, (b) any Lender, and (c) any L/C Issuer, as applicable.

"Reference Time" with respect to any setting of the then-current Benchmark for any Alternative Currency means, if such Benchmark is SONIA, then four (4) RFR Business Days prior to (A) if the date of such setting is an RFR Business Day, such date or (B) if the date of such setting is not an RFR Business Day, the RFR Business Day immediately preceding such date.

"Reimbursement Obligation" is defined in Section 1.2(c) hereof.

"Related Parties" means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person's Affiliates.

"Relevant Governmental Body" means (a) with respect to a Benchmark Replacement in respect of Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, Dollars, the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto and (b) with respect to a Benchmark Replacement in respect of Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to, any Alternative Currency, (i) the central bank for the Currency in which such Obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, or any central bank or other supervisor which is responsible for supervising either (A) such Benchmark Replacement or (B) the administrator of such Benchmark Replacement or (ii) any working group or committee officially endorsed or convened by (A) the central bank for the Currency in which such Obligations, interest, fees, commissions or other amounts are denominated, or calculated with respect to, (B) any central bank or other supervisor that is responsible for supervising either (1) such Benchmark Replacement or (2) the administrator of such Benchmark Replacement, (C) a group of those central banks or other supervisors or (D) the Financial Stability Board or any part thereof.

"Replaced Lender" is defined in Section 11.6 hereof.

"Replacement Lender" is defined in Section 11.6 hereof.

"Required Lenders" means, as of the date of determination thereof, Lenders holding greater than 50% of the Percentages. To the extent required by Section 14.12 the Percentage of any Defaulting Lender shall be disregarded in determining Required Lenders at any time.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Responsible Officer" means, with respect to any Borrower, each or any of its president, chief financial officer, treasurer, chief accounting officer or general counsel.

"*Restricted Subsidiary*" shall mean (a) any Subsidiary that is a Borrower or Guarantor and
(b) any Subsidiary that is not an Unrestricted Subsidiary.

"Revaluation Date" means, (i) with respect to any Revolving Loan denominated in an

Alternative Currency, each date as the Administrative Agent or the Required Lenders shall specify and (ii) with respect to any Letter of Credit denominated in an Alternative Currency, (a) the date of issuance thereof, (b) the date of each amendment thereto having the effect of increasing the amount thereof, (c) the last day of each calendar month, and (d) each additional date as the Administrative Agent or the Required Lenders shall specify.

"Revolving Credit" means the credit facility for making Revolving Loans and issuing Letter of Credit described in Sections 1.1 and 1.2 hereof.

"Revolving Credit Commitment" means, as to any Lender, the obligation of such Lender to make Revolving Loans and to participate in Swing Loans and Letters of Credit issued for the account of the Borrowers hereunder in an aggregate principal or face amount at any one time outstanding not to exceed the amount set forth opposite such Lender's name on Schedule I attached hereto, as the same may be reduced or modified at any time or from time to time pursuant to the terms hereof. The Borrowers and the Lenders acknowledge and agree that the Revolving Credit Commitments of the Lenders aggregate $1,200,000,000 on the Effective Date.

"Revolving Credit Note" is defined in Section 3.3(d) hereof.

"Revolving Loan" is defined in Section 1.1 hereof.

"RFR" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Sterling, SONIA.

"RFR Administrator" means the SONIA Administrator.

"RFR Adjustment" means, if the Daily Simple RFR is SONIA, a percentage per annum equal to 0.0326%.

"RFR Borrowing" means, as to any Borrowing, the RFR Loans comprising such Borrowing.

"RFR Business Day" means, for any Obligations, interest, fees, commissions or other amounts denominated in, or calculated with respect to Sterling, any day except for (i) a Saturday, (ii) a Sunday or

(iii) a day on which banks are closed for general business in London; *provided*, that for purposes of any notice requirements in this Agreement, such day is also a Business Day.

"RFR Loan" means a Loan that bears interest at a rate based on Daily Simple RFR pursuant to Section 1.3(d).

"RFR Rate Day" has the meaning specified in the definition of "Daily Simple RFR".

"*S&P*" means Standard & Poor's Ratings Financial Services, LLC, a subsidiary of S&P Global Inc., and any successor thereto.

"*Sanctioned Country*" means a country, region or territory that is the subject of a

Sanctions Program (at the time of this Agreement, the Crimea region of Ukraine, Cuba, Iran, North Korea, Sudan, and Syria).

"*Sanctioned Person*" means (a) a Person named on a Sanctions List, each Person owned fifty percent (50%) or more by a Person or Persons named on a Sanctions List, and each other Person that is subject to a Sanctions Program, (b) an agency or government of a Sanctioned Country, (c) an organization controlled directly or indirectly by a Sanctioned Country, or (d) a Person resident in a Sanctioned Country, to the extent subject to a Sanctions Program.

"*Sanctions Event*" means the event specified in Section 9.17(c).

"*Sanctions Lists*" means, and includes, (a) the list of Specially Designated Nationals and Blocked Persons maintained by OFAC, (b) the list of Sectoral Sanctions Identifications maintained by OFAC, (c) the list of Foreign Sanctions Evaders maintained by OFAC, and (d) any similar list maintained by the U.S. State Department, the U.S. Department of Commerce, the U.S. Department of the Treasury, or any other U.S. Governmental Authority, or maintained by a Canadian Governmental Authority, United Kingdom Governmental Authority, the United Nations Security Council, or the European Union.

"*Sanctions Programs*" means (a) all economic, trade, and financial sanctions programs administered by OFAC (including all laws, regulations, and Executive Orders administered by OFAC), the U.S. State Department, and any other U.S. Governmental Authority, including the Bank Secrecy Act, anti-money laundering laws (including the Patriot Act), and any and all similar United States federal laws, regulations or Executive Orders, and (b) to the extent applicable, all similar economic, trade, and financial sanctions programs administered, enacted, or enforced by the European Union, the United Nations Security Council, or the United Kingdom.

"*Scheduled Unavailability Date*" is defined in Section 11.2(b).

"*SEC*" means the U.S. Securities and Exchange Commission or any successor thereto.

"*Set-Off*" is defined in Section 14.6 hereof.

"SOFR" means a rate equal to the secured overnight financing rate as administered by the SOFR Administrator.

"SOFR Administrator" means the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

"SOFR Borrowing" means, as to any Borrowing, the SOFR Loans comprising such Borrowing.

"SOFR Loan" means a Loan that bears interest at a rate based on Adjusted Term SOFR, other than pursuant to clause (c) of the definition of "Base Rate".

"SONIA" means, with respect to any applicable determination date, a rate equal to the

Sterling Overnight Index Average as administered by the SONIA Administrator.

"SONIA Administrator" means the Bank of England (or any successor administrator of the Sterling Overnight Index Average).

"SONIA Administrator's Website" means the Bank of England's website, currently at http://www.bankofengland.co.uk, or any successor source for the Sterling Overnight Index Average identified as such by the SONIA Administrator from time to time.

"*Standby Letter of Credit*" means a Letter of Credit that is not a Commercial Letter of Credit.

"*Subsidiary*" means any corporation or other Person more than 50% of the Voting Stock of which is at the time directly or indirectly owned by the Company and/or one or more Persons which are themselves Subsidiaries of the Company.

"*Swap Contract*" means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a "*Master Agreement*"), including any such obligations or liabilities under any Master Agreement.

"*Swing Line*" means the credit facility for making one or more Swing Loans described in Section 2.1 hereof.

"*Swing Line Lender*" means Bank of Montreal, acting in its capacity as the Lender of Swing Loans hereunder, or any successor Lender acting in such capacity appointed pursuant to Section 14.11 hereof.

"*Swing Line Note*" is defined in Section 3.3(d) hereof.

"*Swing Line Sublimit*" means $75,000,000, as such amount may be reduced pursuant to the terms hereof.

"Swing Loans" is defined in Section 2.1 hereof.

"TARGET Settlement Day" means any day on which the Trans-European Automated

Real-Time Gross Settlement Express Transfer (TARGET) System is open.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

"Term SOFR" means,

(a) for any calculation with respect to a SOFR Loan, the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the *"Periodic Term SOFR Determination Day"*) that is two (2) U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; *provided, however,* that if as of 4:00 p.m. (Chicago time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and

(b) for any calculation with respect to a Base Rate Loan on any day, the Term SOFR Reference Rate for a tenor of one month on the day (such day, the *"Base Rate Term SOFR Determination Day"*) that is two (2) U.S. Government Securities Business Days prior to such day, as such rate is published by the Term SOFR Administrator; *provided, however,* that if as of 4:00 p.m. (Chicago time) on any Base Rate Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator and a Benchmark Replacement Date with respect to the Term SOFR Reference Rate has not occurred, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three (3) U.S. Government Securities Business Days prior to such Base Rate Term SOFR Determination Day; *provided, further,* that if Term SOFR determined as provided above (including pursuant to the proviso under clause (a) or clause (b) above) shall ever be less than the Floor, then Term SOFR shall be deemed to be the Floor

"Term SOFR Adjustment" means, for any calculation with respect to a Base Rate Loan or a SOFR Loan, a percentage per annum equal to 0.10%.

"Term SOFR Administrator" means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Administrative Agent in its reasonable discretion).

"Term SOFR Reference Rate" means the forward-looking term rate based on SOFR.

"Termination Date" means June 7, 2024 (except that, if such date is not a Business Day, the Termination Date shall be the next preceding Business Day).

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unadjusted Benchmark Replacement" means the applicable Benchmark Replacement excluding the related Benchmark Replacement Adjustment.

"Unfunded Vested Liabilities" means, for any Plan at any time, the amount (if any) by which the present value of all vested nonforfeitable accrued benefits under such Plan exceeds the fair market value of all Plan assets allocable to such benefits, all determined as of the then most recent valuation date for such Plan, but only to the extent that such excess represents a potential liability of a member of the Controlled Group to the PBGC or the Plan under Title IV of ERISA.

"Unrestricted Subsidiary" shall mean any Premium Finance Subsidiary that is (a) existing on the Effective Date and identified as a Premium Finance Subsidiary on Schedule 7.2 hereto, (b) acquired by the Company or any Subsidiary on or after the Effective Date or (c) created in connection with a reorganization of a Premium Finance Subsidiary on or after the Effective Date and that is a successor to any portion of such Premium Finance Subsidiary's business, other than a Borrower or a Guarantor, that (i) the Company has designated as an Unrestricted Subsidiary on the Effective Date or within 30 days of the date of acquisition or creation of such Premium Finance Subsidiary by the Company or any Subsidiary or (ii) has been designated as an Unrestricted Subsidiary in accordance with the provisions of Section 9.18 hereof.

"U.S. Dollar Equivalent" means (a) the amount of any Obligation or Letter of Credit denominated in U.S. Dollars and (b) in relation to any Obligation or Letter of Credit denominated in an Alternative Currency, the amount of U.S. Dollars which would be realized by converting such Alternative Currency into U.S. Dollars at the exchange rate quoted to the Administrative Agent, at approximately 11:00 a.m. (London time) three Business Days prior (i) to the date on which a computation thereof is required to be made, and (ii) on any Revaluation Date, in each case, by major banks in the interbank foreign exchange market for the purchase of U.S. Dollars for such Alternative Currency.

"U.S. Dollars" and *"$"* each means the lawful currency of the United States of America.

"U.S. Government Securities Business Day" means any day except for (i) a Saturday, (ii) a Sunday or (iii) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

"U.S. Person" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

"U.S. Tax Compliance Certificate" has the meaning assigned to such term in Section 14.1(g)(ii)(B)(iii).

"Voting Stock" means, with respect to any Person, the capital stock of any class or classes or other equity interests (however designated) having ordinary voting power for the election of directors or similar

governing body of such Person, other than stock or other equity interests having such power only by reason of the happening of a contingency.

"Welfare Plan" means a *"welfare plan"*, as defined in Section 3(1) of ERISA.

"Wholly-Owned" means, with respect to any Subsidiary, a Subsidiary of which all of the issued and outstanding shares of capital stock (other than directors' qualifying shares as required by law) or other equity interests are owned by the Company and/or one or more Wholly-Owned Subsidiaries of the Company within the meaning of this definition.

"Withholding Agent" means any Borrower and the Administrative Agent.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 6.2. Interpretation. The foregoing definitions are equally applicable to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise (a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. All references to time of day herein are references to Chicago, Illinois, time unless otherwise specifically provided. Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made for the purposes of this Agreement, it shall be done in accordance with GAAP except where such principles are inconsistent with the specific provisions of this Agreement.

Section 6.3. Change in Accounting Principles. If, after January 2, 2018, there shall occur any change in GAAP from those used in the preparation of the financial statements referred to in Section 7.5 hereof and such change shall result in a change in the method of calculation of any financial covenant, standard or term found in this Agreement, either the Company or the Required Lenders may by notice to the Lenders and the

Company, respectively, require that the Lenders and the Borrowers negotiate in good faith to amend such covenants, standards, and terms so as equitably to reflect such change in accounting principles, with the desired result being that the criteria for evaluating the financial condition of the Company and its Subsidiaries shall be the same as if such change had not been made. No delay by the Company or the Required Lenders in requiring such negotiation shall limit their right to so require such a negotiation at any time after such a change in accounting principles. Until any such covenant, standard, or term is amended in accordance with this Section 6.3, such covenant, standard, or term shall be computed and determined in accordance with GAAP in effect prior to such change in accounting principles. Without limiting the generality of the foregoing, the Company shall neither be deemed to be in compliance with any financial covenant hereunder nor out of compliance with any financial covenant hereunder if such state of compliance or noncompliance, as the case may be, would not exist but for the occurrence of a change in accounting principles. Notwithstanding any other provision contained herein, until such time as the Company shall elect by a one-time irrevocable written notice to the Administrative Agent, all terms of an accounting or financial nature used herein shall be construed, and all computations of amounts and ratios referred to herein shall be made without giving effect to (i) any change to, or modification of, GAAP which would require the capitalization of leases characterized as "operating leases" as of December 31, 2018 or (ii) any election under FASB ASC 815 regarding hedge accounting treatment, and for the avoidance of doubt, upon the making of such election, the concepts described in clauses (i) and (ii) shall be considered agreed between the Borrowers and the Lenders in accordance with the first sentence of this Section 6.3.

Section 6.4. Divisions. For all purposes under the Loan Documents, in connection with any division or plan of division (whether under Delaware law or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its equity interests at such time.

Section 6.5. Terms Applicable to Daily Simple RFR. From and after the Amendment No. 2 Effective Date, (i) references to Eurocurrency and Eurocurrency Loans in provisions of this Agreement and the other Loan Documents shall be deemed to include the Daily Simple RFR and RFR Loans, as applicable. (ii) for purposes of any requirement for the Borrower to compensate Lenders for losses in this Agreement resulting from any continuation, conversion, payment or prepayment of any RFR Loan on a day other than the last day of any Interest Period, references to the Interest Period shall be deemed to include any relevant interest payment date or payment period for an RFR Loan, as applicable.

Section 6.6. Rates. The Administrative Agent does not warrant or accept responsibility for, and shall not have any liability with respect to (a) the continuation of, administration of, submission of, calculation of or any other matter related to any Benchmark, any component definition thereof or rates referred to in the definition thereof, or any alternative, successor or replacement rate thereto (including any Benchmark Replacement), including whether the composition or characteristics of any such alternative, successor or replacement rate (including any Benchmark Replacement) will be similar to, or produce the same value or economic equivalence of, or have the same volume or liquidity as, the Benchmark or any other Benchmark prior to its discontinuance or unavailability, or (b) the effect, implementation or composition of any Conforming Changes. The Administrative Agent and its affiliates or other related entities may engage in transactions that affect the calculation of a Benchmark, any alternative, successor or replacement rate (including any Benchmark Replacement) and/or any relevant adjustments thereto, in each case, in a manner adverse to the Borrowers. The Administrative Agent may select information sources or services in its reasonable discretion to ascertain any Benchmark, in each case pursuant to the terms of this Agreement, and shall have no liability to the Borrowers, any Lender or any other person or entity for damages of any kind,

including direct or indirect, special, punitive, incidental or consequential damages, costs, losses or expenses (whether in tort, contract or otherwise and whether at law or in equity), for any error or calculation of any such rate (or component thereof) provided by any such information source or service.

SECTION 7. REPRESENTATIONS AND WARRANTIES.

The Borrowers hereby represent and warrant to the Administrative Agent and each Lender as follows:

Section 7.1. Organization and Qualification. The Company is duly organized, validly existing and in good standing as a corporation under the laws of the State of Delaware, has full corporate power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to be so licensed or qualified could not reasonably be expected to have a Material Adverse Effect.

Section 7.2. Subsidiaries. Each Restricted Subsidiary is duly organized, validly existing and, to the extent applicable, in good standing under the laws of the jurisdiction in which it is incorporated or organized, as the case may be, has full corporate or limited liability company power to own its Property and conduct its business as now conducted, and is duly licensed or qualified and in good standing in each jurisdiction in which the nature of the business conducted by it or the nature of the Property owned or leased by it requires such licensing or qualifying, except where the failure to be so licensed or qualified could not reasonably be expected to have a Material Adverse Effect. Schedule 7.2 hereto identifies as of May 31, 2019 (i) each Subsidiary, the jurisdiction of its incorporation or organization, as the case may be, the percentage of issued and outstanding shares of each class of its capital stock or other equity interests owned by the Company and its Subsidiaries and, if such percentage is not 100% (excluding directors' qualifying shares as required by law), a description of each class of its authorized capital stock and other equity interests and the number of shares of each class issued and outstanding, (ii) each direct Material Wholly-Owned Domestic Subsidiary and (iii) whether or not such Subsidiary is an Unrestricted Subsidiary. All of the outstanding shares of capital stock and other equity interests of each Restricted Subsidiary are validly issued and outstanding and, in the case of capital stock, fully paid and nonassessable and all such shares and other equity interests indicated on Schedule 7.2 as owned by the Company or any of its Restricted Subsidiaries are owned, beneficially and of record, by the Company or such Restricted Subsidiary free and clear of all Liens. There are no outstanding commitments or other obligations of any Restricted Subsidiary to issue, and no options, warrants or other rights of any Person to acquire, any shares of any class of capital stock or other equity interests of any Restricted Subsidiary.

Section 7.3. Corporate Authority and Validity of Obligations. Each Borrower has full corporate or limited liability company power and authority to enter into this Agreement and the other Loan Documents to which it is a party, to make the borrowings herein provided for, to issue the Notes in evidence thereof, and to perform all of its obligations hereunder and under the other Loan Documents to which it is a party. Each Guarantor has full corporate or limited liability company power and authority to enter into this Agreement pursuant to an Additional Guarantor Supplement and perform all of its Obligations hereunder. Each Loan Document to which any Borrower or any Guarantor is a party has been duly authorized, executed and delivered by such Borrower or such Guarantor, as the case may be, and constitutes the valid and binding obligation of such Borrower or such Guarantor enforceable in accordance with its terms except as enforceability may be limited by bankruptcy, insolvency, fraudulent conveyance or similar laws affecting creditors' rights generally and general principles of equity (regardless of whether the application of such principles is considered in a proceeding in equity or at law). No Loan Document, nor the performance or observance by any Borrower or any Guarantor of any of the matters and things herein or therein provided

for, (a) contravenes or constitutes a default under any provision of law or any judgment, injunction, order or decree binding upon any Borrower or any Guarantor or any provision of the charter, articles of incorporation or by-laws (or equivalent organizational document) of any Borrower or any Guarantor, (b) any covenant, indenture or agreement of or affecting any Borrower or any Guarantor or any of their respective Properties, in each case where such contravention or default, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect, or (c) result in the creation or imposition of any Lien on any Property of any Borrower or any Guarantor.

Section 7.4. Use of Proceeds; Margin Stock. The Borrowers shall use the proceeds of the Loans and other extensions of credit made available hereunder to fund their general corporate and working capital purposes and for such other purposes as are consistent with all applicable laws and the terms hereof. Neither the Company nor any Restricted Subsidiary is engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System), and no part of the proceeds of any Loan or any other extension of credit hereunder will be used to purchase or carry margin stock or used in a manner that violates any provision of Regulation U or X of the Board of Governors of the Federal Reserve System. Margin stock (as hereinabove defined) constitutes less than 25% of the assets of the Borrowers and their Restricted Subsidiaries. No part of the proceeds of the Loans will be used, directly or, to the knowledge of the Borrowers, indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else whether or not such Person is acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of any laws relating to bribery or corruption, including, without limitation, the United States Foreign Corrupt Practices Act of 1977, as amended and the rules and regulations thereunder.

Section 7.5. Financial Reports. The consolidated balance sheet of the Company and its Subsidiaries as at December 31, 2018, and the related consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal year then ended, and accompanying notes thereto, which financial statements are accompanied by the audit report of Ernst & Young LLP, independent public accountants, fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as at said date and the consolidated results of their operations and cash flows for the periods then ended in conformity with GAAP applied on a consistent basis. Except as previously disclosed in writing to the Administrative Agent, neither the Company nor any Subsidiary has contingent liabilities which are material to it other than as indicated on such financial statements or, with respect to future periods, on the financial statements furnished pursuant to Section 9.4 hereof.

Section 7.6. No Material Adverse Change. Since December 31, 2018, except as previously disclosed in the Company's Form 10-K filed with the SEC for the year ended December 31, 2018, there has been no change in the condition (financial or otherwise) of the Company and its Restricted Subsidiaries taken as a whole which could reasonably be expected to have a Material Adverse Effect.

Section 7.7. Full Disclosure. The written statements and information furnished to the Lenders in connection with the negotiation of this Agreement and the other Loan Documents and the commitments by the Lenders to provide all or part of the financing contemplated hereby do not contain any untrue statements of a material fact or omit a material fact necessary to make the material statements contained herein or therein not misleading, the Lenders acknowledging that as to any projections furnished to the Lenders, the Borrowers only represent that the same were prepared on the basis of information and estimates the Borrowers believed to be reasonable.

Section 7.8. Good Title. The Company and its Restricted Subsidiaries each have good and defensible

title (or valid leasehold interests) to their assets as reflected on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries furnished to the Lenders (except for sales of assets permitted hereunder), subject to no Liens other than such thereof as are permitted by Section 9.8 hereof.

Section 7.9. Litigation and Other Controversies. Except as otherwise disclosed in the Company's Form 10-K for the year ended December 31, 2018, there is no litigation, arbitration or governmental proceeding or labor controversy pending, nor to the knowledge of any Borrower threatened, against the Company or any of its Subsidiaries which could reasonably be expected to have a Material Adverse Effect.

Section 7.10. Taxes. All federal and state income and other material tax returns required to be filed by the Company and its Subsidiaries in any jurisdiction have, in fact, been filed, and all Taxes, upon the Company and its Subsidiaries or upon any of their respective Properties, income or franchises, which are shown to be due and payable in such returns, have been paid, except for any Taxes, being contested in good faith by appropriate proceeding which prevent or stay enforcement of the matter under contest and as to which adequate reserves established in accordance with GAAP have been provided. The Company does not know of any proposed additional Tax against it or its Subsidiaries for which adequate provisions in accordance with GAAP has not been made on its accounts. Adequate provisions in accordance with GAAP for Taxes on the books of the Company and its Subsidiaries have been made for all open years, and for its current fiscal period.

Section 7.11. Approvals. No authorization, consent, license, or exemption from, or filing or registration with, any Governmental Authority, nor any approval or consent of the stockholders of the Company or any other Person, is or will be necessary to the valid execution, delivery or performance by any Borrower of this Agreement or any other Loan Document, except for such approvals which have been obtained prior to the date of this Agreement and remain in full force and effect.

Section 7.12. Affiliate Transactions. Neither the Company nor any Restricted Subsidiary is a party to any contracts or agreements with any of its Affiliates (other than transactions between the Company and a Wholly-Owned Restricted Subsidiary or between Wholly-Owned Restricted Subsidiaries) on terms and conditions which are less favorable to the Company or such Restricted Subsidiary than would be usual and customary in similar contracts or agreements between Persons not affiliated with each other.

Section 7.13. Investment Company. Neither the Company nor any Restricted Subsidiary is an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended.

Section 7.14. ERISA. In respect of each Plan, the Company and each other member of its Controlled Group has fulfilled its obligations under the minimum funding standards of and is in compliance in all material respects with ERISA and the Code to the extent applicable to it and has not incurred any material liability to the PBGC or a Plan under Title IV of ERISA other than a liability to the PBGC for premiums under Section 4007 of ERISA. Neither the Company nor any Subsidiary has any material contingent liabilities with respect to any post-retirement benefits under a Welfare Plan, other than liability for continuation coverage described in article 6 of Title I of ERISA.

Section 7.15. Compliance with Laws. The Company and its Subsidiaries are in compliance with the requirements of all federal, state and local laws, rules and regulations applicable to or pertaining to their Properties or business operations (including, without limitation, the Occupational Safety and Health Act of 1970, the Americans with Disabilities Act of 1990, and laws and regulations establishing quality criteria and standards for air, water, land and toxic or hazardous wastes and substances), where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Neither the

Company nor any Subsidiary has received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which non-compliance or remedial action, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 7.16. Other Agreements. Neither the Company nor any Subsidiary is in default under the terms of any covenant, indenture or agreement of or affecting the Company, any Subsidiary or any of their Properties, which default if uncured could reasonably be expected to have a Material Adverse Effect.

Section 7.17. Labor Controversies. There are no labor controversies pending or, to the knowledge of the Company, threatened against the Company or any Restricted Subsidiary which could reasonably be expected to have a Material Adverse Effect.

Section 7.18. Insolvency. After giving effect to the execution and delivery of the Loan Documents and the extensions of credit under this Agreement: (a) neither any Borrower nor any Guarantor will (i) be "insolvent," within the meaning of such term as used in §101 of the "Bankruptcy Code", or Section 2 of either the "UFTA" or the "UFCA", or as defined or used in any "Other Applicable Law" (as those terms are defined below), or (ii) be unable to pay its debts generally as such debts become due within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA or Section 6 of the UFCA, or (iii) have an unreasonably small capital to engage in any business or transaction, whether current or contemplated, within the meaning of Section 548 of the Bankruptcy Code, Section 4 of the UFTA or Section 5 of the UFCA; and (b) the obligations of the Borrowers and the Guarantors under the Loan Documents and with respect to the Loans and Letters of Credit will not be rendered avoidable under any Other Applicable Law. For purposes of this Section, *"Bankruptcy Code"* means Title 11 of the United States Code, *"UFTA"* means the Uniform Fraudulent Transfer Act, *"UFCA"* means the Uniform Fraudulent Conveyance Act, and *"Other Applicable Law"* means any other applicable law pertaining to fraudulent transfers or obligations voidable by creditors, in each case as such law may be amended from time to time.

Section 7.19. No Default. No Default or Event of Default has occurred and is continuing.

Section 7.20. Compliance with Sanctions Programs. (a) The Company is in compliance with the requirements of all Sanctions Programs and Anti-Corruption Laws applicable to it, non-compliance with which could reasonably be expected to have a Material Adverse Effect. Each Subsidiary of the Company is in compliance with the requirements of all Sanctions Programs and Anti-Corruption Laws applicable to such Subsidiary non-compliance with which could reasonably be expected to have a Material Adverse Effect. The Company has provided to the Administrative Agent, the L/C Issuer, and the Lenders all information regarding the Company and its Affiliates and Subsidiaries requested by the Administrative Agent and necessary for the Administrative Agent, the L/C Issuer, and the Lenders to comply with all applicable Sanctions Programs and Anti-Corruption Laws. None of the Company, any of its Subsidiaries or, to the best of the Company's knowledge, any of its directors, officers or Affiliates is, as of the date hereof, a Sanctioned Person.

(b)The Borrowers and their Subsidiaries have instituted and maintain in effect policies and procedures reasonably designed to ensure compliance by the Borrowers, their Subsidiaries, and the Borrowers' and their Subsidiaries' respective directors, officers and employees with all applicable Anti-Corruption Laws and Sanctions Programs.

(c)No Borrower, Guarantor nor any of their Subsidiaries or, to the knowledge of the Company, any director, officer, employee, agent, or Affiliate of a Borrower, Guarantor or any of their Subsidiaries is an

individual or entity that is, or is owned or controlled by Persons that are: (i) the subject of any sanctions administered or enforced by OFAC, the U.S. Department of State, the United Nations Security Council, the European Union, Her Majesty's Treasury, or other relevant sanctions authority, or (ii) located, organized or resident in a country or territory that is a Sanctioned Country.

SECTION 8. CONDITIONS PRECEDENT.

The obligation of each Lender to advance, continue, or convert any Loan (other than the continuation of, or conversion into, a Base Rate Loan), or of the L/C Issuer to issue, extend the expiration date of or increase the amount of any Letter of Credit, shall be subject to the following conditions precedent:

Section 8.1. Initial Credit Event. The effectiveness of this Agreement shall be subject to the satisfaction prior to or on the date of this Agreement, of the following conditions:

(a) The Administrative Agent (or its counsel) shall have received from each party hereto a counterpart of this Agreement signed on behalf of such party;

(b) If requested by any Lender, the Administrative Agent shall have received (i) for each Lender, such Lender's duly executed Revolving Credit Note and (ii) the Swing Line Lender's duly executed Swing Line Note dated the date hereof;

(c) The Administrative Agent shall have received for each Lender the favorable written opinion of counsel to the Borrowers in form and substance satisfactory to the Administrative Agent and its counsel;

(d) The Administrative Agent shall have received (i) an original certificate of good standing for each Borrower (to the extent applicable), certified as of a date not earlier than 30 days prior to the date hereof by the Secretary of State of such party's jurisdiction of organization and (ii) certificate or articles of incorporation or formation, together with all amendments thereto, and bylaws and any amendments thereto, for each Borrower, certified by such party's Secretary or an Assistant Secretary;

(e) The Administrative Agent shall have received copies of resolutions of each Borrower's Board of Directors authorizing the execution and delivery of the Loan Documents to which it is a party and the consummation of the transactions contemplated thereby, together with specimen signatures of the persons authorized to execute such documents on behalf of such Borrower, all certified in each instance by its Secretary or Assistant Secretary;

(f) The Administrative Agent shall have received a list of the Company's Authorized Representatives;

(g) The Administrative Agent shall have received the fees (a) accrued to the Effective Date under Section 4.1(a) and 4.1(b) of the Existing Credit Agreement and (b) required by Section 4.1(c) and 4.1(d) hereof;

(h) Each of the representations and warranties set forth in Section 7 hereof shall be true and correct in all material respects;

(i) All legal matters incident to the execution and delivery of the Loan Documents shall be reasonably satisfactory to the Lenders; and

(j)Upon the reasonable request of any Lender made at least five (5) days prior to the Effective Date, the Borrowers shall have provided to such Lender, and such Lender shall be reasonably satisfied with, the documentation and other information so requested in connection with applicable "know your customer" and anti-money-laundering rules and regulations, including, without limitation, the Patriot Act, in each case at least five (5) days prior to the Effective Date.

Section 8.2. All Credit Events. As of the time of each Credit Event hereunder:

(a)In the case of a Borrowing of a Revolving Loan, the Administrative Agent shall have received the notice required by Section 1.5 hereof (including any deemed notice under Section 1.5(c)); in the case of a Swing Loan, the Swing Line Lender shall have received the notice required in Section 2.3 hereof; in the case of the issuance of any Letter of Credit, the L/C Issuer shall have received a duly completed Application for such Letter of Credit (along with the fees required by Section 4.1(b) hereof); in the case of an extension or increase in the amount of a Letter of Credit, the L/C Issuer shall have received a written request therefor (along with the fees required by Section 4.1(b) hereof) in a form acceptable to the L/C Issuer;

(b)Each of the representations and warranties set forth in Section 7 hereof (other than Section 7.6) shall be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of said time, taking into account any amendments to such Section made after the date of this Agreement in accordance with its provisions, except that if any such representation or warranty relates solely to an earlier date it need only be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of such date;

(c)No Default or Event of Default shall have occurred and be continuing or would occur as a result of such Credit Event;

(d)After giving effect to such Credit Event, the aggregate U.S. Dollar Equivalent of Revolving Loans, Original Dollar Amount of Swing Loans and U.S. Dollar Equivalent of L/C Obligations then outstanding shall not exceed the Revolving Credit Commitments then in effect; and

(e)Such Credit Event shall not violate any order, judgment or decree of any court or other authority or any provision of law or regulation applicable to the Administrative Agent or any Lender (including, without limitation, Regulation U or X of the Board of Governors of the Federal Reserve System).

Each request for a Borrowing hereunder and each request for the issuance of, increase in the amount of, or extension of the expiration date of, a Letter of Credit shall be deemed to be a representation and warranty by the Borrowers on the date of such Credit Event as to the facts specified in paragraphs (a) through (d), both inclusive, of this Section 8.2.

SECTION 9. COVENANTS.

The Borrowers covenant and agree that, so long as any credit is available to or in use by the Borrowers hereunder, except to the extent compliance in any case is waived in writing pursuant to the terms of Section 14.12 hereof:

Section 9.1. Maintenance of Business. The Company shall, and shall cause each Restricted Subsidiary to, preserve and maintain its existence, and preserve and keep in force and effect all licenses, permits and franchises necessary to the proper conduct of its business except where the failure to have any such license, permit or franchise could not reasonably be expected to have a Material Adverse Effect; *provided, however,* that nothing in this Section 9.1 shall prohibit the dissolution, merger, sale, transfer or other disposition of any Restricted Subsidiary which is otherwise permitted under Section 9.10 hereof.

*Section 9.2. Taxes and Assessment*s. The Company shall duly pay and discharge, and shall cause each Subsidiary to duly pay and discharge, all material Taxes, rates, assessments, fees and governmental charges upon or against it or its Properties, in each case before the same become delinquent and before penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves are provided therefor.

Section 9.3. Insurance. The Company shall insure and keep insured, and shall cause each Restricted Subsidiary to insure and keep insured, with responsible insurance companies, all insurable Property owned by it which is of a character usually insured by Persons similarly situated and operating like Properties against loss or damage from such hazards and risks, and in such amounts, as are insured by Persons similarly situated and operating like Properties; and the

Company shall, and shall cause each Restricted Subsidiary to, maintain insurance with respect to their respective businesses covering such other hazards and risks (including employers' and public liability risks) with responsible insurance companies as and to the extent usually insured by Persons similarly situated and conducting similar businesses. The Company shall upon written request furnish to the Administrative Agent and any Lender a certificate setting forth in summary form the nature and extent of the insurance maintained pursuant to this Section.

Section 9.4. Financial Reports. The Company shall, and shall cause each Subsidiary to, maintain a standard system of accounting in accordance with GAAP and shall furnish to the Administrative Agent, each Lender and their duly authorized representatives such information respecting the business and financial condition of the Company and its Subsidiaries as the Administrative Agent may reasonably request (each Lender to have the right to require the Administrative Agent make such request); and without any request, the Company will furnish each of the following to the Administrative Agent, with sufficient copies for each Lender (which the Administrative Agent shall promptly distribute to each Lender) or, in lieu of furnishing any such item to the Administrative Agent, may at such time notify the Administrative Agent that such item has been posted to a website maintained by or on behalf of the Company and accessible to all of the Lenders, such notification to inform the Administrative Agent of any information necessary to allow the Lenders to access such item:

(a)as soon as available, and in any event within 45 days after the close of each of the first three fiscal quarters of each fiscal year of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the last day of such period and the consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the fiscal quarter and for the fiscal year-to-date period then ended, each in reasonable detail showing in comparative form the figures for the corresponding date and period in the previous fiscal year, prepared by the Company in accordance with GAAP (subject to normal year-end adjustments) and certified to by its President, Chief Financial Officer, Vice President and Treasurer, or Chief Accounting Officer;

(b)as soon as available, and in any event within 90 days after the close of each annual accounting period of the Company, a copy of the consolidated balance sheet of the Company and its Subsidiaries as of the last day of the period then ended and the consolidated statements of income, retained earnings and cash flows of the Company and its Subsidiaries for the period then ended, and accompanying notes thereto, each in reasonable detail showing in comparative form the figures for the previous fiscal year, accompanied by an opinion thereon, unqualified as to scope and going-concern status, of Ernst & Young LLP or another firm of independent public accountants of recognized national standing, to the effect that the financial statements have been prepared in accordance with GAAP and present fairly, in all material respects, in accordance with GAAP the consolidated financial condition of the Company and its Subsidiaries as of the close of such fiscal year and the consolidated results of their operations and cash flows for the fiscal year then ended and that such accountants' audit of such financial statements has been made in accordance with generally accepted auditing standards;

(c)within the period provided in subsection (b) above, the written statement of the accountants who certified the audit report thereby required that in the course of their audit they have obtained no knowledge of any Default or Event of Default with respect to Sections 9.6 and 9.7, or, if such accountants have obtained knowledge of any such Default or Event of Default, they shall disclose in such statement the nature and period of the existence thereof;

(d)promptly after receipt thereof, any additional written reports, management letters or other detailed information contained in writing given to it by its independent public accountants and having a material impact on the consolidated financial condition of the Company and its Subsidiaries;

(e)promptly after the sending or filing thereof, copies of all proxy statements, financial statements and reports which the Company sends to its shareholders, and copies of all regular, periodic and special reports and all registration statements which the Company files with the SEC or with any national securities exchange;

(f)promptly after knowledge thereof shall have come to the attention of any Responsible Officer of the Company, written notice of (i) any threatened or pending litigation or governmental or arbitration proceeding or labor controversy against the Company or any Subsidiary which could reasonably be expected to have a Material Adverse Effect or (ii) of the occurrence of any Default or Event of Default hereunder;

(g)notice of any Change in Control;

(h)together with any financial statements delivered pursuant to Section 9.4(a) or (b), an unaudited balance sheet and statement of earnings for the dates and periods as in such paragraph (a) or (b) covering the Company and the Restricted Subsidiaries on a consolidated basis together with unaudited consolidating statements reflecting eliminations or adjustments required in order to reconcile such financial statements to the corresponding consolidated financial statements of the Company and its Subsidiaries delivered pursuant to paragraphs (a) and (b) above;

(i)promptly after the effectiveness thereof (i) true and complete copies of any amendments to any Note Purchase Agreement and (ii) notice of the addition of any guarantor under any Note Purchase Agreement; and

(j)promptly, from time to time, information and documentation reasonably requested by the Administrative Agent or any Lender for purposes of compliance with applicable "know your

customer" requirements under the Patriot Act or other applicable Anti-Corruption Laws.

Each of the financial statements furnished to the Administrative Agent and the Lenders pursuant to subsections (a) and (b) of this Section shall be accompanied by a Compliance Certificate signed by the President, the Chief Financial Officer, Chief Accounting Officer, or the Vice President and Treasurer of the Company to the effect that to the best of such officer's

knowledge and belief no Default or Event of Default has occurred during the period covered by such statements or, if any such Default or Event of Default has occurred during such period, setting forth a description of such Default or Event of Default and specifying the action, if any, taken by the Borrowers to remedy the same. Such Compliance Certificate shall also (i) set forth the calculations supporting such statements in respect of Sections 9.6, 9.7, 9.16, and 9.19 of this Agreement and (ii) contain a calculation of the Cash Flow Leverage Ratio for purposes of determining adjustments (if any) to the Applicable Margins.

The documents required to be delivered pursuant to clauses (a), (b) or (e) above shall be deemed to have been delivered on the date on which such documents are filed for public availability on the SEC's Electronic Data Gathering and Retrieval System (it being understood that the Company shall not be required to provide notice to the Administrative Agent or any Lender of such electronic filing of information); *provided that* the Company shall deliver electronic copies of such information to any Lender promptly upon request of such Lender through the Administrative Agent. The Administrative Agent shall have no obligation to request the delivery of or to maintain copies of the documents referred to above, and in any event shall have no responsibility to monitor compliance by the Company with any such request by a Lender for delivery, and each Lender shall be solely responsible for timely accessing posted documents or requesting delivery of copies of such document to it and maintaining its copies of such documents.

Section 9.5. Inspection. The Company shall, and shall cause each Restricted Subsidiary to, permit the Administrative Agent, each Lender and each of their duly authorized representatives and agents during normal business hours to visit and inspect any of the Properties, corporate books and financial records of the Company and each Restricted Subsidiary, to examine and make copies of the books of accounts and other financial records of the Company and each Restricted Subsidiary, and to discuss the affairs, finances and accounts of the Company and each Restricted Subsidiary with, and to be advised as to the same by, its officers, employees and independent public accountants (and by this provision the Company hereby authorizes such accountants to discuss with the Administrative Agent and such Lender the finances and affairs of the Company and of each Restricted Subsidiary) at such reasonable times and reasonable intervals as the Administrative Agent or any such Lender may designate.

Section 9.6. Cash Flow Leverage Ratio. The Company shall not at any time permit its Cash Flow Leverage Ratio to be more than 3.50 to 1.00.

Section 9.7. Interest Coverage Ratio. The Company shall not at any time permit its Interest Coverage Ratio to be less than 3.50 to 1.00.

Section 9.8. Liens. The Company shall not, nor shall it permit any Restricted Subsidiary to, create, incur or permit to exist any Lien of any kind on any Property owned by the Company or such Restricted Subsidiary; *provided, however,* that the foregoing shall not apply to nor operate to prevent:

(a)Liens arising by statute in connection with worker's compensation, unemployment insurance, old age benefits, social security obligations, Taxes, assessments, statutory obligations or other similar charges (other than Liens arising under ERISA), good

faith cash deposits in connection with tenders, contracts or leases to which the Company or any Restricted Subsidiary is a party or other cash deposits required to be made in the ordinary course of business, *provided* in each case that the obligation is not for borrowed money and that the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest and adequate reserves have been established therefor;

(b)mechanics', workmen's, materialmen's, landlords', carriers', or other similar Liens arising in the ordinary course of business with respect to obligations which are not due or which are being contested in good faith by appropriate proceedings which prevent enforcement of the matter under contest;

(c)judgment liens and judicial attachment liens not constituting an Event of Default under Section 10.1(h) hereof and the pledge of assets for the purpose of securing an appeal, stay or discharge in the course of any legal proceeding, *provided* that the aggregate amount of liabilities of the Company and its Restricted Subsidiaries secured by a pledge of assets permitted under this subsection, including interest and penalties thereon, if any, shall not at any one time outstanding be in excess of the greater of $50,000,000 and 1% of Consolidated Total Assets as of the end of the most recent fiscal year for which financial statements have been delivered to the Lenders;

(d)Liens on Property of the Company or any of its Restricted Subsidiaries created solely for the purpose of securing purchase money indebtedness or Capitalized Lease Obligations and, representing or incurred to finance, refinance or refund the purchase price of Property, *provided* that no such Lien shall extend to or cover other Property of the Company or such Restricted Subsidiary other than the respective Property so acquired, and the principal amount of indebtedness secured by any such Lien shall at no time exceed the original purchase price of such Property as reduced by repayments of principal thereon;

(e)leases or subleases granted to others in the ordinary course of business and any interest or title of a lessor under any lease permitted by this Agreement;

(f)customary rights of set off, revocation, refund or chargeback under deposit agreements or under the Uniform Commercial Code in favor of banks or other financial institution where the Company or any Restricted Subsidiary maintains deposits in the ordinary course of business;

(g)Liens constituting encumbrances in the nature of zoning restrictions, condemnations, easements, encroachments, covenants, rights of way, minor defects, irregularities and rights or restrictions of record on the title or use of real property, which do not materially detract from the value of such property or materially impair the use thereof in the business of the Company or any Restricted Subsidiary; and

(h)Liens other than those permitted by any of the foregoing subsections (a) through (g) *provided* such Liens do not at any time secure obligations exceeding 10% of Net Worth as then determined and computed.

Section 9.9. Acquisitions. The Company shall not, nor shall it permit any Restricted Subsidiary to, acquire all or any substantial part of the assets or business of any other Person or division thereof; *provided, however,* that the foregoing shall not apply to nor operate to prevent acquisitions of all or substantially all of the assets or business of any other Person or division thereof, or all or any part of the Voting Stock of or other

equity interest in any Person (including as such an acquisition, any action to participate as a joint venturer in any joint venture or as a partner in any partnership), in each case if and so long as no Default or Event of Default exists or would exist after giving effect to such acquisition.

Section 9.10. Mergers, Consolidations and Sales. The Company shall not be a party to any merger or consolidation unless the Company is the surviving entity and no Default or Event of Default exists or would exist after giving effect to such merger or consolidation. The Company shall not, nor shall it permit any Restricted Subsidiary to, sell, transfer, lease or otherwise dispose of all or any part of its Property, including any disposition of Property as part of a sale and leaseback transaction, or in any event sell or discount (with or without recourse) any of its notes or accounts receivable; *provided, however,* that so long as no Default or Event of Default exists this Section shall not apply to nor operate to prevent:

(a)the sale or lease of inventory in the ordinary course of business;

(b)the sale, transfer, lease or other disposition of Property of the Company and its Restricted Subsidiaries to one another in the ordinary course of business;

(c)the merger of any Restricted Subsidiary with or into the Company (with the Company being the surviving entity) or another existing or newly-formed Restricted Subsidiary;

(d)the dissolution of any Restricted Subsidiary pursuant to a plan of dissolution requiring the conveyance or distribution of all or substantially all of the assets of such Restricted Subsidiary to the Company or to another existing or newly-formed Restricted Subsidiary;

(e)the dissolution, sale or transfer of any Non-Borrower Restricted Subsidiary;

(f)the sale of delinquent notes or accounts receivable in the ordinary course of business for purposes of collection only (and not for the purpose of any bulk sale or securitization transaction);

(g)the sale, transfer or other disposition of any tangible personal property that, in the reasonable business judgment of the Company or its Restricted Subsidiary, has become obsolete or worn out, and which is disposed of in the ordinary course of business;

(h)sales by the Company or its Restricted Subsidiaries of assets categorized in the “Corporate” segment (or any successor thereto) as identified in the Company’s consolidated financial statements filed with the SEC; and

(i)any other sale, transfer, lease or disposition of Property of the Company or any Restricted Subsidiary not described in the foregoing clauses (a) through (h) (including any disposition of Property as part of a sale and leaseback transaction) aggregating for the Company and its Restricted Subsidiaries during the term of this Agreement not more than the greater of (i) $500,000,000 and (ii) 10% of Consolidated Total Assets as of the end of the most recent fiscal year for which financial statements have been delivered to the Lenders.

Section 9.11. ERISA. The Company shall, and shall cause each Restricted Subsidiary to, promptly pay and discharge all obligations and liabilities arising under ERISA of a character which if unpaid or unperformed could reasonably be expected to result in the imposition of a Lien against any of its Properties. The Company shall, and shall cause each Restricted Subsidiary to, promptly notify the Administrative Agent and each Lender of (i) the occurrence of any reportable event (as

defined in ERISA) with respect to a Plan (other than a reportable event with respect to which the 30 day notice requirement is waived), (ii) receipt of any notice from the PBGC of its intention to seek termination of any Plan or appointment of a trustee therefor, (iii) its intention to terminate or withdraw from any Plan, and (iv) the occurrence of any event with respect to any Plan which would result in the incurrence by the Company or any Restricted Subsidiary of any material liability, fine or penalty, or any material increase in the contingent liability of the Company or any Restricted Subsidiary with respect to any post-retirement Welfare Plan benefit.

Section 9.12. Compliance with Laws. The Company shall, and shall cause each Subsidiary to, comply in all respects with the requirements of all federal, state and local laws, rules, regulations, ordinances and orders applicable to or pertaining to their Properties or business operations, where any such non-compliance, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

Section 9.13. Burdensome Contracts with Affiliates. The Company shall not, nor shall it permit any Restricted Subsidiary to, enter into any contract, agreement or business arrangement with any of its Affiliates (other than transactions between the Company and a Wholly-Owned Restricted Subsidiary or between Wholly-Owned Restricted Subsidiaries) on terms and conditions which are less favorable to the Company or such Restricted Subsidiary than would be usual and customary in similar contracts, agreements or business arrangements between Persons not affiliated with each other.

Section 9.14. No Changes in Fiscal Year. Neither the Company nor any Subsidiary shall change its fiscal year from its present basis without the prior written consent of the Required Lenders, such consent not to be unreasonably withheld.

Section 9.15. Change in the Nature of Business. The Company shall not, and shall not permit any Restricted Subsidiary to, engage in any business or activity if as a result the general nature of the business of the Company and its Restricted Subsidiaries taken as a whole would be changed in any material respect from the general nature of the business engaged in by the Company and its Restricted Subsidiaries on the Effective Date.

Section ~~*9. 16*~~*9.16. Limitations on Consolidated Priority Indebtedness*. The Company will not, as at the end of any fiscal quarter, permit Consolidated Priority Indebtedness to exceed 15% of Consolidated Total Capitalization, calculated in accordance with GAAP.

Section 9.17. Compliance with Sanctions Programs and Anti-Corruption Laws. (a) The Company shall at all times comply with the requirements of all Sanctions Programs and Anti-Corruption Laws applicable to the Company and shall cause each of its Subsidiaries to comply with the requirements of all Sanctions Programs and Anti-Corruption Laws applicable to such Subsidiary, in each case, the non-compliance with which could reasonably be expected to have a Material Adverse Effect.

(b)The Company shall provide the Administrative Agent, the L/C Issuer, and the Lenders promptly after request therefor any information regarding the Company, its Affiliates, and its Subsidiaries necessary for the Administrative Agent, the L/C Issuer and the Lenders to comply with all applicable Sanctions Programs and Anti-Corruption Laws and other similar laws, regulations and orders applicable to any of them; subject however, in the case of Affiliates, to the Company's ability to provide information applicable to them.

(c)If the Company obtains actual knowledge or receives any written notice that the Company, any Affiliate or any Subsidiary is named on any then current Sanctions List (such occurrence, a *"Sanctions Event"*), the Company shall promptly (i) give written notice to the Administrative Agent, the L/C Issuer, and the Lenders of such Sanctions Event, and (ii) comply with all applicable laws with respect to such Sanctions Event (regardless of whether the party included on the Sanctions List is located within the jurisdiction of the United States of America), including the Sanctions Programs, and the Company hereby authorizes and consents to the Administrative Agent, the L/C Issuer, and the Lenders taking any and all steps the Administrative Agent, the L/C Issuer, or the Lenders deem necessary, in their sole but reasonable discretion, to avoid violation of all applicable laws with respect to any such Sanctions Event, including the requirements of the Sanctions Programs (including the freezing and/or blocking of assets and reporting such action to OFAC).

(d)No Borrower will use any proceeds of the Loans (and the Company shall not request any Letter of Credit, the proceeds of which, to the knowledge of the Borrowers, will be used to) (i) to finance or otherwise fund, directly or indirectly, any activity or business with any Sanctioned Person or any Sanctioned Country or (ii) in any other manner that will result in a violation of any Sanctions Program or any Anti-Corruption Laws by any Person (including any Person participating in the Loans or Letters of Credit, whether as lender, underwriter, advisor, investor, or otherwise).

Section 9.18. Redesignation of Restricted and Unrestricted Subsidiaries. The Company may designate any Unrestricted Subsidiary that is a Premium Finance Subsidiary (a) existing on the Effective Date and identified as a Premium Finance Subsidiary on Schedule 7.2 hereto, (b) acquired by the Company or any Subsidiary on or after the Effective Date or (c) created in connection with a reorganization of a Premium Finance Subsidiary on or after the Effective Date (other than a Borrower or a Guarantor) to be a Restricted Subsidiary and may designate any Restricted Subsidiary to be an Unrestricted Subsidiary by giving written notice to the Administrative Agent that the Company has made such designation, *provided, however*, that no

Unrestricted Subsidiary may be designated a Restricted Subsidiary and no Restricted Subsidiary may be designated an Unrestricted Subsidiary unless, at the time of such designation and after giving effect thereto, no Default or Event of Default shall exist. Any Restricted Subsidiary that has been designated an Unrestricted Subsidiary and that has been redesignated a Restricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 9.18, shall not at any time thereafter be redesignated an Unrestricted Subsidiary without the prior written consent of the Required Lenders. Any Unrestricted Subsidiary that has been designated a Restricted Subsidiary and that has then been redesignated an Unrestricted Subsidiary, in each case in accordance with the provisions of the first sentence of this Section 9.18, shall not, except as required in order for the Company to comply with the requirements of Section 9.19, at any time thereafter be redesignated a Restricted Subsidiary without the prior written consent of the Required Lenders. For the purpose of determining whether a Default or an Event of Default exists after giving effect to any designation pursuant to this Section 9.18, compliance with Sections 9.6, 9.7, 9.16 and 9.19 shall be determined as of the end of the fiscal quarter most recently ended on or before the effective date of such designation on a pro forma basis as though such designation had been in effect as of the first day of the four consecutive fiscal quarters of the Company ending with such most recent fiscal quarter.

Section 9.19. Limitation on Unrestricted Subsidiaries. The Company (a) will not, as of the end of any fiscal quarter, permit the amount of Consolidated Total Assets to be less than 90% of the Consolidated Total Assets (determined as if the term "*Restricted Subsidiary*" appearing in the defined

term Consolidated Total Assets was replaced with the term "*Subsidiary*" and without giving effect to the deduction set forth in such defined term) and (b) will not, as of the end of any fiscal quarter, permit EBITDA for the period of four consecutive fiscal quarters most recently ending on or prior to such time to be less than 90% of EBITDA (determined as if the term "*Restricted Subsidiary*" appearing in the defined term EBITDA (and in the definition of each term used therein) was replaced with the term "*Subsidiary*" and without giving effect to clause (x) of the definition of "EBIT") for such period.

SECTION 10. EVENTS OF DEFAULT AND REMEDIES.

Section 10.1. Events of Default. Any one or more of the following shall constitute an Event of Default:

(a)default (i) in the payment when due of the principal amount of any Loan or Reimbursement Obligation or (ii) for a period of three (3) Business Days in the payment when due of interest or fees or any part of any other Obligation payable by the Borrowers hereunder or under any other Loan Document; or

(b)default in the observance or performance of the Borrowers' obligation to deliver cash collateral for Letters of Credit as required by Section 1.2(b) hereof; or

(c)default for a period of one (1) Business Day in the observance or performance of the Company's obligations under Section 9.4 hereof; or

(d)default in the observance or performance of any covenant set forth in Sections 9.6, 9.7, 9.9, 9.10 or 9.15 hereof; or

(e)default in the observance or performance of any other provision hereof or of any other Loan Document which is not remedied within 30 days after the earlier of (i) the date on which such failure shall first become known to any Responsible Officer of the Company or (ii) written notice thereof is given to the Company by the Administrative Agent or any Lender; or

(f)(i) any representation or warranty made by the Company herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan or other extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof, or (ii) any representation or warranty made by any Borrower (other than the Company) or Guarantor herein or in any other Loan Document, or in any statement or certificate furnished by it pursuant hereto or thereto, or in connection with any Loan or other extension of credit made hereunder, proves untrue in any material respect as of the date of the issuance or making thereof and such untruthfulness could reasonably be expected to have a Material Adverse Effect; or

(g)default shall occur under any evidence of Indebtedness for Borrowed Money issued, assumed or guaranteed by the Company or any Restricted Subsidiary aggregating in excess of $100,000,000, or under any indenture, agreement or other instrument under which the same may be issued, and such default shall continue for a period of time sufficient to permit the acceleration of the maturity of any such Indebtedness for Borrowed Money (whether or not such maturity is in fact accelerated), or any such Indebtedness for Borrowed Money shall not be paid when due (whether by lapse of time, acceleration or otherwise); or

(h)any judgment or judgments, writ or writs, or warrant or warrants of attachment, or any

similar process or processes in an aggregate amount in excess of $100,000,000 shall be entered or filed against the Company or any Restricted Subsidiary or against any of their Property which remains unvacated, unbonded, unstayed or unsatisfied for a period of 30 days; or

(i)the Company or any member of its Controlled Group shall fail to pay when due an amount or amounts aggregating in excess of $2,000,000 which it shall have become liable to pay to the PBGC or to a Plan under Title IV of ERISA; or notice of intent to terminate a Plan or Plans having aggregate Unfunded Vested Liabilities in excess of $15,000,000 (collectively, a *"Material Plan"*) shall be filed under Title IV of ERISA by the Company or any other member of its Controlled Group, any plan administrator or any combination of the foregoing; or the PBGC shall institute proceedings under Title IV of ERISA to terminate or to cause a trustee to be appointed to administer any Material Plan or a proceeding shall be instituted by a fiduciary of any Material Plan against the Company or any member of its Controlled Group to enforce Section 515 or 4219(c)(5) of ERISA and such proceeding shall not have been dismissed within 30 days thereafter; or a condition shall exist by reason of which the PBGC would be entitled to obtain a decree adjudicating that any Material Plan must be terminated; or

(j)the occurrence of a Change in Control; or

(k)any Borrower or any Material Subsidiary shall (i) have entered involuntarily against it an order for relief under the United States Bankruptcy Code, as amended, (ii) not pay, or admit in writing its inability to pay, its debts generally as they become due, (iii) make an assignment for the benefit of creditors, (iv) apply for, seek, consent to, or acquiesce in, the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official for it or any substantial part of its Property, (v) institute any proceeding seeking to have entered against it an order for relief under the United States Bankruptcy Code, as amended, to adjudicate it insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it or its debts under any Debtor Relief Law or fail to file an answer or other pleading denying the material allegations of any such proceeding filed against it, (vi) take any action in furtherance of any matter described in parts (ii) through (v) above, or (vii) fail to contest in good faith any appointment or proceeding described in Section 10.1(l) hereof; or

(l)a custodian, receiver, trustee, examiner, liquidator or similar official shall be appointed for any Borrower or any Material Subsidiary or any substantial part of any of its Property, or a proceeding described in Section 10.1(k)(v) shall be instituted against any Borrower or any Material Subsidiary, and such appointment continues undischarged or such proceeding continues undismissed or unstayed for a period of 60 days; or

(m)any Loan Document or any material provision thereof, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Borrower or Guarantor contests in writing the validity or enforceability of any Loan Document or any material provision thereof; or any Borrower or Guarantor denies in writing that it has any or further liability or obligation under any Loan Document, or purports in writing to revoke, terminate or rescind any Loan Document or any material provision thereof.

Section 10.2. Non-Bankruptcy Defaults. When any Event of Default (other than those described in subsections (k) or (l) of Section 10.1 hereof with respect to the Company) has occurred and is continuing, the Administrative Agent shall, if so directed by the Required Lenders, by written notice to the Company:

(a) terminate the remaining Revolving Credit Commitments and all other obligations of the Lenders hereunder on the date stated in such notice (which may be the date thereof); (b) declare the principal of and the accrued interest on all outstanding Loans to be forthwith due and payable and thereupon all outstanding Loans, including both principal and interest thereon, shall be and become immediately due and payable together with all other amounts payable under the Loan Documents without further demand, presentment, protest or notice of any kind; and (c) demand that the Borrowers immediately pay to the Administrative Agent, subject to Section 10.4, the full amount then available for drawing under each or any Letter of Credit, and the Borrowers agree to immediately make such payment and acknowledges and agrees that the Lenders would not have an adequate remedy at law for failure by the Borrowers to honor any such demand and that the Administrative Agent, for the benefit of the Lenders, shall have the right to require the Borrowers to specifically perform such undertaking whether or not any drawings or other demands for payment have been made under any Letter of Credit.

Section 10.3. Bankruptcy Defaults. When any Event of Default described in subsections (k) or (l) of Section 10.1 hereof has occurred and is continuing with respect to the Company, then all outstanding Loans shall immediately become due and payable together with all other amounts payable under the Loan Documents without presentment, demand, protest or notice of any kind, the obligation of the Lenders to extend further credit pursuant to any of the terms hereof shall immediately terminate and the Borrowers shall immediately pay to the Administrative Agent, subject to Section 10.4, the full amount then available for drawing under all outstanding Letters of Credit, the Borrowers acknowledging that the Lenders would not have an adequate remedy at law for failure by the Borrowers to honor any such demand and that the Lenders, and the Administrative Agent on their behalf, shall have the right to require the Borrowers to specifically perform such undertaking whether or not any draws or other demands for payment have been made under any of the Letters of Credit.

Section 10.4. Collateral for Undrawn Letters of Credit. (a) If the payment or prepayment of the amount available for drawing under any or all outstanding Letters of Credit is required under Section 1.2(b), Section 10.2 or Section 10.3 above, the Borrowers shall forthwith pay the amount required to be so prepaid, to be held by the Administrative Agent as provided in subsection (b) below.

(b)All amounts prepaid pursuant to subsection (a) above shall be held by the Administrative Agent in one or more separate collateral accounts (each such account, and the credit balances, properties and any investments from time to time held therein, and any substitutions for such account, any certificate of deposit or other instrument evidencing any of the foregoing and all proceeds of and earnings on any of the foregoing being collectively called the *"Account"*) as security for, and for application by the Administrative Agent (to the extent available) to, the reimbursement of any payment under any Letter of Credit then or thereafter made by an L/C Issuer. The Account shall be held in the name of and subject to the exclusive dominion and control of the Administrative Agent for the benefit of the Administrative Agent, the L/C Issuer and the Lenders. If and when requested by the Company, the Administrative Agent shall invest funds held in the Account from time to time in direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America with a remaining maturity of one year or less, *provided* that the Administrative Agent is irrevocably authorized to sell investments held in the Account when and as required to make payments out of the Account for application to amounts due and owing from any Borrower to the Administrative Agent, the L/C Issuer or Lenders; *provided, however,* that if (i) the Borrowers shall have made payment of all such obligations referred to in subsection (a) above and (ii) no Letters of Credit remain outstanding hereunder, then at the request of the Company the Administrative Agent shall repay to the Company for the benefit of the Borrowers any remaining amounts held in the Account so long as at the time of the release and after giving effect thereto no Default or Event of Default exists.

Section 10.5. Notice of Default. The Administrative Agent shall give notice to the Company under Section 10.1(e) hereof promptly upon being requested to do so by any Lender and shall thereupon notify all the Lenders thereof.

Section 10.6. Expenses. The Borrowers agree to pay to the Administrative Agent, for the account of the Administrative Agent and each Lender, and any other holder of any Obligation outstanding hereunder, all out-of-pocket expenses incurred or paid by the Administrative Agent and such Lender or any such holder, including attorneys' fees and court costs, in connection with any Default or Event of Default by any Borrower hereunder or in connection with the enforcement of any of the Loan Documents (including all such costs and expenses incurred in connection with any proceeding under the United States Bankruptcy Code involving any Borrower as a debtor thereunder).

SECTION 11. CHANGE IN CIRCUMSTANCES.

Section 11.1. Change of Law. Notwithstanding any other provisions of this Agreement or any other Loan Document, if at any time any Change in Law makes it unlawful for such Lender to make or continue to maintain SOFR Loans, Eurocurrency Loans or RFR Loans, such Lender shall promptly give notice thereof to the Administrative Agent (which shall in turn promptly notify the Company and the other Lenders) and such Lender's obligations to make or maintain SOFR Loans, Eurocurrency Loans or RFR Loans, as applicable, under this Agreement shall terminate until it is no longer unlawful for such Lender to make or maintain SOFR Loans, Eurocurrency Loans or RFR Loans, as applicable. The Borrowers shall prepay on the last day of the Interest Period for any such affected SOFR Loan, Eurocurrency Loan or RFR Loans, as applicable, or within such earlier period as required by law upon demand from the affected Lender, the outstanding principal amount of any such affected SOFR Loans, Eurocurrency Loans or RFR Loans, as applicable, together with all interest accrued thereon and all other amounts payable to the affected Lender with respect thereto; *provided, however,* subject to all of the terms and conditions of this Agreement, the Company may then elect on behalf of the Borrowers to borrow the U.S. Dollar Equivalent of the principal amount of the affected SOFR Loans, Eurocurrency Loans or RFR Loans, as applicable, from such Lender by means of Base Rate Loans from such Lender, which Base Rate Loans shall not be made ratably by the Lenders but only from such affected Lender.

Section 11.2. Unavailability of Deposits or Inability to Ascertain, or Inadequacy of, ~~Adjusted LIBOR~~Applicable Interest Rate. (a) If on or prior to the first day of any Interest Period for any Borrowing of SOFR Loans, Eurocurrency Loans or RFR Loans in any currency:

(i)the Administrative Agent determines that adequate and reasonable means do not exist for ascertaining the applicable Adjusted ~~LIBOR~~Term SOFR, Adjusted Eurocurrency Rate or Daily Simple RFR, or

(ii)the Required Lenders determine and so advise the Administrative Agent that Adjusted ~~LIBOR~~Term SOFR, Adjusted Eurocurrency Rate or Daily Simple RFR as determined by the Administrative Agent will not adequately and fairly reflect the cost to such Lenders of funding their SOFR Loans, Eurocurrency Loans or ~~Loan~~RFR Loans, as applicable for such Interest Period, then the Administrative Agent shall forthwith give notice thereof to the Company and the Lenders, whereupon until the Administrative Agent notifies the Company that the circumstances giving rise to such suspension no longer exist, the obligations of the Lenders to make SOFR Loans, Eurocurrency Loans, or RFR Loans, as applicable, in the currency so affected shall be suspended.

(b)*Benchmark Replacement*. (i) Notwithstanding anything to the contrary ~~in this~~

Agreementherein or in any other Loan Document, ifupon the occurrence of a Benchmark Transition Event with respect to any Benchmark, the Administrative Agent determines (which determination shall be conclusive absent manifest error), or the Company or Required Lenders notify the Administrative Agent that the Company or Required Lenders (as applicable) have determined, that:

(A)adequate and reasonable means do not exist for ascertaining LIBOR in a relevant currency for any requested Interest Period, including because the LIBOR Index Rate for such currency is not available or published on a current basis and such circumstances are unlikely to be temporary; or

(B)the administrator of the LIBOR Index Rate or a Governmental Authority having jurisdiction over the Administrative Agent has made a public statement identifying a specific date after which LIBOR or the LIBOR Index Rate shall no longer be made available, or used for determining the interest rate of loans (such specific date, the *"Scheduled Unavailability Date"*), or

(C)syndicated loans currently being executed, or that include language similar to that contained in this Section, are being executed or amended (as applicable) to incorporate or adopt a new benchmark interest rate to replace LIBOR,then, reasonably promptly after such determination by the Administrative Agent or receipt by the Administrative Agent of such notice from the Company or Required Lenders, the Administrative Agent shall give notice thereof to the Borrower and the Lenders, as applicable. Thereafter, the Administrative Agent and the Borrowersand the Borrower may amend this Agreement to replace LIBORsuch Benchmark with an alternate benchmark rate (including any mathematical or other adjustments to the benchmark (if any) incorporated therein) that gives due consideration to the then prevailing market convention for determining a rate of interest for syndicated loans in the United States at such time (any such proposed rate, a *"LIBOR Successor Rate"*), together with any proposed LIBOR Successor Rate Conforming Changes (as defined below) and anya Benchmark Replacement. Any such amendment shallwith respect to a Benchmark Transition Event will become effective at 5:004:00 p.m. (Chicago time) on the fifth (5th) Business Day after the Administrative Agent shall havehas posted such proposed amendment to all affected Lenders and the Borrowers unless, prior to such time, Lenders comprising the Required Lenders have delivered toBorrower so long as the Administrative Agent has not received, by such time, written notice thatof objection to such amendment from Lenders comprising the Required Lenders do not accept such amendment.

(ii)If no LIBOR Successor Rate has been determined and the circumstances under clause (i) above exist or the Scheduled Unavailability Date has occurred (as applicable), the dministrative Agent will promptly so notify the Company and each Lender. Thereafter, (x) theobligation of the Lenders to make or maintain Eurocurrency Loans shall be suspended, (to theextent of the affected Eurocurrency Loans or Interest Periods), and (y) the LIBOR Quoted Rate component shall no longer be utilized in determining the Base Rate

(ii)*Benchmark Replacement Conforming Changes.* In connection with the use, administration, adoption or implementation of a Benchmark Replacement, the Administrative Agent will have the right to make Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Loan Document, any amendments implementing such Conforming Changes will become effective without any further action or consent of any other party to this Agreement or any other Loan Document.

(iii)*Notices; Standards for Decisions and Determinations.* The Administrative Agent will promptly notify the Borrower and the Lenders of (i) the implementation of any Benchmark Replacement and (ii) the

effectiveness of any Conforming Changes in connection with the use, administration, adoption or implementation of a Benchmark Replacement. The Administrative Agent will notify the Company of (x) the removal or reinstatement of any tenor of a Benchmark pursuant to Section 11.2(b)(iv) and (y) the commencement of any Benchmark Unavailability Period. Any determination, decision or election that may be made by the Administrative Agent or, if applicable, any Lender (or group of Lenders) pursuant to this Section 11.2, including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action or any selection, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party to this Agreement or any other Loan Document, except, in each case, as expressly required pursuant to this Section 11.2.

(iv)*Unavailability of Tenor of Benchmark.* Notwithstanding anything to the contrary herein or in any other Loan Document, at any time (including in connection with the implementation of a Benchmark Replacement), (i) if any then-current Benchmark is a term rate (including the Term SOFR Reference Rate, EURIBOR or TIBOR) and either (A) any tenor for such Benchmark is not displayed on a screen or other information service that publishes such rate from time to time as selected by the Administrative Agent in its reasonable discretion or (B) the administrator of such Benchmark or the regulatory supervisor for the administrator of such Benchmark has provided a public statement or publication of information announcing that any tenor for such Benchmark is not or will not be representative, then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for any Benchmark settings at or after such time to remove such unavailable, non-compliant, non-aligned or non-representative tenor and(ii) if a tenor that was removed pursuant to clause (i) above either (A) is subsequently displayed on a screen or information service for a Benchmark (including a Benchmark Replacement) or (B) is not, or is no longer, subject to an announcement that it is not or will not be representative for a Benchmark (including a Benchmark Replacement), then the Administrative Agent may modify the definition of "Interest Period" (or any similar or analogous definition) for all Benchmark settings at or after such time to reinstate such previously removed tenor.

(v)*Benchmark Unavailability Period.* Upon the Borrower's receipt of ~~such~~ notice~~, the Company~~ of the commencement of a Benchmark Unavailability Period with respect to a given Benchmark, (i) the Borrower may revoke any pending request for ~~a~~the affected Borrowing of, conversion to or continuation of ~~Eurocurrency~~ Loans ~~(to the extent of the affected Eurocurrency Loans or Interest Periods) or, failing that,~~, in each case, to be made, converted or continued during any Benchmark Unavailability Period denominated in the applicable Currency and, failing that, (A) in the case of any request for any affected Borrowing in U.S. Dollars, if applicable, the Borrower will be deemed to have converted any such request into a request for a ~~Borrowing of~~Base Rate Borrowing or conversion to Base Rate Loans ~~(subject to the foregoing clause (y))~~ in the amount specified therein.

~~(iii)~~Notwithstanding anything else herein, any definition of LIBOR Successor Rate shall ~~provide that in no event shall such LIBOR Successor Rate be less than zero for purposes of this Agreement.~~

~~As used above:~~

~~"*LIBOR Successor Rate Conforming Changes*" means, with respect to any proposed LIBOR Successor Rate, any conforming changes to the definition of Domestic Rate, Interest Period, timing and frequency of determining rates and making payments of interest and other administrative matters as may be appropriate, in the reasonable discretion of the Administrative Agent, to reflect the adoption of such LIBOR Successor Rate and to permit the administration thereof by the Administrative Agent in a manner substantially~~

consistent with market practice (or, if the Administrative Agent determines that adoption of any portion of such market practice is not administratively feasible or that no market practice for the administration of such LIBOR Successor Rate exists, in such other manner of administration as the Administrative Agent reasonably determines in consultation with the Company). and (B) in the case of any request for any affected Borrowing in an Alternative Currency, if applicable, then such request shall be ineffective and (ii)(A) any outstanding affected SOFR Loans, if applicable, will be deemed to have been converted into Base Rate Loans immediately and (B) any outstanding affected Loans denominated in an Alternative Currency, at the Borrower's election, shall either (I) be converted into Base Rate Loans denominated in U.S. Dollars (in an amount equal to the U.S. Dollar Equivalent of such Alternative Currency) immediately or, in the case of Eurocurrency Rate Loans, at the end of the applicable Interest Period or (II) be prepaid in full immediately or, in the case of Eurocurrency Rate Loans, at the end of the applicable Interest Period; *provided* that, with respect to any Eurocurrency Loan or RFR Loan, if no election is made by the Company by the date that is three Business Days after receipt by the Company of such notice, the Company shall be deemed to have elected clause (I) above. Upon any such prepayment or conversion, the Company shall also pay accrued interest on the amount so prepaid or converted, together with any additional amounts required pursuant to Section 3.6. During a Benchmark Unavailability Period with respect to any Benchmark or at any time that a tenor for any then-current Benchmark is not an Available Tenor, the component of Base Rate based upon the then-current Benchmark that is the subject of such Benchmark Unavailability Period or such tenor for such Benchmark, as applicable, will not be used in any determination of the Base Rate.

Section 11.3. Increased Cost. (a) *Increased Costs Generally.* If any Change in Law shall:

(i)impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, any Lender (except any reserve requirement reflected in the Adjusted ~~LIBOR~~Eurocurrency Rate) or any L/C Issuer;

(ii)subject any Recipient to any Taxes (other than (A) Indemnified Taxes, (B) Taxes described in clauses (b) through (d) of the definition of Excluded Taxes and (C) Connection Income Taxes) on its loans, loan principal, letters of credit, commitments, or other obligations, or its deposits, reserves, other liabilities or capital attributable thereto; or

(iii)impose on any Lender or any L/C Issuer or the London interbank market any other condition, cost or expense (other than Taxes) affecting this Agreement or Loans made by such Lender or any Letter of Credit or participation therein; and the result of any of the foregoing shall be to increase the cost to such Lender or such other Recipient of making, converting to, continuing or maintaining any Loan or of maintaining its obligation to make any such Loan, or to increase the cost to such Lender, such L/C Issuer or such other Recipient of participating in, issuing or maintaining any Letter of Credit (or of maintaining its obligation to participate in or to issue any Letter of Credit), or to reduce the amount of any sum received or receivable by such Lender, L/C Issuer or other Recipient hereunder (whether of principal, interest or any other amount) then, upon request of such Lender, L/C Issuer or other Recipient, the Borrowers will pay to such Lender, L/C Issuer or other Recipient, as the case may be, such additional amount or amounts as will compensate such Lender, L/C Issuer or other Recipient, as the case may be, for such additional costs incurred or reduction suffered.

(b)*Capital Requirements.* If any Lender or L/C Issuer determines that any Change in Law affecting such Lender or L/C Issuer or any lending office of such Lender or such Lender's or L/C Issuer's holding company, if any, regarding capital or liquidity requirements, has or would have the effect of reducing the rate of return on such Lender's or L/C Issuer's capital or on the capital of such Lender's or L/C Issuer's

holding company, if any, as a consequence of this Agreement, the Revolving Credit Commitments of such Lender or the Loans made by, or participations in Letters of Credit or Swing Loans held by, such Lender, or the Letters of Credit issued by any L/C Issuer, to a level below that which such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company could have achieved but for such Change in Law (taking into consideration such Lender's or L/C Issuer's policies and the policies of such Lender's or L/C Issuer's holding company with respect to capital adequacy and liquidity), then from time to time the Borrowers will pay to such Lender or L/C Issuer, as the case may be, such additional amount or amounts as will compensate such Lender or L/C Issuer or such Lender's or L/C Issuer's holding company for any such reduction suffered.

(c)*Certificates for Reimbursement.* A certificate of a Lender or L/C Issuer setting forth the amount or amounts necessary to compensate such Lender or L/C Issuer or its holding company, as the case may be, as specified in subsection (a) or (b) of this Section and delivered to the Company, shall be conclusive absent manifest error. The Borrowers shall pay such Lender or L/C Issuer, as the case may be, the amount shown as due on any such certificate within ten (10) days after receipt thereof.

(d)*Delay in Requests.* Failure or delay on the part of any Lender or L/C Issuer to demand compensation pursuant to this Section shall not constitute a waiver of such Lender's or L/C Issuer's right to demand such compensation; *provided* that the Borrowers shall not be required to compensate a Lender or L/C Issuer pursuant to this Section for any increased costs incurred or reductions suffered more than four (4) months prior to the date that such Lender or L/C Issuer, as the case may be, notifies the Company of the Change in Law giving rise to such increased costs or reductions, and of such Lender's or L/C Issuer's intention to claim compensation therefor (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the four-month period referred to above shall be extended to include the period of retroactive effect thereof).

Section 11.4. Lending Offices. Each Lender may, at its option, elect to make its Loans hereunder at the branch, office or affiliate specified on the appropriate signature page hereof for each type of Loan available hereunder or at such other of its branches, offices or affiliates as it may from time to time elect and designate in a written notice to the Company and the Administrative Agent.

Section 11.5. Discretion of Lender as to Manner of Funding. Notwithstanding any other provision of this Agreement, each Lender shall be entitled to fund and maintain its funding of all or any part of its Loans in any manner it sees fit, it being understood, however, that for the purposes of this Agreement all determinations hereunder shall be made as if each Lender had actually funded and maintained each Eurocurrency Loan through the purchase of deposits in the applicable currency in the ~~eurocurrency~~ interbank market having a maturity corresponding to such Loan's Interest Period and bearing an interest rate equal to Adjusted ~~LIBOR~~Eurocurrency Rate for such Interest Period.

Section 11.6. Replacement of Lenders. If the Borrowers are required pursuant to Section 11.3 or Section 14.1 hereof to make any additional payment to any Lender or if any Lender's obligation to make or continue, or to convert Base Rate Loans into, Eurocurrency Loans shall be suspended pursuant to Section 11.1 or Section 11.2 hereof, or if any Lender is a Non-Consenting Lender or any Lender becomes a Defaulting Lender (any such Lender being hereinafter referred to as a *"Replaced Lender"*), then in such case, the Company may, upon at least five (5) Business Days' notice to the Administrative Agent and to such Replaced Lender, designate an Eligible Assignee as a replacement lender in accordance with Section 14.11 (a *"Replacement Lender"*), to which such Replaced Lender shall, subject to its receipt (unless a later date for the remittance thereof shall be agreed upon by the Company and the Replaced Lender) of all amounts owed to such Replaced Lender under Section 11.3 or Section 14.1, assign all (but not less than all) of its rights,

obligations, Loans and Revolving Credit Commitment hereunder; *provided,* that all amounts (including amounts owed pursuant to Section 3.6 hereof as though such assignment were a prepayment) owed by the Borrowers to such Replaced Lender hereunder (except liabilities which by the terms hereof survive the payment in full of the Loans and termination of this Agreement) shall be paid in full as of the date of such assignment.

SECTION 12. THE ADMINISTRATIVE AGENT.

Section 12.1. Appointment and Authorization of Administrative Agent. Each Lender and L/C Issuer hereby appoints Bank of Montreal as the Administrative Agent under the Loan Documents and hereby authorizes the Administrative Agent to take such action as the Administrative Agent on its behalf and to exercise such powers under the Loan Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto. The provisions of this Section 12 (other than Section 12.7) are solely for the benefit of the Administrative Agent, the Lenders and the L/C Issuers, and no Borrower nor any Subsidiary shall have rights as a third-party beneficiary of any of such provisions. It is understood and agreed that the use of the term "agent" herein or in any other Loan Documents (or any other similar term) with reference to the Administrative Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom, and is intended to create or reflect only an administrative relationship between contracting parties.

Section 12.2. Administrative Agent and its Affiliates. The Person serving as Administrative Agent shall have the same rights and powers in its capacity as a Lender under this Agreement and the other Loan Documents as any other Lender and may exercise or refrain from exercising the same as though it were not the Administrative Agent, and the Administrative Agent and its affiliates may accept deposits from, lend money to, and generally engage in any kind of business with any Borrower or any Affiliate of any Borrower as if it were not the Administrative Agent under the Loan Documents. The term *"Lender"* as used herein and in all other Loan Documents, unless the context otherwise clearly requires, includes the Administrative Agent in its individual capacity as a Lender. References in Section 1 hereof to the Administrative Agent's Loans, or to the amount owing to the Administrative Agent for which an interest rate is being determined, refer to the Administrative Agent in its individual capacity as a Lender.

Section 12.3. Action by Administrative Agent. If the Administrative Agent receives from the Company a written notice of an Event of Default pursuant to Section 9.4(f) hereof, the Administrative Agent shall promptly give each of the Lenders written notice thereof. The Lenders and the L/C Issuer expressly agree that the Administrative Agent is not acting as a fiduciary of the Lenders or the L/C Issuer in respect of the Loan Documents, the Borrowers or otherwise, and nothing herein or in any of the other Loan Documents shall result in any duties or obligations on the Administrative Agent or any of the Lenders except as expressly set forth herein. The obligations of the Administrative Agent under the Loan Documents are only those expressly set forth therein. Without limiting the generality of the foregoing, the Administrative Agent shall not be required to take any action hereunder with respect to any Default or Event of Default, except as expressly provided in Sections 10.2 and 10.5 hereof. In no event, however, shall the Administrative Agent be required to take any action in violation of applicable law or of any provision of any Loan Document, and the Administrative Agent shall in all cases be fully justified in failing or refusing to act hereunder or under any other Loan Document unless it shall be first indemnified to its

reasonable satisfaction by the Lenders against any and all costs, expense, and liability which may be incurred by it by reason of taking or continuing to take any such action. The Administrative Agent shall be entitled to assume that no Default or Event of Default exists unless notified in writing to the contrary by a Lender or the Company. In all cases in which this

Agreement and the other Loan Documents do not require the Administrative Agent to take certain actions, the Administrative Agent shall be fully justified in using its discretion in failing to take or in taking any action hereunder and thereunder. Any instructions of the Required Lenders, or of any other group of Lenders called for under the specific provisions of the Loan Documents, shall be binding on all the Lenders and the holders of the Obligations.

Section 12.4. Consultation with Experts. The Administrative Agent may consult with legal counsel, independent public accountants and other experts selected by it and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with the advice of such counsel, accountants or experts.

Section 12.5. Liability of Administrative Agent; Credit Decision. Neither the Administrative Agent nor any of its Related Parties shall be liable for any action taken or not taken by it in connection with the Loan Documents (i) with the consent or at the request of the Required Lenders or (ii) in the absence of its own gross negligence or willful misconduct as determined by a court of competent jurisdiction by final and nonappealable judgment. Neither the Administrative Agent nor any of its Related Parties shall be responsible for or have any duty to ascertain, inquire into or verify (i) any statement, warranty or representation made in connection with this Agreement, any other Loan Document or any Credit Event; (ii) the performance or observance of any of the covenants or agreements of any Borrower or any Subsidiary contained herein or in any other Loan Document; (iii) the satisfaction of any condition specified in Section 8 hereof, except receipt of items required to be delivered to the Administrative Agent; or (iv) the validity, effectiveness, genuineness, enforceability, perfection, value, worth or collectibility hereof or of any other Loan Document or of any other documents or writing furnished in connection with any Loan Document; and the Administrative Agent makes no representation of any kind or character with respect to any such matter mentioned in this sentence. The Administrative Agent may execute any of its duties under any of the Loan Documents by or through employees, agents, and attorneys-in-fact and shall not be answerable to the Lenders, the L/C Issuer, the Borrowers, or any other Person for the default or misconduct of any such agents or attorneys-in-fact selected with reasonable care. The Administrative Agent shall not incur any liability by acting in reliance upon any notice, consent, certificate, other document or statement (whether written or oral) believed by it to be genuine or to be sent by the proper party or parties. In particular and without limiting any of the foregoing, the Administrative Agent shall have no responsibility for confirming the accuracy of any Compliance Certificate or other document or instrument received by it under the Loan Documents. Without limiting the generality of the foregoing, the Administrative Agent and its Related Parties shall not, except as expressly set forth herein and in the other Loan Documents, have any duty or responsibility to disclose, and shall not be liable for the failure to disclose, any information relating to any Borrower or any of their Affiliates that is communicated to or obtained by the Person serving as the Administrative Agent or any of its Affiliates in any capacity. The Administrative Agent may treat the payee of any Obligation as the holder thereof until written notice of transfer shall have been filed with the Administrative Agent signed by such payee in form satisfactory to the Administrative Agent. Each Lender and the L/C Issuer acknowledges that it has independently and without reliance on the Administrative Agent or any other Lender or the L/C Issuer, and based

upon such information, investigations and inquiries as it deems appropriate, made its own credit analysis and decision to extend credit to the Borrowers in the manner set forth in the Loan Documents. It shall be the responsibility of each Lender and the L/C Issuer to keep itself informed as to the creditworthiness of the Borrowers and the Administrative Agent shall have no liability to any Lender or the L/C Issuer with respect thereto.

Section 12.6. Indemnity. The Lenders shall ratably, in accordance with their respective Percentages, indemnify and hold the Administrative Agent, and its Related Parties harmless from and against any liabilities, losses, costs or expenses suffered or incurred by it under any Loan Document or in connection with the transactions contemplated thereby, regardless of when asserted or arising, except to the extent they are promptly reimbursed for the same by the Borrowers and except to the extent that any event giving rise to a claim was caused by the gross negligence or willful misconduct of the party seeking to be indemnified as determined by a court of competent jurisdiction by final and nonappealable judgment. The obligations of the Lenders under this Section 12.6 shall survive termination of this Agreement. The Administrative Agent shall be entitled to offset amounts received for the account of a Lender under this Agreement against unpaid amounts due from such Lender to the Administrative Agent, the L/C Issuer, or Swing Line Lender hereunder (whether as fundings of participations, indemnities or otherwise, and with any amounts offset for the benefit of the Administrative Agent to be held by it for its own account and with any amounts offset for the benefit of the L/C Issuer or Swing Line Lender to be remitted by the Administrative Agent to or for the account of such L/C Issuer or Swing Line Lender, as applicable), but shall not be entitled to offset against amounts owed to the Administrative Agent, any L/C Issuer or Swing Line Lender by any Lender arising outside of this Agreement and the other Loan Documents.

Section 12.7. Resignation of Administrative Agent and Successor Administrative Agent.
(a)The Administrative Agent may resign at any time by giving written notice thereof to the Lenders and the Company. Upon any such notice of resignation of the Administrative Agent, the Required Lenders shall have the right to appoint a successor Administrative Agent subject, so long as no Event of Default shall have occurred and be continuing, to the consent of the Company. If no successor Administrative Agent shall have been so appointed by the Required Lenders, and shall have accepted such appointment, within 30 days after the retiring Administrative Agent's giving of notice of resignation, then the retiring Administrative Agent may, on behalf of the Lenders, appoint a successor Administrative Agent, which shall be any Lender hereunder or any commercial bank organized under the laws of the United States of America or of any State thereof and having a combined capital and surplus of at least $500,000,000. The retiring Administrative Agent shall continue as Administrative Agent hereunder until a successor Administrative Agent has accepted appointment as Administrative Agent. Upon the acceptance of its appointment as the Administrative Agent hereunder, such successor Administrative Agent shall thereupon succeed to and become vested with all the rights and duties of the retiring or removed Administrative Agent under the Loan Documents, and the retiring Administrative Agent shall be discharged from its duties and obligations thereunder. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 12 and all protective provisions of the other Loan Documents shall inure to its benefit as to any actions taken or omitted to be taken by it while it was Administrative Agent.

(b)Any resignation by the Person then acting as Administrative Agent pursuant to Section 12.7(a) shall also constitute its resignation or the resignation of its Affiliate as L/C Issuer

and Swing Line Lender except as it may otherwise agree. If such Person then acting as L/C Issuer so resigns, it shall retain all the rights, powers, privileges and duties of the L/C Issuer hereunder with respect to all Letters of Credit outstanding as of the effective date of its resignation as L/C Issuer and all L/C Obligations with respect thereto, including the right to require the Lenders to make Loans or fund risk participations in Reimbursement Obligations pursuant to Section 1.2. If such Person then acting as Swing Line Lender resigns, it shall retain all the rights of the Swing Line Lender provided for hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such resignation, including the right to require the Lenders to make Loans or fund risk participations in outstanding Swing Loans pursuant to Section 2.5. Upon the appointment by the Company of a successor L/C Issuer or Swing Line Lender hereunder (which successor shall in all cases be the successor Administrative Agent or a Lender other than a Defaulting Lender), (i) such successor shall succeed to and become vested with all of the rights, powers, privileges and duties of the retiring L/C Issuer or Swing Line Lender, as applicable (other than any rights to indemnity payments or other amounts that remain owing to the retiring L/C Issuer or Swing Line Lender), and (ii) the retiring L/C Issuer and Swing Line Lender shall be discharged from all of their respective duties and obligations hereunder or under the other Loan Documents other than with respect to its outstanding Letters of Credit and Swing Loans, and (iii) upon the request of the resigning L/C Issuer, the successor L/C Issuer shall issue letters of credit in substitution for the Letters of Credit, if any, outstanding at the time of such succession or make other arrangements satisfactory to the resigning L/C Issuer to effectively assume the obligations of the resigning L/C Issuer with respect to such Letters of Credit.

Section 12.8. L/C Issuer and Swing Line Lender. The L/C Issuer shall act on behalf of the Lenders with respect to any Letters of Credit issued by it and the documents associated therewith, and the Swing Line Lender shall act on behalf of the Lenders with respect to the Swing Loans made hereunder. The L/C Issuer and the Swing Line Lender shall each have all of the benefits and immunities (i) provided to the Administrative Agent in this Section 12 with respect to any acts taken or omissions suffered by the L/C Issuer in connection with Letters of Credit issued by it or proposed to be issued by it and the Applications pertaining to such Letters of Credit or by the Swing Line Lender in connection with Swing Loans made or to be made hereunder as fully as if the term “Administrative Agent”, as used in this Section 12, included the L/C Issuer and Swing Line Lender with respect to such acts or omissions and (ii) as additionally provided in this Agreement with respect to such L/C Issuer.

Section 12.9. Designation of Additional Agents. The Administrative Agent shall have the continuing right, for purposes hereof, at any time and from time to time to designate one or more of the Lenders (and/or its or their Affiliates) as “syndication agents,” “documentation agents,” “arrangers,” or other designations for purposes hereto, but such designation shall have no substantive effect, and such Lenders and their Affiliates shall have no additional powers, duties or responsibilities as a result thereof.

Section 12.10. Certain ERISA Matters.

(a)Each Lender (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any Guarantor, that at least

one of the following is and will be true:

(i)such Lender is not using “plan assets” (within the meaning of Section 3(42) of ERISA or otherwise) of one or more Benefit Plans with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Credit Commitments or this Agreement,

(ii)the transaction exemption set forth in one or more PTEs, such as PTE 84-14 (a class exemption for certain transactions determined by independent qualified professional asset managers), PTE 95-60 (a class exemption for certain transactions involving insurance company general accounts), PTE 90-1 (a class exemption for certain transactions involving insurance company pooled separate accounts), PTE 91-38 (a class exemption for certain transactions involving bank collective investment funds) or PTE 96-23 (a class exemption for certain transactions determined by in-house asset managers), is applicable with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit the Revolving Credit Commitments and this Agreement,

(iii)(A) such Lender is an investment fund managed by a “Qualified Professional Asset Manager” (within the meaning of Part VI of PTE 84-14), (B) such Qualified Professional Asset Manager made the investment decision on behalf of such Lender to enter into, participate in, administer and perform the Loans, the Commitments and this Agreement, (C) the entrance into, participation in, administration of and performance of the Loans, the Commitments and this Agreement satisfies the requirements of sub-sections (b) through (g) of Part I of PTE 84-14 and (D) to the best knowledge of such Lender , the requirements of subsection (a) of Part I of PTE 84-14 are satisfied with respect to such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Credit Commitments and this Agreement, or

(iv)such other representation, warranty and covenant as may be agreed in writing between the Administrative Agent, in its sole discretion, and such Lender.

(b)In addition, unless either (1) sub-clause (i) in the immediately preceding clause (a) is true with respect to a Lender or (2) a Lender has provided another representation, warranty and covenant in accordance with sub-clause (iv) in the immediately preceding clause (a), such Lender further (x) represents and warrants, as of the date such Person became a Lender party hereto, to, and (y) covenants, from the date such Person became a Lender party hereto to the date such Person ceases being a Lender party hereto, for the benefit of, the Administrative Agent and not, for the avoidance of doubt, to or for the benefit of any Borrower or any Guarantor, that the Administrative Agent is not a fiduciary with respect to the assets of such Lender involved in such Lender’s entrance into, participation in, administration of and performance of the Loans, the Letters of Credit, the Revolving Credit Commitments and this Agreement (including in connection with the reservation or exercise of any rights by the Administrative Agent under this Agreement, any Loan Document or any documents related hereto or thereto).

SECTION 13.A. JOINT AND SEVERAL OBLIGORS.

Section 13.1.A. Joint and Several Obligors. To induce the Lenders and the L/C Issuer to provide the

credits described herein and in consideration of benefits expected to accrue to the Borrowers by reason of the Revolving Credit Commitments and for other good and valuable consideration, receipt of which is hereby acknowledged, each Borrower hereby unconditionally and irrevocably confirms jointly and severally to the Administrative Agent, the Lenders and the L/C Issuer, the due and punctual payment of all present and future Obligations, including, but not limited to, the due and punctual payment of principal of and interest on the Loans, Notes, the Reimbursement Obligations, and the due and punctual payment of all other Obligations now or hereafter owed by any Borrower under the Loan Documents as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against any Borrower or such other obligor in a case under the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against such Borrower or any such obligor in any such proceeding). In case of failure by any Borrower punctually to pay any Obligations, each other Borrower hereby unconditionally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise.

Section 13.2.A. Unconditional. The obligations of each Borrower under this Section 13.A shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

(a)any extension, renewal, settlement, compromise, waiver, or release in respect of any obligation of any Borrower or of any other guarantor under this Agreement or any other Loan Document or by operation of law or otherwise;

(b)any modification or amendment of or supplement to this Agreement or any other Loan Document;

(c)any change in the corporate existence, structure, or ownership of, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting, any Borrower or any of their respective assets, or any resulting release or discharge of any obligation of any Borrower contained in any Loan Document;

(d)the existence of any claim, set-off, or other rights which any Borrower may have at any time against the Administrative Agent, any Lender, or any other Person, whether or not arising in connection herewith;

(e)any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against any Borrower or any other Person or Property;

(f)any application of any sums by whomsoever paid or howsoever realized to any obligation of any Borrower, regardless of what obligations of the Borrowers remain unpaid;

(g)any invalidity or unenforceability relating to or against any Borrower for any reason of this Agreement or of any other Loan Document or any provision of applicable law or regulation purporting to prohibit the payment by any Borrower of the principal of or interest on any Loan or any Reimbursement Obligation or any other amount payable under the Loan Documents; or

(h)any other act or omission to act or delay of any kind by the Administrative Agent, any

Lender, or any other Person or any other circumstance whatsoever that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of any Borrower under this Section 13.A.

Section 13.3.A. Discharge Only upon Payment in Full; Reinstatement in Certain Circumstances. Except as provided in Section 5.4, each Borrower's obligations under this Section 13.A. shall remain in full force and effect until the Revolving Credit Commitments are terminated, all Letters of Credit have expired or terminated or are fully collateralized (by cash or letter of credit) on terms reasonably acceptable to the Administrative Agent, and the principal of and interest on the Loans, Notes and all other amounts payable by the Borrowers under this Agreement and all other Loan Documents shall have been paid in full. If at any time any payment of the principal of or interest on any Note or any Reimbursement Obligation or any other amount payable by any Borrower under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower, or otherwise, each Borrower's obligations under this Section 13.A with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.

Section 13.4.A. Subrogation. Each Borrower agrees it will not exercise any rights which it may acquire by way of subrogation by any payment made hereunder, or otherwise, until all the Obligations shall have been paid in full subsequent to the termination of all the Revolving Credit Commitments and expiration or termination of all Letters of Credit. If any amount shall be paid to a Borrower on account of such subrogation rights at any time prior to the later of (x) the payment in full of the Obligations and all other amounts payable by any Borrower hereunder and the other Loan Documents and (y) the termination of the Revolving Credit Commitments and expiration or termination of all Letters of Credit, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent for the benefit of the Lenders and credited and applied upon the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

Section 13.5.A. Waivers. Each Borrower irrevocably waives acceptance hereof, presentment, demand, protest, and any notice not provided for herein, as well as any requirement that at any time any action be taken by the Administrative Agent, any Lender, or any other Person against any Borrower, any guarantor, or any other Person.

Section 13.6.A. Limit on Recovery. Notwithstanding any other provision hereof, the right of recovery against each Borrower under this Section 13.A. shall not exceed $1.00 less than the lowest amount which would render such Borrower's obligations under this Section 13.A. void or voidable under applicable law, including, without limitation, fraudulent conveyance law.

Section 13.7.A. Stay of Acceleration. If acceleration of the time for payment of any amount payable by any Borrower under this Agreement or any other Loan Document is stayed upon the insolvency, bankruptcy or reorganization of such Borrower, all such amounts otherwise subject to acceleration under the terms of this Agreement or the other Loan Documents shall nonetheless be payable by the other Borrowers hereunder forthwith on demand by the Administrative Agent made at the request of the Required Lenders.

Section 13.8.A. Benefit to each Borrower. All of the Borrowers are engaged in related businesses and integrated to such an extent that the financial strength and flexibility of each Borrower has a direct impact on the success of each other Borrower. Each Borrower will derive substantial direct and indirect benefit from the extension of credit hereunder.

Section 13.9.A. Borrower Covenants. Each Borrower shall take such action as the Company is required by this Agreement to cause such Borrower to take, and shall refrain from taking such action as the Company is required by this Agreement to prohibit such Borrower from taking.

SECTION 13.B. THE GUARANTIES.

Section 13.1.B. The Guaranties. To induce the Lenders and the L/C Issuer to provide the credits described herein and in consideration of benefits expected to accrue to the Borrowers by reason of the Revolving Credit Commitments and for other good and valuable consideration, receipt of which is hereby acknowledged, each Guarantor hereby unconditionally and irrevocably guarantees jointly and severally to the Administrative Agent, the Lenders and the L/C Issuer, the due and punctual payment of all present and future Obligations, including, but not limited to, the due and punctual payment of principal of and interest on the Loans, Notes, the Reimbursement Obligations, and the due and punctual payment of all other Obligations now or hereafter owed by any Borrower under the Loan Documents as and when the same shall become due and payable, without set-off or counterclaim, whether at stated maturity, by acceleration, or otherwise, according to the terms hereof and thereof (including all interest, costs, fees, and charges after the entry of an order for relief against any Borrower or such other obligor in a case under the United States Bankruptcy Code or any similar proceeding, whether or not such interest, costs, fees and charges would be an allowed claim against such Borrower or any such obligor in any such proceeding). In case of failure by any Borrower punctually to pay any Obligations guaranteed hereby, each Guarantor hereby unconditionally agrees to make such payment or to cause such payment to be made punctually as and when the same shall become due and payable, whether at stated maturity, by acceleration, or otherwise, and as if such payment were made by the Borrower.

Section 13.2.B. Guarantee Unconditional. The obligations of each Guarantor under this Section 13.B shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged, or otherwise affected by:

(a) any extension, renewal, settlement, compromise, waiver, or release in respect of any obligation of any Borrower or of any other guarantor under this Agreement or any other Loan Document or by operation of law or otherwise;

(b) any modification or amendment of or supplement to this Agreement or any other Loan Document;

(c) any change in the corporate existence, structure, or ownership of, or any insolvency, bankruptcy, reorganization, or other similar proceeding affecting, any Borrower, any other guarantor, or any of their respective assets, or any resulting release or discharge of any obligation of any Borrower or of any other guarantor contained in any Loan Document;

(d) the existence of any claim, set-off, or other rights which any Borrower or any other guarantor may have at any time against the Administrative Agent, any Lender, or any other Person, whether or not arising in connection herewith;

(e) any failure to assert, or any assertion of, any claim or demand or any exercise of, or failure to exercise, any rights or remedies against any Borrower, any other guarantor, or any other Person or Property;

(f) any application of any sums by whomsoever paid or howsoever realized to any obligation of any Borrower, regardless of what obligations of the Borrowers remain unpaid;

(g)any invalidity or unenforceability relating to or against any Borrower or any other guarantor for any reason of this Agreement or of any other Loan Document or any provision of applicable law or regulation purporting to prohibit the payment by any Borrower or any other guarantor of the principal of or interest on any Loan or any Reimbursement Obligation or any other amount payable under the Loan Documents; or

(h)any other act or omission to act or delay of any kind by the Administrative Agent, any Lender, or any other Person or any other circumstance whatsoever that might, but for the provisions of this paragraph, constitute a legal or equitable discharge of the obligations of any Guarantor under this Section 13.B.

Section 13.3.B. Discharge Only upon Payment in Full; Reinstatement in Certain Circumstances. Except as provided in Section 5.4, each Guarantor's obligations under this Section 13.B. shall remain in full force and effect until the Revolving Credit Commitments are terminated, all Letters of Credit have expired or terminated or are fully collateralized (by cash or letter of credit) on terms reasonably acceptable to the Administrative Agent, and the principal of and interest on the Loans, Notes and all other amounts payable by the Borrowers and the Guarantors under this Agreement and all other Loan Documents shall have been paid in full. If at any time any payment of the principal of or interest on any Note or any Reimbursement Obligation or any other amount payable by any Borrower or any Guarantor under the Loan Documents is rescinded or must be otherwise restored or returned upon the insolvency, bankruptcy, or reorganization of any Borrower or of any guarantor, or otherwise, each Guarantor's obligations under this Section 13.B with respect to such payment shall be reinstated at such time as though such payment had become due but had not been made at such time.

Section 13.4.B. Subrogation. Each Guarantor agrees it will not exercise any rights which it may acquire by way of subrogation by any payment made hereunder, or otherwise, until all the Obligations shall have been paid in full subsequent to the termination of all the Revolving Credit Commitments and expiration or termination of all Letters of Credit. If any amount shall be paid to a Guarantor on account of such subrogation rights at any time prior to the later of (x) the payment in full of the Obligations and all other amounts payable by any Borrower hereunder and the other Loan Documents and (y) the termination of the Revolving Credit Commitments and expiration or termination of all Letters of Credit, such amount shall be held in trust for the benefit of the Administrative Agent and the Lenders and shall forthwith be paid to the Administrative Agent for the benefit of the Lenders and credited and applied upon the Obligations, whether matured or unmatured, in accordance with the terms of this Agreement.

Section 13.5.B. Waivers. Each Guarantor irrevocably waives acceptance hereof, presentment, demand, protest, and any notice not provided for herein, as well as any requirement that at any time any action be taken by the Administrative Agent, any Lender, or any other Person against any Borrower, another guarantor, or any other Person.

Section 13.6.B. Limit on Recovery. Notwithstanding any other provision hereof, the right of recovery against each Guarantor under this Section 13.B. shall not exceed $1.00 less than the lowest amount which would render such Guarantor's obligations under this Section 13.B. void or voidable under applicable law, including, without limitation, fraudulent conveyance law.

Section 13.7.B. Stay of Acceleration. If acceleration of the time for payment of any amount payable by any Borrower under this Agreement or any other Loan Document is stayed upon the insolvency, bankruptcy or reorganization of such Borrower, all such amounts otherwise subject to acceleration under the terms of this Agreement or the other Loan Documents shall nonetheless be payable by the Guarantors

hereunder forthwith on demand by the Administrative Agent made at the request of the Required Lenders.

Section 13.8.B. Benefit to Guarantors. All of the Guarantors are engaged in related businesses and integrated to such an extent that the financial strength and flexibility of each Guarantor has a direct impact on the success of each other Guarantor. Each Guarantor will derive substantial direct and indirect benefit from the extension of credit hereunder.

Section 13.9.B. Guarantor Covenants. Each Guarantor shall take such action as the Company is required by this Agreement to cause such Guarantor to take, and shall refrain from taking such action as the Company is required by this Agreement to prohibit such Guarantor from taking

SECTION 14. MISCELLANEOUS.

Section 14.1. Withholding Taxes. (a) *Certain Defined Terms.* For purposes of this Section, the term "Lender" includes any L/C Issuer and the term "applicable law" includes FATCA.

(b)*Payments Free of Taxes.* Any and all payments by or on account of any obligation of any Borrower or Guarantor under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable law. If any applicable law (as determined in the good faith discretion of an applicable Withholding Agent) requires the deduction or withholding of any Tax from any such payment by a Withholding Agent, then the applicable Withholding Agent shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with applicable law and, if such Tax is an Indemnified Tax, then the sum payable by the applicable Borrower or Guarantor shall be increased as necessary so that after such deduction or withholding has been made (including such deductions and withholdings applicable to additional sums payable under this Section) the applicable Recipient receives an amount equal to the sum it would have received had no such deduction or withholding been made.

(c)*Payment of Other Taxes by the Borrowers.* The Borrowers and Guarantors shall timely pay to the relevant Governmental Authority in accordance with applicable law, or at the option of the Administrative Agent timely reimburse it for the payment of, any Other Taxes.

(d)*Indemnification by the Borrowers.* The Borrowers and Guarantors shall jointly and severally indemnify each Recipient, within ten (10) days after demand therefor, for the full amount of any Indemnified Taxes (including Indemnified Taxes imposed or asserted on or attributable to amounts payable under this Section) payable or paid by such Recipient or required to be withheld or deducted from a payment to such Recipient and any reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Company by a Lender (with a copy to the Administrative Agent), or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(e)*Indemnification by the Lenders.* Each Lender shall severally indemnify the Administrative Agent, within ten (10) days after demand therefor, for (i) any Indemnified Taxes attributable to such Lender (but only to the extent that any Borrower has not already indemnified the Administrative Agent for such Indemnified Taxes and without limiting the obligation of the Borrowers to do so), (ii) any Taxes attributable to such Lender's failure to comply with the provisions of Section 14.10 relating to the maintenance of a Participant Register and (iii) any Excluded Taxes attributable to such Lender, in each case, that are payable or paid by the Administrative Agent in connection with any Loan Document, and any reasonable expenses

arising therefrom or with respect thereto, whether or not such Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under any Loan Document or otherwise payable by the Administrative Agent to the Lender from any other source against any amount due to the Administrative Agent under this subsection (e).

(f)*Evidence of Payments.* As soon as practicable after any payment of Taxes by any Borrower or Guarantor to a Governmental Authority pursuant to this Section, such Person shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by such Governmental Authority evidencing such payment, a copy of the return reporting such payment or other evidence of such payment reasonably satisfactory to the Administrative Agent.

(g)*Status of Lenders.* (i) Any Lender that is entitled to an exemption from or reduction of withholding Tax with respect to payments made under any Loan Document shall deliver to the Company and the Administrative Agent, at the time or times reasonably requested by the Company or the Administrative Agent, such properly completed and executed documentation reasonably requested by the Company or the Administrative Agent as will permit such payments to be made without withholding or at a reduced rate of withholding. In addition, any Lender, if reasonably requested by the Company or the Administrative Agent, shall deliver such other documentation prescribed by applicable law or reasonably requested by the Company or the Administrative Agent as will enable the Borrowers or the Administrative Agent to determine whether or not such Lender is subject to backup withholding or information reporting requirements. Notwithstanding anything to the contrary in the preceding two sentences, the completion, execution and submission of such documentation (other than such documentation set forth in Section 14.1(g)(ii)(A), (ii)(B) and (ii)(D) below) shall not be required if in the Lender's reasonable judgment such completion, execution or submission would subject such Lender to any material unreimbursed cost or expense or would materially prejudice the legal or commercial position of such Lender.

(ii)Without limiting the generality of the foregoing,

(A)any Lender that is a U.S. Person shall deliver to the Company and the Administrative Agent on or prior to the date on which such Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of IRS Form W-9 certifying that such Lender is exempt from U.S. federal backup withholding tax;

(B)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), whichever of the following is applicable:

(i)in the case of a Foreign Lender claiming the benefits of an income tax treaty to which the United States of America is a party (x) with respect to payments of interest under any Loan Document, executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "interest" article of such tax treaty and (y) with respect to any other applicable payments under any Loan Document, IRS Form W-8BEN or IRS Form W-8BEN-E, as

applicable, establishing an exemption from, or reduction of, U.S. federal withholding Tax pursuant to the "business profits" or "other income" article of such tax treaty;

(ii)executed originals of IRS Form W-8ECI;

(iii)in the case of a Foreign Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Code, (x) a certificate substantially in the form of Exhibit K-1 to the effect that such Foreign Lender is not a "bank" within the meaning of Section 881(c)(3)(A) of the Code, a "10 percent shareholder" of any Borrower within the meaning of Section 881(c)(3)(B) of the Code, or a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Code (a *"U.S. Tax Compliance Certificate"*) and (y) executed originals of IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable; or

(iv)to the extent a Foreign Lender is not the beneficial owner, executed originals of IRS Form W-8IMY, accompanied by IRS Form W-8ECI, IRS Form W-8BEN, IRS Form W-8BEN-E, a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-2 or Exhibit K-3, IRS Form W-9, and/or other certification documents from each beneficial owner, as applicable; *provided* that if the Foreign Lender is a partnership and one or more direct or indirect partners of such Foreign Lender are claiming the portfolio interest exemption, such Foreign Lender may provide a U.S. Tax Compliance Certificate substantially in the form of Exhibit K-4 on behalf of each such direct and indirect partner;

(C)any Foreign Lender shall, to the extent it is legally entitled to do so, deliver to the Company and the Administrative Agent (in such number of copies as shall be requested by the recipient) on or prior to the date on which such Foreign Lender becomes a Lender under this Agreement (and from time to time thereafter upon the reasonable request of the Company or the Administrative Agent), executed originals of any other form prescribed by applicable law as a basis for claiming exemption from or a reduction in U.S. federal withholding Tax, duly completed, together with such supplementary documentation as may be prescribed by applicable law to permit the Borrowers or the Administrative Agent to determine the withholding or deduction required to be made; and

(D)if a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Code, as applicable), such Lender shall deliver to the Company and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by the Company or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Code) and such additional documentation reasonably requested by the Company or the Administrative Agent as may be necessary for the Borrowers and the Administrative Agent to comply with their obligations under FATCA and to determine that such Lender has complied with such Lender's obligations under FATCA or to determine the amount to deduct and withhold from such payment. Solely for purposes of this clause (D), *"FATCA"* shall include any amendments made to FATCA after the date of this Agreement.

Each Lender agrees that if any form or certification it previously delivered expires or becomes obsolete or inaccurate in any respect, it shall update such form or certification or promptly notify the Company and the Administrative Agent in writing of its legal inability to do so.

(h) *Treatment of Certain Refunds.* If any party determines, in its sole discretion exercised in good faith, that it has received a refund of any Taxes as to which it has been indemnified pursuant to this Section (including by the payment of additional amounts pursuant to this Section), it shall pay to the indemnifying party an amount equal to such refund (but only to the extent of indemnity payments made under this Section with respect to the Taxes giving rise to such refund), net of all out-of-pocket expenses (including Taxes) of such indemnified party and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Such indemnifying party, upon the request of such indemnified party, shall repay to such indemnified party the amount paid over pursuant to this subsection (h) (plus any penalties, interest or other charges imposed by the relevant Governmental Authority) in the event that such indemnified party is required to repay such refund to such Governmental Authority. Notwithstanding anything to the contrary in this subsection (h), in no event will the indemnified party be required to pay any amount to an indemnifying party pursuant to this subsection (h) the payment of which would place the indemnified party in a less favorable net after-Tax position than the indemnified party would have been in if the Tax subject to indemnification had not been deducted, withheld or otherwise imposed and the indemnification payments or additional amounts giving rise to such refund had never been paid. This subsection shall not be construed to require any indemnified party to make available its Tax returns (or any other information relating to its Taxes that it deems confidential) to the indemnifying party or any other Person.

(i) *Survival.* Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Revolving Credit Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

Section 14.2. No Waiver of Rights. No delay or failure on the part of the Administrative Agent, the L/C Issuer or any Lender or on the part of any holder or holders of any of the Obligations in the exercise of any power or right under any Loan Document shall operate as a waiver thereof, nor as an acquiescence in any default, nor shall any single or partial exercise thereof preclude any other or further exercise of any other power or right. The rights and remedies hereunder of the Administrative Agent, the L/C Issuer, the Lenders and any holder or holders of any of the Obligations are cumulative to, and not exclusive of, any rights or remedies which any of them would otherwise have.

Section 14.3. Non-Business Day. If any payment hereunder becomes due and payable on a day which is not a Business Day, the due date of such payment shall be extended to the next succeeding Business Day on which date such payment shall be due and payable. In the case of any payment of principal falling due on a day which is not a Business Day, interest on such principal amount shall continue to accrue during such extension at the rate per annum then in effect, which accrued amount shall be due and payable on the next scheduled date for the payment of interest.

Section 14.4. Survival of Representations. All representations and warranties made herein or in any other Loan Documents or in certificates given pursuant hereto or thereto shall survive the execution and delivery of this Agreement and the other Loan Documents, and shall continue in full force and effect with respect to the date as of which they were made as long as any credit is in use or available hereunder.

Section 14.5. Survival of Indemnities. All indemnities and all other provisions relative to reimbursement to the Lenders and the L/C Issuer of amounts sufficient to protect the yield of the Lenders and the L/C Issuer with respect to the Loans and Letters of Credit, including, but not limited to, Section 3.6, Section 11.3 and Section 14.14 hereof, shall survive the termination of this Agreement and the other Loan Documents and the payment of the Loans and all other Obligations.

Section 14.6. Sharing of Set-Off. Each Lender agrees with each other Lender which is a party hereto that if such Lender shall receive and retain any payment, whether by set-off or application of deposit balances or otherwise (*"Set-off"*), on any of the Loans or Reimbursement Obligations in excess of its ratable share of payments on all such Obligations then outstanding to the Lenders, then such Lender shall purchase for cash at face value, but without recourse, ratably from each of the other Lenders such amount of the Loans or Reimbursement Obligations, or participations therein, held by each such other Lenders (or interest therein) as shall be necessary to cause such Lender to share such excess payment ratably with all the other Lenders; *provided, however,* that if any such purchase is made by any Lender, and if such excess payment or part thereof is thereafter recovered from such purchasing Lender, the related purchases from the other Lenders shall be rescinded ratably and the purchase price restored as to the portion of such excess payment so recovered, but without interest. For purposes of this Section 14.6, amounts owed to or recovered by, the L/C Issuer in connection with Reimbursement Obligations in which Lenders have been required to fund their participation shall be treated as amounts owed to or recovered by the L/C Issuer as a Lender hereunder. Each Borrower and Guarantor consents to the foregoing and agrees, to the extent it may effectively do so under applicable law, that any Lender acquiring a participation pursuant to the foregoing arrangements may exercise against each Borrower and Guarantor rights of setoff and counterclaim with respect to such participation as fully as if such Lender were a direct creditor of each Borrower in the amount of such participation.

Section 14.7. Notices. (a) Except as otherwise specified herein, all notices under the Loan Documents shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by telecopy. Notices under the Loan Documents to the Lenders shall be addressed to their respective addresses or telecopier numbers set forth in their Administrative Questionnaire, and to the Administrative Agent, the L/C Issuer, the Swing Line Lender or any Borrower shall be addressed as follows:

If to any Borrower:

Arthur J. Gallagher & Co.
2850 Golf Road
Rolling Meadows, Illinois 60008-4050
Attention: General Counsel
Telephone: (630) 285-3457
Telecopy: (630) 285-3483

with a copy to:

Arthur J. Gallagher & Co.
2850 Golf Road
Rolling Meadows, Illinois 60008-4050
Attention: Treasurer
Telephone: (630) 285-3536
Telecopy: (630) 285-4272

If to the Administrative Agent, the L/C Issuer, or the Swing Line Lender

Bank of Montreal
~~115~~320 South ~~LaSalle~~Canal Street
Chicago, Illinois ~~60603~~60606
Attention: Stacey Ahrendt

Telephone: (713) 546-9754
Telecopy: (312) 765-8078

with a copy to:

Bank of Montreal
~~115~~320 South ~~LaSalle~~Canal Street
Chicago, Illinois ~~60603~~60606
Attention: Mark Mital
Telephone: (312) 461-3826
Telecopy: (312) 293-4044

Each such notice, request or other communication shall be effective (i) if given by telecopier, when such telecopy is transmitted to the telecopier number specified in this Section 14.7 or in the relevant Administrative Questionnaire (except that, if not given during normal business hours for the recipient, shall be effective at the opening of business on the next business day for the recipient) or (ii) if given by hand or overnight courier service, or mailed by certified or registered mail, when delivered; *provided* that any notice given pursuant to Section 1 hereof shall be effective only upon receipt.

Notices delivered through electronic communications, to the extent provided in subsection (b) below, shall be effective as provided in said subsection (b).

(b)*Electronic Communications.* Notices and other communications to the Lenders and the L/C Issuers hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites) pursuant to procedures approved by the Administrative Agent, *provided* that the foregoing shall not apply to notices to any Lender or L/C Issuer pursuant to Sections 1.1, 1.2 and 1.5 if such Lender or L/C Issuer, as applicable, has notified the Administrative Agent that it is incapable of receiving notices under such Sections by electronic communication. The Administrative Agent or the Borrowers may, in their discretion, agree to accept notices and other communications to it hereunder by electronic communications pursuant to procedures approved by it; *provided* that approval of such procedures may be limited to particular notices or communications.

Unless the Administrative Agent otherwise prescribes, (i) notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement), and (ii) notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient, at its e-mail address as described in the foregoing clause (i), of notification that such notice or communication is available and identifying the website address therefor; *provided* that, for both clauses (i) and (ii) above, if such notice, email or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient.

(c)*Change of Address, etc.* Any party hereto may change its address or facsimile number for notices and other communications hereunder by notice to the other parties hereto.

(d)*Platform.* (i) Each Borrower and Guarantor agrees that the Administrative Agent may, but shall not be obligated to, make the Communications (as defined below) available to the L/C Issuers and the other Lenders by posting the Communications on Debt Domain, Intralinks, Syndtrak or a substantially similar

electronic transmission system (the *"Platform"*).

(ii) The Platform is provided "as is" and "as available." The Agent Parties (as defined below) do not warrant the adequacy of the Platform and expressly disclaim liability for errors or omissions in the Communications. No warranty of any kind, express, implied or statutory, including, without limitation, any warranty of merchantability, fitness for a particular purpose, non-infringement of third-party rights or freedom from viruses or other code defects, is made by any Agent Party in connection with the Communications or the Platform. In no event shall the Administrative Agent or any of its Related Parties (collectively, the *"Agent Parties"*) have any liability to the Borrowers, any Lender or any other Person or entity for damages of any kind, including, without limitation, direct or indirect, special, incidental or consequential damages, losses or expenses (whether in tort, contract or otherwise) arising out of any Borrower's or the Administrative Agent's transmission of communications through the Platform. *"Communications"* means, collectively, any notice, demand, communication, information, document or other material provided by or on behalf of any Borrower pursuant to any Loan Document or the transactions contemplated therein which is distributed to the Administrative Agent, any Lender or any L/C Issuer by means of electronic communications pursuant to this Section, including through the Platform.

Section 14.8. Counterparts. (a) This Agreement may be executed in any number of counterpart signature pages, and by the different parties on different counterparts, each of which when executed shall be deemed an original but all such counterparts taken together shall constitute one and the same instrument. This Agreement will be deemed executed by the parties hereto when each has signed it and delivered its executed signature page to the Administrative Agent by facsimile transmission, electronic transmission or physical delivery. This Agreement and the other Loan Documents, and any separate letter agreements with respect to fees payable to the Administrative Agent, constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or in electronic (e.g., "pdf" or "tif") format shall be effective as delivery of a manually executed counterpart of this Agreement.

(b)*Electronic Execution of Assignments.* The words "execution," "signed," "signature," and words of like import in any Assignment and Acceptance shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the Illinois State Electronic Commerce Security Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 14.9. Successors and Assigns. This Agreement shall be binding upon the Borrowers and their respective successors and assigns, and shall inure to the benefit of each of the Administrative Agent, L/C Issuer and the Lenders and the benefit of their respective successors and assigns, including any subsequent holder of any Obligation. Except as otherwise provided herein in connection with any transaction not prohibited by Section 9.10 hereof, neither any Borrower nor any Guarantor may assign any of its rights or obligations under any Loan Document without the written consent of all of the Lenders.

Section 14.10. Participants. Each Lender shall have the right at its own cost to grant participations (to be evidenced by one or more agreements or certificates of participation) in the Loans made and Reimbursement Obligations and/or Revolving Credit Commitment and/or participations in Swing Loans held by such Lender at any time and from time to time to one or more Persons (other than a natural Person or any Borrower or Guarantor or any Affiliates or Subsidiaries of any Borrower or any Guarantor) (each, a

"Participant"); *provided* that no such participation shall relieve any Lender of any of its obligations under this Agreement, and *provided further* that no such participant shall have any rights under this Agreement except as provided in this Section 14.10, and the Administrative Agent shall have no obligation or responsibility to such participant. Any party to which such a participation has been granted shall have the benefits of Section 3.6 and Section 11.3 hereof but shall not be entitled to receive any greater payment under either such Section than the Lender granting such participation would have been entitled to receive with respect to the rights transferred. Any agreement pursuant to which any Lender may grant such a participating interest shall provide that such Lender shall retain the sole right and responsibility to enforce the obligations of the Borrowers hereunder including, without limitation, the right to approve any amendment or modification or waiver of any provision of this Agreement; *provided* that such participation agreement may provide that such Lender will not agree to any modification, amendment or waiver of this Agreement that would (A) increase the Revolving Credit Commitment of such Lender if such increase would also increase the participant's obligations, (B) forgive any amount of or postpone the date for payment of any principal of or interest on any Loan or Reimbursement Obligation or of any fee payable hereunder in which such participant has an interest or (C) reduce the stated rate at which interest or fees accrue or other amounts payable hereunder in which such participant has an interest. The Borrowers authorize each Lender to disclose to any participant or prospective participant under this Section 14.10 any financial or other information pertaining to the Borrowers, subject to Section 14.21 hereof. Each Lender that sells a participation shall, acting solely for this purpose as a non-fiduciary agent of the Borrowers, maintain a register on which it enters the name and address of each Participant and the principal amounts (and stated interest) of each Participant's interest in the Loans or other obligations under the Loan Documents (the *"Participant Register"*); *provided* that no Lender shall have any obligation to disclose all or any portion of the Participant Register (including the identity of any Participant or any information relating to a Participant's interest in any commitments, loans, letters of credit or its other obligations under any Loan Document) to any Person except to the extent that such disclosure is necessary to establish that such commitment, loan, letter of credit or other obligation is in registered form under Section 5f.103-1(c) of the United States Treasury Regulations. The entries in the Participant Register shall be conclusive absent manifest error, and such Lender shall treat each Person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary. For the avoidance of doubt, the Administrative Agent (in its capacity as Administrative Agent) shall have no responsibility for maintaining a Participant Register.

Section 14.11. Assignments. (a) Any Lender may at any time assign to one or more Eligible Assignees all or a portion of such Lender's rights and obligations under this Agreement (including all or a portion of its Revolving Credit Commitment and the Loans at the time owing to it); *provided* that any such assignment shall be subject to the following conditions:

(i)*Minimum Amounts*. (A) In the case of an assignment of the entire remaining amount of the assigning Lender's Revolving Credit Commitment and the Loans and participation interest in L/C Obligations at the time owing to it or in the case of an assignment to a Lender, an Affiliate of a Lender or an Approved Fund, no minimum amount need be assigned; and (B) in any case not described in subsection (a)(i)(A) of this Section, the aggregate amount of the Revolving Credit Commitment (which for this purpose includes Loans and participation interest in L/C Obligations outstanding thereunder) or, if the Revolving Credit Commitment is not then in effect, the principal outstanding balance of the Loans and participation interest in L/C Obligations of the assigning Lender subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Administrative Agent or, if "Effective Date" is specified in the Assignment and Acceptance, as of the Effective Date) shall not be less than $5,000,000 in the case of any assignment in respect of the Revolving Credit, unless each of the Administrative Agent and, so long as no

Event of Default has occurred and is continuing, the Company otherwise consents (each such consent not to be unreasonably withheld or delayed);

(ii)*Proportionate Amounts*. Each partial assignment shall be made as an assignment of a proportionate part of all the assigning Lender's rights and obligations under this Agreement with respect to the Loan or the Revolving Credit Commitment assigned.

(iii)*Required Consents*. No consent shall be required for any assignment except to the extent required by Section 14.11(a)(i)(B) and, in addition:

(a)the consent of the Company (such consent not to be unreasonably withheld) shall be required unless (x) an Event of Default has occurred and is continuing at the time of such assignment or (y) such assignment is to a Lender, an Affiliate of a Lender or an Approved Fund; *provided* that the Company shall be deemed to have consented to any such assignment unless it shall object thereto by written notice to the Administrative Agent within five (5) Business Days after having received notice thereof;

(b)the consent of the Administrative Agent (such consent not to be unreasonably withheld or delayed) shall be required for assignments if such assignment is to a Person that is not a Lender, an Affiliate of a Lender or an Approved Fund;

(c)the consent of the L/C Issuer (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Letters of Credit (whether or not then outstanding); and

(d)the consent of the Swing Line Lender (such consent not to be unreasonably withheld or delayed) shall be required for any assignment that increases the obligation of the assignee to participate in exposure under one or more Swing Loans (whether or not then outstanding).

(iv)*Assignment and Acceptance.* The parties to each assignment shall execute and deliver to the Administrative Agent an Assignment and Acceptance, together with a processing and recordation fee of $3,500, and the assignee, if it is not a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire.

(v)*No Assignment to Company or Affiliates*. No such assignment shall be made to the Company or any of its Affiliates or Subsidiaries.

(vi)*No Assignment to Natural Persons*. No such assignment shall be made to a natural person.

(vii)*Certain Additional Payments*. In connection with any assignment of rights and obligations of any Defaulting Lender hereunder, no such assignment shall be effective unless and until, in addition to the other conditions thereto set forth herein, the parties to the assignment shall make such additional payments to the Administrative Agent in an aggregate amount sufficient, upon distribution thereof as appropriate (which may be outright payment,

purchases by the assignee of participations or subparticipations, or other compensating actions, including funding, with the consent of the Company and the Administrative Agent, the applicable *pro rata* share of Loans previously requested but not funded by the Defaulting Lender, to each of which the applicable assignee and assignor hereby irrevocably consent), to (x) pay and satisfy in full all payment liabilities then owed by such Defaulting Lender to the Administrative Agent, each L/C Issuer, the Swing Line Lender and each other Lender hereunder (and interest accrued thereon), and (y) acquire (and fund as appropriate) its full *pro rata* share of all Loans and participations in Letters of Credit and Swing Loans in accordance with its Percentage. Notwithstanding the foregoing, in the event that any assignment of rights and obligations of any Defaulting Lender hereunder shall become effective under applicable law without compliance with the provisions of this paragraph, then the assignee of such interest shall be deemed to be a Defaulting Lender for all purposes of this Agreement until such compliance occurs.

Subject to acceptance and recording thereof by the Administrative Agent pursuant to Section 14.11(b) hereof, from and after the effective date specified in each Assignment and Acceptance, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Acceptance, have the rights and obligations of a Lender under this Agreement, and the assigning Lender thereunder shall, to the extent of the interest assigned by such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all of the assigning Lender's rights and obligations under this Agreement, such Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 14.5 and 14.14 with respect to facts and circumstances occurring prior to the effective date of such assignment; *provided, that* except to the extent otherwise expressly agreed by the parties, no assignment by a Defaulting Lender will constitute a waiver or release of any claim of any party hereunder arising from that Lender having been a Defaulting Lender. Any assignment or transfer by a Lender of rights or obligations under this Agreement that does not comply with this Section shall be treated for purposes of this Agreement as a sale by such Lender of a participation in such rights and obligations in accordance with Section 14.10 hereof.

(b)*Register*. The Administrative Agent, acting solely for this purpose as an agent of the Borrowers, shall maintain at one of its offices in Chicago, Illinois, a copy of each Assignment and Acceptance delivered to it and a register for the recordation of the names and addresses of the Lenders, and the Revolving Credit Commitments of, and principal amounts (and stated interest) of the Loans owing to, each Lender pursuant to the terms hereof from time to time (the *"Register"*). The entries in the Register shall be conclusive, and the Borrowers, the Administrative Agent, and the Lenders may treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Lender hereunder for all purposes of this Agreement, notwithstanding notice to the contrary. The Register shall be available for inspection by the Borrowers and any Lender, at any reasonable time and from time to time upon reasonable prior notice.

(c)Any Lender may at any time pledge or grant a security interest in all or any portion of its rights under this Agreement to secure obligations of such Lender, including any such pledge or grant to a Federal Reserve Bank, and this Section shall not apply to any such pledge or grant of a security interest; *provided* that no such pledge or grant of a security interest shall release a Lender from any of its obligations hereunder or substitute any such pledgee or secured party for such Lender as a party hereto; *provided further, however,* the right of any such pledgee or grantee (other than any Federal Reserve Bank) to further transfer all or any portion of the rights pledged or granted to it, whether by means of foreclosure or otherwise, shall be at all times subject to the terms of this Agreement.

(d)Notwithstanding anything to the contrary herein, if at any time the Swing Line Lender assigns

all of its Revolving Credit Commitments and Loans pursuant to subsection (a) above, the Swing Line Lender may terminate the Swing Line. In the event of such termination of the Swing Line, the Company shall be entitled to appoint another Lender to act as the successor Swing Line Lender hereunder (with such Lender's consent); *provided, however,* that the failure of the Company to appoint a successor shall not affect the resignation of the Swing Line Lender. If the Swing Line Lender terminates the Swing Line, it shall retain all of the rights of the Swing Line Lender provided hereunder with respect to Swing Loans made by it and outstanding as of the effective date of such termination, including the right to require Lenders to make Revolving Loans or fund participations in outstanding Swing Loans pursuant to Section 2.5 hereof.

Section 14.12. Amendments. Any provision of the Loan Documents may be amended or waived if, but only if, such amendment or waiver is in writing and is signed by (a) the Borrowers, (b) the Required Lenders, and (c) if the rights or duties of the Administrative Agent, the L/C Issuer or the Swing Line Lender are affected thereby, the Administrative Agent, the L/C Issuer or the Swing Line Lender, as applicable; *provided* that:

(i)no amendment or waiver pursuant to this Section 14.12 shall (A) increase the Revolving Credit Commitment of any Lender without the consent of such Lender or (B) forgive, or reduce the amount of, or postpone any fixed date for payment of, any principal of or interest on any Loan or Reimbursement Obligation or any fee payable hereunder or extend the Termination Date without the consent of each Lender directly affected thereby;

(ii)no amendment or waiver pursuant to this Section 14.12 shall, unless signed by each Lender, change any provision of Section 4.2(b), Section 10.1(a), this Section 14.12, or the definition of Required Lenders, or release any Borrower or any Guarantor (except as set forth in Section 5.4 hereof), or affect the number of Lenders required to take any action under the Loan Documents;

(iii)no amendment to Section 13.B shall be made without the consent of the Guarantor(s) affected thereby.

Notwithstanding anything to the contrary herein, (1) no Defaulting Lender shall have any right to approve or disapprove any amendment, waiver or consent hereunder (and any amendment, waiver or consent which by its terms requires the consent of all Lenders or each affected Lender may be effected with the consent of the applicable Lenders other than Defaulting Lenders), except that (x) the Revolving Credit Commitment of any Defaulting Lender may not be increased or extended without the consent of such Lender and (y) any waiver, amendment or modification requiring the consent of all Lenders or each affected Lender that by its terms affects any Defaulting Lender more adversely than other affected Lenders shall require the consent of such Defaulting Lender, (2) if the Administrative Agent and the Borrowers have jointly identified an obvious error or any error or omission of a technical nature, in each case, in any provision of the Loan Documents, then the Administrative Agent and the Borrowers shall be permitted to amend such provision, (3) guarantees, collateral security documents and related documents executed by any Borrower or Guarantor in connection with this Agreement may be in a form reasonably determined by the Administrative Agent and may be amended, supplemented or waived without the consent of any Lender if such amendment, supplement or waiver is delivered in order to (x) comply with local law or advice of local counsel, (y) cure ambiguities, omissions, mistakes or defects or (z) cause such guarantee, collateral security document or other document to be consistent with this Agreement and the other Loan Documents.

Section 14.13. Headings. Section headings used in this Agreement are for reference only and shall not affect the construction of this Agreement.

Section 14.14. Legal Fees, Other Costs and Indemnification. The Borrowers agree to pay all reasonable costs and expenses of the Administrative Agent in connection with the preparation and negotiation of the Loan Documents, including without limitation, the reasonable fees and disbursements of Chapman and Cutler LLP, counsel to the Administrative Agent, in connection with the preparation and execution of the Loan Documents, and any amendment, waiver or consent related hereto, whether or not the transactions contemplated herein are consummated. The Borrowers further agree to indemnify each Lender, the L/C Issuer, the Administrative Agent, and their respective directors, officers and employees (each such Person an *"Indemnitee"*) against all losses, claims, damages, penalties, judgments, liabilities and related expenses (including, without limitation, all expenses of litigation or preparation therefor, whether or not the indemnified Person is a party thereto) which any of them may incur or reasonably pay arising out of or relating to any Loan Document or any of the transactions contemplated thereby or the direct or indirect application or proposed application of the proceeds of any Loan or Letter of Credit, other than those as determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of the party claiming indemnification. The Borrowers, upon demand by the Administrative Agent, the L/C Issuer or a Lender at any time, shall reimburse the Administrative Agent, the L/C Issuer or Lender for any reasonable legal or other expenses incurred in connection with investigating or defending against any of the foregoing except if the same is directly due to the gross negligence or willful misconduct of the party to be indemnified. To the extent permitted by applicable law, no party to this Agreement shall assert, and each such Person hereby waives, any claim against any other party to this Agreement or any Indemnitee, on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement or the other Loan Documents or any agreement or instrument contemplated hereby or thereby, the transactions contemplated hereby or thereby, any Loan or Letter of Credit or the use of the proceeds thereof. The obligations of the parties under this Section shall survive the termination of this Agreement.

Section 14.15. Set Off. In addition to any rights now or hereafter granted under the Loan Documents or applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default, each Lender, the L/C Issuer and each subsequent holder of any Obligation and each of their respective Affiliates is hereby authorized by each Borrower and each Guarantor at any time or from time to time, without notice to such Borrower, such Guarantor or to any other Person, any such notice being hereby expressly waived, to set off and to appropriate and to apply any and all deposits (general or special, including, but not limited to, indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts or premium trust accounts, and in whatever currency denominated) and any other indebtedness at any time held or owing by that Lender, the L/C Issuer or that subsequent holder or Affiliate to or for the credit or the account of such Borrower or such Guarantor, whether or not matured, against and on account of the Obligations of such Borrower or such Guarantor to that Lender, the L/C Issuer or that subsequent holder or Affiliate under the Loan Documents, including, but not limited to, all claims of any nature or description arising out of or connected with the Loan Documents, irrespective of whether or not (a) that Lender, the L/C Issuer or that subsequent holder or Affiliate shall have made any demand hereunder or (b) the principal of or the interest on the Loans or Notes and other amounts due hereunder shall have become due and payable and although said obligations and liabilities, or any of them, may be contingent or unmatured *provided* that in the event that any Defaulting Lender shall exercise any such right of setoff, (x) all amounts so set off shall be paid over immediately to the Administrative Agent for further application in accordance with the provisions of Section 1.6 and, pending such payment, shall be segregated by such Defaulting Lender from its other funds and deemed held in trust for the benefit of the Administrative Agent, the L/C Issuers, and the Lenders, and (y) the Defaulting Lender shall provide promptly to the Administrative Agent a statement describing in reasonable detail the Obligations owing to such

Defaulting Lender as to which it exercised such right of setoff. The rights of each Lender, each L/C Issuer and their respective Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that such Lender, such L/C Issuer or their respective Affiliates may have. Each Lender and L/C Issuer agrees to notify the Company and the Administrative Agent promptly after any such setoff and application; *provided* that the failure to give such notice shall not affect the validity of such setoff and application.

Section 14.16. Entire Agreement. The Loan Documents constitute the entire understanding of the parties thereto with respect to the subject matter thereof and any prior or contemporaneous agreements, whether written or oral, with respect thereto are superseded thereby.

Section 14.17. Governing Law. This Agreement and the other Loan Documents, and the rights and duties of the parties hereto, shall be construed and determined in accordance with the internal laws of the State of Illinois.

Section 14.18. Currency. To the fullest extent permitted by law, the obligation of each Borrower and each Guarantor in respect of any amount due in U.S. Dollars or an Alternative Currency (the *"relevant currency"*) under this Agreement shall, notwithstanding any payment in any other currency (whether pursuant to a judgment or otherwise), be discharged only to the extent of the amount in the relevant currency that the Person entitled to received such payment may, in accordance with normal banking procedures, purchase with the sum paid in such other currency (after any premium and costs of exchange) on the Business Day immediately following the day on which such Person receives such payment. If the amount of the relevant currency so purchased is less than the sum originally due to such Person in the relevant currency, the relevant Borrower or Guarantor, as applicable, agrees, as a separate obligation and notwithstanding any such judgment, to indemnify such Person against such loss, and if the amount of the specified currency so purchased exceeds the sum of (a) the amount originally due to the relevant Person in the specified currency plus (b) any amounts shared with other Lenders as a result of allocations of such excess as a disproportionate payment to such Person under Section 14.6 hereof, such Person agrees to remit such excess to the relevant Borrower or Guarantor, as applicable.

Section 14.19. Submission to Jurisdiction; Waiver of Jury Trial. Each Borrower and Guarantor hereby submits to the nonexclusive jurisdiction of the United States District Court for the Northern District of Illinois and of any Illinois State court sitting in the City of Chicago and any appellate court from any thereof for purposes of all legal proceedings arising out of or relating to this Agreement, the other Loan Documents or the transactions contemplated hereby or thereby. Each Borrower and Guarantor irrevocably waives, to the fullest extent permitted by law, any objection which it may now or hereafter have to the laying of the venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient forum. EACH BORROWER, EACH GUARANTOR, THE ADMINISTRATIVE AGENT, THE L/C ISSUER AND EACH LENDER HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO ANY LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED THEREBY. Each party to this Agreement irrevocably consents to service of process in any action or proceeding arising out of or relating to any Loan Document, in the manner provided for notices (other than telecopy or e-mail) in Section 14.7. Nothing in this Agreement or any other Loan Document will affect the right of any party to this Agreement to serve process in any other manner permitted by applicable law.

Section 14.20. USA Patriot Act. Each Lender and the L/C Issuer that is subject to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the *"Patriot Act"*) hereby notifies the Borrowers and Guarantors that pursuant to the requirements of the Patriot Act, it is

required to obtain, verify, and record information that identifies each Borrower and Guarantor, which information includes the name and address of each Borrower and Guarantor and other information that will allow such Lender or the L/C Issuer to identify each Borrower and Guarantor in accordance with the Patriot Act.

Section 14.21. Confidentiality. Each Lender agrees to maintain in confidence and not to disclose without the Company's consent (other than to its employees, affiliates, auditors, counsel or other professional advisors, or to another Lender, each of which shall also be bound by this Section 14.21) any information concerning the Company or any Subsidiaries furnished pursuant to this Agreement and not previously disclosed in any filing made by the Company with the SEC; *provided* that any Lender may disclose any such information (a) that has become generally available to the public, (b) if required or appropriate in any report, statement or testimony submitted to any regulatory body having or claiming to have jurisdiction over such Lender or any stock exchange on which the equity of such Lender is registered, (c) if required or appropriate in response to any summons or subpoena or in connection with any litigation, (d) in order to comply with any law, order, regulation or ruling applicable to such Lender, or (e) to any prospective or actual participant or transferee under Section 14.10 or 14.11 hereof in connection with any contemplated or actual transfer of a participating or other interest in such Lender's rights or obligations hereunder so long as such actual or prospective participant or transferee executes an agreement with such Lender containing provisions substantially identical to those contained in this Section 14.21; *provided,* that in the case of any disclosure under subsection (c) above, such Lender shall (to the extent permitted by applicable law) notify the Company of such disclosure so that the Company may seek an appropriate protective order or waive such Lender's compliance with the provisions of this Section, it being understood that if the Company has no right to obtain such a protective order or if the Company does not commence procedures to obtain such a protective order within ten Business Days of the receipt of such notice, such Lender's compliance with this Section shall be deemed to have been waived with respect to such disclosure.

Section 14.22. Severability of Provisions. Any provision of any Loan Document which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. All rights, remedies and powers provided in this Agreement and the other Loan Documents may be exercised only to the extent that the exercise thereof does not violate any applicable mandatory provisions of law, and all the provisions of this Agreement and other Loan Documents are intended to be subject to all applicable mandatory provisions of law which may be controlling and to be limited to the extent necessary so that they will not render this Agreement or the other Loan Documents invalid or unenforceable.

Section 14.23. Excess Interest. Notwithstanding any provision to the contrary contained herein or in any other Loan Document, no such provision shall require the payment or permit the collection of any amount of interest in excess of the maximum amount of interest permitted by applicable law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the Loans or other obligations outstanding under this Agreement or any other Loan Document (*"Excess Interest"*). If any Excess Interest is provided for, or is adjudicated to be provided for, herein or in any other Loan Document, then in such event (a) the provisions of this Section shall govern and control, (b) neither the Borrowers nor any guarantor or endorser shall be obligated to pay any Excess Interest, (c) any Excess Interest that the Administrative Agent or any Lender may have received hereunder shall, at the option of the Administrative Agent, be (i) applied as a credit against the then outstanding principal amount of Obligations hereunder and accrued and unpaid interest thereon (not to exceed the maximum amount permitted by applicable law), (ii) refunded to the Borrowers, or (iii) any combination of the foregoing, (d) the interest rate payable hereunder or under any other Loan Document shall be automatically subject to reduction to the maximum lawful contract rate allowed under applicable usury laws (the *"Maximum Rate"*), and this Agreement and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the relevant interest rate, and (e) neither the Borrowers nor any guarantor or endorser shall have any action against the Administrative Agent or any Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest. Notwithstanding the foregoing, if for any period of time interest on any of Obligations is calculated at the Maximum Rate rather than the applicable rate under this Agreement, and thereafter such applicable rate becomes less than the Maximum Rate, the rate of interest payable on the Obligations shall remain at the Maximum Rate until the Lenders have received the amount of interest which such Lenders would have received during such period on the Obligations had the rate of interest not been limited to the Maximum Rate during such period.

Section 14.24. Construction. The parties acknowledge and agree that the Loan Documents shall not be construed more favorably in favor of any party hereto based upon which party drafted the same, it being acknowledged that all parties hereto contributed substantially to the negotiation of the Loan Documents.

Section 14.25. No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), each Borrower and Guarantor acknowledges and agrees, and acknowledges its Affiliates' understanding, that: (a) (i) nofiduciary, advisory or agency relationship between any Borrower or Guarantor and its Subsidiaries and the Administrative Agent, the L/C Issuer, or any Lender is intended to be or has been created in respect of the transactions contemplated hereby or by the other Loan Documents, irrespective of whether the Administrative Agent, the L/C Issuer, or any Lender has advised or is advising any Borrower or any of its Subsidiaries on other matters, (ii) the arranging and other services regarding this Agreement provided by the Administrative Agent, the L/C Issuer, and the Lenders are arm's-length commercial transactions between the Borrowers and their Affiliates, on the one hand, and the Administrative Agent, the L/C Issuer, and the Lenders, on the other hand, (iii) each Borrower and Guarantor has consulted its own legal, accounting, regulatory and tax advisors to the extent that it has deemed appropriate and (iv) each Borrower and Guarantor is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; and (b) (i) the Administrative Agent, the L/C Issuer, and the Lenders each is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for any Borrower or any of its Affiliates, or any other Person; (ii) none of the Administrative Agent, the L/C Issuer, and the Lenders has any obligation to any Borrower or Guarantor or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Administrative Agent, the L/C Issuer, and the Lenders and their respective Affiliates may be engaged, for their own accounts or the

accounts of customers, in a broad range of transactions that involve interests that differ from those of any Borrower and its Affiliates, and none of the Administrative Agent, the L/C Issuer, and the Lenders has any obligation to disclose any of such interests to any Borrower or its Affiliates. To the fullest extent permitted by law, each Borrower and Guarantor hereby waives and releases any claims that it may have against the Administrative Agent, the L/C Issuer, and the Lenders with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

Section 14.26. Lender's and L/C Issuer's Obligations Several. The obligations of the Lenders and L/C Issuer hereunder are several and not joint. Nothing contained in this Agreement and no action taken by the Lenders or L/C Issuer pursuant hereto shall be deemed to constitute the Lenders and L/C Issuer a partnership, association, joint venture or other entity.

Section 14.27. Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a)the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b)the effects of any Bail-in Action on any such liability, including, if applicable:

(i)a reduction in full or in part or cancellation of any such liability;

(ii)a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii)the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

Section 14.28. Amendment and Restatement. This Agreement shall become effective on the Effective Date and shall supersede all provisions of the Existing Credit Agreement as of such date. From and after the Effective Date all references made to the Existing Credit Agreement in any Loan Document or in any other instrument or document shall, without more, be deemed to refer to this Agreement. This Agreement amends and restates the Existing Credit Agreement and is not intended to be or operate as a novation or an accord and satisfaction of the Existing Credit Agreement or the indebtedness, obligations and liabilities of the Borrowers evidenced or provided for thereunder.

Section 14.29. Equalization of Loans and Commitments. From and after the Effective Date, (a)(i) the commitments of those Lenders under the Existing Credit Agreement that are continuing as Lenders under this Agreement (the *"Continuing Lenders"*) shall be amended as set forth on Schedule 1 hereto and (ii) the commitments of those *"Lenders"* under the Existing Credit Agreement that are not continuing as Lenders under this Agreement (the *"Non-Continuing Lenders"*) shall automatically be terminated and cease to have

any further force or effect without further action by any Person, and shall be replaced with the respective Revolving Credit Commitments of such Continuing Lenders and of those Lenders party to this Agreement that were not *"Lenders"* under the Existing Credit Agreement immediately prior to the Effective Date (the *"New Lenders"*); (b) all outstanding *"Revolving Loans"* of the Non-Continuing Lenders shall be repaid in full (together with all interest accrued thereon and amounts payable pursuant to Section

3.6 hereof of the Existing Credit Agreement in connection with such payment, and all fees accrued under the Existing Credit Agreement through the Effective Date) on the Effective Date; (c) all outstanding *"Revolving Loans"* of the Continuing Lenders and all interests in outstanding *"Letters of Credit"* under the Existing Credit Agreement shall remain outstanding as the initial Revolving Loans and Letters of Credit hereunder; and (d) all interest accrued on Revolving Loans under the Existing Credit Agreement to the Effective Date shall be paid on the last day of its Interest Period in accordance with Section 1.3.

The Continuing Lenders and New Lenders each agree to make such purchases and sales of interests in the Revolving Loans and L/C Obligations outstanding on the Effective Date between themselves so that each Continuing Lender and New Lender is then holding its relevant Percentage thereof based on their Revolving Credit Commitments as in effect after giving effect hereto (such purchases and sales shall be arranged through the Administrative Agent and each Lender hereby

agrees to execute such further instruments and documents, if any, as the Administrative Agent may reasonably request in connection therewith). The Borrowers hereby agree to compensate each Continuing Lender for any and all losses, costs and expenses incurred by such Lender in connection with the sale and assignment of any Fixed Rate Loans under the Existing Credit Agreement and such reallocation described above, in each case on the terms and in the manner set forth in Section 3.6.

Section 14.30. Acknowledgement Regarding Any Supported QFCs. To the extent that the Loan Documents provide support, through a guarantee or otherwise, for any Swap Contract or any other agreement or instrument that is a QFC (such support, *"QFC Credit Support"*, and each such QFC, a *"Supported QFC"*), the parties acknowledge and agree as follows with respect to the resolution power of the Federal Deposit Insurance Corporation under the Federal Deposit Insurance Act and Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act (together with the regulations promulgated thereunder, the *"U.S. Special Resolution Regimes"*) in respect of such Supported QFC and QFC Credit Support (with the provisions below applicable notwithstanding that the Loan Documents and any Supported QFC may in fact be stated to be governed by the laws of the State of New York and/or of the United States or any other state of the United States):

(a)In the event a Covered Entity that is party to a Supported QFC (each, a *"Covered Party"*) becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer of such Supported QFC and the benefit of such QFC Credit Support (and any interest and obligation in or under such Supported QFC and such QFC Credit Support, and any rights in property securing such Supported QFC or such QFC Credit Support) from such Covered Party will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if the Supported QFC and such QFC Credit Support (and any such interest, obligation and rights in property) were governed by the laws of the United States or a state of the United States. In the event a Covered Party or a BHC Act Affiliate of a Covered Party becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under the Loan Documents that might otherwise apply to such Supported QFC or any QFC Credit Support that may be exercised against such Covered Party are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if the Supported QFC and the Loan Documents were governed by the laws of the United States or a

state of the United States. Without limitation of the foregoing, it is understood and agreed that rights and remedies of the parties with respect to a Defaulting Lender shall in no event affect the rights of any Covered Party with respect to a Supported QFC or any QFC Credit Support.

(b)As used in this Section 14.30, the following terms have the following meanings:

"BHC Act Affiliate" of a party means an "affiliate" (as such term is defined under, and interpreted in accordance with, 12 U.S.C. 1841(k)) of such party.

"Covered Entity" means any of the following: (i) a "covered entity" as that term is

defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b); (ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or (iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"QFC" has the meaning assigned to the term "qualified financial contract" in, and shall be interpreted in accordance with, 12 U.S.C. 5390(c)(8)(D).

[Signature Pages Follow]

This Second Amended and Restated Multicurrency Credit Agreement is entered into between us for the uses and purposes hereinabove set forth as of the date first above written.

Borrowers

Arthur J. Gallagher & Co.

By:
Name: ~~Jack H. Lazzaro~~
Title: ~~Vice President and Treasurer~~

** The Subsidiary that were Borrowers on the Effective Date were removed as borrowers by Amendment No. 1

BANK OF MONTREAL, individually as a Lender,
as L/C Issuer, Swing Line Lender and as
Administrative Agent

By:
Name:
Title:

BANK OF AMERICA, N.A.

By:
Name:
Title:

BARCLAYS BANK PLC

By:
Name:
Title:

CITIBANK, N.A.

By:
Name:
Title:

JPMorgan Chase Bank, N.A.

By:
Name:
Title:

CAPITAL ONE, NATIONAL ASSOCIATION

By:
Name:
Title:

HSBC Bank USA, National Association

By:
Name:
Title:

PNC Bank, National Association

By:
Name:
Title:

U.S. Bank National Association

By:
Name:
Title:

CIBC BANK USA

By:
Name:
Title:

CITIZENS BANK, N.A.

By:
Name:
Title:

AUSTRALIA AND NEW ZEALAND BANKING
GROUP LIMITED

By:
Name:
Title:

LAKE FOREST BANK & TRUST COMPANY, N.A.

By:
Name:
Title:

LLOYDS BANK CORPORATE MARKETS PLC

By:
Name:
Title:

COMERICA BANK

By:
Name:
Title:

EXHIBIT A

NOTICE OF PAYMENT REQUEST

[Name of Lender] **[Date]**

[Address]

Attention:

Reference is made to the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019, among Arthur J. Gallagher & Co. and the other Borrowers party thereto, the Lenders named therein, and Bank of Montreal, as Administrative Agent (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*). Capitalized terms used herein and not defined herein have the meanings assigned to them in the Credit Agreement. **[The Borrowers have failed to pay their Reimbursement Obligation in the amount of $_____. Your Lender's Percentage of the unpaid Reimbursement Obligation is $_]** or **[The L/C Issuer has been required to return a payment by the Borrowers of a Reimbursement Obligation in the amount of $. Your Lender's Percentage of the returned Reimbursement Obligations is $_____.]**

Sincerely,

_____,
as L/C Issuer

By:
Title:

EXHIBIT B

NOTICE OF BORROWING

Date: ,

To: Bank of Montreal, as Administrative Agent for the Lenders parties to the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*), among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent

Ladies and Gentlemen:

The undersigned, Arthur J. Gallagher & Co., refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1.5 of the Credit Agreement, of the Borrowing specified below:

1.The Business Day of the proposed Borrowing is _____, ____.

2.The aggregate amount and currency of the proposed Borrowing is _____.

3.The Borrowing is to be comprised of___of **[Base Rate] [Eurocurrency] [SOFR] [RFR]** Loans.

[4. The duration of the Interest Period for the [Eurocurrency] [SOFR] Loans included in the Borrowing shall be months.]

The undersigned hereby certifies that the following statements are true on the date hereof, and will be true on the date of the proposed Borrowing, before and after giving effect thereto and to the application of the proceeds therefrom:

(a)the representations and warranties of the Borrower contained in Section 7 of the Credit Agreement are true and correct in all material respects (where not qualified by materiality, otherwise in all respects) as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects (where not qualified by materiality, otherwise in all respects) as of such date); and

(b)no Default or Event of Default has occurred and is continuing or would result from such proposed Borrowing.

ARTHUR J. GALLAGHER & CO.

By
Name
Title

EXHIBIT C

NOTICE OF CONTINUATION/CONVERSION

Date:_____,

To: Bank of Montreal, as Administrative Agent for the Lenders parties to the Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*), among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent

Ladies and Gentlemen:

The undersigned, Arthur J. Gallagher & Co., refers to the Credit Agreement, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1.5 of the Credit Agreement, of the **[conversion] [continuation]** of the Loans specified herein, that:

1.The conversion/continuation Date is_____,_____.

2.The aggregate amount and currency of the Loans to be **[converted] [continued]**is_____.

3.The Loans are to be **[converted into] [continued as] [Eurocurrency] [SOFR] [RFR] [Base Rate]** Loans.

4.**[If applicable:]** The duration of the Interest Period for the Loans included in the **[conversion] [continuation]** shall be _months.

ARTHUR J. GALLAGHER & CO.

By
Name
Title

EXHIBIT D

REVOLVING CREDIT NOTE

_____,

FOR VALUE RECEIVED, each of the undersigned (collectively, the *"Borrowers"*), promises to pay to the order of _(the *"Lender"*) on the Termination Date of the hereinafter defined Credit Agreement, at the principal office of Bank of Montreal, in Chicago, Illinois, (or in the case of Eurocurrency Loans denominated in an Alternative Currency, at such office as the Administrative Agent has previously notified the Company) in the currency of such Loan in accordance with Section 4.2 of the Credit Agreement, the aggregate unpaid principal amount of all Revolving Loans made by the Lender to the Borrowers pursuant to the Credit Agreement, together with interest on the principal amount of each Revolving Loan from time to time outstanding hereunder at the rates, and payable in the manner and on the dates, specified in the Credit Agreement.

The Lender shall record on its books or records or on a schedule attached to this Note, which is a part hereof, each Revolving Loan made by it pursuant to the Credit Agreement, together with all payments of principal and interest and the principal balances from time to time outstanding hereon, whether the Revolving Loan is a Base Rate Loan, SOFR Loans, RFR Loan or a Eurocurrency Loan, the currency thereof and the interest rate and Interest Period applicable thereto, *provided* that prior to the transfer of this Note all such amounts shall be recorded on a schedule attached to this Note. The record thereof, whether shown on such books or records or on a schedule to this Note, shall be *prima facie* evidence of the same, *provided, however,* that the failure of the Lender to record any of the foregoing or any error in any such record shall not limit or otherwise affect the obligation of the Borrowers to repay all Revolving Loans made to them pursuant to the Credit Agreement together with accrued interest thereon.

This Note is one of the Notes referred to in the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019, among the Borrowers, Bank of Montreal, as Administrative Agent, and the lenders from time to time party thereto (said Multicurrency Credit Agreement, as amended, modified or restated from time to time, being referred to herein as the *"Credit Agreement"*), and this Note and the holder hereof are entitled to all the benefits provided for thereby or referred to therein, to which Credit Agreement reference is hereby made for a statement thereof. All defined terms used in this Note, except terms otherwise defined herein, shall have the same meaning as in the Credit Agreement.

Prepayments may be made hereon and this Note may be declared due prior to the expressed maturity hereof, all in the events, on the terms and in the manner as provided for in the Credit Agreement.

This Note shall be governed by and construed in accordance with the internal laws of the State of Illinois.

The Borrowers hereby jointly and severally promise to pay all reasonable costs and expenses (including attorneys' fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral therefor, all as more particularly provided in the Credit Agreement. The Borrowers hereby waive demand, presentment, protest or notice of any kind hereunder except as expressly provided in the Credit Agreement.

ARTHUR J. GALLAGHER & CO.

By:
Name: ~~Jack H. Lazzaro~~
Its: ~~Vice President and Treasurer~~

~~ARTHUR J. GALLAGHER & CO. (ILLINOIS)~~ ~~ARTHUR J. GALLAGHER BROKERAGE & RISK MANAGEMENT SERVICES, LLC~~ ~~RISK PLACEMENT SERVICES, INC.~~ ~~GALLAGHER BASSETT SERVICES, INC.~~ ~~GALLAGHER BENEFIT SERVICES, INC.~~ ~~ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC.~~ ~~ARTHUR J. GALLAGHER SERVICE COMPANY, LLC~~ ~~ARTHUR J. GALLAGHER (U.S.) LLC~~

~~By~~
~~Name:~~ ~~Jack H. Lazzaro~~
~~Title:~~ ~~Treasurer of each of the foregoing entities~~

EXHIBIT E

SWING LINE NOTE

_____,

On the Termination Date, for value received, each of the undersigned (collectively, the *"Borrowers"*), promises to pay to the order of _(the *"Lender"*), at the principal office of Bank of Montreal in Chicago, Illinois, such amount as may at the time of the maturity hereof, whether by acceleration or otherwise, be the aggregate unpaid principal amount of all Swing Loans owing from the Borrowers to the Lender pursuant to the Credit Agreement hereinafter mentioned.

This Note evidences Swing Loans made and to be made to the Borrowers by the Lender pursuant to that certain Second Amended and Restated Multicurrency Credit Agreement, dated as of June 7, 2019, among the Borrowers, Bank of Montreal, as Administrative Agent, and the lenders from time to time party thereto (said Multicurrency Credit Agreement, as amended, modified or restated from time to time, being referred to herein as the *"Credit Agreement"*), and the Borrowers hereby jointly and severally promise to pay interest at the office specified above on each Swing Loan evidenced hereby at the rates and times specified therefor in the Credit Agreement.

Each Swing Loan made by the Lender to the Borrowers against this Note, any repayment of principal hereon and the interest rates applicable thereto shall be endorsed by the holder hereof on the reverse side of this Note or recorded on the books and records of the holder hereof (*provided* that such entries shall be endorsed on the reverse side hereof prior to any negotiation hereof) and the Borrowers agree that in any action or proceeding instituted to collect or enforce collection of this Note, the entries so endorsed on the reverse side hereof or recorded on the books and records of the Lender shall be *prima facie* evidence of the unpaid balance of this Note and the interest rates applicable thereto.

This Note is issued by the Borrowers under the terms and provisions of the Credit Agreement, and this Note and the holder hereof are entitled to all of the benefits and security provided for thereby or referred to therein, to which reference is hereby made for a statement thereof. This Note may be declared to be, or be and become, due prior to its expressed maturity as specified in the Credit Agreement, and certain prepayments are required to be made hereon, all in the events, on the terms and with the effects provided in the Credit Agreement. All capitalized terms used herein without definition shall have the same meaning herein as such terms have in the Credit Agreement.

This Note shall be construed in accordance with, and governed by, the internal laws of the State of Illinois without regard to principles of conflict of law.

The Borrowers hereby jointly and severally promise to pay all reasonable costs and expenses (including attorneys' fees) suffered or incurred by the holder hereof in collecting this Note or enforcing any rights in any collateral therefor, all as more particularly provided in the

Credit Agreement. The Borrowers hereby waive demand, presentment, protest or notice of any kind hereunder except as expressly provided in the Credit Agreement.

ARTHUR J. GALLAGHER & CO.

By:
Name: ~~Jack H. Lazzaro~~
Its: ~~Vice President and Treasurer~~

~~ARTHUR J. GALLAGHER & CO. (ILLINOIS) ARTHUR J. GALLAGHER BROKERAGE & RISK MANAGEMENT SERVICES, LLC RISK PLACEMENT SERVICES, INC. GALLAGHER BASSETT SERVICES, INC. GALLAGHER BENEFIT SERVICES, INC. ARTHUR J. GALLAGHER RISK MANAGEMENT SERVICES, INC. ARTHUR J. GALLAGHER SERVICE COMPANY, LLC ARTHUR J. GALLAGHER (U.S.) LLC~~

~~By~~
~~Name: Jack H. Lazzaro~~
~~Title: Treasurer of each of the foregoing entities~~

EXHIBIT F

COMMITMENT AMOUNT INCREASE REQUEST

_____ , 20

Bank of Montreal,
as Administrative Agent (the *"Administrative Agent"*)
for the Lenders referred to below
~~115~~320 South ~~LaSalle~~Canal Street
Chicago, Illinois ~~60603~~60606
Attention: Agency Services

Re: Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) (together with all amendments, if any, hereafter from time to time made thereto, the *"Credit Agreement"*) among Arthur J, Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent

Ladies and Gentlemen:

In accordance with the Credit Agreement, the Company, on behalf of the Borrowers, hereby requests that the Administrative Agent consent to an increase in the aggregate Revolving Credit Commitments (the *"Commitment Amount Increase"*), in accordance with Section 3.8 of the Credit Agreement, to be effected by **[an increase in the Revolving Credit Commitment of [name of existing Lender(s)] [and] [the addition of [each of] [name of each new Lender] (the [each a] *"New Lender"*) as a Lender under the terms of the Credit Agreement]**. Capitalized terms used herein without definition shall have the same meanings herein as such terms have in the Credit Agreement.

After giving effect to such Commitment Amount Increase, the Revolving Credit Commitment of the **[Lender(s)] [New Lenders]** shall be **[$_____.] [as follows:**

LENDER/NEW LENDER	**REVOLVING CREDIT COMMITMENT AMOUNT**
_____	**$_____**
	$_____]

[Include paragraphs 1-4 for a New Lender]

1.The New Lender hereby confirms that it has received a copy of the Loan Documents and the exhibits related thereto, together with copies of the documents which were required to be delivered under the Credit Agreement as a condition to the making of the Loans and other extensions of credit thereunder. The **[Each]** New Lender acknowledges and agrees that it has made and will continue to make, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, its own credit analysis and decisions relating to the Credit Agreement. The **[Each]** New Lender further acknowledges and agrees that the Administrative Agent has not made any representations or warranties about the creditworthiness of the Borrowers or any other party to the Credit Agreement or any other Loan Document or with respect to the legality, validity, sufficiency or enforceability of the Credit Agreement or any other Loan Document or the value of any security therefor.

2.Except as otherwise provided in the Credit Agreement, effective as of the date of acceptance hereof by the Administrative Agent, the **[each]** New Lender (i) shall be deemed automatically to have become a party to the Credit Agreement and have all the rights and obligations of a *"Lender"* under the Credit Agreement as if it were an original signatory thereto and (ii) agrees to be bound by the terms and conditions set forth in the Credit Agreement as if it were an original signatory thereto.

3.The **[Each]** New Lender hereby advises you that administrative details with respect to its Loans and Revolving Credit Commitments are set forth in its Administrative Questionnaire.

[4. The [Each] New Lender has delivered, if appropriate, to the Company and the Administrative Agent (or is delivering to the Company and the Administrative Agent concurrently herewith) the tax forms referred to in Section 14.1 of the Credit Agreement.]□

THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACTUAL OBLIGATION UNDER, AND SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF ILLINOIS.

The Commitment Amount Increase shall be effective when the executed consent of the Administrative Agent is received or otherwise in accordance with Section 3.8, of the Credit Agreement, but not in any case prior to_____, ___. It shall be a conditio to the effectiveness of the Commitment Amount Increase that all expenses referred to in Section 3.8 of the Credit Agreement shall have been paid.

The Company hereby certifies that (a) no Default or Event of Default has occurred and is continuing and (b) each of the representations and warranties set forth in Section 7 of the Credit Agreement and in the other Loan Documents are and remain true and correct in all material respects on the effective date of this Commitment Amount Increase (where not already qualified by materiality, otherwise in all respects), except to the extent the same expressly relate to an earlier date, in which case they shall be true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as of such earlier date.

□ Insert bracketed paragraph if New Lender is organized under the law of a jurisdiction other than the United States of America or a state thereof.

Please indicate the Administrative Agent's consent to such Commitment Amount Increase by signing the enclosed copy of this letter in the space provided below.

Sincerely,

ARTHUR J. GALLAGHER & CO., on behalf of the Borrowers

By: _____
Name: _____
Title: _____

[NEW BANK/BANK INCREASING COMMITMENT]

By: _____
Name: _____
Title: _____

The undersigned hereby consents on this__ day of _____, _____ to the above-requested Commitment Amount Increase.

BANK OF MONTREAL, as Administrative Agent, L/C Issuer and Swing Line Lender

By: _____
Name: _____
Title: _____

EXHIBIT G

COMPLIANCE CERTIFICATE

This Compliance Certificate is furnished to Bank of Montreal as Administrative Agent pursuant to the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) among Arthur J. Gallagher & Co. (the *"Company"*) and the other Borrowers party thereto (collectively with the Company, the *"Borrowers"*), the Lenders signatory thereto and Bank of Montreal, as Administrative Agent. Unless otherwise defined herein, the terms used in this Compliance Certificate have the meanings ascribed thereto in the Credit Agreement.

THE UNDERSIGNED HEREBY CERTIFIES THAT:

1.I am the duly elected_____of the Company;

2.I have reviewed the terms of the Credit Agreement and I have made, or have caused to be made under my supervision, a detailed review of the financial condition of the Company and its Subsidiaries during the accounting period covered by the attached financial statements;

3.The examinations described in paragraph 2 did not disclose, and I have no knowledge of, the existence of any condition or the occurrence of any event which constitutes a Default or Event of Default during or at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate, except as set forth below;

4.The financial statements required by Section 9.4 of the Credit Agreement and being furnished to you concurrently with this certificate, to the best of my knowledge, fairly present in all material respects the consolidated financial condition of the Company and its Subsidiaries as of the dates and for the periods covered thereby;

5.The Attachment hereto sets forth financial data and computations evidencing the Borrowers' compliance with certain covenants of the Credit Agreement, all of which data and computations are, to the best of my knowledge, true, complete and correct and have been made in accordance with the relevant Sections of the Credit Agreement; and

6.During the most recently ended fiscal quarter of the Company, no Subsidiary became a direct Material Wholly-Owned Domestic Subsidiary **[except for _____]**.

Described below are the exceptions, if any, to paragraph 3 by listing, in detail, the nature of the condition or event, the period during which it has existed and the action which the Borrowers have taken, are taking, or proposes to take with respect to each such condition or event:

The foregoing certifications, together with the computations set forth in the Attachment hereto and the financial statements delivered with this Certificate in support hereof, are made and delivered this _____day of _____ 20 .

, (Type or Print Name) (Title)

ATTACHMENT TO COMPLIANCE CERTIFICATE
ARTHUR J. GALLAGHER & CO.

Compliance Calculations for Second Amended and Restated Multicurrency Credit Agreement Dated as of June 7, 2019
Calculations as of _____, 20
($000)

A. CASH FLOW LEVERAGE RATIO (SECTION 9.6)

FUNDED DEBT

1.	Debt Outstanding -AJG		$
2.	Debt Outstanding - Unrestricted Subsidiaries		($ _____)
3.	Debt Outstanding – Other	All recourse obligations included below Guarantees	$
	LOCs		$
	Commitments		$
4.	Excess Cash		($ _____)

NET "DEBT" $

ADJUSTED EBITDA

1.	Net Earnings 4 quarters ended	$
2.	Net Earnings Attributable to Non-Controlling Interests 4 quarters ended	$
3.	Interest Expense 4 quarters ended	$
4.	Taxes (including any portion in *"Net Earnings Attributable to Non-Controlling Interests"*) 4 quarters ended	$
5.	Depreciation/Amortization 4 quarters ended	$
6.	Change in Estimated Earnouts 4 quarters ended	$
7.	Clean Energy Subsidiaries Pretax 4 quarters ended	$

8.	Acquisitions EBITDA	$
9.	Non-Cash Stock Compensation Expense 4 quarters ended	$
10.	Restructuring, Workforce and Lease Termination Charges 4 quarters ended	$
11.	Acquisition Professional Fees 4 quarters ended	$
12.	Premium/Make-Whole Amounts 4 quarters ended	$
TOTAL EBITDA		$
1.	Unrestricted Subsidiaries EBITDA 4 quarters ended	$
TOTAL UNRESTRICTED SUBSIDIARIES EBITDA		($ _____)
ADJUSTED EBITDA		$
CASH FLOW LEVERAGE RATIO		_____ : 1.00
Cash Flow Leverage Ratio allowed as of this date		3.50 : 1.00
Borrowers are in compliance? (Circle yes or no)		Yes/No

B. INTEREST COVERAGE RATIO (SECTION 9.7)
ADJUSTED EBIT

1.	Net Earnings 4 quarters ended	$
2.	Net Earnings Attributable to Non-Controlling Interests 4 quarters ended	$
3.	Interest Expense 4 quarters ended	$
4.	Clean Energy Subsidiaries Pre-Tax 4 quarters ended	$
5.	Taxes (including any portion in *"Net Earnings Attributable to Non-Controlling Interests"*) 4 quarters ended	$

6. Change in Estimated Earnouts
4 quarters ended $

7. Unrestricted Subsidiaries ($ _____)

TOTAL UNRESTRICTED SUBSIDIARIES EBIT $

INTEREST EXPENSE

1. Interest Expense
4 quarters ended $

2. Unrestricted Subsidiaries ($ _____)

TOTAL UNRESTRICTED SUBSIDIARIES INTEREST EXPENSE $

INTEREST COVERAGE RATIO _____ : 1.00

Interest Coverage Ratio allowed as of this date 3.50 : 1.00

Borrowers are in compliance? (Circle yes or no) Yes/No

C CONSOLIDATED PRIORITY INDEBTEDNESS (SECTION 9.16)

Consolidated Priority Indebtedness

1. Indebtedness for Borrowed Money of the Company and the Restricted Subsidiaries secured by a Lien permitted by Section 9.8(h) $

2. Indebtedness for Borrowed Money of the Restricted Subsidiaries $

TOTAL PRIORITY INDEBTEDNESS $

Consolidated Total Capitalization

1. Consolidated Indebtedness $

2. Net Worth $

CONSOLIDATED TOTAL CAPITALIZATION $

Maximum Consolidated Priority Indebtedness allowed (15% of Consolidated Total Capitalization) $

Borrowers are in compliance?
(Circle yes or no) Yes/No

D. RESTRICTED SUBSIDIARIES (SECTION 9.19)

Total Consolidated Assets $

Total Unrestricted Subsidiaries Assets	$	
Difference	$	
Total Assets of Restricted Subsidiaries as a Percentage of Total Consolidated Assets		_____ %
Percentage shall not be less than		90%
Borrowers are in compliance? (Circle yes or no)		Yes/No
Total EBITDA	$	
Total EBITDA Unrestricted Subsidiaries EBITDA	$	
Difference	$	
Total EBITDA of Restricted Subsidiaries as a Percentage of Total Consolidated EBITDA		_____ %
Percentage shall not be less than		90%
Borrowers are in compliance? (Circle yes or no)		Yes/No
Debt Outstanding of Unrestricted Subsidiaries that is Non-Recourse to Company or any Restricted Subsidiary	$	

EXHIBIT H

ASSIGNMENT AND ACCEPTANCE

Dated _____ , 20

This Assignment and Acceptance (the *"Assignment and Acceptance"*) is dated as of the Effective Date set forth below and is entered into by and between **[the][each]**[1] Assignor identified in item 1 below (**[the][each, an]** *"Assignor"*) and **[the][each]**[2] Assignee identified in item 2 below ([the][each, an] *"Assignee"*). **[It is understood and agreed that the rights and obligations of [the Assignors][the Assignees]**[3] **hereunder are several and not joint.]**[4] Capitalized terms used but not defined herein shall have the meanings given to them in the Second Amended and Restated Multicurrency Credit Agreement identified below (as amended, the *"Credit Agreement"*), receipt of a copy of which is hereby acknowledged by **[the][each]** Assignee. The Standard Terms and Conditions set forth in Annex 1 attached hereto are hereby agreed to and incorporated herein by reference and made a part of this Assignment and Acceptance as if set forth herein in full.

For an agreed consideration, **[the][each]** Assignor hereby irrevocably sells and assigns to **[the Assignee][the respective Assignees]**, and **[the][each]** Assignee hereby irrevocably purchases and assumes from **[the Assignor][the respective Assignors]**, subject to and in accordance with the Standard Terms and Conditions and the Credit Agreement, as of the Effective Date inserted by the Administrative Agent as contemplated below (i) all of **[the Assignor's][the respective Assignors']** rights and obligations in **[its capacity as a Lender][their respective capacities as Lenders]** under the Credit Agreement and any other documents or instruments delivered pursuant thereto to the extent related to the amount and percentage interest identified below of all of such outstanding rights and obligations of **[the Assignor][the respective Assignors]** under the respective facilities identified below (including without limitation any letters of credit, guarantees, and swingline loans included in such facilities), and (ii) to the extent permitted to be assigned under applicable law, all claims, suits, causes of action and any other right of **[the Assignor (in its capacity as a Lender)][the respective Assignors (in their respective capacities as Lenders)]** against any Person, whether known or unknown, arising under or in connection with the Credit Agreement, any other documents or instruments delivered pursuant thereto or the loan transactions governed thereby or in any way based on or related to any of the

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1For bracketed language here and elsewhere in this form relating to the Assignor(s), if the assignment is from a single Assignor, choose the first bracketed language. If the assignment is from multiple Assignors, choose the second bracketed language.

2For bracketed language here and elsewhere in this form relating to the Assignee(s), if the assignment is to a single Assignee, choose the first bracketed language. If the assignment is to multiple Assignees, choose the second bracketed language.

3Select as appropriate.

4Include bracketed language if there are either multiple Assignors or multiple Assignees.

foregoing, including, but not limited to, contract claims, tort claims, malpractice claims, statutory claims and all other claims at law or in equity related to the rights and obligations sold and assigned pursuant to clause (i) above (the rights and obligations sold and assigned by **[the][any]** Assignor to **[the][any]** Assignee pursuant to clauses (i) and (ii) above being referred to herein collectively as **[the][an]** *"Assigned Interest"*). Each such sale and assignment is without recourse to **[the][any]** Assignor and, except as expressly provided in this Assignment and Acceptance, without representation or warranty by **[the][any]** Assignor.

1.Assignor**[s]**:

[Assignor [is] [is not] a Defaulting Lender]

2.Assignee**[s]**:

[for each Assignee, indicate [Affiliate][Approved Fund] of [*identify Lender*]

3.Borrower(s):

4.Administrative Agent: Bank of Montreal, as the administrative agent under the Credit Agreement

5.Credit Agreement: Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019, among Arthur J. Gallagher & Co. and the other Borrowers party thereto, the Lenders parties thereto, Bank of Montreal, as Administrative Agent, and the other agents parties thereto (if any)

6.Assigned Interest[s]:

Assignor[s][5]	Assignee[s][6]	Aggregate Amount of Commitment/ Loans for all Lenders[7]	Amount of Commitment/ Loans Assigned[8]	Percentage Assigned of Commitment/ Loans[8]
		$	$	%
		$	$	%
		$	$	%

5List each Assignor, as appropriate.

6List each Assignee, as appropriate.

7Amount to be adjusted by the counterparties to take into account any payments or prepayments made between the Trade Date and the Effective Date.

8Set forth, to at least 9 decimals, as a percentage of the Commitment/Loans of all Lenders thereunder.

[7. Trade Date:][9]

[PAGE BREAK]

9To be completed if the Assignor(s) and the Assignee(s) intend that the minimum assignment amount is to be determined as of the Trade Date.

Effective Date: _, 20_ **[To be inserted by Administrative Agent and which shall be the effective date of recordation of transfer in the register therefor.]**

The terms set forth in this Assignment and Acceptance are hereby agreed to:

ASSIGNOR[S][10]

[NAME OF ASSIGNOR]

By:
Name:
Title:

[NAME OF ASSIGNOR]

By:
Name:
Title:

ASSIGNEE[S][11]

[NAME OF ASSIGNEE]

By:
Name:
Title:

[NAME OF ASSIGNEE]

By:
Name:
Title:

10Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

11Add additional signature blocks as needed. Include both Fund/Pension Plan and manager making the trade (if applicable).

[Consented to and][12] Accepted:

BANK OF MONTREAL, as
Administrative Agent

By:
Name:
Title:

[Consented to:][13]

[NAME OF RELEVANT PARTY]

By:
Name:
Title:

12To be added only if the consent of the Administrative Agent is required by the terms of the Credit Agreement.

13To be added only if the consent of the Company and/or other parties (e.g. Swing Line Lender, L/C Issuer) is required by the terms of the Credit Agreement.

ANNEX 1

STANDARD TERMS AND CONDITIONS FOR ASSIGNMENT AND ASSUMPTION

SECTION 1. REPRESENTATIONS AND WARRANTIES.

Section 1.1. Assignor[s]. **[The][Each]** Assignor (a) represents and warrants that (i) it is the legal and beneficial owner of [the] [the relevant] Assigned Interest, (ii) **[the][such]** Assigned Interest is free and clear of any lien, encumbrance or other adverse claim, (iii) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and (iv) it is **[not]** a Defaulting Lender; and (b) assumes no responsibility with respect to (i) any statements, warranties or representations made in or in connection with the Credit Agreement or any other Loan Document, (ii) the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Loan Documents or any collateral thereunder, (iii) the financial condition of the Company, any of its Subsidiaries or Affiliates or any other Person obligated in respect of any Loan Document, or (iv) the performance or observance by the Company, any of its Subsidiaries or Affiliates or any other Person of any of their respective obligations under any Loan Document.

Section 1.2. Assignee[s]. **[The][Each]** Assignee (a) represents and warrants that (i) it has full power and authority, and has taken all action necessary, to execute and deliver this Assignment and Assumption and to consummate the transactions contemplated hereby and to become a Lender under the Credit Agreement, (ii) it meets all the requirements to be an assignee under Section 14.11(a) of the Credit Agreement (subject to such consents, if any, as may be required under Section 14.11(a) of the Credit Agreement), (iii) from and after the Effective Date, it shall be bound by the provisions of the Credit Agreement as a Lender thereunder and, to the extent of **[the][the relevant]** Assigned Interest, shall have the obligations of a Lender thereunder, (iv) it is sophisticated with respect to decisions to acquire assets of the type represented by the Assigned Interest and either it, or the Person exercising discretion in making its decision to acquire the Assigned Interest, is experienced in acquiring assets of such type, (v) it has received a copy of the Credit Agreement, and has received or has been accorded the opportunity to receive copies of the most recent financial statements delivered pursuant to Section 9.4 thereof, as applicable, and such other documents and information as it deems appropriate to make its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase **[the][such]** Assigned Interest, (vi) it has, independently and without reliance upon the Administrative Agent or any other Lender and based on such documents and information as it has deemed appropriate, made its own credit analysis and decision to enter into this Assignment and Acceptance and to purchase **[the][such]** Assigned Interest, and (vii) attached to the Assignment and Acceptance is any documentation required to be delivered by it pursuant to the terms of the Credit Agreement, duly completed and executed by **[the][such]** Assignee; and (b) agrees that (i) it will, independently and without reliance on the Administrative Agent, **[the][any]** Assignor or any other Lender, and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under the Loan Documents, and (ii) it will perform in accordance with their terms all of the obligations which by the terms of the LoanDocuments are required to be performed by it as a Lender.

SECTION 2. PAYMENTS.

From and after the Effective Date, the Administrative Agent shall make all payments in respect of **[the][each]** Assigned Interest (including payments of principal, interest, fees and other amounts) to **[the][the relevant]** Assignee whether such amounts have accrued prior to, on or after the Effective Date. The Assignor**[s]** and the Assignee**[s]** shall make all appropriate adjustments in payments by the Administrative Agent for periods prior to the Effective Date or with respect to the making of this assignment directly between themselves. Notwithstanding the foregoing, the Administrative Agent shall make all payments of interest,

fees or other amounts paid or payable in kind from and after the Effective Date to **[the][the relevant]** Assignee.

SECTION 3. GENERAL PROVISIONS.

This Assignment and Acceptance shall be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns. This Assignment and Acceptance may be executed in any number of counterparts, which together shall constitute one instrument. Delivery of an executed counterpart of a signature page of this Assignment and Acceptance by telecopy shall be effective as delivery of a manually executed counterpart of this Assignment and Acceptance. This Assignment and Acceptance shall be governed by, and construed in accordance with, the law of the State of Illinois.

EXHIBIT I

ADDITIONAL OBLIGOR SUPPLEMENT

_____,20

BANK OF MONTREAL, as Administrative Agent for the Lenders named in the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019, among Arthur J. Gallagher & Co. and each other Borrower party thereto (collectively, the *"Borrowers"*), the Lenders from time to time party thereto, and the Administrative Agent (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*)

Ladies and Gentlemen:

Reference is made to the Credit Agreement described above. Terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the meaning provided therein.

The undersigned, **[name of new Borrower]**, a **[jurisdiction of incorporation or organization]** hereby elects to be a *"Borrower"* for all purposes of the Credit Agreement, effective from the date hereof. The undersigned confirms that the representations and warranties set forth in Section 7 of the Credit Agreement are true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as and to the extent that they apply to the undersigned as of the date hereof and the undersigned shall comply with each of the covenants set forth in Section 9 of the Credit Agreement applicable to it.

Without limiting the generality of the foregoing, the undersigned hereby agrees to perform all the obligations of a Borrower under, and to be bound in all respects by the terms of, the Credit Agreement, including without limitation Section 13.A. thereof, to the same extent and with the same force and effect as if the undersigned were a signatory party thereto.

The undersigned acknowledges that this Agreement shall be effective upon its execution and delivery to the Administrative Agent, and it shall not be necessary for the Administrative Agent or any Lender to execute this Agreement or any other acceptance hereof. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Illinois.

Sincerely,

[NAME OF NEW BORROWER]

By:
Name:
Title:

EXHIBIT J

ADDITIONAL GUARANTOR SUPPLEMENT

_____,20

BANK OF MONTREAL, as Administrative Agent for the Lenders named in the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019, among Arthur J. Gallagher & Co. and the other Borrowers party thereto, the Lenders from time to time party thereto, and the Administrative Agent (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*)

Ladies and Gentlemen:

Reference is made to the Credit Agreement described above. Terms not defined herein which are defined in the Credit Agreement shall have for the purposes hereof the meaning provided therein.

The undersigned, **[name of Subsidiary Guarantor]**, a **[jurisdiction of incorporation or organization]** hereby elects to be a *"Guarantor"* for all purposes of the Credit Agreement, effective from the date hereof. The undersigned confirms that the representations and warranties set forth in Section 7 of the Credit Agreement are true and correct in all material respects (where not already qualified by materiality, otherwise in all respects) as and to the extent that they apply to the undersigned as of the date hereof and the undersigned shall comply with each of the covenants set forth in Section 9 of the Credit Agreement applicable to it.

Without limiting the generality of the foregoing, the undersigned hereby agrees to perform all the obligations of a Guarantor under, and to be bound in all respects by the terms of, the Credit Agreement, including without limitation Section 13.B thereof, to the same extent and with the same force and effect as if the undersigned were a signatory party thereto.

The undersigned acknowledges that this Additional Guarantor Supplement (this *"Agreement"*) shall be effective upon its execution and delivery to the Administrative Agent, and it shall not be necessary for the Administrative Agent or any Lender to execute this Agreement or any other acceptance hereof. This Agreement shall be construed in accordance with and governed by the internal laws of the State of Illinois.

Sincerely,

[NAME OF GUARANTOR]

By:
Name
Title

EXHIBIT K-1

[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent (the *"Administrative Agent"*). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 14.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF LENDER]

By:
Name:
Title:

Date: , 20[_]

EXHIBIT K-2

[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Not Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent (the *"Administrative Agent"*). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 14.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record and beneficial owner of the participation in respect of which it is providing this certificate, (ii) it is not a bank within the meaning of Section 881(c)(3)(A) of the Code, (iii) it is not a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code, and (iv) it is not a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with a certificate of its non-U.S. Person status on IRS Form W-8BEN or IRS Form W-8BEN-E. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender in writing, and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By: _____
Name: _____
Title: _____

Date: _____, 20[_]

EXHIBIT K-3

[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Participants That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent (the *"Administrative Agent"*). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 14.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the participation in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such participation,

(iii) with respect such participation, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished its participating Lender with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform such Lender and (2) the undersigned shall have at all times furnished such Lender with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF PARTICIPANT]

By:
Name:
Title:

Date: , 20[_]

EXHIBIT K-4

[FORM OF]
U.S. TAX COMPLIANCE CERTIFICATE
(For Foreign Lenders That Are Partnerships For U.S. Federal Income Tax Purposes)

Reference is made to the Second Amended and Restated Multicurrency Credit Agreement dated as of June 7, 2019 (as extended, renewed, amended or restated from time to time, the *"Credit Agreement"*) among Arthur J. Gallagher & Co., (the *"Company"*) and the other Borrowers (collectively with the Company, the *"Borrowers"*) party thereto, the Lenders party thereto and the Administrative Agent (the *"Administrative Agent"*). Terms defined in the Credit Agreement are used herein with the same meaning.

Pursuant to the provisions of Section 14.1 of the Credit Agreement, the undersigned hereby certifies that (i) it is the sole record owner of the Loan(s) (as well as any Note(s) evidencing such Loan(s)) in respect of which it is providing this certificate, (ii) its direct or indirect partners/members are the sole beneficial owners of such Loan(s) (as well as any Note(s) evidencing such Loan(s)), (iii) with respect to the extension of credit pursuant to this Credit Agreement or any other Loan Document, neither the undersigned nor any of its direct or indirect partners/members is a bank extending credit pursuant to a loan agreement entered into in the ordinary course of its trade or business within the meaning of Section 881(c)(3)(A) of the Code, (iv) none of its direct or indirect partners/members is a ten percent shareholder of any Borrower within the meaning of Section 871(h)(3)(B) of the Code and (v) none of its direct or indirect partners/members is a controlled foreign corporation related to any Borrower as described in Section 881(c)(3)(C) of the Code.

The undersigned has furnished the Administrative Agent and the Company with IRS Form W-8IMY accompanied by one of the following forms from each of its partners/members that is claiming the portfolio interest exemption: (i) an IRS Form W-8BEN or IRS Form W-8BEN-E or (ii) an IRS Form W-8IMY accompanied by an IRS Form W-8BEN or IRS Form W-8BEN-E from each of such partner's/member's beneficial owners that is claiming the portfolio interest exemption. By executing this certificate, the undersigned agrees that (1) if the information provided on this certificate changes, the undersigned shall promptly so inform the Company and the Administrative Agent, and (2) the undersigned shall have at all times furnished the Company and the Administrative Agent with a properly completed and currently effective certificate in either the calendar year in which each payment is to be made to the undersigned, or in either of the two calendar years preceding such payments.

[NAME OF LENDER]

By: _____
Name: _____
Title: _____

Date: _____, 20[_]

SCHEDULE 1

REVOLVING CREDIT COMMITMENTS

NAME OF LENDER	REVOLVING CREDIT COMMITMENT
Bank of Montreal	$135,000,000
Bank of America, N.A.	$120,000,000
Barclays Bank PLC	$120,000,000
Citibank, N.A.	$120,000,000
JPMorgan Chase Bank, N.A.	$120,000,000
Capital One, National Association	$75,000,000
HSBC Bank USA, National Association	$75,000,000
PNC Bank, National Association	$75,000,000
U.S. Bank National Association	$75,000,000
CIBC Bank USA	$60,000,000
Citizens Bank, N.A.	$55,000,000
Australia and New Zealand Banking Group Limited	$45,000,000
Lake Forest Bank & Trust Company, N.A.	$45,000,000
Lloyds Bank Corporate Markets plc	$45,000,000
Comerica Bank	$35,000,000
TOTAL	$1,200,000,000

SCHEDULE 1.2(a)

EXISTING LETTERS OF CREDIT

LETTER OF CREDIT NUMBER	STATED MATURITY DATE	STATED AMOUNT	BENEFICIARY
BMCH307871OS	30 Sep 2019	8,850,000.00	Arch Insurance Company
BMCH307877OS	30 Sep 2019	1,300,000.00	The Hartford Insurance Company
BMCH316774OS	21 Dec 2019	2,000,000.00	Comerica Bank
BMCH316775OS	20 Dec 2019	3,700,000.00	SEG Insurance Ltd.
BMCH424839OS	23 Dec 2019	25,000.00	Commissioner of Insurance
BMCH424851OS	23 Dec 2019	500,000.00	Commissioner of Insurance
BMCH424852OS	23 Dec 2019	25,000.00	Commissioner of Insurance
BMCH426705OS	13 Jan 2020	25,000.00	Commissioner of Insurance
BMCH438983OS	03 Jun 2019	25,000.00	Commissioner of Insurance
BMCH475341OS	27 Jul 2019	495,000.00	CSREFI Independence Wharf Boston

SCHEDULE 7.2

SUBSIDIARIES

In the following list of subsidiaries of Arthur J. Gallagher & Co., those companies that are indented represent subsidiaries of the corporation under which they are indented. Except for directors' qualifying shares, 100% of the voting stock of each of the subsidiaries listed below, other than those indicated by footnote, is owned of record or beneficially by its indicated parent.

Each Material Wholly-Owned Domestic Subsidiary is indicated by an * after its name. Each Unrestricted Subsidiary is indicated by a # after its name.

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Arthur J. Gallagher & Co.	Delaware
AJG Meadows, LLC	Delaware
Gallagher International Cash Management s.r.l.	Barbados
Gallagher Risk Group LLC	Delaware
Gallagher (Bermuda) Insurance Solutions Ltd.	Bermuda
Arthur J. Gallagher (U.S.) LLC*	Delaware
Arthur J. Gallagher Brokerage & Risk Management Services, LLC*	Delaware
Arthur J. Gallagher Risk Management Services, Inc.*	Illinois
AJG Coal, LLC	Delaware
HPF Investments, LLC	Delaware
Gallagher Clean Energy, LLC	Delaware
Gallagher Holdings Bermuda Company Limited	Bermuda
MG Advanced Coal Technologies-1, LLC	Delaware
Advanced Energy Systems, LLC (1)	Delaware
AJG RCF LLC	Delaware
Allied Claims Administration, Inc. (2)	Georgia
Housing Authorities Services Risk Purchasing Group, LLC	Louisiana
AJGRMS of Louisiana, LLC	Louisiana
Gallagher Mississippi Brokerage, LLC	Mississippi
Healthcare Professionals Purchasing Group, LLC	Delaware
Professional Agents Risk Purchasing Group,LLC	Delaware
Reassurance Holdings, Inc.	Delaware
Velo Holdings Inc.	Delaware
V2V Holdings LLC	Delaware
Carefree Marketing, Inc.	Illinois
Coverdell & Company, Inc.	Illinois
Discount Development Services, L.L.C.	Illinois
Uni-Care, Inc.	Illinois
Memberworks Canada LLC	Delaware
Coverdell Canada Corporation	Canada

Name	State or Other Jurisdiction of Incorporation
Velo ACU LLC	Delaware
FYI Direct, LLC	Delaware
Vertrue LLC	Delaware
Adaptive Marketing LLC	Delaware
FYI Direct Canada Corporation	Canada
Arthur J. Gallagher Risk Management Services (Hawaii), Inc.	Hawaii
Arthur J. Gallagher Risk Management Services of Utah, Inc.	Utah
Arthur J. Gallagher & Co. Insurance Brokers of California, Inc.	California
Charity First Insurance Services, Inc.	California
Arthur J. Gallagher Real Estate Risk Purchasing Group, LLC	California
Arthur J. Gallagher School Risk Purchasing Group, LLC	California
Arthur J. Gallagher Financial Services Professionals Risk Purchasing Group, LLC	California
Nonprofit Insurance Risk Purchasing Group, LLC	California
Gallagher Community Clinic RPG, LLC	California
Artex Risk Solutions, Inc.	Delaware
Copper Mountain Assurance, Inc.	Utah
CMA Solutions, LLC	Utah
Artex Insurance (Tennessee) PCCIC, Inc.	Tennessee
Bluewater Incorporated Cell Insurance Company	Tennessee
Gallagher Benefit Services, Inc.*	Delaware
GBS Retirement Services, Inc.	New York
GBS Insurance and Financial Services,	Inc. Delaware
GBS Administrators, Inc.	Washington
Gallagher Fiduciary Advisors, LLC	Delaware
Gallagher Voluntary Benefits, LLC	Delaware
Gallagher Investment Advisors, LLC	Delaware
Gallagher Bassett Services, Inc.,*	Delaware
Gallagher Bassett Aires, Inc.	Illinois
MedInsights, Inc.	Delaware
Gallagher Bassett International Ltd.	England
Gallagher Bassett Insurance Services, Ltd.	England
Countrywide Accident Assistance Limited	England
Fleet Assistance Limited	England
Strata Solicitors Ltd	England
HMG-PCMS Limited	England
Gallagher Bassett Canada Inc.	Canada
Gallagher Bassett Services Pty Ltd.	Australia
Gallagher Bassett Services Workers Compensation Victoria Pty Ltd.	Australia
Gallagher Bassett NZ Pty Ltd.	New Zealand
Nordic Försäkring & Riskhantering AB	Sweden
London Market AS (3)	Czech Republic

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Fortress Insurance, LLC	Delaware
RIL Administrators (Guernsey) Ltd.	Guernsey
Sentinel Indemnity, LLC	Delaware
Artex Risk Solutions, Inc.	Anguilla
JPGAC, LLC	Delaware
Bollinger, Inc.	New Jersey
Bollinger Insurance Services, Inc.	Delaware
Risk Placement Services, Inc.*	Illinois
Continental Premium Finance Corporation # (35)	Georgia
Commonwealth Premium Finance Corporation # (35)	Kentucky
First Premium, Inc. # (35)	Louisiana
Premium Finance Corporation # (35)	Wisconsin
American Freedom Carriers, Inc.	Indiana
College and University Scholastic Excess Risk Purchasing Group, LLC	California
Consolidated Casualty Specialties, LLC	Delaware
Pronto Holdco, Inc.	Delaware
Vela Holdings I GP, LLC	Texas
Insurance Internet Systems, LP	Texas
Vela Holdings II GP, LLC	Texas
Pronto Insurance Agencies, LP	Texas
CKR Insurance	Texas
Pronto Franchise, LLC	Texas
Pronto General Agency Management, LLC	Texas
Pronto General Agency, Ltd	Texas
Pronto Insurance Agency of Laredo, Inc.	Texas
Pronto Holding Florida, LLC	Delaware
Pronto Florida General Acency, LLC	Delaware
Pronto Florida Claims, LLC	Delaware
Pronto Holding California LLC	Delaware
Premier Insurance Services Inc.	California
Big Savings Insurance Agency, Inc.	California
Pronto California Claims, LLC	Delaware
Pronto California General Agency, LLC	Delaware
Pronto California Agency, LLC	Delaware
AJG Financial Services, LLC	Delaware
Arthur J. Gallagher Service Company, LLC*	Delaware
Gallagher Corporate Services, LLC	Delaware
Arthur J. Gallagher & Co. (Illinois)*	Illinois
Gallagher Mauritius Holdings	Mauritius
Gallagher Service Center LLP	India
Arthur J. Gallagher & Co. (Canada) Ltd	Delaware
Gallagher Canada Acquisition Corporation	Canada

Name	State or Other Jurisdiction of Incorporation
AJG North America ULC	Canada
Gallagher Energy Risk Services Inc.	Canada
Arthur J. Gallagher Group Quebec ULC	Canada
Gallagher Benefit Services (Canada) Group Inc.	Canada
Keyser Benefits Corp.	Canada
Arthur J. Gallagher Canada Limited (4)	Canada
Cintran Claims Canada Limited	Canada
Pen Underwriting Canada Limited	Canada
GPL Assurance Inc.	Canada
Palmer Atlantic Insurance Ltd	Canada
Palmer Atlantic Risk Services Ltd.	Canada
Jones Brown Group Inc.	Canada
Jones Brown Inc. (5)	Canada
Jones Brown Insurance Solutions Inc.	Canada
Pearson Dunn Insurance Inc.	Canada
Game Day Insurance Inc.	Canada
Gallagher Benefit Services (Holdings) Limited	England
Gallagher Benefit Services Management Company Limited	England
Gallagher Risk & Reward Limited	England
Gallagher Communications Limited	England
Orb Financial Services Limited	England
Argentis Financial Group Limited	England
Kingston Smith Financial Advisors (6)	England
Argentis Financial Management Limited	England
Argentis Wealth Management Ltd	England
Argentis Mortgages Ltd	England
Argentis Financial Services Ltd	England
Agrentis Investment Management Ltd	England
Gatehouse Consulting Limited	England
Total Rewards Group (Holdings) Limited	England
Reward Management Limited	England
Arthur J. Gallagher & Co. (Bermuda) Limited	Bermuda
Arthur J. Gallagher Management (Bermuda) Limited	Bermuda
Artex Risk Solutions (Cayman) Limited	Cayman Islands
Atrex Insurance (Cayman) SPC Limited	Cayman Islands
SEG Insurance Ltd (7)	Bermuda
Artex Intermediaries, Ltd	Bermuda
Artex Risk Solutions (Bermuda) Ltd	Bermuda
Artex (SAC) Limited	Bermuda
Protected Insurance Company	Bermuda
Arthur J. Gallagher Latin America, LLC	Illinois
Arthur J. Gallagher (Bermuda) Holding Partnership (8)	Bermuda

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
CGM Gallagher Group Ltd (9)	St. Lucia
Mecacem Insurance SPC Ltd	Cayman Islands
CGM Gallagher Insurance Brokers (Barbados) Limited	Barbados
CGM Gallagher Insurance Brokers Jamaica Limited	Jamaica
CGM Gallagher Insurance Brokers (St. Lucia) Limited	St. Lucia
CGM Gallagher Insurance Brokers (St. Vincent) Limited	St. Vincent
CGM Gallagher Insurance Brokers (St. Kitts & Nevis) Limited	St. Kitts & Nevis
Muf Investments S.a.r.l. (10)	Luxembourg
Arthur J. Gallagher Chile Corredores de Reaseguros, S.A. (11)	Chile
AJG Holding (Chile) SpA. (12)	Chile
Arthur J. Gallagher Corredores de Seguros S.A. (13)	Chile
Brim AB	Sweden
Arthur J Gallagher (Norway) Holdings AS	Norway
Bergvall Marine A.S.	Norway
Gallagher Colombia (UK) Limited (14)	England
Gallagher RE Colombia Ltda Corredores de Reaseguros SA	Colombia
Gallagher Consulting Ltda	Colombia
Arthur J. Gallagher Corredores de Seguros S.A. (15)	Colombia
Arthur J. Gallagher Peru Corredores de Reaseguros, S.A. (16)	Peru
Arthur J. Gallagher Peru Corredores de Seguros S.A. (17)	Peru
Arthur J. Gallagher Asesoria S.A.C.	Peru
Artex Risk Solutions (International) Ltd	Guernsey
Artex Risk Solutions(Holdings) Limited	Guernsey
Artex Holdings (Gibraltar) Limited	Gibraltar
Artex Corporate Services Limited	Gibraltar
Artex Risk Solutions (Gibraltar) Limited	Gibraltar
Artex Risk Solutions (Guernsey) Limited	Guernsey
Artex Insurance ICC Limited	Guernsey
Artex Insurance (Guernsey) PCC Limited	Guernsey
Harlequin Insurance PCC Limited	Guernsey
Mannequin Insurance PCC Limited	Guernsey
Artex Holdings (Malta) Limited	Malta
Osprey Insurance Brokers Limited	Malta
Artex Risk Solutions (Malta) Limited	Malta
Artex Corporate Services (Malta) Limited	Malta
Artex Risk Solutions (UK) Limited	England
Artex Risk Solutions (Singapore) Pte Ltd	Singapore
Heritage Insurance Brokers (CI) Limited	Guernsey
Hexagon Insurance PCC Limited	Guernsey
Septagon Insurance PCC Limited	Guernsey
Axe Insurance PCC Limited	Guernsey
Hexagon ICC Limited	Guernsey

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Pastel Holdings Pty Limited	Australia
GBS (Australia) Holdings Pty Ltd	Australia
Gallagher Benefit Services Pty Ltd	Australia
Complete Financial Balance Pty Ltd	Australia
Finergy Solutions Pty Ltd	Australia
Avantek Pty Ltd	Australia
Personal Advice Services Pty Ltd	Australia
Super Advice Corporate Services Pty Ltd	Australia
Arthur J. Gallagher (Life Solutions) Ltd	Australia
Pastel Purchaser Pty Limited	Australia
Elantis Premium Funding Limited # (35)	Australia
OAMPS Ltd.	Australia
Gallagher Risk Placements Pty Ltd	Australia
Arthur J. Gallagher & Co. (AUS) Ltd	Australia
Strathern Integration Holdco Pty Ltd	Australia
Kingspark Enterprises Pty Ltd	Australia
Instrat Integration Holdco Pty Ltd	Australia
Instrat Insurance Brokers Pty Ltd	Australia
Blue Integration Holdco Pty Ltd	Australia
Insure Pty Ltd	Australia
Strathern Insurance Group Pty Ltd	Australia
Strathern Unit Trust	Australia
Strathearn Insurance Brokers (Qld) Trading Trust	Australia
Secure Enterprises Pty Ltd	Australia
Parkstar Enterprises Pty Ltd	Australia
OAMPS Gault Armstrong Pty Ltd	Australia
Gault Armstrong Kemble Pty Ltd	Australia
Gault Armstrong SARL	New Caledonia
Milne Alexander Pty Ltd	Australia
MA Underwriting Pty Ltd	Australia
I-Protect Underwriting Pty Ltd	Australia
Arthur J. Gallagher Australasia Holdings Pty Ltd.	Australia
Pen Underwriting Group Pty. Ltd.	Australia
Arthur J. Gallagher Reinsurance Australasia Pty Ltd	Australia
Arthur J. Gallagher (Aus) Pty Ltd	Australia
InsSync Group Pty Ltd	Australia
Pen Underwriting Pty Ltd	Australia
Pastel Holding (NZ) Company	New Zealand
Pastel Purchaser (NZ) Limited	New Zealand
Mike Henry Insurance Brokers Limited	New Zealand
Mike Henry Insurance Funding Limited	New Zealand
Arthur J. Gallagher Broking (NZ) Limited	New Zealand

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Elantis Premium Funding (NZ) Limited # (35)	New Zealand
Crombie Lockwood (NZ) Limited	New Zealand
Fraser MacAndrew Ryan Limited	New Zealand
Monument Premium Funding Limited # (35)	New Zealand
Monument Insurance (NZ) Limited	New Zealand
Offshore Market Placements Limited	New Zealand
PhilPacific Insurance Brokers and Managers, Inc. (18)	Philippines
Arthur J. Gallagher (Singapore) Pte Ltd	Singapore
IBS Reinsurance Singapore Pte Ltd	Singapore
PT IBS Insurance Broking Service (19)	Indonesia
Hesse & Partner, AG (20)	Switzerland
Hesse Consulting Gmbh (20)	Switzerland
Arthur J. Gallagher Holdings (UK) Limited	England
GGB Finance 1 Limited	England
GGB Finance 2 Limited	England
GGB Finance 3 Limited	England
Gallagher Holdings (UK) Limited	England
Arthur J. Gallagher Services (UK)	Ltd England
Arthur J. Gallagher (UK) Limited	England
Risk Management Partners Limited	England
Alesco Risk Management Services Limited	England
Pen Underwriting Limited	England
Contego Underwriting Limited	England
Zenor Limited	England
Risk Services (NW) Limited	England
Portmore Insurance Brokers Limited	England
Portmore Insurance Brokers (Wilshire) Limited	England
Pavey Group Holdings (UK) Limited	England
Pavey Group Holdings Limited	England
Pavey Group Limited	England
Purple Bridge Group Limited (21)	England
Just Landlords Insurance Services Ltd	England
Vasek Insurance Services Limited	England
Unoccupied Direct Limited	England
Purple Bridge Investments Limited	England
Purple Bridge Publishing Limited	England
Purple Bridge Finance Limited	England
Purple Bridge Claims Management Limited	England
Purple Bridge Online Services Limited	England
Insure My Villa Limited	England
Capsicum Reinsurance Brokers LLP (22)	England
Capsicum Reinsurance Brokers No. 1 LLP (23)	England

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Capsicum Reinsurance Brokers No. 2 LLP (23)	England
YOA Capsicum Reinsurance Broker Limited (24)	Guernsey
Capsicum Reinsurance Brokers No. 3 LLP (23)	England
Capsicum Reinsurance Brokers Bermuda Limited	Bermuda
Capsicum Reinsurance Brokers No. 4 LLP (23)	England
Capsicum Reinsurance Brokers No. 5 LLP (23)	England
Capsicum Reinsurance Brokers No. 6 LLP (23)	England
Capsicum Reinsurance Brokers No. 7 LLP (23)	England
Capsicum Re Latin America Corretora De Resseguros Ltda	Brazil
Capsicum Reinsurance Brokers Miami, Inc.	Delaware
Capsicum CRLA LLP	Brazil
Capsicum Re Brasil Participacoes Ltda	Brazil
Capsicum Reinsurance Brokers No. 9 LLP (23)	England
Capsicum Reinsurance Brokers No. 10 LLP (23)	England
Capsicum Reinsurance Brokers No. 11 LLP (23)	England
Alize Limited	England
Stackhouse Poland Group Limited	England
Stackhouse Poland Midco Limited	England
Stackhouse Poland Bidco Limited	England
Stackhouse Poland Holdings Limited	England
Stackouse Poland Limited	England
Inspire Underwriting Limited	Englan
RSM Insurance Services Limited (25)	England
Foley Healthcare Limited	England
Honour Point Limited	England
HR Owen Insurance Services Limited (26)	England
Lucas Fettes Limited	England
Ptarmigan Underwriting UK Limited (27)	England
Ptarmigan Underwriting Agency Limited (28)	England
Lucas Fettes and Partners Limited	England
Protek Group Limited(29)	England
Antrobus Investments Limited (30)	England
Insurance Acquisitions Holdings Limited	England
Quantum Underwriting Solutions Limited	England
Title Investments Limited	England
Title & Covenant Brokers Ltd.	England
Risk Solutions Group Limited	England
Property Insurance Initatives Limited	England
Coleman Group Holdings Limited	England
Coleman Holdings Limited	England
HLG Holdings Limited	England
Friary Intermediate Limited	England

NAME	STATE OR OTHER JURISDICTION OF INCORPORATION
Acumus Interco Limited	England
Acumus Holdings Limited	England
Arthur J. Gallagher Housing Limited (31)	England
Heath Lambert Limited	England
Gallagher Benefits Consulting Limited	England
Heath Lambert Overseas Limited	England
Fenchurch Faris Limited (32)	Jordan
Fenchurch Faris Limited (33)	Saudi Arabia
Gallagher Holdings Three (UK) Limited	England
Insurance Dialogue Limited	England
Blenheim Park Ltd	England
Blenheim Park Services Limited	England
Property and Commercial Limited	England
Belmont Insurance Holdings Limited	England
Belmont International Limited	England
Rio 587 Limited	England
Rio 588 Limited	England
Quillco 226 Limited	Scotland
Quillco 227 Limited	Scotland
Ink Underwriting Agencies Limited	England
Giles Holdings Limited	Scotland
RA Rossborough (Insurance Brokers) Ltd	Jersey
Rossborough Insurance Services, Ltd. (Jersey)	Jersey
Rossborough Insurance (IOM) Ltd.	Isle of Man
Rossborough Healthcare International Ltd	Guernsey
RA Rossborough (Guernsey) Ltd.	Guernsey
Arthur J. Gallagher Insurance Brokers Limited (34)	Scotland
Igloo Insurance PCC Limited	Guernsey
Gallagher Holdings Four (UK) Limited	England
OAMPS (UK) Limited	England
OAMPS Special Risks Ltd	England
Evolution Underwriting Group Limited	England
Evolution Underwriting Limited	England
Evolution Risk Services Limited	England
Evolution Technology Services Limited	England
Oval Limited	England
Oval Healthcare Limited	England
Oval Management Services Limited	England
Oval Insurance Broking Limited	England

Notes

(1)15% of the Membership Interests of this subsidiary is owned by an unrelated party.
(2)50% owned by an unrelated party.
(3)60% held by unrelated parties.
(4)6.4% owned by local management.
(5)48.54% owned by Arthur J. Gallagher Canada Limited
(6)50% owned by Argentis Financial Group Ltd.
(7)76% of the Common Stock of this subsidiary is owned by two third parties.
(8)Arthur J. Gallagher & Co(Canada) Ltd is an equal partner in the Bermuda Partnership.
(9)The Bermuda Partnership owns 80% of CGM Gallagher Group Ltd.
(10)Holds 21.19% ownership interest in Casanueva Perez S.A.P. de C.V.(Grupo CP) .
(11)23.17% owned by management.
(12)18.42% owned by management.
(13)8.06% owned by management.
(14)40.96% owned by management.
(15)5.03% owned by management.
(16)11% owned by management.
(17)25% owned by management.
(18)33.34% owned by Arthur J. Gallagher(Bermuda) Holdings Partnership; remainder owned by management.
(19)60% owned by outside party
(20)35% owned by management
(21)30% owned by management
(22)67% owned by management.
(23)40% owned by management.
(24)50% owned by management
(25)33% interest – Stackhouse Poland Holdings Limited. 66% interest – Arrandco Investments Limited
(26)35% interest – Stackhouse Poland Holdings Limited. 60 % interest - H.R. Owen PLC. 5% interest – Claire Manton
(27)67% interest – Lucas Fettes Limited. 10% interest - Lee Glynn. 12.5% interest - Stephen Knighton. 10.5% interest – Hugo Merison
(28)60% interest – Lucas Fettes Limited. 22% interest - Kevin Kettrick. 9% interest – David Leaper . 9 % interest – Hugo Meri
(29)33% interest – Lucas Fettes Limited. 9% interest – Mark Jackson. 40% interest - Simon Middleton . 9% interest – Paul Rose. 9% interest – James Russell
(30)95% interest – Stackhouse Poland Holdings Limited. 5% interest – Lee Rhodes
(31)22.5% owned by Friary Intermediate Ltd.
(32)90% owned by unrelated party
(33)14% economic interest held by Heath Lambert Overseas Limited, 40% by direct parent and 46% by unrelated party
(34)51% owned by Rio 588 Ltd. and 49% owned by Giles Holding.
(35)Premium Finance Subsidiary.

ARTHUR J. GALLAGHER & CO.
DEFERRAL PLAN FOR NONEMPLOYEE DIRECTORS

AMENDED AND RESTATED AS OF FEBRUARY 1, 2022

ARTICLE I
Purpose

The purpose of this Arthur J. Gallagher & Co. Deferral Plan for Nonemployee Directors is to provide Nonemployee Directors with the opportunity to defer the receipt of all or a portion of the Annual Retainer or Restricted Stock Awards which they earn as directors of the Company. All capitalized terms used in the Plan shall have the meanings set forth in Article II.

ARTICLE II
Definitions

"Annual Retainer" means the annual cash retainer earned by a Nonemployee Director for his or her service on the Board or any committee thereof.

"Board" means the Board of Directors of the Company.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Compensation Committee of the Board.

"Common Stock" means the common stock of the Company, par value $1.00 per share.

"Company" means Arthur J. Gallagher & Co., a Delaware corporation.

"Deferral" shall have the meaning set forth in Section 4.2.

"Deferral Account" means a bookkeeping account in the name of a Nonemployee Director who elects to defer, pursuant to the Plan, all or a portion of his or her Annual Retainer or Restricted Stock Awards.

"Deferral Election" shall have the meaning set forth in Section 4.2.

"Distribution Date" shall have the meaning set forth in Section 6.1.

"Effective Date" means February 1, 2022.

"Fair Market Value" means the closing transaction price of a share of Common Stock as reported on the New York Stock Exchange on the date as of which such value is being determined or, if the Common Stock is not listed on the New York Stock Exchange, the closing transaction price of a share of Common Stock on the principal national stock exchange on which

the Common Stock is traded on the date as of which such value is being determined or, if there shall be no reported transactions for such date, on the next preceding date for which transactions were reported; provided, however, that if the Common Stock is not listed on a national stock exchange or if Fair Market Value for any date cannot be so determined, Fair Market Value shall be determined by the Committee by whatever means or method as the Committee, in the good faith exercise of its discretion, shall at such time deem appropriate.

"Nonemployee Director" means any director serving on the Board, other than a director who is an officer or employee of the Company or any Subsidiary.

"Plan" means this Arthur J. Gallagher & Co. Deferral Plan for Nonemployee Directors, as amended from time to time.

"Plan Year" means the 12-month period coinciding with the calendar year.

"Restricted Stock Award" means an award of restricted stock units granted to a Nonemployee Director for his or her service on the Board or any committee thereof.

"Separation Date" means the date on which a Nonemployee Director separates from service as a director of the Company, within the meaning of Section 409A of the Code.

"Share Unit" means a bookkeeping unit credited to a Nonemployee Director's Deferral Account and having a value equal to one share of Common Stock.

"Subsidiary" means any corporation or other business entity, the majority of the outstanding voting stock or other equity interests of which are owned, directly or indirectly, by the Company.

"Trust" shall have the meaning set forth in Article IX.

"Unforeseeable Emergency" means (i) a severe financial hardship to a Nonemployee Director resulting from an illness or accident of the Nonemployee Director, or the spouse or a dependent (as defined in Section 152(a) of the Code) of the Nonemployee Director, (ii) the loss of a Nonemployee Director's property due to casualty or (iii) such other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Nonemployee Director, within the meaning of Section 409A of the Code.

ARTICLE III
Administration

The Plan shall be administered by the Committee. The Committee shall, subject to the terms of this Plan, interpret this Plan and the application thereof, and establish rules and regulations it deems necessary or desirable for the administration of this Plan. All such interpretations, rules and regulations shall be final, binding and conclusive. The Committee may delegate administrative duties under the Plan to one or more employees or agents of the Company or its Subsidiaries, as it shall deem necessary or advisable. The Company shall indemnify and hold harmless the members of the Committee, and any agent to whom duties of the Committee may be delegated, against any and all claims, losses, damages, expenses or

liabilities arising from any action or failure to act with respect to the Plan, except in the case of willful misconduct by the Committee or any of its members or any such agent.

ARTICLE IV
Deferral Elections

Section 4.1.Eligibility for Deferral Elections. Each Nonemployee Director shall be eligible to participate in the Plan. A Nonemployee Director shall be eligible to make a Deferral Election pursuant to Section 4.2 if he or she serves as a Nonemployee Director or has been elected to serve as a Nonemployee Director on the date such election is made.

Section 4.2.Election Procedures. Prior to the first day of a Plan Year, each Nonemployee Director may make an election to defer the receipt of all or any portion of the Annual Retainer to be earned by such Nonemployee Director or the Restricted Stock Awards to be granted to such Nonemployee Director in such Plan Year (each such election shall be referred to as a "Deferral Election" and the amounts deferred pursuant to such an election the "Deferral"). Notwithstanding the foregoing, a Nonemployee Director who is elected for the first time to serve as a Nonemployee Director later than the first day of a Plan Year may make a Deferral Election for such Plan Year within 30 days after such election to the Board. All Deferral Elections must be made in accordance with procedures prescribed by the Committee. Any Deferral Election shall apply only to the Annual Retainer earned or the Restricted Stock Awards granted in the Plan Year for which the Deferral Election is made. In no event shall a Deferral Election under the Plan apply to the Annual Retainer payable or the Restricted Stock Awards granted to the Nonemployee Director with respect to the period prior to the date on which such election is received by the Company.

Section 4.3.Changes in Deferral Election. A Nonemployee Director must make a new Deferral Election with respect to each Plan Year by submitting a new election prior to the first day of such Plan Year in accordance with Section 4.2. A Nonemployee Director may elect to suspend his or her Deferrals during a Plan Year only if the Nonemployee Director demonstrates to the satisfaction of the Committee that he or she has incurred an Unforeseeable Emergency. No other changes may be made during a Plan Year to a Nonemployee Director's Deferral Election.

Section 4.4.Effect of Deferral Election. The submission of an election form pursuant to Section 4.2 shall evidence the Nonemployee Director's authorization of the Company to withhold the payment of the Annual Retainer otherwise payable to the Nonemployee Director or the shares of Common Stock otherwise issued to the Nonemployee Director upon the vesting of a Restricted Stock Award, to the extent such Annual Retainer or Restricted Stock Award is deferred pursuant to such election, and to credit such amounts to the Nonemployee Director's Deferral Account in accordance with Article V.

ARTICLE V
Deferral Accounts

Section 5.1.Deferral Account. As of each date on which a Nonemployee Director otherwise would be entitled to receive payment of an Annual Retainer from the

Company, the Nonemployee Director's Deferral Account under the Plan shall be credited with a number of Share Units determined by dividing the amount of such Annual Retainer that has been deferred pursuant to Article IV by the Fair Market Value of a share of Common Stock as of such date. As of each date on which a Nonemployee Director otherwise would be entitled to receive shares of Common Stock upon the vesting of a Restricted Stock Award, the Nonemployee Director's Deferral Account under the Plan shall be credited with a number of Share Units equal to the number of shares of Common Stock that have been deferred pursuant to Article IV. A Nonemployee Director shall be fully vested in all amounts credited to his or her Deferral Account.

Section 5.2.Dividend Equivalents. Upon the payment of a dividend by the Company on issued and outstanding shares of Common Stock, an amount equal to such per share dividend amount multiplied by the number of Share Units credited to each Nonemployee Director's Deferral Account shall be credited to the Nonemployee Director's Deferral Account within 10 days after the dividend payment date and shall be deemed invested in additional Share Units as though such dividend credit was a Deferral for such year.

Section 5.3.Alternative Investment Funds. If shares of Common Stock shall at any time cease to be traded on an established stock exchange or national market system, the Committee, in its sole discretion, may transfer the Fair Market Value of the Share Units accumulated in each Nonemployee Director's Deferral Account to alternative investment funds maintained for the benefit of such Nonemployee Director, as the Committee deems appropriate.

ARTICLE VI
Payment of Deferral Accounts

Section 6.1.Time and Method of Payment. A Nonemployee Director shall make an election at the same time he or she files a Deferral Election for a Plan Year to have amounts credited to his or her Deferral Account with respect to such Deferrals for such Plan Year, including all dividend equivalents pursuant to Section 5.2 and other earnings pursuant to Section 5.3, distributed:

(a) upon the Nonemployee Director's Separation Date; or

(b) upon the first day of any Plan Year which is at least three years after the first day of the Plan Year for which the Deferral Election is being made (the "Distribution Date").

Except as otherwise specifically provided herein, amounts credited to a Nonemployee Director's Deferral Account with respect to each Deferral, including all dividend equivalents pursuant to Section 5.2 and other earnings pursuant to Section 5.3, shall be paid to such Nonemployee Director in a single lump sum payment as soon as administratively practicable after the Nonemployee Director's Distribution Date with respect to such Deferral, but in no event later than 90 days thereafter.

Section 6.2.Change in Payment Election. If a Nonemployee Director elects a Distribution Date for one or more Deferrals other than his or her Separation Date, such Nonemployee Director may elect in accordance with procedures prescribed by the Committee to change such Distribution Date; provided, that, subject to Section 409A of the Code, such new

election shall not be effective unless it (i) is received by the Company at least one year prior to the previously scheduled Distribution Date; (ii) does not take effect for 12 months after it is received by the Company; and (iii) extends the Distribution Date by at least five years.

Section 6.3.Form of Payment. A Nonemployee Director's Deferral Account shall be paid to the Nonemployee Director in the form of whole shares of Common Stock equal to the number of Share Units credited to the Nonemployee Director's Deferral Account pursuant to Article V.

Section 6.4.Unforeseeable Emergency. In the event of an Unforeseeable Emergency, a Nonemployee Director may file a written request with the Committee to receive all or any portion of the vested balance of such Nonemployee Director's Deferral Account in an immediate lump sum payment in the form of whole shares of Common Stock. A Nonemployee Director's written request for such a payment shall describe the circumstances which the Nonemployee Director believes justify the payment and an estimate of the amount necessary to eliminate the Unforeseeable Emergency. An immediate payment to satisfy an Unforeseeable Emergency will be made only to the extent necessary to satisfy the emergency need, plus an amount necessary to pay any taxes reasonably anticipated as a result of such payment, and will not be made to the extent the need is or may be relieved through reimbursement or compensation, by insurance or otherwise or by liquidation of the Nonemployee Director's assets (to the extent such liquidation itself would not cause severe financial hardship). Any payment from a Nonemployee Director's Deferral Account on account of an Unforeseeable Emergency shall be deemed to cancel any Deferral Election of the Nonemployee Director then in effect and the Nonemployee Director shall be suspended from making further Deferral Elections under the Plan for the remainder of the Plan Year in which such payment is made.

Section 6.5.Distributions to Minor and Incompetent Persons. If a payment is to be made to a minor or to an individual who, in the opinion of the Committee, is unable to manage his or her financial affairs by reason of illness or mental incompetency, such distribution may be made to or for the benefit of any such individual in such of the following ways as the Committee shall direct: (a) directly to any such minor individual if, in the opinion of the Committee, he or she is able to manage his or her financial affairs, (b) to the legal representative of any such individual, (c) to a custodian under a Uniform Gifts to Minors Act for any such minor individual or (d) to some near relative of any such individual to be used for the latter's benefit. Neither the Committee nor the Company shall be required to see to the application by any third party of any payment made to or for the benefit of a Nonemployee Director or beneficiary pursuant to this Section.

ARTICLE VII

Payment Upon Death of a Nonemployee Director

Section 7.1.Payment to Beneficiary. In the event a Nonemployee Director dies before all amounts credited to his or her Deferral Account have been paid, payment of the Nonemployee Director's Deferral Account shall be made in a lump sum payment as soon as practicable, but not later than 90 days, after the date of such death.

Section 7.2.Designation of Beneficiary. Each Nonemployee Director may file with the Company a written designation of one or more persons as such Nonemployee Director's beneficiary or beneficiaries (both primary and contingent) in the event of the Nonemployee Director's death. Each beneficiary designation shall become effective only when filed in writing with the Company during the Nonemployee Director's lifetime on a form prescribed by the Company. The filing with the Company of a new beneficiary designation shall cancel all previously filed beneficiary designations. If a Nonemployee Director fails to designate a beneficiary, or if all designated beneficiaries of a Nonemployee Director predecease the Nonemployee Director, then the Deferral Account shall be paid to the Nonemployee Director's estate.

ARTICLE VIII
Funding

Benefits payable under the Plan to any Nonemployee Director shall be paid by the Company. The Company shall not be required to fund, or otherwise segregate assets to be used for payment of benefits under the Plan. Notwithstanding the foregoing, the Company, in the discretion of the Committee, may maintain one or more grantor trusts (each, a "Trust") to hold assets to be used for payment of benefits under the Plan. The assets of the Trust shall remain the assets of the Company subject to the claims of its general creditors. Any payments by a Trust of benefits provided to a Nonemployee Director under the Plan shall be considered payment by the Company and shall discharge the Company of any further liability under the Plan for such payments.

ARTICLE IX
General

Section 9.1.Effective Date; Termination. This Plan shall be effective as of the Effective Date. The Committee may terminate this Plan at any time. Termination of this Plan shall not affect the payment of any amounts credited to a Nonemployee Director's Deferral Account; provided, that the Board may, in its discretion, terminate the Plan and accelerate the payment of all Deferral Accounts:

(a)within 12 months of a corporate dissolution taxed under Section 331 of the Code, or with the approval of a bankruptcy court pursuant to 11 U.S.C. §503(b)(1)(A), provided that the payments with respect to each such Deferral Account are included in the Nonemployee Director's gross income in the later of (i) the calendar year in which the Plan termination occurs or (ii) the first calendar year in which the payments are administratively practicable;

(b)in connection with a "change in control event," as defined in, and to the extent permitted under, Treasury regulations promulgated under Section 409A of the Code; or

(c)upon any other termination event permitted under Section 409A of the Code.

Section 9.2.Amendments. The Committee may amend this Plan as it shall deem advisable. No amendment may impair the rights of a Nonemployee Director to payment of his or her Deferral Account without the consent of such Nonemployee Director.

Section 9.3.Nontransferability of Benefits. No benefit payable at any time under the Plan shall be subject in any manner to alienation, sale, transfer, assignment, pledge, attachment, or other legal process, or encumbrance of any kind. Any attempt to alienate, sell, transfer, assign, pledge or otherwise encumber any such benefits, whether currently or thereafter payable, shall be void. No person shall, in any manner, be liable for or subject to the debts or liabilities of any person entitled to such benefits. If any person shall attempt to, or shall alienate, sell, transfer, assign, pledge or otherwise encumber his benefits under the Plan, or if by any reason of his bankruptcy or other event happening at any time, such benefits would devolve upon any other person or would not be enjoyed by the person entitled thereto under the Plan, then the Committee, in its discretion, may terminate the interest in any such benefits of the person entitled thereto under the Plan and hold or apply them for or to the benefit of such person entitled thereto under the Plan or his spouse, children or other dependents, or any of them, in such manner as the Committee may deem proper.

Section 9.4.Adjustment. In the event of any stock split, stock dividend, recapitalization, reorganization, merger, consolidation, combination, exchange of shares, liquidation, spin-off or other similar change in capitalization or event, or any distribution to holders of Common Stock other than a regular cash dividend, the number of Share Units credited to each Deferral Account under the Plan shall be appropriately adjusted by the Committee. The decision of the Committee regarding any such adjustment shall be final, binding and conclusive.

Section 9.5.Forfeitures and Unclaimed Amounts. Unclaimed amounts shall consist of the amounts of the Deferral Account of a Nonemployee Director that are not distributed because of the Company's inability, after a reasonable search, to locate a Nonemployee Director or his or her beneficiary, as applicable, within a period of two (2) years after the distribution date upon which the payment of any benefits becomes due. Unclaimed amounts shall be forfeited at the end of such two-year period. These forfeitures will reduce the obligations of the Company under the Plan and the Nonemployee Director or beneficiary, as applicable, shall have no further right to his or her Deferral Account.

Section 9.6.Compliance With Section 409A of Code. This Plan is intended to comply with the provisions of Section 409A of the Code, and shall be interpreted and construed accordingly with respect to Nonemployee Directors whose benefits are subject to Section 409A of the Code (for Nonemployee Directors not subject to Section 409A of the Code, this Plan will be interpreted in a manner that takes this into account). The Committee shall have the discretion and authority to amend the Plan at any time to satisfy any requirements of Section 409A of the Code or guidance provided by the U.S. Treasury Department to the extent applicable to the Plan. Notwithstanding any other provision in this Plan, if as of a Nonemployee Director's Separation Date the Nonemployee Director is a "specified employee," as defined in Section 409A of the Code, then to the extent any amount under this Plan is payable upon such Separation Date, such payment shall be delayed until the earlier to occur of (i) the six-month anniversary of such Separation Date or (ii) the date of such Nonemployee Director's death.

Section 9.7.Governing Law. This Plan and all determinations made and actions taken pursuant thereto shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

EXHIBIT 10.42.4

FORM OF NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant	
Notice	You have been granted the following Restricted Stock Units in accordance with the terms of the Arthur J. Gallagher & Co. 20[ ] Long-Term Incentive Plan (the "Plan") and the Restricted Stock Unit Award Agreement (the "Agreement") attached hereto.
Type of Award	Restricted Stock Units
Grant Date	
Number of Shares Underlying Restricted Stock Units	
Restriction Period	The Restriction Period applicable to the percentage of the total Number of Shares Underlying Restricted Stock Units listed in the "Percentage of Restricted Stock Units" column below shall commence on the Grant Date and shall lapse on the corresponding date listed in the "Vesting Date" column below.

Vesting Date	Percentage of Restricted Stock Units
Fifth anniversary of the Grant Date*	100

However, in the event of your termination of employment, including your death, Disability or Retirement, the lapsing of the Restriction Period will be governed by Section 4 of the attached Agreement.

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF RESTRICTED STOCK UNITS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE

SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

FORM OF ARTHUR J. GALLAGHER & CO. 20[ ] LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Restricted Stock Unit Grant attached hereto (the "Grant Notice") is made between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

WHEREAS, the Company desires to grant an award of restricted stock units to the Participant under and pursuant to the Company's 20[ ] Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Company desires to evidence the award of restricted stock units to the Participant and to have the Participant acknowledge the terms and conditions of the award of restricted stock units by this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") or its delegate, as applicable, has approved this restricted stock unit award.

NOW, THEREFORE, IT IS AGREED:

1.Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(c)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(d)"Confidential Information" will be construed broadly to include

confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(e)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) The sending of an announcement by Participant or on Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; initiating a communication or contact by Participant or on Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by Participant or on Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(f)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended

from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(g)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(h)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of Participant's employment with the Company, Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to Participant.

(i)"Retirement" means the Participant's voluntary Termination of Employment on or after the date that the Participant becomes Retirement Eligible.

(j)"Retirement Eligible" means the later of: (i) the date that the Participant attains age 55; or (ii) the date that is the two-year anniversary of the Grant Date.

(k)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

(l)"Shares" shall mean shares of Common Stock of the Company.

(m)"Termination of Employment" means a "separation from service" as defined under Section 409A, as determined in accordance with the Company's Policy Regarding Section 409A Compliance.

2.Grant of Restricted Stock Units. Subject to the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant, pursuant to the Plan, the Number of Shares Underlying Restricted Stock Units set forth in the Grant Notice (the "Restricted Stock Units"). Subject to the provisions of this Agreement, the grant of Restricted Stock Units may not be revoked.

3.Dividend Equivalents. An account established by the Company on behalf of the Participant shall be credited with the amount of all dividends that would have been paid on the Restricted Stock Units if such shares were actually held by the Participant ("Dividend Equivalents"). Such Dividend Equivalents shall be subject to the same Restriction Period applicable to the Restricted Stock Units to which they relate, and, other than with respect to Retirement (which is governed by Section 4(c) of this Agreement), as soon as administratively practicable following the lapse of the Restriction Period applicable to a Restricted Stock Unit, but in no event later than 75 days following such date, the Dividend Equivalents related to such unit shall be paid to the Participant in cash, without earnings thereon.

4.Restriction Period; Termination and Retirement. The Restriction Period with respect to the Restricted Stock Units shall be as set forth in the Grant Notice. In order to earn and vest in the Restricted Stock Units, the Participant must at the time of vesting remain employed by the Company and not subject to notice of termination of employment (whether given by the Company or the Participant). Further, if the Company considers that circumstances may be such that forfeiture may result under Section 18 or the Addendum, as applicable, the vesting of any Restricted Stock Units may be delayed in the sole and absolute discretion of the Company, for such period as the Company considers is reasonably necessary to investigate those circumstances and conclude whether such forfeiture is appropriate. Subject to the terms of the Plan and Section 4(a), Section 4(b) and Section 4(c) below, all Restricted Stock Units for which the Restriction Period had not lapsed prior to the date of the Participant's termination of employment (or the issuing of notice of termination, if earlier) shall be immediately forfeited.

(a)Termination of Employment due to Disability. Notwithstanding Section 4 above, upon the Participant's Termination of Employment due to Disability, the Restriction Period shall immediately lapse as to the full number of Restricted Stock Units and the vested Shares underlying the Restricted Stock Units and any Dividend Equivalents shall be issued or delivered to the Participant on the first day of the seventh month following the Participant's Termination of Employment.

(b)Death. Notwithstanding Section 4 above, upon the Participant's death, the Restriction Period shall immediately lapse as to the full number of Restricted Stock Units and the vested Shares underlying the Restricted Stock Units and any Dividend Equivalents shall be issued or delivered to the Participant in accordance with Section 5.

(c)Retirement. Notwithstanding Section 4 above, the Restriction Period shall immediately lapse on the date that the Participant becomes Retirement Eligible. Notwithstanding any provision of this Agreement to the contrary, upon a Participant's Retirement, the vested Shares underlying the Restricted Stock Units and any Dividend Equivalents shall continue to be issued or delivered to the Participant in accordance with Section 5.

5. Payment of Restricted Stock Units. As soon as administratively practicable following each Vesting Date applicable to the Restricted Stock Units, or at such earlier time as provided for in Section 4, or as the Company may otherwise determine, but in no event later than 75 days following such date, all restrictions applicable to the Restricted Stock Units vesting on that Vesting Date shall lapse and the vested Shares, free of all restrictions, shall be issued or delivered to the Participant or his or her beneficiary or estate, as the case may be, in accordance with the provisions of the Plan. Upon issuance, the Shares will be electronically transferred to an account in the Participant's name at the provider then administering the Restricted Stock Units.

6.Recapitalization. In the event of a recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure or shares of the Company, the Committee shall make such equitable adjustments, designed to protect

against dilution, as it may deem appropriate in the number and kind of shares covered hereby.

7.Compliance with Laws and Regulations. The Company shall not be obligated to issue any Shares pursuant to this Agreement unless the Shares are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and, as applicable, local and foreign laws. Notwithstanding the foregoing, the Company is under no obligation to register any Shares to be issued under this Agreement pursuant to federal or state securities laws.

8.Acceptance of Benefits/Plan Governs. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. All determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on the Participant and on his or her legal representatives and beneficiaries.

9.Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant’s responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, the subsequent sale of any Shares acquired pursuant to the Restricted Stock Units and the receipt of any dividends or dividend equivalents; and (b) does not commit to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Participant’s liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the grant date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one country. For tax and withholding purposes and unless otherwise required under applicable law, the value of any Shares issued shall be determined based on the closing stock price on the date of vesting regardless of when the Shares are actually credited to the Participant's account.

(b) If the Participant's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the Restricted Stock Units (or a portion of any cash proceeds where the Restricted Stock Units are settled in cash or a forced sale is required) that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the Restricted Stock Units and the issuance of Shares hereunder. If the obligation for Tax-Related Items is satisfied by withholding Shares or a portion of any cash proceeds (where the Restricted Stock Units are settled in cash or a forced sale is required), for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares (or a portion of any cash proceeds) are withheld solely for the purpose of satisfying any withholding obligations for the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. Alternatively, the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant's regular salary or other amounts payable to the Participant, with no withholding of Shares, or may require the Participant to submit payment equivalent to the Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier's check or wire transfer. In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's estate) upon vesting of the Restricted Stock Units (or no cash payment will be made where the Restricted Stock Units are settled in cash or a forced sale is required) unless and until satisfactory arrangements (as determined by the Company in its sole discretion) have been made by the Participant with respect to the payment of any such Tax-Related Items. By accepting the Restricted Stock Units, the Participant expressly consents to the methods of withholding as provided hereunder and/or any other methods of withholding that the Company may adopted and are permitted under the Plan to meet the withholding and/or other requirements as provided under applicable laws, rules and regulations. All other Tax-Related Items related to the Restricted Stock Units and any Shares delivered in payment thereof shall be the Participant's sole responsibility.

(c) To the extent the Company pays any Tax-Related Items that are the Participant's responsibility ("Advanced Tax Payments"), the Company shall be entitled to recover such Advanced Tax Payments from the Participant in any manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to the Participant by the Company (including regular salary/wages, bonuses, incentive payments and Shares acquired by the Participant pursuant to any equity compensation plan that are otherwise held by the Company for the Participant's benefit).

(d) The Company may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 6.5 of the Plan.

10.Non-Transferability. Until the Restricted Period has lapsed, the Restricted Stock Units may not be transferred, assigned, pledged, or otherwise encumbered or disposed of other than by will or the laws of descent and distribution; provided, however, that the Committee may, in its discretion, permit the Restricted Stock Units to be transferred subject to such conditions and limitations as the Committee may impose.

11.No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant's employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

12.Nature of Grant. In accepting this grant of Restricted Stock Units, the Participant acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This award of Restricted Stock Units is a one-time benefit and does not create any contractual or other right to receive future grants of Restricted Stock Units, benefits in lieu of Restricted Stock Units, or other Plan benefits in the future, even if Restricted Stock Units have been granted repeatedly in the past;

(c) All decisions with respect to future Restricted Stock Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;

(e) The Participant is voluntarily participating in the Plan;

(f) The future value of the Shares underlying the Restricted Stock Units is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Restricted Stock Units and Shares subject to the Restricted Stock Units are:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or

retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the award of Restricted Stock Units, no claim or entitlement to compensation or damages shall arise from the Restricted Stock Units resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Restricted Stock Units, the amount realized upon settlement of the Restricted Stock Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Restricted Stock Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

13.No Rights as a Stockholder. The Participant shall not have a beneficial ownership interest in, or any of the rights and privileges of a stockholder as to, the Shares underlying the Restricted Stock Units, including the right to receive dividends and the right to vote such Shares underlying the Restricted Stock Units until such Restricted Stock Units vest and Shares are issued and transferred to the Participant in accordance with the terms of this Agreement. The Participant shall not be entitled to delivery of the Shares subject to the Restricted Stock Units award, or to the Dividend Equivalents related to such units, until the units have vested.

14.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Restricted Stock Units and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be

provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16.Other Plans. The Participant acknowledges that any income derived from the lapse of the Restriction Period applicable to the Restricted Stock Units shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

17.Delay of Payment. The Company may delay any payment to the Participant under the award and this Agreement if the Company reasonably anticipates that the Company would not be permitted to deduct such payment by reason of Section 162(m) of the Internal

Revenue Code of 1986, as amended (the "Code"). In such event, the Company (without any determination or election as to timing by the Participant) will make such payment either (i) in the Participant's first taxable year in which the Company reasonably anticipates or should reasonably anticipate that Section 162(m) of the Code will not limit the Company's deduction of such payment, or (ii) during the period beginning on the date on which such Participant undergoes a Termination of Employment with the Company and ending on the last day of such taxable year (or if later, ending on the 15th day of the third month following the date of the Termination of Employment). If the Company delays payment until the Participant's Termination of Employment, then to the extent required by Section 409A of the Code, the payment will be subject to a six-month delay following the date of a Participant's Termination of Employment if the Participant is a "specified employee" (as defined by Section 409A of the Code) on the date of the Participant's Termination of Employment. Any delay of payment pursuant to this Section 17 shall be made in accordance with the requirements therefor under Section 409A, and this Section 17 shall be construed and administered in a manner consistent with Section 409A and Treasury Regulation 1.409A-2(b)(7) or the corresponding provision in future guidance issued by the Internal Revenue Service or the Treasury. By accepting this award, the Participant voluntarily acknowledges and consents to any delay of payment by the Company pursuant to this Section 17.

18.Restrictive Covenant; Clawback.

(a)(i) If, at any time within (A) two years after the termination of employment; or (B) two years after the vesting of any portion of this award of Restricted Stock Units, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 19; or

(6) participating in a hostile takeover attempt of the Company;

then this award of Restricted Stock Units and all other awards of Restricted Stock or Restricted Stock Units held by the Participant shall terminate effective the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the vesting of all or a portion of this or any award of Restricted Stock or Restricted Stock Units shall be paid by the Participant to the Company. Such gain shall be calculated based on the closing price per share of the Company's common stock as quoted on the New York Stock Exchange on the date of vesting (or the next trading day if such vesting date is a holiday), multiplied by the number of shares vesting on such date, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) This award of Restricted Stock Units and all other awards of restricted stock units or restricted stock held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of (a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in (a)(i) above that Participant disgorge and pay over to the Company any gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this award, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under (a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

19.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

20.Governing Law. **This Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.**

21.Private Placement. This grant of Restricted Stock Units is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Restricted Stock Units is not subject to the supervision of the local securities authorities.

22.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

23.Exchange Controls. As a condition to this grant of Restricted Stock Units, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

24.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

25.Addendum. This grant of Restricted Stock Unit shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in

the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's relocation). The Addendum constitutes part of this Agreement.

26.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

27.Entire Agreement. This Agreement, the Grant Notice and the Plan constitute the entire agreement between the Participant and the Company regarding the award of Restricted Stock Units and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

28.Language. If the Participant has received this Agreement, Grant Notice or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

29.Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and all Restricted Stock Units granted hereunder shall be governed by Section 6.8 of the Plan. If applicable, payment under this Section 29 shall be made as soon as administratively practicable following the Change in Control, but in no event later than 75 days thereafter.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and
Secretary

PARTICIPANT

[Signed Electronically]

FORM OF ARTHUR J. GALLAGHER & CO.
DEFERRED EQUITY PARTICIPATION PLAN

AWARD AGREEMENT

Participant

Award Date

Acceptance Deadline

Allocation of Annual Funding

Important: *Not accepting this Award by the Acceptance Deadline may result in forfeiture*.

This Deferred Equity Participation Plan Award Agreement (this "Agreement"), effective as of the Award Date shown above, between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant named above, sets forth the terms and conditions of an allocation of Annual Funding (the "Award") under the Arthur J. Gallagher & Co. Deferred Equity Participation Plan (the "Plan"). The Award is subject to all of the terms and conditions set forth in the Plan and this Agreement. In the event of any conflict, the Plan will control over this Agreement. Capitalized terms in this Agreement shall have the meaning specified in the Plan, unless a different meaning is specified herein. The Participant hereby expressly acknowledges receipt of a copy of the Plan.

1.Allocation of Annual Funding. The Company hereby grants to the Participant the allocation of Annual Funding in the amount specified above.

2.Vesting. The allocation of Annual Funding shall become vested as set forth in Section 3 of the Plan. In the event the Participant's employment with the Company terminates for any reason other than those specified in Section 3(b) of the Plan prior to the Vesting Date, then the Award shall automatically terminate and be forfeited, cancelled and of no further force and effect. In the event that the Award is the Participant's first allocation of Annual Funding under the Plan, then the vesting and forfeiture conditions in Section 3(a) of the Plan shall also apply to the Award.

3.Payment. Within 30 days after the Award Date, the Participant shall make a Distribution Election which shall specify the Distribution Date and the form of payment for the Plan. If the Participant fails to make such elections within such period, he or she shall be deemed to have elected to receive a lump-sum payment on the six-month anniversary of the date of Separation from Service with the Company. Participant may change his or her Distribution Election only in accordance with the provisions set forth in the Plan.

(a)*Distribution Date*. Pursuant to the Plan, the Participant's Distribution Election shall specify one of the following as the Participant's Distribution Date: (i) the Participant's Vesting

Date; (ii) the 6-month anniversary of the date on which the Participant undergoes a Separation from Service with the Company; or (iii) the first day of any calendar year beginning after the year in which the Participant attains age 62.

(b)*Form of Payment*. Pursuant to the Plan, the Participant's Distribution Election shall specify to receive the Award in the form of: (i) a lump-sum payment; (ii) ten substantially equal annual installment payments commencing on the Distribution Date, and due on the next nine anniversaries of the Distribution Date; or (iii) five equal annual installment payments commencing on the Distribution Date, and due on the next four anniversaries of the Distribution Date.

(c)*Investment and Medium of Payment.* The Participant may make an election to receive his or her Award in the form of shares of common stock of the Company ("Common Stock") or cash. The Participant acknowledges that the default election is to receive the Award in the form of Common Stock, and that by signing this Agreement (or failing to make an election by the date this Award Agreement is due to be signed and returned – see above) he or she makes the default election irrevocably with respect to the Award. The Participant further acknowledges that he or she must call (630) 285-3955 for an alternate form, prior to signing this Agreement, if he or she wishes to make an election other than the default election, and that any such alternate election must be made by the date this Award Agreement is due to be signed and returned.

4.Miscellaneous.

(a)*Administration*. Any action taken or decision made by the Company or the Compensation Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding upon the Participant and all persons claiming under or through the Participant. By accepting the Award or other benefit under the Plan, the Participant and each person claiming under or through the Participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or decision made under the Plan by the Company or the Compensation Committee or its delegates.

(b)*Tax Withholding and Furnishing of Information*. There shall be withheld from any payment under this Agreement such amount, if any, as the Company determines is required by law, including, but not limited to, U.S. federal, state, local or foreign income, employment or other taxes incurred by reason of making of the Award or of such payment. It shall be a condition to the obligation of the Company to make payments under this Agreement that the Participant promptly provide the Company with all forms, documents or other information reasonably required by the Company in connection with the Award.

(c)*Delay of Payment*. By accepting this Award and executing this Agreement, the Participant hereby voluntarily acknowledges and consents to a delay by the Company pursuant to Section 4(f) of the Plan of any payment under the Awards granted to the Participant under the Plan prior to the date of this Agreement. The Participant acknowledges that as required by Section 409A, the Participant may not determine or elect whether the Company delays any payment pursuant to Section 4(f) of the Plan.

(d)*Clawback, Forfeiture or Recoupment*. Any payment made to the Participant under the Award will be subject to the restrictive covenants in Section 6 of the Plan, the Company's

compensation recovery policy, the forfeiture provisions of Section 5(b) of the Plan, as well as any other or additional "clawback," forfeiture or recoupment policy now existing or adopted by the Company after the date of this Agreement.

(e)*Exception to Confidentiality Provision*. Notwithstanding the generality of the prohibitions in the Plan relating to confidential information, the Participant acknowledges that nothing in this Agreement prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

(f)*Beneficiary Designation*. You may, by completing and returning the appropriate form provided to you by the Company, name a beneficiary or beneficiaries to receive any payment to which you may become entitled under this Agreement in the event of your death under the circumstances described in, and in accordance with, Section 17 of the Plan. You may change your beneficiary or beneficiaries from time to time by submitting a new form in accordance with the procedures established by the Company. If you do not designate a beneficiary, or if no designated beneficiary is living on the date any amount becomes payable under this Agreement, such payment will be made to the legal representatives of your estate, which will be deemed to be your designated beneficiary under this Agreement.

(g)*Section 409A*. This Agreement and the payment of the Award hereunder are intended to comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated and other official guidance issued thereunder, and this Agreement shall be administered and interpreted consistent with such intent.

(h)*Governing Law*. This Agreement, the Award and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

(signature page immediately follows)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and
Secretary

PARTICIPANT

_____

FORM NOTICE OF RESTRICTED STOCK UNIT GRANT

Participant	
Notice	You have been granted the following Restricted Stock Units in accordance with the terms of the Arthur J. Gallagher & Co. 20[ ] Long-Term Incentive Plan (the "Plan") and the Restricted Stock Unit Award Agreement (the "Agreement") attached hereto.
Type of Award	Restricted Stock Units
Grant Date	
Number of Shares Underlying Restricted Stock Units	
Restriction Period	The Restriction Period applicable to the percentage of the total Number of Shares Underlying Restricted Stock Units listed in the "Percentage of Restricted Stock Units" column below shall commence on the Grant Date and shall lapse on the corresponding date listed in the "Vesting Date" column below.

Vesting Date	Percentage of Restricted Stock Units
Fifth anniversary of the Grant Date*	100

However, in the event of your termination of employment, including your death or Disability, the lapsing of the Restriction Period will be governed by Section 4 of the attached Agreement.

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF RESTRICTED STOCK UNITS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE

SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

FORM OF ARTHUR J. GALLAGHER & CO. 20[ ] LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

This Restricted Stock Unit Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Restricted Stock Unit Grant attached hereto (the "Grant Notice") is made between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

WHEREAS, the Company desires to grant an award of restricted stock units to the Participant under and pursuant to the Company's 20[ ] Long-Term Incentive Plan (the "Plan"); and

WHEREAS, the Company desires to evidence the award of restricted stock units to the Participant and to have the Participant acknowledge the terms and conditions of the award of restricted stock units by this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") or its delegate, as applicable, has approved this restricted stock unit award.

NOW, THEREFORE, IT IS AGREED:

1.Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(c)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(d)"Confidential Information" will be construed broadly to include

confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(e)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) The sending of an announcement by Participant or on Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; initiating a communication or contact by Participant or on Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by Participant or on Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(f)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended

from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(g)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(h)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of Participant's employment with the Company, Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to Participant.

(i)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

(j)"Shares" shall mean shares of Common Stock of the Company.

(k)"Termination of Employment" means a "separation from service" as defined under Section 409A, as determined in accordance with the Company's Policy Regarding Section 409A Compliance.

2.Grant of Restricted Stock Units. Subject to the terms and conditions of the Plan and this Agreement, the Company hereby grants to the Participant, pursuant to the Plan, the Number of Shares Underlying Restricted Stock Units set forth in the Grant Notice (the "Restricted Stock Units"). Subject to the provisions of this Agreement, the grant of Restricted Stock Units may not be revoked.

3.Dividend Equivalents. An account established by the Company on behalf of the Participant shall be credited with the amount of all dividends that would have been paid on the Restricted Stock Units if such shares were actually held by the Participant ("Dividend Equivalents"). Such Dividend Equivalents shall be subject to the same Restriction Period applicable to the Restricted Stock Units to which they relate, and as soon as administratively practicable following the lapse of the Restriction Period applicable to a Restricted Stock Unit, but in no event later than 75 days following such date, the Dividend Equivalents related to such unit shall be paid to the Participant in cash, without earnings thereon.

4.Restriction Period; Termination. The Restriction Period with respect to the Restricted Stock Units shall be as set forth in the Grant Notice. In order to earn and vest in the Restricted Stock Units, the Participant must at the time of vesting remain employed by the Company and not subject to notice of termination of employment (whether given by the Company or the Participant). Further, if the Company considers that circumstances may be such that forfeiture may result under Section 18 or the Addendum, as applicable, the vesting of any Restricted Stock Units may be delayed in the sole and absolute discretion

of the Company, for such period as the Company considers is reasonably necessary to investigate those circumstances and conclude whether such forfeiture is appropriate. Subject to the terms of the Plan, all Restricted Stock Units for which the Restriction Period had not lapsed prior to the date of the Participant's termination of employment (or the issuing of notice of termination, if earlier) shall be immediately forfeited; provided, however, that upon termination of the Participant's employment due to death or Disability, then the Restriction Period shall immediately lapse as to the full number of Restricted Stock Units.

5. Payment of Restricted Stock Units. As soon as administratively practicable following each Vesting Date applicable to the Restricted Stock Units, or at such earlier time as provided for in Section 4, or as the Company may otherwise determine, but in no event later than 75 days following such date, all restrictions applicable to the Restricted Stock Units vesting on that Vesting Date shall lapse and the vested Shares, free of all restrictions, shall be issued or delivered to the Participant or his or her beneficiary or estate, as the case may be, in accordance with the provisions of the Plan. Upon issuance, the Shares will be electronically transferred to an account in the Participant's name at the provider then administering the Restricted Stock Units.

6.Recapitalization. In the event of a recapitalization, stock split, stock dividend, combination or exchange of shares, merger, consolidation, rights offering, separation, reorganization or liquidation, or any other change in the corporate structure or shares of the Company, the Committee shall make such equitable adjustments, designed to protect against dilution, as it may deem appropriate in the number and kind of shares covered hereby.

7.Compliance with Laws and Regulations. The Company shall not be obligated to issue any Shares pursuant to this Agreement unless the Shares are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and, as applicable, local and foreign laws. Notwithstanding the foregoing, the Company is under no obligation to register any Shares to be issued under this Agreement pursuant to federal or state securities laws.

8.Acceptance of Benefits/Plan Governs. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. All determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on the Participant and on his or her legal representatives and beneficiaries.

9.Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Restricted Stock Units, including the grant of the Restricted Stock Units, the vesting of the Restricted Stock Units, the subsequent sale of any Shares acquired pursuant to the Restricted Stock Units and the receipt of any dividends or dividend equivalents; and (b) does not commit to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate the Participant's liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the grant date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one country. For tax and withholding purposes and unless otherwise required under applicable law, the value of any Shares issued shall be determined based on the closing stock price on the date of vesting regardless of when the Shares are actually credited to the Participant's account.

(b) If the Participant's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the Restricted Stock Units (or a portion of any cash proceeds where the Restricted Stock Units are settled in cash or a forced sale is required) that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the Restricted Stock Units and the issuance of Shares hereunder. If the obligation for Tax-Related Items is satisfied by withholding Shares or a portion of any cash proceeds (where the Restricted Stock Units are settled in cash or a forced sale is required), for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested Restricted Stock Units, notwithstanding that a number of the Shares (or a portion of any cash proceeds) are withheld solely for the purpose of satisfying any withholding obligations for the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. Alternatively, the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant's regular salary or other amounts payable to the Participant, with no withholding of Shares, or may require the Participant to submit payment equivalent to the Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier's check or wire transfer. In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's estate) upon vesting of the Restricted Stock Units (or no cash payment will be made where the Restricted Stock Units are settled in cash or a forced sale is required) unless and until satisfactory arrangements (as determined by the Company in its sole discretion) have been made by the Participant with respect to the payment of any such Tax-Related Items. By accepting the Restricted Stock Units, the

Participant expressly consents to the methods of withholding as provided hereunder and/or any other methods of withholding that the Company may adopted and are permitted under the Plan to meet the withholding and/or other requirements as provided under applicable laws, rules and regulations. All other Tax-Related Items related to the Restricted Stock Units and any Shares delivered in payment thereof shall be the Participant's sole responsibility.

(c) To the extent the Company pays any Tax-Related Items that are the Participant's responsibility ("Advanced Tax Payments"), the Company shall be entitled to recover such Advanced Tax Payments from the Participant in any manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to the Participant by the Company (including regular salary/wages, bonuses, incentive payments and Shares acquired by the Participant pursuant to any equity compensation plan that are otherwise held by the Company for the Participant's benefit).

(d) The Company may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 6.5 of the Plan.

10.Non-Transferability. Until the Restricted Period has lapsed, the Restricted Stock Units may not be transferred, assigned, pledged, or otherwise encumbered or disposed of other than by will or the laws of descent and distribution; provided, however, that the Committee may, in its discretion, permit the Restricted Stock Units to be transferred subject to such conditions and limitations as the Committee may impose.

11.No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant's employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

12.Nature of Grant. In accepting this grant of Restricted Stock Units, the Participant acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This award of Restricted Stock Units is a one-time benefit and does not create any contractual or other right to receive future grants of Restricted Stock Units, benefits in lieu of Restricted Stock Units, or other Plan benefits in the future, even if Restricted Stock Units have been granted repeatedly in the past;

(c) All decisions with respect to future Restricted Stock Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;

(e) The Participant is voluntarily participating in the Plan;

(f) The future value of the Shares underlying the Restricted Stock Units is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Restricted Stock Units and Shares subject to the Restricted Stock Units are:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the award of Restricted Stock Units, no claim or entitlement to compensation or damages shall arise from the Restricted Stock Units resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Restricted Stock Units, the amount realized upon settlement of the Restricted Stock Units or the amount realized upon a subsequent sale of any Shares acquired upon settlement of the Restricted Stock Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

13.No Rights as a Stockholder. The Participant shall not have a beneficial ownership interest in, or any of the rights and privileges of a stockholder as to, the Shares underlying the Restricted Stock Units, including the right to receive dividends and the right to vote such Shares underlying the Restricted Stock Units until such Restricted Stock Units vest and Shares are issued and transferred to the Participant in accordance with the terms of this Agreement. The Participant shall not be entitled to delivery of the Shares subject to the

Restricted Stock Units award, or to the Dividend Equivalents related to such units, until the units have vested.

14.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Restricted Stock Units and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's

behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16.Other Plans. The Participant acknowledges that any income derived from the lapse of the Restriction Period applicable to the Restricted Stock Units shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

17.Delay of Payment. The Company may delay any payment to the Participant under the award and this Agreement if the Company reasonably anticipates that the Company would not be permitted to deduct such payment by reason of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). In such event, the Company (without any determination or election as to timing by the Participant) will make such payment either (i) in the Participant's first taxable year in which the Company reasonably anticipates or should reasonably anticipate that Section 162(m) of the Code will not limit the Company's deduction of such payment, or (ii) during the period beginning on the date on which such Participant undergoes a Termination of Employment with the Company and ending on the last day of such taxable year (or if later, ending on the 15th day of the third month following the date of the Termination of Employment). If the Company delays payment until the Participant's Termination of Employment, then to the extent required by Section 409A of the Code, the payment will be subject to a six-month delay following the date of a Participant's Termination of Employment if the Participant is a "specified employee" (as defined by Section 409A of the Code) on the date of the Participant's Termination of Employment. Any delay of payment pursuant to this Section 17 shall be made in accordance with the requirements therefor under Section 409A, and this Section 17 shall be construed and administered in a manner consistent with Section 409A and Treasury Regulation 1.409A-2(b)(7) or the corresponding provision in future guidance issued by the Internal Revenue Service or the Treasury. By accepting this award, the Participant voluntarily acknowledges and consents to any delay of payment by the Company pursuant to this Section 17.

18.Restrictive Covenant; Clawback.

(a)(i) If, at any time within (A) two years after the termination of employment; or (B) two years after the vesting of any portion of this award of Restricted Stock Units, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 19; or

(6) participating in a hostile takeover attempt of the Company;

then this award of Restricted Stock Units and all other awards of Restricted Stock or Restricted Stock Units held by the Participant shall terminate effective the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the vesting of all or a portion of this or any award of Restricted Stock or Restricted Stock Units shall be paid by the Participant to the Company. Such gain shall be calculated based on the closing price per share of the Company's common stock as quoted on the New York Stock Exchange on the date of vesting (or the next trading day if such vesting date is a holiday), multiplied by the number of shares vesting on such date, plus interest measured

from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) This award of Restricted Stock Units and all other awards of restricted stock units or restricted stock held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of (a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in (a)(i) above that Participant disgorge and pay over to the Company any gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this award, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under (a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

19.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

20.Governing Law. This Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.

21.Private Placement. This grant of Restricted Stock Units is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Restricted Stock Units is not subject to the supervision of the local securities authorities.

22.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

23.Exchange Controls. As a condition to this grant of Restricted Stock Units, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

24.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

25.Addendum. This grant of Restricted Stock Unit shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Restricted Stock Units and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s relocation). The Addendum constitutes part of this Agreement.

26.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

27.Entire Agreement. This Agreement, the Grant Notice and the Plan constitute the entire agreement between the Participant and the Company regarding the award of Restricted Stock Units and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

28.Language. If the Participant has received this Agreement, Grant Notice or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

29.Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and all Restricted Stock Units granted hereunder shall be governed by Section 6.8 of the Plan. If applicable, payment under this Section 29 shall be made as soon as administratively practicable following the Change in Control, but in no event later than 75 days thereafter.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and Secretary

PARTICIPANT

[Signed Electronically]

EXHIBIT 10.42.2

FORM NOTICE OF OPTION GRANT

Participant	
Notice	You have been granted the following stock option (the "Option") to purchase Shares in accordance with the terms of the Arthur J. Gallagher & Co. 20[ ] Long-Term Incentive Plan (the "Plan") and the Stock Option Award Agreement (the "Agreement") attached hereto.
Type of Award	Nonqualified Stock Option
Grant Date	
Option Price per Share	
Number of Shares of Common Stock subject to the Option	
Vesting Schedule	The exercise of your Option is subject to the terms of the Plan and this Agreement. Beginning on each of the following dates, which shall be no earlier than three years from the Grant Date, you may exercise your Option to purchase the corresponding percentage of the total number of Shares underlying your Option. You may then exercise your Option to purchase that portion of the Shares at any time until your Option terminates or expires.

Vesting Date*	Vested Percentage
Third anniversary of the Grant Date	33.33
Fourth anniversary of the Grant Date	66.67
Fifth anniversary of the Grant Date	100

However, in the event of your termination of employment, including your death, Disability or Retirement, the exercisability of the Option will be governed by Section 5 of the Agreement.

Expiration Date	Your Option will expire seven years from the Grant Date, subject to earlier termination as set forth in the Plan and the attached Agreement. Your Option contains an Automatic Exercise provision (Section 4(d)).

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF STOCK OPTIONS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE).

FORM OF ARTHUR J. GALLAGHER & CO. 20[ ] LONG-TERM INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT

This Stock Option Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached hereto (the "Grant Notice") is made between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

WHEREAS, the Company desires to grant an award of stock options to the Participant under and pursuant to the Company's 20[ ] Long-Term Incentive Plan (the "Plan");

WHEREAS, the Company desires to evidence the award of a stock option to the Participant and to have the Participant acknowledge the terms and conditions of the stock option award by this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") or its delegate, as applicable, has approved this stock option award.

NOW, THEREFORE, IT IS AGREED:

1.Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(c)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(d)"Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(e)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) The sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company

Account's execution of a broker of record letter replacing the Company as its broker of record.

(f)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(g)"For Cause Termination" shall mean a termination of employment based upon the good faith determination of the Company that one or more of the following events has occurred: (i) the Participant has committed a dishonest or fraudulent act to the material detriment of the Company; (ii) the Participant has been convicted (or pleaded guilty or *nolo contendere*) for a crime involving moral turpitude or for any felony; (iii) material and persistent insubordination on the part of the Participant; (iv) the loss by the Participant, for any reason, of any license or professional registration without the Company's written consent; (v) the diversion by the Participant of any business or business opportunity of the Company for the benefit of any party other than the Company; (vi) material violation of the Company's Global Standards of Business Conduct by the Participant; or (vii) the Participant has engaged in illegal conduct, embezzlement or fraud with respect to the assets, business or affairs of the Company. A Participant shall be deemed to have undergone a For Cause Termination if, after the Participant's employment has been terminated, facts and circumstances are discovered that would have justified a For Cause Termination.

(h)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant's employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with the Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j) "Retirement" means a termination of employment with the Company by the Participant which is not a For Cause Termination and where the Participant is then at least 55 years old.

(k)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2.Grant of the Option. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant the right and option (the

"Option") to purchase all or any portion of the Number of Shares of Common Stock subject to the Option ("Shares") set forth in the Grant Notice at the Option Price per Share and on the other terms as set forth in the Grant Notice.

3.Exercisability of the Option. The Option shall become exercisable in accordance with the Vesting Schedule and other terms set forth in the Grant Notice. The Option shall terminate on the seventh anniversary of the Grant Date stated in the Grant Notice (the "Expiration Date"), subject to earlier termination as set forth in the Plan and this Agreement.

4.Method of Exercise of the Option.

(a)The Participant may exercise the Option, to the extent then vested and exercisable, by delivering an electronic notice to the Company's stock plan administrator in a form satisfactory to the Committee and in accordance with the procedures established by the Company and the stock plan administrator, specifying the number of Shares with respect to which the Option is being exercised and payment to the Company of the aggregate Option Price in accordance with Section 4(b). The Option may be exercised at any time as to all or any of the Shares then purchasable hereunder; provided, however, that the Option may be exercised only with respect to whole Shares. The Participant hereby acknowledges that his or her ability to exercise the Option may be restricted by the Company's Insider Trading Policy and Global Standards of Business Conduct.

(b)At the time the Participant exercises the Option, the Participant shall pay the Option Price of the Shares as to which the Option is being exercised to the Company, which payment may be made by one or more of the methods available under the Plan, subject to any additional limitations or conditions that may be imposed by the Company and/or its stock plan administrator. Such exercise shall be effective upon receipt by the Secretary of the Company, at the main office of the Company, of such written notice and payment, or, if the Company has engaged a third-party stock plan administrator, in accordance with the procedures established on such third party's website.

(c)The Company's obligation to deliver the Shares to which the Participant is entitled upon exercise of the Option is conditioned on the Participant's satisfaction in full to the Company of the aggregate Option Price of those Shares and the required tax withholding related to such exercise.

(d)Automatic Exercise.

(i)To the extent that the Participant has not exercised the Option prior to the closing of the New York Stock Exchange on the Expiration Date or the last trading day immediately preceding the Expiration Date if the Expiration Date is not a trading day on the New York Stock Exchange (the "Automatic Exercise Date"), and the Option Price is less than the closing transaction price of a share of Common Stock as reported on the New York Stock Exchange on the Automatic Exercise Date, then the Option shall be

automatically exercised with respect to the remaining vested Shares immediately following the close of business on the Automatic Exercise Date, pursuant to the terms of this Section , as well as any rules, procedures or minimum value thresholds adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(ii)The payment of the Option Price in connection with an automatic exercise pursuant to this Section will be made pursuant to Section 2.1(c)(i)(C) of the Plan, and the Company will withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 6.5(ii)(C) of the Plan. To the extent that a fraction of a share of Common Stock would be required to pay the entire amount of the Option Price and the tax withholding, the Company shall have the option of collecting the balance in excess of the maximum number of whole shares by: (A) deducting such amount from the wages or other amounts otherwise payable to the Participant, (B) requiring the Participant to pay such amount to the Company in cash or by check, (C) deducting such amount from other amounts held by any stock plan administrator or broker for the benefit of the Participant to the extent authorized, or (D) notwithstanding the express statements in Section 2.1(c) and Section 6.5 of the Plan and any other provision of the Plan or this Agreement, if permitted by the Company at the time of automatic exercise, by netting one additional Share in the automatic exercise and paying the unused fraction to the Participant in cash.

(iii)The exercise of the Option is the responsibility of the Participant and this automatic exercise provision is being provided by the Company to the Participant as a convenience and as a protection against inadvertent expiration of the Option by the Participant, and the Participant has no right for the Option to be automatically exercised pursuant to this Section. By accepting the Option, the Participant hereby agrees and consents to the application of this Section, and waives any and all claims against the Company, and its employees and agents, resulting from the occurrence or nonoccurrence of an automatic exercise of the Option pursuant to this Section and any rules or procedure adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(iv)The Company may, in its sole discretion, exclude the application of this automatic exercise provision at or during any time or times, or for Participants located outside of the United States. This Section will not apply if and to the extent that the automatic exercise of the Option for the Participant is not permissible under applicable laws. Except for terminations described in Section 5(a), (c) or (d) below, or as otherwise determined by the Committee, this Section shall not apply to the Option if the Participant incurs a termination of employment on or before the Automatic Exercise Date.

5.Termination of Employment. Except as provided in this Agreement, as applicable, the Option shall terminate and be forfeited upon termination of the Participant’s employment, and upon such termination and forfeiture of the Option, no Shares may thereafter be purchased under the Option. Notwithstanding anything contained in this Agreement, the Option shall not be exercised after the Expiration Date.

(a)*Death or Disability.* If the Participant's employment with the Company is terminated due to death or Disability and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, then the Option shall thereafter be immediately exercisable for all or any portion of the full number of Shares available for purchase under the Option until the Expiration Date.

(b)*For Cause Termination*. If the Participant undergoes a For Cause Termination by the Company, then the Option shall immediately terminate and no portion of the Option shall be exercisable as of the date of such termination, regardless of whether or not all or any portion was vested and exercisable prior to the date of such termination.

(c)*Retirement*. If the Participant's employment with the Company is terminated due to Retirement and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, then the portion of the Option which is vested on the date of termination shall continue to be exercisable until the Expiration Date.

(d)*Other Terminations*. Upon termination of the Participant's employment by the Company or by the Participant other than under the circumstances described in Sections 5(a), 5(b) or 5(c), the Option, to the extent vested and exercisable as of the date of such termination, shall thereafter be exercisable for a period of 30 days from the date of such termination, and any portion of the Option that was not exercisable as of the date of such termination shall be immediately forfeited.

6.Recapitalization. In the event that the outstanding Common Stock of the Company is changed by reason of a stock dividend, stock split, recapitalization, merger, consolidation, or a combination or exchange of shares, the number of Shares subject to the Option shall be adjusted in compliance with Section 6.7 of the Plan so that the Participant shall receive upon exercise of the Option in whole or in part thereafter that number of shares of the class of the capital stock of the Company or its successor that the Participant would have been entitled to receive had he or she exercised the Option immediately prior to the record date for such event. In the event of such an adjustment, the per share Option Price shall be adjusted accordingly, so that there will be no change in the aggregate Option Price payable upon exercise of the Option.

7.Compliance with Laws and Regulations. The Company shall not be obligated to issue any Shares pursuant to this Agreement unless the Shares are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and, as applicable, local and foreign laws. Notwithstanding the foregoing, the Company is under no obligation to register any Shares to be issued under this Agreement pursuant to federal or state securities laws.

8.Acceptance of Benefits/Plan Governs. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. All determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on the Participant and on his or her legal representatives and beneficiaries.

9.Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility. Furthermore, the Company (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the vesting of the Option, the exercise of the Option, the subsequent sale of any Shares acquired pursuant to the Option and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the date the Option is granted and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(b) Prior to the delivery of Shares upon exercise of the Option, if the Participant's country of residence (and/or country of employment, if different) requires the withholding of Tax-Related Items, the Participant authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Participant from any wages or other cash compensation paid to the Participant by the Company. Alternatively, or in addition, if permissible under local law, the Participant authorizes the Company, at its discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items legally payable by the Participant by one or a combination of the following: (a) withholding otherwise deliverable whole Shares having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with the Option; (b) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option; or (c) requiring the Participant (or the Participant's personal representative or beneficiary, as the case may be) to provide a cash payment to the Company in the amount necessary to satisfy any such obligation.

(c) If the obligation for Tax-Related Items is satisfied by withholding a whole number of Shares as described herein, the Participant shall be deemed to have been issued the full number of Shares subject to the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Option.

(d) In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's personal representative or beneficiary, as the case may be) upon exercise of the Option unless and until satisfactory arrangements (as determined by the administrator) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company determines, in its sole discretion, must be withheld or collected with respect to such Option. By accepting this Option, the Participant expressly consents to the withholding of Shares and/or cash as provided for hereunder. All other Tax-Related Items related to the Option and any Shares delivered in payment thereof are the Participant's sole responsibility.

10.Non-Transferability. The Option shall not be transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the lifetime of the Participant, only by him or her; provided, however, that the Committee may, in its discretion, permit the Option to be transferred subject to such conditions and limitations as the Committee may impose.

11.No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant’s employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

12.No Rights as a Stockholder. Neither the Participant nor any other person shall become the beneficial owner of the Shares subject to the Option, nor have any rights to dividends or other rights as a stockholder with respect to any such Shares, until the Participant has actually received such Shares following the exercise of the Option in accordance with the terms of the Plan and this Agreement.

13.Nature of Grant. In accepting this grant of Options, the Participant acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This award of Options is a one-time benefit and does not create any contractual or other right to receive future grants of Options, benefits in lieu of Options, or other Plan benefits in the future, even if Options have been granted repeatedly in the past;

(c) All decisions with respect to future Option grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;

(e) The Participant is voluntarily participating in the Plan;

(f) The future value of the Shares underlying the Options is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Options and Shares subject to the Options are:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the award of Options, no claim or entitlement to compensation or damages shall arise from the Options resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Options, the amount realized upon exercise of the Options or the amount realized upon a subsequent sale of any Shares acquired upon exercise of the Options, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

14.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Options and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein. The Company holds certain personal information about the Participant, including the

Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested, exercised or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16.Other Plans. The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

17.Counterpart Execution. This Agreement has been executed in two counterparts, each of which shall be deemed an original and both of which constitute one and the same document.

18.Restrictive Covenant; Clawback.

(a) (i) If, at any time within (A) the seven-year term of this grant; (B) two years after the termination of employment; or (C) two years after the Participant exercises any portion of this grant, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which the Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 19; or

(6) participating in a hostile takeover attempt of the Company;

then this grant of stock options and all other grants of stock options held by the Participant shall terminate effective as of the date on which the Participant enters into such activity,

unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the exercise of all or a portion of this or any grant of stock options shall be repaid by the Participant to the Company. Such gain shall be calculated based on the difference between the closing price per share of the Common Stock as quoted on the New York Stock Exchange on the date of exercise (or, at the discretion of the Committee, the real time price per share of the Common Stock at the time of exercise) and the exercise price of the stock option, multiplied by the number of stock options exercised on such date, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) The Option and all other grants of stock options held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of Section 18(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 18(a)(i) above that the Participant disgorge and pay over to the Company any option gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this grant, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under Section 18(a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

19.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

20.Governing Law. **This Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.**

21.Waiver. By accepting the grant of the Option or exercising it, the Participant waives any right to compensation or damages in consequence of the termination of his or her office or employment with the Company or any Subsidiary for any reason (and whether or not such termination is lawful) insofar as those rights arise or may arise, from his or her ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlement.

22.Private Placement. This grant of Options is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Options is not subject to the supervision of the local securities authorities.

23.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

24.Exchange Controls. As a condition to this grant of Options, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

25.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

26.Addendum. This grant of Option shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent

the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Options and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's relocation). The Addendum constitutes part of this Agreement.

27.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

28.Entire Agreement. This Agreement, the Grant Notice and the Plan constitute the entire agreement between the Participant and the Company regarding the award of Options and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

29.Language. If the Participant has received this Agreement, Grant Notice or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

30.Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and the Option granted hereunder shall be governed by Section 4.8 of the Plan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and Secretary

PARTICIPANT

[Signed Electronically]

EXHIBIT 10.42.5

FORM NOTICE OF OPTION GRANT

Participant	
Notice	You have been granted the following stock option (the "Option") to purchase Shares in accordance with the terms of the Arthur J. Gallagher & Co. 20[ ] Long-Term Incentive Plan (the "Plan") and the Stock Option Award Agreement (the "Agreement") attached hereto.
Type of Award	Nonqualified Stock Option
Grant Date	
Option Price per Share	
Number of Shares of Common Stock subject to the Option	
Vesting Schedule	The exercise of your Option is subject to the terms of the Plan and this Agreement. Beginning on each of the following dates, which shall be no earlier than three years from the Grant Date, you may exercise your Option to purchase the corresponding percentage of the total number of Shares underlying your Option. You may then exercise your Option to purchase that portion of the Shares at any time until your Option terminates or expires.
	Vesting Date* Vested Percentage
	Third anniversary of the Grant Date 33.33
	Fourth anniversary of the Grant Date 66.67
	Fifth anniversary of the Grant Date 100
	However, in the event of your termination of employment, including your death, Disability or Retirement, the exercisability of the Option will be governed by Section 5 of the Agreement.
Expiration Date	Your Option will expire seven years from the Grant Date, subject to earlier termination as set forth in the Plan and the attached Agreement. Your Option contains an Automatic Exercise provision (Section 4(d)).

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF STOCK OPTIONS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE).

FORM OF ARTHUR J. GALLAGHER & CO. 20[ ] LONG-TERM INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT

This Stock Option Award Agreement (this "Agreement"), dated as of the Grant Date set forth in the Notice of Option Grant attached hereto (the "Grant Notice") is made between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant set forth in the Grant Notice. The Grant Notice is included in and made part of this Agreement.

WHEREAS, the Company desires to grant an award of stock options to the Participant under and pursuant to the Company's 20[ ] Long-Term Incentive Plan (the "Plan");

WHEREAS, the Company desires to evidence the award of a stock option to the Participant and to have the Participant acknowledge the terms and conditions of the stock option award by this Agreement; and

WHEREAS, the Compensation Committee of the Board of Directors of the Company (the "Committee") or its delegate, as applicable, has approved this stock option award.

NOW, THEREFORE, IT IS AGREED:

1.Definitions. For purposes of this Agreement, the following terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(c)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(d)"Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(e)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) The sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company

Account's execution of a broker of record letter replacing the Company as its broker of record.

(f)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(g)"For Cause Termination" shall mean a termination of employment based upon the good faith determination of the Company that one or more of the following events has occurred: (i) the Participant has committed a dishonest or fraudulent act to the material detriment of the Company; (ii) the Participant has been convicted (or pleaded guilty or *nolo contendere*) for a crime involving moral turpitude or for any felony; (iii) material and persistent insubordination on the part of the Participant; (iv) the loss by the Participant, for any reason, of any license or professional registration without the Company's written consent; (v) the diversion by the Participant of any business or business opportunity of the Company for the benefit of any party other than the Company; (vi) material violation of the Company's Global Standards of Business Conduct by the Participant; or (vii) the Participant has engaged in illegal conduct, embezzlement or fraud with respect to the assets, business or affairs of the Company. A Participant shall be deemed to have undergone a For Cause Termination if, after the Participant's employment has been terminated, facts and circumstances are discovered that would have justified a For Cause Termination.

(h)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant's employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with the Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j) "Retirement" means a termination of employment with the Company by the Participant which is not a For Cause Termination and where the Participant is then at least 55 years old.

(k)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

2.Grant of the Option. Subject to the provisions of this Agreement and the provisions of the Plan, the Company hereby grants to the Participant the right and option (the

"Option") to purchase all or any portion of the Number of Shares of Common Stock subject to the Option ("Shares") set forth in the Grant Notice at the Option Price per Share and on the other terms as set forth in the Grant Notice.

3.Exercisability of the Option. The Option shall become exercisable in accordance with the Vesting Schedule and other terms set forth in the Grant Notice. The Option shall terminate on the seventh anniversary of the Grant Date stated in the Grant Notice (the "Expiration Date"), subject to earlier termination as set forth in the Plan and this Agreement.

4.Method of Exercise of the Option.

(a)The Participant may exercise the Option, to the extent then vested and exercisable, by delivering an electronic notice to the Company's stock plan administrator in a form satisfactory to the Committee and in accordance with the procedures established by the Company and the stock plan administrator, specifying the number of Shares with respect to which the Option is being exercised and payment to the Company of the aggregate Option Price in accordance with Section 4(b). The Option may be exercised at any time as to all or any of the Shares then purchasable hereunder; provided, however, that the Option may be exercised only with respect to whole Shares. The Participant hereby acknowledges that his or her ability to exercise the Option may be restricted by the Company's Insider Trading Policy and Global Standards of Business Conduct.

(b)At the time the Participant exercises the Option, the Participant shall pay the Option Price of the Shares as to which the Option is being exercised to the Company, which payment may be made by one or more of the methods available under the Plan, subject to any additional limitations or conditions that may be imposed by the Company and/or its stock plan administrator. Such exercise shall be effective upon receipt by the Secretary of the Company, at the main office of the Company, of such written notice and payment, or, if the Company has engaged a third-party stock plan administrator, in accordance with the procedures established on such third party's website.

(c)The Company's obligation to deliver the Shares to which the Participant is entitled upon exercise of the Option is conditioned on the Participant's satisfaction in full to the Company of the aggregate Option Price of those Shares and the required tax withholding related to such exercise.

(d)Automatic Exercise.

(i)To the extent that the Participant has not exercised the Option prior to the closing of the New York Stock Exchange on the Expiration Date or the last trading day immediately preceding the Expiration Date if the Expiration Date is not a trading day on the New York Stock Exchange (the "Automatic Exercise Date"), and the Option Price is less than the closing transaction price of a share of Common Stock as reported on the New York Stock Exchange on the Automatic Exercise Date, then the Option shall be

automatically exercised with respect to the remaining vested Shares immediately following the close of business on the Automatic Exercise Date, pursuant to the terms of this Section , as well as any rules, procedures or minimum value thresholds adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(ii)The payment of the Option Price in connection with an automatic exercise pursuant to this Section will be made pursuant to Section 2.1(c)(i)(C) of the Plan, and the Company will withhold an amount sufficient to satisfy all taxes associated with such exercise in accordance with Section 6.5(ii)(C) of the Plan. To the extent that a fraction of a share of Common Stock would be required to pay the entire amount of the Option Price and the tax withholding, the Company shall have the option of collecting the balance in excess of the maximum number of whole shares by: (A) deducting such amount from the wages or other amounts otherwise payable to the Participant, (B) requiring the Participant to pay such amount to the Company in cash or by check, (C) deducting such amount from other amounts held by any stock plan administrator or broker for the benefit of the Participant to the extent authorized, or (D) notwithstanding the express statements in Section 2.1(c) and Section 6.5 of the Plan and any other provision of the Plan or this Agreement, if permitted by the Company at the time of automatic exercise, by netting one additional Share in the automatic exercise and paying the unused fraction to the Participant in cash.

(iii)The exercise of the Option is the responsibility of the Participant and this automatic exercise provision is being provided by the Company to the Participant as a convenience and as a protection against inadvertent expiration of the Option by the Participant, and the Participant has no right for the Option to be automatically exercised pursuant to this Section. By accepting the Option, the Participant hereby agrees and consents to the application of this Section, and waives any and all claims against the Company, and its employees and agents, resulting from the occurrence or nonoccurrence of an automatic exercise of the Option pursuant to this Section and any rules or procedure adopted by the Company or any stock plan administrator for effecting this automatic exercise provision.

(iv)The Company may, in its sole discretion, exclude the application of this automatic exercise provision at or during any time or times, or for Participants located outside of the United States. This Section will not apply if and to the extent that the automatic exercise of the Option for the Participant is not permissible under applicable laws. Except for terminations described in Section 5(a), (c) or (d) below, or as otherwise determined by the Committee, this Section shall not apply to the Option if the Participant incurs a termination of employment on or before the Automatic Exercise Date.

5.Termination of Employment. Except as provided in this Agreement, as applicable, the Option shall terminate and be forfeited upon termination of the Participant’s employment, and upon such termination and forfeiture of the Option, no Shares may thereafter be purchased under the Option. Notwithstanding anything contained in this Agreement, the Option shall not be exercised after the Expiration Date.

(a)*Death or Disability.* If the Participant's employment with the Company is terminated due to death or Disability and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, then the Option shall thereafter be immediately exercisable for all or any portion of the full number of Shares available for purchase under the Option until the Expiration Date.

(b)*For Cause Termination*. If the Participant undergoes a For Cause Termination by the Company, then the Option shall immediately terminate and no portion of the Option shall be exercisable as of the date of such termination, regardless of whether or not all or any portion was vested and exercisable prior to the date of such termination.

(c)*Retirement*. If the Participant's employment with the Company is terminated due to Retirement and the Participant has neither engaged in nor expressed an intention to engage in any of the activities described in Section 18 or the Addendum to the Agreement, as applicable, and if such termination occurs on or after the two-year anniversary of the Grant Date, the Option shall continue to vest according to the Vesting Schedule and shall be exercisable (to the extent vested as of the exercise date) until the Expiration Date.

(d)*Other Terminations*. Upon termination of the Participant's employment by the Company or by the Participant other than under the circumstances described in Sections 5(a), 5(b) or 5(c), the Option, to the extent vested and exercisable as of the date of such termination, shall thereafter be exercisable for a period of 30 days from the date of such termination, and any portion of the Option that was not exercisable as of the date of such termination shall be immediately forfeited.

6.Recapitalization. In the event that the outstanding Common Stock of the Company is changed by reason of a stock dividend, stock split, recapitalization, merger, consolidation, or a combination or exchange of shares, the number of Shares subject to the Option shall be adjusted in compliance with Section 6.7 of the Plan so that the Participant shall receive upon exercise of the Option in whole or in part thereafter that number of shares of the class of the capital stock of the Company or its successor that the Participant would have been entitled to receive had he or she exercised the Option immediately prior to the record date for such event. In the event of such an adjustment, the per share Option Price shall be adjusted accordingly, so that there will be no change in the aggregate Option Price payable upon exercise of the Option.

7.Compliance with Laws and Regulations. The Company shall not be obligated to issue any Shares pursuant to this Agreement unless the Shares are at that time effectively registered or exempt from registration under the Securities Act of 1933, as amended, and, as applicable, local and foreign laws. Notwithstanding the foregoing, the Company is under no obligation to register any Shares to be issued under this Agreement pursuant to federal or state securities laws.

8.Acceptance of Benefits/Plan Governs. By accepting any benefit under this Agreement, the Participant and any person claiming under or through the Participant shall be conclusively deemed to have indicated his or her acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and this Agreement and any action taken under the Plan by the Committee or the Company, in any case in accordance with the terms and conditions of the Plan. Unless defined herein, capitalized terms are used herein as defined in the Plan. In the event of any conflict between the provisions of the Plan and this Agreement, the provisions of the Plan shall control, and this Agreement shall be deemed to be modified accordingly. This Agreement is subject to all the terms, provisions and conditions of the Plan, which are incorporated herein by reference, and to such rules, policies and regulations as may from time to time be adopted by the Committee. All determinations and interpretations made by the Committee with regard to any question arising hereunder or under the Plan shall be binding and conclusive on the Participant and on his or her legal representatives and beneficiaries.

9.Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility. Furthermore, the Company (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Option, including the grant of the Option, the vesting of the Option, the exercise of the Option, the subsequent sale of any Shares acquired pursuant to the Option and the receipt of any dividends; and (ii) do not commit to structure the terms of the grant or any aspect of the Option to reduce or eliminate the Participant's liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the date the Option is granted and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one country.

(b) Prior to the delivery of Shares upon exercise of the Option, if the Participant's country of residence (and/or country of employment, if different) requires the withholding of Tax-Related Items, the Participant authorizes the Company to withhold all applicable Tax-Related Items legally payable by the Participant from any wages or other cash compensation paid to the Participant by the Company. Alternatively, or in addition, if permissible under local law, the Participant authorizes the Company, at its discretion and pursuant to such procedures as it may specify from time to time, to satisfy the obligations with regard to all Tax-Related Items legally payable by the Participant by one or a combination of the following: (a) withholding otherwise deliverable whole Shares having an aggregate Fair Market Value determined as of the date the obligation to withhold or pay taxes arises in connection with the Option; (b) withholding from the proceeds of the sale of Shares acquired upon exercise of the Option; or (c) requiring the Participant (or the Participant's personal representative or beneficiary, as the case may be) to provide a cash payment to the Company in the amount necessary to satisfy any such obligation.

(c) If the obligation for Tax-Related Items is satisfied by withholding a whole number of Shares as described herein, the Participant shall be deemed to have been issued the full number of Shares subject to the Option, notwithstanding that a number of the Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Option.

(d) In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's personal representative or beneficiary, as the case may be) upon exercise of the Option unless and until satisfactory arrangements (as determined by the administrator) have been made by the Participant with respect to the payment of any Tax-Related Items that the Company determines, in its sole discretion, must be withheld or collected with respect to such Option. By accepting this Option, the Participant expressly consents to the withholding of Shares and/or cash as provided for hereunder. All other Tax-Related Items related to the Option and any Shares delivered in payment thereof are the Participant's sole responsibility.

10.Non-Transferability. The Option shall not be transferable otherwise than by will or the laws of descent and distribution, and is exercisable, during the lifetime of the Participant, only by him or her; provided, however, that the Committee may, in its discretion, permit the Option to be transferred subject to such conditions and limitations as the Committee may impose.

11.No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant’s employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

12.No Rights as a Stockholder. Neither the Participant nor any other person shall become the beneficial owner of the Shares subject to the Option, nor have any rights to dividends or other rights as a stockholder with respect to any such Shares, until the Participant has actually received such Shares following the exercise of the Option in accordance with the terms of the Plan and this Agreement.

13.Nature of Grant. In accepting this grant of Options, the Participant acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This award of Options is a one-time benefit and does not create any contractual or other right to receive future grants of Options, benefits in lieu of Options, or other Plan benefits in the future, even if Options have been granted repeatedly in the past;

(c) All decisions with respect to future Option grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;

(e) The Participant is voluntarily participating in the Plan;

(f) The future value of the Shares underlying the Options is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Options and Shares subject to the Options are:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the award of Options, no claim or entitlement to compensation or damages shall arise from the Options resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Options, the amount realized upon exercise of the Options or the amount realized upon a subsequent sale of any Shares acquired upon exercise of the Options, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

14.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Options and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein. The Company holds certain personal information about the Participant, including the

Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested, exercised or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16.Other Plans. The Participant acknowledges that any income derived from the exercise of the Option shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

17.Counterpart Execution. This Agreement has been executed in two counterparts, each of which shall be deemed an original and both of which constitute one and the same document.

18.Restrictive Covenant; Clawback.

(a) (i) If, at any time within (A) the seven-year term of this grant; (B) two years after the termination of employment; or (C) two years after the Participant exercises any portion of this grant, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which the Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 19; or

(6) participating in a hostile takeover attempt of the Company;

then this grant of stock options and all other grants of stock options held by the Participant shall terminate effective as of the date on which the Participant enters into such activity,

unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant from the exercise of all or a portion of this or any grant of stock options shall be repaid by the Participant to the Company. Such gain shall be calculated based on the difference between the closing price per share of the Common Stock as quoted on the New York Stock Exchange on the date of exercise (or, at the discretion of the Committee, the real time price per share of the Common Stock at the time of exercise) and the exercise price of the stock option, multiplied by the number of stock options exercised on such date, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) The Option and all other grants of stock options held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of Section 18(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 18(a)(i) above that the Participant disgorge and pay over to the Company any option gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this grant, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under Section 18(a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

19.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

20.Governing Law. **This Agreement shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.**

21.Waiver. By accepting the grant of the Option or exercising it, the Participant waives any right to compensation or damages in consequence of the termination of his or her office or employment with the Company or any Subsidiary for any reason (and whether or not such termination is lawful) insofar as those rights arise or may arise, from his or her ceasing to have rights under or be entitled to exercise any option under the Plan as a result of such termination or from the loss or diminution in value of such rights or entitlement.

22.Private Placement. This grant of Options is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Options is not subject to the supervision of the local securities authorities.

23.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

24.Exchange Controls. As a condition to this grant of Options, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

25.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

26.Addendum. This grant of Option shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent

the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Options and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's relocation). The Addendum constitutes part of this Agreement.

27.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

28.Entire Agreement. This Agreement, the Grant Notice and the Plan constitute the entire agreement between the Participant and the Company regarding the award of Options and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

29.Language. If the Participant has received this Agreement, Grant Notice or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

30.Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and the Option granted hereunder shall be governed by Section 4.8 of the Plan.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and Secretary

PARTICIPANT

[Signed Electronically]

EXHIBIT 10.43.1

FORM OF ARTHUR J. GALLAGHER & CO.
PERFORMANCE UNIT PROGRAM AWARD NOTICE

Participant	
Date of Grant	
Fair Market Value of a share of Common Stock on Date of Grant	$
Number of Performance Units subject to this Performance Unit Award	
Performance Period	
Earned Performance Units	The number of Earned Performance Units subject to this Performance Unit Award shall be based on achievement of the Performance Measures during the Performance Period pursuant to Section 4 of this Agreement.
Vesting Date	100% of the Earned Performance Units shall vest on the third anniversary of the first day of the Performance Period, provided the Participant remains continuously employed by the Company through the Vesting Date. However, in the event of your termination of employment due to death or Disability, the vesting of Earned Performance Units will be governed by Section 5 of the attached Agreement.

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF PERFORMANCE UNIT AWARD (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PROGRAM IS GOVERNED BY THE PROVISIONS OF THE PROGRAM AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE DATE OF GRANT SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

FORM OF ARTHUR J. GALLAGHER & CO.
PERFORMANCE UNIT PROGRAM AWARD

This Performance Unit Program Award Notice (this "Agreement"), effective as of the Grant Date shown above, between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant named above, sets forth the terms and conditions of a grant of a performance unit award (this "Performance Unit Award") under the Arthur J. Gallagher & Co. Performance Unit Program (the "Program"). This Performance Unit Award is subject to all of the terms and conditions set forth in the Program and this Agreement. In the event of any conflict, the Program will control over this Agreement.

1.Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Program, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Code" means the Internal Revenue Code of 1986, as amended.

(c)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(d)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(e)"Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated

with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(f)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (ii) initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(g)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(h)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant's employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired

Confidential Information as a result of or in connection with the Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

(k)"Termination of Employment" means a "separation from service" as defined under Section 409A, as determined in accordance with the Company's Policy Regarding Section 409A Compliance

2.Performance Unit Award. The Company hereby grants to you this Performance Unit Award for the Number of Performance Units specified above. The value of this Performance Unit Award is based on: (a) the achievement of the Performance Measures described in Section 4 during the Performance Period described in Section 3; and (b) the Unit Value of a vested Earned Performance Unit, as calculated pursuant to Section 6.

3.Performance Period. The period of time during which the Performance Measures described in Section 4 must be met in order to determine the Number of Performance Units earned under this Performance Unit Award is the Performance Period specified above.

4.Performance Measures.

The number of Earned Performance Units under this Performance Unit Award shall be determined by reference to the Performance Measures described in Schedule A attached hereto. If applicable, Schedule A sets forth the weightings and minimum, threshold and maximum levels of performance (the "Performance Goals") with respect to the Performance Measures, as determined by the Committee in its sole discretion.

5.Vesting; Termination. Performance Units that are earned based on the achievement of the Performance Measures in Section 4 shall become vested on the Vesting Date shown above, which is the third anniversary of the first day of the Performance Period. In the event the Participant's employment with the Company terminates for any reason prior to the Vesting Date, then all Performance Units subject to this Performance Unit Award shall automatically terminate and be forfeited, cancelled and of no further force or effect; provided, however, that upon termination of the Participant's employment due to death or Disability, then all Performance Units subject to this award that have been determined to have been earned in accordance with Section 4 shall be considered vested as of the termination of employment and shall be paid within 45 days in accordance with the calculation set forth in Section 7.

6.Unit Value. The value of a vested Earned Performance Unit subject to this Performance Unit Award shall be equal to the average Fair Market Value of a share of Common Stock over the 12-month period immediately preceding the Vesting Date; provided, however, that in no event shall the Unit Value be less than 50%, or more than 150%, of the Fair Market Value of a share of Common Stock on the Grant Date.

7.Payment. As soon as practicable after the Vesting Date, but in no event after the last day of the calendar year in which the Vesting Date occurs, the Participant shall receive a lump-sum cash payment in an amount equal to the product of: (i) the Number of Performance Units subject to this Performance Unit Award; (ii) the aggregate weighted percentage achievement of the Performance Measures determined pursuant to Section 4; and (iii) the Unit Value determined pursuant to Section 6. For example, a Performance Unit Award for 1,000 Performance Units with a Performance Measure achievement level of 75% and a Unit Value of $25 (subject to the restrictions in Section 6) would result in a payment of $18,750.

8.Administration. Any action taken or decision made by the Company or the Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Program or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding upon the Participant and all persons claiming under or through the Participant. By accepting this Award or other benefit under the Program, the Participant and each person claiming under or through the Participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or decision made under the Program by the Company or the Committee or its delegates.

9.Tax Withholding. Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company or any of its Subsidiaries. Participant further acknowledges that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Unit Award, including, but not limited to, the grant, vesting or payment of the Performance Unit Award, and (b) does not commit to and are under no obligation to structure the terms of any Performance Unit Award to reduce or eliminate Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if Participant becomes subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, Participant acknowledges that Company and/or its Subsidiaries may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Prior to any relevant taxable or tax withholding event, as applicable, Participant will pay or make adequate arrangements satisfactory to the Company and/or its Subsidiaries to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from wages or other cash compensation paid to the Participant by the Company and/or its Subsidiaries; or

(ii) withholding from the cash to be issued to the Participant upon the payment of the Performance Unit Award.

10.Non-Transferability. The Participant's rights and interests under this Performance Unit Award and the Program may not be sold, assigned, transferred, or otherwise disposed of, or made subject to any encumbrance, pledge, hypothecation or charge of any nature. If the Participant (or those claiming under or through the Participant) attempt to violate this Section 0, such attempted violation shall be null and void and without effect, and the Company's obligation to make any further payments hereunder shall terminate.

11.No Right of Participation or Employment. The Participant shall not have any right to be employed, reemployed or continue employment by the Company or any Subsidiary or affect in any manner the right of the Company or any Subsidiary to terminate the employment the Participant with or without notice at any time for any reason without liability hereunder. The adoption and maintenance of the Program shall not be deemed to constitute a contract of employment or otherwise between the Company or any Subsidiary and the Participant, or to be a consideration for or an inducement or condition of any employment.

12.Nature of Grant. In accepting this grant of Performance Units, the Participant acknowledges that:

(a) The Program is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This Performance Unit Award is a one-time benefit and does not create any contractual or other right to receive future grants of Performance Units, benefits in lieu of Performance Units, or other Program benefits in the future, even if Performance Units have been granted repeatedly in the past;

(c) All decisions with respect to future Performance Unit Award grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company or any subsidiary and the Participant;

(e) The Participant is voluntarily participating in the Program;

(f) The future value of the cash underlying the Performance Unit Award is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Performance Unit Award is:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the Performance Unit Award, no claim or entitlement to compensation or damages shall arise from the Performance Units resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Performance Unit Award, the amount realized upon payment of the Performance Unit Award, resulting from any fluctuation of the Performance United States Dollar/local currency foreign exchange rate.

13.No Rights as Stockholder. Nothing in this Agreement or the Program shall be interpreted or construed as giving the Participant any rights as a stockholder of the Company or any right to become a stockholder of the Company.

14.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Performance Unit Award and the Participant's participation in the Program. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Program and the Participant's participation in the Program. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Program. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options or any other entitlement to cash or shares of Common Stock awarded, canceled, purchased, vested, unpaid or outstanding in the Participant's favor, for the purpose of managing and administering the Program ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's

participation in the Program. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Program and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Program, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Program. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Program, including any requisite transfer of such Data as may be required for the administration of the Program on the Participant's behalf to a broker or other third party with whom the Participant may elect to deposit any shares of Common Stock or cash acquired pursuant to the Program.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Program and the Participant's participation in the Program. The Participant may seek to exercise these rights by contacting the Company's human resource department.

15.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

16.Restrictive Covenant; Clawback. For purposes of this Section Company will include Subsidiaries.

(a)(i) If, at any time within (A) two years after the termination of employment; or (B) two years after the payment of any portion of this Performance Unit Award, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 17; or

(6) participating in a hostile takeover attempt of the Company;

then this Performance Unit Award and all other Performance Unit Awards held by the Participant shall terminate effective the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Program, and any gain realized by the Participant from the payment of all or a portion of this or any Performance Unit Award shall be paid by the Participant to the Company, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) This Performance Unit Award and all other awards of Performance Units held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from time to time.

(iii) The Participant acknowledges that Participant's engaging in activities and behavior in violation of Section 16(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company

and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 16(a)(i) above that Participant disgorge and pay over to the Company any gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

(b) By accepting this award, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under (a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

17.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

18.Governing Law. **This Agreement, this Performance Unit Award and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws.**

19.Private Placement. The grant of the Performance Unit Award is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of Performance Units is not subject to the supervision of the local securities authorities.

20.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have “inside information” regarding the Company as defined in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be

prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

21.Exchange Controls. As a condition to this grant of Performance Unit Award, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

22.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Program by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Program through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

23.Addendum. This Performance Unit Award grant shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Performance Unit Award and the Program (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s relocation). The Addendum constitutes part of this Agreement.

24.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

25.Entire Agreement. This Agreement and the Program constitute the entire agreement between the Participant and the Company regarding the Performance Unit Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

26.Language. If the Participant has received this Agreement or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

27.Change in Control. Upon the occurrence of a Change in Control, as defined in the Program, this Agreement and all Performance Units awarded hereunder shall be governed by Section 3.6 of the Program. If applicable, payment under this Section 27 shall be made as soon as administratively practicable following the Change in Control, but in no event later than 75 days thereafter.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and Secretary

PARTICIPANT

[Signed Electronically]

FORM OF PERFORMANCE UNIT AWARD NOTICE
ARTHUR J. GALLAGHER & CO. PERFORMANCE UNIT PROGRAM

SCHEDULE A

		Performance Goals	
Performance Measure	**Weighting**	**Minimum**	**Maximum**
Adjusted EBITDAC growth	100%	4%	14%

For purposes of this Agreement, "Adjusted EBITDAC" shall be defined as earnings from continuing operations for the Company's brokerage and risk management reporting segments before interest, taxes, depreciation, amortization and change in estimated acquisition earn-out payables; further adjusted to exclude lease abandonment, severance, and book gains, and normalized for the impact of foreign currency translation.

The maximum award is 100%. To achieve the maximum award, Adjusted EBITDAC growth of 14% must be achieved. Achievement below 14% will result in the following percentages of Earned Performance Units:

- Less than 4% Adjusted EBITDAC growth – 0%
- 4% Adjusted EBITDAC growth – 50%
- 9% Adjusted EBITDAC growth – 75%

If the actual performance certified by the Committee falls between the percentages specified above, the number of Earned Performance Units under this Performance Unit Award will be calculated using straight-line interpolation, and will be rounded down to the nearest whole number of Performance Units.

EXHIBIT 10.43.2

FORM OF ARTHUR J. GALLAGHER & CO.
PERFORMANCE SHARE UNIT GRANT AGREEMENT

Participant	
Grant Date	
Number of Performance Share Units subject to this Performance Share Unit Award	
Performance Period	
Earned Performance Share Units	The number of Earned Performance Share Units subject to this Performance Share Unit Award shall be based on achievement of the Performance Measures during the Performance Period pursuant to Section 4 of this Agreement.
Vesting Date	100% of the Earned Performance Share Units shall vest on the third anniversary of the Grant Date, provided the Participant remains continuously employed by the Company through the Vesting Date. However, in the event of the Participant's Retirement, the vesting of the Earned Performance Share Units will be governed by Section 5(b) of this Agreement. In the event of the Participant's termination of employment due to death or Disability, the vesting of Performance Share Units will be governed by Section 5 of the attached Agreement.

BY MY ELECTRONIC ELECTION TO ACCEPT THE TERMS AND CONDITIONS OF THIS GRANT OF PERFORMANCE SHARE UNITS (WHICH SERVES AS MY ELECTRONIC SIGNATURE OF THE AGREEMENT), I AGREE THAT MY PARTICIPATION IN THE PLAN IS GOVERNED BY THE PROVISIONS OF THE PLAN AND THE AGREEMENT. (INCLUDING THE DELAWARE CHOICE OF GOVERNING LAW AND ITS OTHER TERMS AND CONDITIONS AND THE ADDENDUM, IF ANY, FOR MY COUNTRY OF RESIDENCE). IF I FAIL TO ACCEPT THE TERMS AND CONDITIONS OF THIS AWARD WITHIN NINETY (90) DAYS OF THE GRANT DATE SET FORTH ABOVE, THE COMPANY MAY DETERMINE THAT THIS AWARD HAS BEEN FORFEITED.

This Performance Share Unit Grant Agreement (this "Agreement"), effective as of the Grant Date shown above, between Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), and the Participant named above, sets forth the terms and conditions of a grant of a performance unit award (this "Performance Share Unit Award") under the Arthur J. Gallagher & Co. 20[ ] Long-Term Incentive Plan (the "Plan"). This Performance Share Unit Award is subject to all of the terms and conditions set forth in the Plan and this Agreement. In the event of any conflict, the Plan will control over this Agreement.

1.Definitions. For purposes of this Agreement, the following capitalized terms shall have the meanings set forth below; other capitalized terms used in this Agreement shall have the meaning specified for such terms in the Plan, unless a different meaning is specified in this Agreement:

(a)"Benefit Services" means any employee benefit brokerage, consulting, or administration services, in the areas of group insurance, defined benefit and defined contribution pension plans, individual life, disability and capital accumulation products, and all other employee benefit areas.

(b)"Code" means the Internal Revenue Code of 1986, as amended.

(c)"Company" shall mean the Company and any corporation 50% or more of the stock of which is beneficially owned directly by the Company or indirectly through another corporation or corporations in which the Company is the beneficial owner of 50% or more of the stock.

(d)"Company Account" will be construed broadly to include all users of insurance services or benefit services including commercial and individual consumers, risk managers, carriers, agents and other insurance intermediaries; **provided that, this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum")**.

(e)"Confidential Information" will be construed broadly to include confidential and proprietary data and trade secret information of the Company which is not known either to its competitors or within the industry generally and which has independent economic value to the Company, and is subject to reasonable efforts that are reasonable under the circumstances to maintain its secrecy, and which may include, but is not limited to: data relating to the Company's unique marketing and servicing programs, procedures and techniques; investment, wealth management and retirement plan consulting, variable annuities, and fund investment business and related products and services; underwriting criteria for general programs; business, management and human resources/personnel strategies and practices; the criteria and formulae used by the Company in pricing its insurance and benefits products and claims management, loss control and information management services; the structure and pricing of special insurance packages negotiated with underwriters; highly sensitive information about the Company's agreements and relationships with underwriters; sales data contained in various tools and resources (including, without limitation, Salesforce.com); lists of prospects; the identity, authority

and responsibilities of key contacts at Company accounts and prospects; the composition and organization of Company accounts' businesses; the peculiar risks inherent in the operations of Company accounts; highly sensitive details concerning the structure, conditions and extent of existing insurance coverages of Company accounts; policy expiration dates, premium amounts and commission rates relating to Company accounts; risk management service arrangements relating to Company accounts; loss histories relating to Company accounts; candidate and placement lists relating to Company accounts; the Company's personnel and payroll data including details of salary, bonus, commission and other compensation arrangements; and other data showing the particularized insurance or consulting requirements and preferences of Company accounts.

(f)"Direct or indirect solicitation" means, with respect to a Company Account or Prospective Account, the following (which is not intended to be an exhaustive list of direct or indirect solicitation, but is meant to provide examples of certain reasonably anticipated scenarios): (i) sending of an announcement by the Participant or on the Participant's behalf to any Company Account or Prospective Account, the purpose of which is to communicate that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (ii) initiating a communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account for the purpose of notifying such Company Account or Prospective Account that the Participant has either formed his own business enterprise or joined an existing business enterprise that will offer products or services in any way competitive with the Company; (iii) communication or contact by the Participant or on the Participant's behalf with any Company Account or Prospective Account if the communication in any way relates to insurance or benefits services; provided, however, nothing herein is intended to limit communications or contacts that are unrelated to insurance and/or benefits services; or (iv) the facilitation by the Participant, directly or indirectly, of any Company Account's execution of a broker of record letter replacing the Company as its broker of record.

(g)"Disability" shall have the meaning given to the term "Long-Term Disability" under the Arthur J. Gallagher & Co. Long-Term Disability Insurance Plan, as amended from time to time, or such successor long-term disability plan under which the Participant is covered at the time of determination.

(h)"Insurance Services" means any renewal, discontinuance or replacement of any insurance or reinsurance by, or handling self-insurance programs, insurance claims or other insurance administrative functions.

(i)"Prospective Account" means any entity (other than a then-current Company Account but including former Company Accounts) with respect to whom, at any time during the one year period preceding the termination of the Participant's employment with the Company, the Participant: (i) submitted or assisted in the submission of a presentation or proposal of any kind on behalf of the Company, (ii) had material contact or acquired Confidential Information as a result of or in connection with the Participant's employment with the Company, or (iii) incurred travel and/or entertainment expenses which were reimbursed by the Company to the Participant.

(j)"Retirement" means the Participant's voluntary Termination of Employment on or after the date that the Participant becomes Retirement Eligible.

(k)"Retirement Eligible" means the later of: (i) the date that the Participant attains age 55; or (ii) the date that is the two-year anniversary of the Grant Date.

(l)"Section 409A" means Section 409A of the Code, and the Treasury Regulations promulgated and other official guidance issued thereunder.

(m)"Termination of Employment" means a "separation from service" as defined under Section 409A, as determined in accordance with the Company's Policy Regarding Section 409A Compliance.

2.Performance Share Unit Award. The Company hereby grants to the Participant this Performance Share Unit Award for the Number of Performance Share Units specified above. Each Performance Share Unit represents the right to receive one share of Common Stock ("Share"), subject to the terms and conditions set forth in this Agreement and the Plan. The Number of Performance Share Units that become Earned Performance Share Units is based on the achievement of the Performance Measures described in Section 4 during the Performance Period described in Section 3.

3.Performance Period. The period of time during which the Performance Measures described in Section 4 must be met in order to determine the Number of Performance Share Units earned under this Performance Share Unit Award is the Performance Period specified above.

4.Performance Measures.

(a)The number of Earned Performance Share Units under this Performance Share Unit Award shall be determined by reference to the Performance Measures described in Schedule A attached hereto. If applicable, Schedule A sets forth the weightings and minimum, threshold and maximum levels of performance (the "Performance Goals") with respect to the Performance Measures, as determined by the Compensation Committee in its sole discretion.

(b)Actual performance against the Performance Measures must be approved by the Compensation Committee in order for any portion of this Award to be earned under this Section 4. The Compensation Committee will approve the results of the Performance Measures as soon as reasonably practicable (the date such approval is effective, the "Approval Date") after the Performance Period. Any portion of this Performance Share Unit Award that is eligible to be earned based on the Committee's approval will be earned as of the Approval Date (which may be the Vesting Date). Any portion of this Performance Share Unit Award that is not eligible to be earned based on the Compensation Committee's approval will terminate as of the Approval Date.

5.Vesting; Termination and Retirement. Subject to Sections 5(a), (b), (c) and (d) below, Performance Share Units that are earned based on the achievement of the

Performance Measures in Section 4 shall become vested on the Vesting Date shown on the first page, which is the third anniversary of the Grant Date.

(a)*Terminations of Employment Resulting in Forfeiture*. In the event the Participant's employment with the Company terminates for any reason other than Retirement, death or Disability prior to the Vesting Date, then all Performance Share Units subject to this Performance Share Unit Award shall automatically terminate and be forfeited, cancelled and of no further force or effect.

(b)*Retirement*. In the event the Participant becomes Retirement Eligible prior to the Vesting Date, then this Performance Share Unit Award shall no longer be subject to forfeiture or cancellation except as provided in Section 5(c) or Section 21 or if the Participant is terminated for cause; provided, however, that only a prorated portion of the Earned Performance Share Units (based on the number of months, rounded up, that the Participant was employed during the three-year period beginning on the Grant Date) shall become vested under this provision. Notwithstanding any provision of this Agreement to the contrary, any such prorated payment of Earned Performance Share Units shall continue to be made at the time and in the form set forth in Section 6.

(c)*Death or Disability.* Upon termination of the Participant's employment due to death or Disability, (i) if the Performance Period has concluded, the determination of Earned Performance Share Units shall be made as set forth in Section 6 and payment shall be made within 45 days following termination of employment; (ii) if the Performance Period has not concluded, the Participant's Performance Share Unit Award shall be considered vested as of such termination date and the Earned Performance Share Units shall be deemed to equal the Number of Performance Share Units granted under this Performance Share Unit Award, and the payment shall be made within 45 days following termination of employment.

(d)*Delay of Vesting.* Notwithstanding any provision of this Agreement to the contrary, if the Company considers that circumstances may be such that forfeiture may result under Section 21 or the Addendum, as applicable, the vesting of any Performance Share Units may be delayed in the sole and absolute discretion of the Company, for such period as the Company considers is reasonably necessary to investigate those circumstances and conclude whether such forfeiture is appropriate.

6.Payment. As soon as practicable after the Vesting Date, but in no event after the last day of the calendar year in which the Vesting Date occurs, the Participant shall receive the number of shares of Common Stock equal to the product of: (i) the Number of Performance Share Units subject to this Performance Share Unit Award; and (ii) the aggregate weighted percentage achievement of the Performance Measures determined pursuant to Section 4; provided, that if this calculation produces a fractional share, such fractional share shall be rounded up to the nearest whole share. For example, a Performance Share Unit Award for 1,000 Performance Share Units with a Performance Measure achievement level of 75% would result in delivery of 750 shares of Common Stock.

7.Dividend Equivalents. The Participant shall have no rights to any dividends or dividend equivalents on any of the Performance Share Units until the number of Earned Performance Share Units is determined following the end of the Performance Period. An account established by the Company on behalf of the Participant shall be credited with the amount of all dividends that would have been paid on the Earned Performance Share Units if such shares were actually held by the Participant ("Dividend Equivalents"). Dividend Equivalents begin to accrue beginning on the Grant Date based on the number of Earned Performance Share Units. Such Dividend Equivalents shall be subject to the same vesting period applicable to the Earned Performance Share Units to which they relate. As soon as administratively practicable following the Vesting Date, but in no event later than 75 days following such date, any Dividend Equivalents shall be paid to the Participant in cash, without earnings thereon.

8.Administration. Any action taken or decision made by the Company or the Compensation Committee or its delegates arising out of or in connection with the construction, administration, interpretation or effect of the Plan or this Agreement shall lie within its sole and absolute discretion, as the case may be, and shall be final, conclusive and binding upon the Participant and all persons claiming under or through the Participant. By accepting this Award or other benefit under the Plan, the Participant and each person claiming under or through the Participant shall be conclusively deemed to have indicated acceptance and ratification of, and consent to, any action taken or decision made under the Plan by the Company or the Compensation Committee or its delegates.

9.No Right of Participation or Employment. The Participant shall not have any right to be employed, reemployed or continue employment by the Company or any Subsidiary or affect in any manner the right of the Company or any Subsidiary to terminate the employment the Participant with or without notice at any time for any reason without liability hereunder. The adoption and maintenance of the Plan shall not be deemed to constitute a contract of employment or otherwise between the Company or any Subsidiary and the Participant, or to be a consideration for or an inducement or condition of any employment.

10.Nature of Grant. In accepting this grant of Performance Share Units, the Participant acknowledges that:

(a) The Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(b) This award of Performance Share Units is a one-time benefit and does not create any contractual or other right to receive future grants of Performance Share Units, benefits in lieu of Performance Share Units, or other Plan benefits in the future, even if Performance Share Units have been granted repeatedly in the past;

(c) All decisions with respect to future Performance Share Unit grants, if any, and their terms and conditions, will be made by the Company, in its sole discretion;

(d) Nothing contained in this Agreement is intended to create or enlarge any other contractual obligations between the Company and the Participant;

(e) The Participant is voluntarily participating in the Plan;

(f) The future value of the Shares underlying the Performance Share Unit Award is unknown and cannot be predicted with certainty;

In addition, the following provisions apply if the Participant is providing services outside the United States:

(g) The Performance Share Unit Award and shares of Common Stock subject to the Performance Share Units are:

(i) extraordinary items that do not constitute compensation of any kind for services of any kind rendered to the Company or its subsidiaries, and are outside the scope of the Participant's employment contract, if any;

(ii) not intended to replace any pension rights or compensation;

(iii) not part of the Participant's normal or expected compensation or salary for any purpose, including, but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits, or similar payments and in no event should they be considered as compensation for, or relating in any way to, past services for the Company or any of its subsidiaries;

(h) In consideration of the Performance Share Unit Award, no claim or entitlement to compensation or damages shall arise from the Performance Share Units resulting from Termination of Employment (for any reason whatsoever) and the Participant irrevocably releases the Company and its subsidiaries from any such claim that may arise; if any such claim is found by a court of competent jurisdiction to have arisen, then, by signing or electronically accepting this Agreement, the Participant shall be deemed irrevocably to have waived the Participant's entitlement to pursue such claim;

(i) Neither the Company nor any of its subsidiaries shall be liable for any change in value of the Performance Share Unit Award, the amount realized upon settlement of the Performance Share Units or the amount realized upon a subsequent sale of any shares of Common Stock acquired upon settlement of the Performance Share Units, resulting from any fluctuation of the United States Dollar/local currency foreign exchange rate.

11.Rights as Stockholder. Unless and until shares of Common Stock are issued to the Participant under this Agreement, nothing in this Agreement or the Plan shall be interpreted or construed as giving the Participant any rights as a stockholder of the Company or any right to become a stockholder of the Company.

12.Clawback, Forfeiture or Recoupment. Any shares of Common Stock paid to the Participant under this Performance Share Unit Award will be subject to the Company's compensation recovery policy, as well as any other or additional "clawback," forfeiture or recoupment policy adopted by the Company after the date of this Agreement, unless otherwise indicated in this Agreement or the Addendum.

13.Tax Withholding.

(a) Regardless of any action the Company takes with respect to any or all income tax (including U.S. federal, state and local taxes and/or non-U.S. taxes), social insurance, payroll tax, payment on account or other tax-related withholding ("Tax-Related Items"), the Participant acknowledges that the ultimate liability for all Tax-Related Items legally due by the Participant is and remains the Participant's responsibility and that the Company (a) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Performance Share Unit Award, including the grant of the Performance Share Units, the vesting of the Performance Share Units, the subsequent sale of any shares of Common Stock acquired pursuant to the Performance Share Units and the receipt of any dividends or dividend equivalents; and (b) does not commit to structure the terms of the grant or any aspect of the Performance Share Units to reduce or eliminate the Participant's liability for Tax-Related Items. Further, if the Participant becomes subject to taxation in more than one country between the grant date and the date of any relevant taxable or tax withholding event, as applicable, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one country. For tax and withholding purposes and unless otherwise required under applicable law, the value of any shares of Common Stock issued shall be determined based on the closing stock price on the date of vesting regardless of when the Shares are actually credited to the Participant's account.

(b) If the Participant's country of residence (and/or the country of employment, if different) requires withholding of Tax-Related Items, the Company may withhold a portion of the Shares otherwise issuable upon vesting of the Performance Share Units (or a portion of any cash proceeds where the Performance Share Units are settled in cash or a forced sale is required) that have an aggregate Fair Market Value sufficient to pay the Tax-Related Items required to be withheld with respect to the Shares. For purposes of the foregoing, no fractional Shares will be withheld or issued pursuant to the grant of the Performance Share Units and the issuance of Shares hereunder. If the obligation for Tax-Related Items is satisfied by withholding Shares or a portion of any cash proceeds (where the Performance Share Units are settled in cash or a forced sale is required), for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested Performance Share Units, notwithstanding that a number of the Shares (or a portion of any cash proceeds) are withheld solely for the purpose of satisfying any withholding obligations for the Tax-Related Items due as a result of any aspect of the Participant's participation in the Plan. Alternatively, the Company may, in its discretion, withhold any amount necessary to pay the Tax-Related Items from the Participant's regular salary or other amounts payable to the Participant, with no withholding of Shares, or may require the Participant to submit payment equivalent to the Tax-Related Items required to be withheld with respect to the Shares by means of certified check, cashier's check or wire

transfer. In the event the withholding requirements are not satisfied, no Shares will be issued to the Participant (or the Participant's estate) upon vesting of the Performance Share Units (or no cash payment will be made where the Performance Share Units are settled in cash or a forced sale is required) unless and until satisfactory arrangements (as determined by the Company in its sole discretion) have been made by the Participant with respect to the payment of any such Tax-Related Items. By accepting the Performance Share Units, the Participant expressly consents to the methods of withholding as provided hereunder and/or any other methods of withholding that the Company may adopted and are permitted under the Plan to meet the withholding and/or other requirements as provided under applicable laws, rules and regulations. All other Tax-Related Items related to the Performance Share Units and any Shares delivered in payment thereof shall be the Participant's sole responsibility.

(c) To the extent the Company pays any Tax-Related Items that are the Participant's responsibility ("Advanced Tax Payments"), the Company shall be entitled to recover such Advanced Tax Payments from the Participant in any manner that the Company determines appropriate in its sole discretion. For purposes of the foregoing, the manner of recovery of the Advanced Tax Payments shall include (but is not limited to) offsetting the Advanced Tax Payments against any and all amounts that may be otherwise owed to the Participant by the Company (including regular salary/wages, bonuses, incentive payments and Shares acquired by the Participant pursuant to any equity compensation plan that are otherwise held by the Company for the Participant's benefit).

(d) The Company may, in the discretion of the Committee, provide for alternative arrangements to satisfy applicable tax withholding requirements in accordance with Section 6.5 of the Plan.

14.Non-Transferability. Until the Restricted Period has lapsed, the Performance Share Units may not be transferred, assigned, pledged, or otherwise encumbered or disposed of other than by will or the laws of descent and distribution; provided, however, that the Committee may, in its discretion, permit the Performance Share Units to be transferred subject to such conditions and limitations as the Committee may impose.

15.No Right to Continued Employment. The Company is not obligated by or as a result of the Plan or this Agreement to continue the Participant's employment, and neither the Plan nor this Agreement shall interfere in any way with the right of the Company to terminate the employment of the Participant at any time.

16.No Rights as a Stockholder. The Participant shall not have a beneficial ownership interest in, or any of the rights and privileges of a stockholder as to, the Shares underlying the Performance Share Units, including the right to receive dividends and the right to vote such Shares underlying the Performance Share Units until such Performance Share Units vest and Shares are issued and transferred to the Participant in accordance with the terms of this Agreement. The Participant shall not be entitled to delivery of the Shares subject to

the Performance Share Units award, or to the Dividend Equivalents related to such units, until the units have vested.

17.Notice and Consent to Transfer Personal Data. Pursuant to applicable personal data protection laws, the Company hereby notifies the Participant of the following in relation to the Participant's personal data and the collection, processing and transfer of such data in relation to the Company's grant of the Performance Share Units and the Participant's participation in the Plan. The collection, processing and transfer of the Participant's personal data is necessary for the Company's administration of the Plan and the Participant's participation in the Plan. The Participant's denial and/or objection to the collection, processing and transfer of personal data may affect the Participant's participation in the Plan. As such, the Participant voluntarily acknowledges and consents (where required under applicable law) to the collection, use, processing and transfer of personal data as described herein.

The Company holds certain personal information about the Participant, including the Participant's name, home address and telephone number, date of birth, social security number or other employee identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all options or any other entitlement to Shares awarded, canceled, purchased, vested, unvested or outstanding in the Participant's favor, for the purpose of managing and administering the Plan ("Data"). The Data may be provided by the Participant or collected, where lawful, from third parties, and the Company will process the Data for the sole and exclusive purpose of implementing, administering and managing the Participant's participation in the Plan. The Data processing will take place through electronic and non-electronic means according to logics and procedures strictly correlated to the purposes for which Data are collected and with confidentiality and security provisions as set forth by applicable laws and regulations in the Participant's country of residence. Data processing operations will be performed minimizing the use of personal and identification data when such operations are unnecessary for the processing purposes sought. Data will be accessible within the Company's organization only by those persons requiring access for purposes of the implementation, administration and operation of the Plan and for the Participant's participation.

The Company will transfer Data internally as necessary for the purpose of implementation, administration and management of the Participant's participation in the Plan, and the Company may further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. These recipients may be located in the European Economic Area, or elsewhere throughout the world, such as the United States. The Participant hereby authorizes (where required under applicable law) for them to receive, possess, use, retain and transfer the Data, in electronic or other form, for purposes of implementing, administering and managing the Participant's participation in the Plan, including any requisite transfer of such Data as may be required for the administration of the Plan and/or the subsequent holding of Shares on the Participant's

behalf to a broker or other third party with whom the Participant may elect to deposit any Shares acquired pursuant to the Plan.

The Participant may, at any time, exercise their rights provided under applicable personal data protection laws, which may include the right to (a) obtain confirmation as to the existence of the Data, (b) verify the content, origin and accuracy of the Data, (c) request the integration, update, amendment, deletion, or blockage (for breach of applicable laws) of the Data, and (d) to oppose, for legal reasons, the collection, processing or transfer of the Data which is not necessary or required for the implementation, administration and/or operation of the Plan and the Participant's participation in the Plan. The Participant may seek to exercise these rights by contacting the Company's human resource department.

18.Notices. Notices hereunder shall be mailed or delivered to the Company at its principal place of business and shall be mailed or delivered to the Participant at the address on file with the Company or, in either case, at such other address as one party may subsequently furnish to the other party in writing.

19.Other Plans. The Participant acknowledges that any income derived from the Performance Share Unit Award shall not affect the Participant's participation in, or benefits under, any other benefit plan or other contract or arrangement maintained by the Company.

20.Delay of Payment. The Company may delay any payment to the Participant under the award and this Agreement if the Company reasonably anticipates that the Company would not be permitted to deduct such payment by reason of Section 162(m) of the Internal Revenue Code of 1986, as amended (the "Code"). In such event, the Company (without any determination or election as to timing by the Participant) will make such payment either (i) in the Participant's first taxable year in which the Company reasonably anticipates or should reasonably anticipate that Section 162(m) of the Code will not limit the Company's deduction of such payment, or (ii) during the period beginning on the date on which such Participant undergoes a Termination of Employment with the Company and ending on the last day of such taxable year (or if later, ending on the 15th day of the third month following the date of the Termination of Employment). If the Company delays payment until the Participant's Termination of Employment, then to the extent required by Section 409A of the Code, the payment will be subject to a six-month delay following the date of a Participant's Termination of Employment if the Participant is a "specified employee" (as defined by Section 409A of the Code) on the date of the Participant's Termination of Employment. Any delay of payment pursuant to this Section 20 shall be made in accordance with the requirements therefor under Section 409A, and this Section 20 shall be construed and administered in a manner consistent with Section 409A and Treasury Regulation 1.409A-2(b)(7) or the corresponding provision in future guidance issued by the Internal Revenue Service or the Treasury. By accepting this award, the Participant voluntarily acknowledges and consents to any delay of payment by the Company pursuant to this Section 20.

21.Restrictive Covenant; Clawback. For purposes of this Section, Company will also include Subsidiary.

(a)(i) If, at any time within (A) two years after the termination of employment; or (B) two years after the payment of any portion of this Performance Share Unit Award, whichever is the latest, the Participant, in the determination of the management of the Company, engages in any activity in competition with any activity of the Company, or inimical, contrary or harmful to the interests of the Company, including, but not limited to:

(1) conduct related to his or her employment for which either criminal or civil penalties against him or her may be sought;

(2) violation of Company policies, including, without limitation, the Company's Insider Trading Policy and Global Standards of Business Conduct;

(3) directly or indirectly, soliciting, placing, accepting, aiding, counseling or providing consulting for any Insurance Services for any existing Company Account or any actively solicited Prospective Account of the Company for which he or she performed any of the foregoing functions during the two-year period immediately preceding such termination; or providing Benefit Services the Company is involved with, for any existing Company Account or any Prospective Account of the Company for which the Participant performed any of the foregoing functions during the two-year period immediately preceding such termination; **provided, that this subsection is subject to any special terms and conditions set forth in any addendum to this Agreement for the state a Participant is employed by the Company in, or primarily performing work for the Company in ("Addendum");**

(4) recruiting, luring, enticing, employing or offering to employ any current or former employee of the Company or engaging in any conduct designed to sever the employment relationship between the Company and any of its employees;

(5) disclosing or misusing any trade secret, Confidential Information or other non-public confidential or proprietary material concerning the Company except as specifically permitted under Section 22; or

(6) participating in a hostile takeover attempt of the Company;

then this Performance Share Unit Award, if unpaid at such time, and all other unpaid Performance Share Unit Awards held by the Participant shall terminate effective the date on which the Participant enters into such activity, unless terminated sooner by operation of another term or condition of this Agreement or the Plan, and any gain realized by the Participant with respect to the vesting of all or a portion of this or any other Performance Share Unit Awards shall be paid by the Participant to the Company, plus interest measured from the first date the Participant engaged in any of the prohibited activities set forth above at the highest rate allowable under Delaware law.

(ii) This Performance Share Unit Award and all other Performance Share Unit Awards held by the Participant shall also be subject to recovery by the Company under its compensation recovery policy, as amended from to time.

(iii)The Participant acknowledges that the Participant's engaging in activities and behavior in violation of Section 21(a)(i) above will result in a loss to the Company which cannot reasonably or adequately be compensated in damages in an action at law, that a breach of this Agreement will result in irreparable and continuing harm to the Company and that therefore, in addition to and cumulative with any other remedy which the Company may have at law or in equity, the Company shall be entitled to injunctive relief for a breach of this Agreement by the Participant. The Participant acknowledges and agrees that the requirement in Section 21(a)((i)) above that the Participant disgorge and pay over to the Company any gain realized by the Participant is not a provision for liquidated damages. The Participant agrees to pay any and all costs and expenses, including reasonable attorneys' fees, incurred by the Company in enforcing any breach of any covenant in this Agreement.

By accepting this Performance Share Unit Award, the Participant consents to deductions from any amounts the Company owes the Participant from time to time (including amounts owed as wages or other compensation, fringe benefits or vacation pay, as well as any other amounts owed to the Participant by the Company) to the extent of the amounts the Participant owes the Company under Section 21(a) above. Whether or not the Company elects to make any set-off in whole or in part, if the Company does not recover by means of set-off the full amount owed, calculated as set forth above, the Participant agrees to pay immediately the unpaid balance to the Company.

22.Exception to Confidentiality Provision. Notwithstanding the generality of these prohibitions relating to Confidential Information, the Participant acknowledges that nothing in this Agreement, prohibits the Participant from reporting possible violations of federal law or regulation to any governmental agency or entity including, without limitation, the Department of Justice, the Securities and Exchange Commission, Congress, and any agency of the Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation.

23.Governing Law. **This Agreement, this Performance Share Unit Award and all determinations made and actions taken pursuant thereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of Delaware and construed in accordance therewith without giving effect to principles of conflicts of laws**.

24.Private Placement. This grant of the Performance Share Unit Award is not intended to be a public offering of securities in the Participant's country. The Company has not submitted any registration statement, prospectus or other filings with the local securities authorities (unless otherwise required under local law), and this grant of the Performance Share Unit Award is not subject to the supervision of the local securities authorities.

25.Insider Trading. The Participant acknowledges that, depending on Participant's or the Participant's broker's country of residence or where the Company shares are listed, the Participant may be subject to insider trading restrictions and/or market abuse laws which may affect the Participant's ability to accept, acquire, sell or otherwise dispose of Company shares, rights to shares or rights linked to the value of shares during such times the Participant is considered to have "inside information" regarding the Company as defined

in the laws or regulations in the Participant's country. Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Participant placed before the Participant possessed inside information. Furthermore, the Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) “tipping” third parties or causing them otherwise to buy or sell securities. Third parties includes fellow employees. Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under the Company's Insider Trading Policy and Global Standards of Business Conduct. The Participant acknowledges that it is the Participant's responsibility to comply with any restrictions and is advised to speak to the Participant's personal advisor on this matter.

26.Exchange Controls. As a condition to this grant of the Performance Share Unit Award, the Participant agrees to comply with any applicable foreign exchange rules and regulations.

27.Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

28.Addendum. This grant of the Performance Share Unit Award shall be subject to any special terms and conditions set forth in any addendum to this Agreement for the Participant’s country ("Addendum"). Moreover, if the Participant relocates to one of the countries included in the Addendum, the special terms and conditions for such country will apply to the Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable in order to comply with local laws, rules and/or regulations or facilitate the operation and administration of the Performance Share Unit Award and the Plan (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s relocation). The Addendum constitutes part of this Agreement.

29.Severability. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, and each other provision of this Agreement shall be severable and enforceable to the extent permitted by law. To the extent a court or tribunal of competent jurisdiction determines that any provision of this Agreement is invalid or unenforceable, in whole or in part, the Company, in its sole discretion, shall have the power and authority to revise or strike such provision to the minimum extent necessary to make it valid and enforceable to the full extent permitted under local law.

30.Entire Agreement. This Agreement and the Plan constitute the entire agreement between the Participant and the Company regarding the Performance Share Unit Award and supersede all prior and contemporaneous agreements and understandings, oral or written, between the parties regarding the award.

31.Language. If the Participant has received this Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

32.Change in Control. Upon the occurrence of a Change in Control, as defined in the Plan, this Agreement and all Performance Share Units awarded hereunder shall be governed by the Plan. If applicable, payment under this Section 32 shall be made as soon as administratively practicable following the Change in Control, but in no event later than 75 days thereafter.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

ARTHUR J. GALLAGHER & CO.

By:_____
Walter D. Bay
Vice President, General Counsel and
Secretary

PARTICIPANT

[Signed Electronically]

PERFORMANCE SHARE UNIT GRANT AGREEMENT
ARTHUR J. GALLAGHER & CO.

SCHEDULE A

		Performance Goals		
Performance Measure	**Weighting**	**Minimum**	**Target**	**Maximum**
Average Three-Year Adjusted EBITDAC per Share Growth	100%	4%	9%	14%

For purposes of this Agreement, “Adjusted EBITDAC” shall be defined as earnings from continuing operations for the Company’s brokerage and risk management reporting segments before interest, taxes, depreciation, amortization and change in estimated acquisition earn-out payables; and further adjusted to exclude lease abandonment charges, severance and book gains, and normalized for the impact of foreign currency translation.

The target award is 100%, the minimum award is 50%, and the maximum award is 200%. To achieve the target award, Average Three-Year Adjusted EBITDAC Per Share Growth of 9% must be achieved, for the minimum award 4% must be achieved, and for the maximum award 14% must be achieved.

If the actual performance approved by the Compensation Committee falls between the percentages specified above, the number of Earned Performance Share Units under this Performance Share Unit Award will be calculated using straight-line interpolation, and will be rounded down to the nearest whole number of Performance Share Units.

Exhibit 21.1

Subsidiaries of Arthur J. Gallagher & Co.

The following is a list of all of the majority-owned and consolidated subsidiaries of Arthur J. Gallagher & Co. as of December 31, 2022.

Company Name	Domicile
2950 Land Company Manager, LLC	Delaware
2950 Land Company, LLC	Delaware
A.C.N. 113 929 516	Australia
A.C.N. 003 030 180 Pty Ltd	Australia
A.C.N. 060 973 908 Pty Ltd	Australia
A.C.N. 061 063 303 Pty Ltd	Australia
A.C.N. 082 404 859 Pty Ltd	Australia
A.C.N. 082 459 372 Pty Ltd	Australia
A.C.N. 149 809 825 Pty Ltd	Australia
A.C.N. 161 935 235 Pty Ltd	Australia
ACE (Helias) LLC	Greece
ACE Insurance Brokers Company W.L.L.	Kuwait
ACE Insurance Brokers LLC	Oman
ACE Insurance Brokers LLC (UAE)	United Arab Emirates
ACE Insurance Brokers SARL	Lebanon
ACE Insurance Brokers W.L.L. (Behrain)	Bahrain
ACE Gallagher Arabia Insurance Brokers Limited (Saudi Arabia)	Saudi Arabia
ACE Gallagher Arabia Insurance Consultants Limited	Saudi Arabia
ACE Re Gallagher Arabia ReInsurance Brokers Limited	Saudi Arabia
Admas & Porter Sociedade De Corretagem De Seguros Ltda.	Brazil
AHC Digital LLC	Minnesota
AJG Coal, LLC	Delaware
AJG Financial Services, LLC	Delaware
AJG Holding (Chile) SpA	Chile
AJG Meadows, LLC	Delaware
AJG North America ULC	Canada
AJG RCF LLC	Delaware
AJGRMS Of Louisiana, LLC	Louisiana
Alesco Risk Management Services Limited	United Kingdom
Alize Ltd.	Bermuda
Allied Claims Administration, Inc.	Georgia
American Freedom Carriers, Inc.	Indiana
Another Day Investigations Limited	United Kingdom
Another Day Limited	United Kingdom
Anthony Hodges Consulting Limited	United Kingdom
Antrobus Investments Limited	United Kingdom
Arab Commercial Enterprises W.L.L.	Kuwait
Argentis Financial Group Limited	United Kingdom
Argentis Financial Management Limited	United Kingdom

Artex Advisory & Analytics Ltd.	Bermuda
Artex Corporate Services (Bermuda) Ltd.	Bermuda
Artex Corporate Services (Cayman) Ltd.	Cayman Islands
Artex Corporate Services (Gibraltar) Limited	Gibraltar
Artex Corporate Services (Malta) Limited	Malta
Artex Fund Services Ltd.	Bermuda
Artex Fund Services USA, Inc.	Delaware
Artex Holdings (Gibraltar) Limited	Gibraltar
Artex Holdings (Malta) Limited	Malta
Artex ILS Services UK Ltd	United Kingdom
Artex Insurance (Cayman) SPC Limited	Cayman Islands
Artex Insurance (Guernsey) PCC Limited	Guernsey
Artex Insurance (Tennessee) PCCIC, Inc.	Delaware
Artex Insurance Brokers (Malta) PCC Limited	Malta
Artex Insurance ICC Limited	Guernsey
Artex Insurance Management (Bermuda) Ltd.	Bermuda
Artex Insurance Management (Cayman) Ltd.	Cayman Islands
Artex Insurance Management (Ireland) Limited	Ireland
Artex Intermediaries Ltd.	Bermuda
Artex Risk Solutions (Bermuda) Limited	Bermuda
Artex Risk Solutions (Cayman) Limited	Cayman Islands
Artex Risk Solutions (Gibraltar) Limited	Gibraltar
Artex Risk Solutions (Guernsey) Limited	Guernsey
Artex Risk Solutions (International) Limited	Guernsey
Artex Risk Solutions (Malta) Limited	Malta
Artex Risk Solutions (Singapore) Pte. Ltd.	Singapore
Artex Risk Solutions (UK) Ltd	United Kingdom
Artex Risk Solutions, Inc.	Tennessee
Artex Risk Solutions, Inc. (Anguilla)	Anguilla
Artex SAC Limited	Bermuda
Artex Services (Private) Limited	Sri Lanka
Arthur J Gallagher (Norway) Holdings AS	Norway
Arthur J Gallagher Sweden AB	Sweden
Arthur J. Gallagher & Co (AUS) Limited	Australia
Arthur J. Gallagher & Co.	Delaware
Arthur J. Gallagher & Co. (Bermuda) Limited	Bermuda
Arthur J. Gallagher (Bermuda) Holding Partnership	Bermuda
Arthur J. Gallagher (Illinois), LLC	Illinois
Arthur J. Gallagher (Life Solutions) Pty Ltd	Australia
Arthur J. Gallagher (Singpore) Pte Ltd	Singapore
Arthur J. Gallagher (U.S.) LLC	Delaware
Arthur J. Gallagher (UK) Limited	United Kingdom
Arthur J. Gallagher Asesoria S.A.C.	Peru
Arthur J. Gallagher Australasia Holdings Pty Ltd	Australia
Arthur J. Gallagher Brokerage & Risk Management Services, LLC	Delaware

Arthur J. Gallagher Broking (NZ) Limited	New Zealand
Arthur J. Gallagher Canada Limited	Canada
Arthur J. Gallagher Chile Corredores de Reaseguros S.A. (AJG Chile Re)	Chile
Arthur J. Gallagher Consulting GmbH	Switzerland
Arthur J. Gallagher Corredores de Seguros S.A.	Colombia
Arthur J. Gallagher Corredores de Seguros S.A. (AJG Chile Retail)	Chile
Arthur J. Gallagher Financial Services Professionals Risk Purchasing Group,LLC	California
Arthur J. Gallagher Group Quebec ULC	Canada
Arthur J. Gallagher Holdings (UK) Limited	United Kingdom
Arthur J. Gallagher Insurance Brokers (Ireland) Limited	Ireland
Arthur J. Gallagher Insurance Brokers Limited	United Kingdom
Arthur J. Gallagher Latin America, LLC	Illinois
Arthur J. Gallagher Perú Corredores de Reaseguros S.A.	Peru
Arthur J. Gallagher Perú Corredores de Seguros S.A.	Peru
Arthur J. Gallagher Re Colombia Ltda. Corredores de Reaseguros	Colombia
Arthur J. Gallagher Real Estate Risk Purchasing Group, LLC	California
Arthur J. Gallagher Risk Management Services, LLC	Delaware
Arthur J. Gallagher Service Company, LLC	Delaware
Arthur J. Gallagher Services (UK) Limited	United Kingdom
ASHGROVE Insurance Services Limited	United Kingdom
Aurenda Pty Ltd	Australia
Aurenda Training Services Pty Ltd	Australia
Avantek Pty Ltd	Australia
Axe Insurance PCC Limited	Guernsey
Bellisle Pty. Ltd.	Australia
Blueleaf Consulting Pty Limited	Australia
Bluewater Incorporated Cell Insurance Company	Tennessee
Bollinger Insurance Services, Inc.	Delaware
Bollinger, Inc.	New Jersey
Bollington Insurance Brokers Limited	United Kingdom
Bollington Underwriting Limited	United Kingdom
Bollington Wilson Group Limited	United Kingdom
Bollington Wilson Limited	United Kingdom
Bonus Drive Canada Limited	Canada
Cain Insurance Services Ltd.	Canada
Camco One Ltd	United Kingdom
Capsicum ReInsurance Brokers LLP	United Kingdom
CGM Gallagher Insurance Brokers (Trinidad & Tobago) Limited	Trinidad and Tobago
Champs-Elysees Participacoes Ltda.	Brazil
Charity First Insurance Services, Inc.	California
Cheam Insurance Brokers Limited	United Kingdom
Chris Frost Insurance Services Limited	United Kingdom
Churchills International Consulting Limited	United Kingdom
Cintran Claims Canada Limited	Canada
CKH Limited	United Kingdom

CLA (Risk Solutions) Limited	United Kingdom
CLA Acquisitions Limited	United Kingdom
Claims Settlement Agencies Ltd	United Kingdom
Coleman Group (Holdings) Limited	United Kingdom
Coleman Holdings Limited	United Kingdom
Coleman MARINE Limited	United Kingdom
College and University Scholastic Excess Risk Purchasing Group, LLC	California
Complete Financial Balance Pty Ltd	Australia
Compucar Limited	United Kingdom
Consolidated Casualty Specialties, LLC	Delaware
Copper Mountain Assurance, Inc.	Utah
Core Underwriting Services Inc.	Canada
Corporate Services Network Pty Ltd	Australia
Coulter Hurst & Co. Limited	United Kingdom
Countrywide Accident Assistance Limited	United Kingdom
Crombie Lockwood (NZ) Limited	New Zealand
Dalton Browne Limited	United Kingdom
David Fangen Holdings Limited	United Kingdom
David Fangen Limited	United Kingdom
Devitt Insurance Services Limited	United Kingdom
Doyle Insurance Brokers (Wexford) Limited	Ireland
E. Coleman & Co. Limited	United Kingdom
Edelweiss Financial Services Limited	United Kingdom
Effectus Consulting Pty Ltd	Australia
EHE Holdings, LLC	Michigan
Elantis Premium Funding Limited	Australia
Elantis Premium Funding Limited NZ	New Zealand
Erimus Group Limited	United Kingdom
Erimus Holdings Teesside Limited	United Kingdom
F Wilson (Holdings) Limited	United Kingdom
F Wilson (Insurance Brokers) Limited	United Kingdom
F Wilson Group Limited	United Kingdom
Finergy Solutions Pty Ltd	Australia
First Premium, Inc.	Louisiana
Foley Healthcare Limited	United Kingdom
Fortress Financial Solutions Pty Ltd	Australia
Fortress Insurance LLC	Delaware
Foster Leighton & Company Limited	United Kingdom
Foster Leighton Risk Managers Limited	United Kingdom
Four Corners Group Inc.	Canada
Fraser MacAndrew Ryan Limited	New Zealand
Friary Intermediate Limited	United Kingdom
FYI Direct LLC	Delaware
Gallagher Broker Japan, Inc.	Japan
Gallagher (Bermuda) Insurance Solutions Ltd	Bermuda

Gallagher Affinity Insurance Services, Inc.	Illinois
Gallagher Bassett Canada Inc.	Canada
Gallagher Bassett Insurance Services Limited	United Kingdom
Gallagher Bassett International Ltd.	United Kingdom
Gallagher Bassett NZ Limited	New Zealand
Gallagher Bassett Services Pty Ltd	Australia
Gallagher Bassett Services Workers Compensation Victoria Pty Ltd	Australia
Gallagher Bassett Services, Inc.	Delaware
Gallagher Bassett Technical Services, LLC	Delaware
Gallagher Benefit Services (Canada) Group Inc.	Canada
Gallagher Benefit Services (Holdings) Limited	United Kingdom
Gallagher Benefit Services Management Company Limited	United Kingdom
Gallagher Benefit Services Pty Ltd	Australia
Gallagher Benefit Services, Inc.	Delaware
Gallagher Benefits Consulting Limited	United Kingdom
Gallagher Bergvall AS	Norway
Gallagher Brasil Corretora de Seguros Ltda.	Brazil
Gallagher Brasil Corretores De Resseguros Ltda.	Brazil
Gallagher Brasil Holdings Ltda.	Brazil
Gallagher Buffalo, Inc.	New York
Gallagher Canada Acquisition Corporation	Canada
Gallagher Caribbean Group Limited	Saint Lucia
Gallagher Clean Energy, LLC	Delaware
Gallagher Colombia (UK) Holdings Limited	United Kingdom
Gallagher Colombia (UK) Limited	United Kingdom
Gallagher Communication Limited	United Kingdom
Gallagher Consulting Ltda	Colombia
Gallagher Corporate BenefitS Pty Ltd	Australia
Gallagher Corporate Services, LLC	Delaware
Gallagher Energy Risk Services Inc.	Canada
Gallagher European Holdings Limited	United Kingdom
Gallagher Fiduciary Advisors, LLC	Delaware
Gallagher Global Cash Management Limited	United Kingdom
Gallagher Holdings (UK) Limited	United Kingdom
Gallagher Holdings Japan, Inc.	Japan
Gallagher Insurance Brokers (Barbados) Limited	Barbados
Gallagher Insurance Brokers (Cayman) Limited	Cayman Islands
Gallagher Insurance Brokers (Hong Kong) Limited	Hong Kong
Gallagher Insurance Brokers (St. Kitts & Nevis) Limited	Saint Kitts and Nevis
Gallagher Insurance Brokers (St. Lucia) Limited	Saint Lucia
Gallagher Insurance Brokers (St. VIncent) Limited	Saint VIncent and the Grenadines
Gallagher Insurance Brokers Jamaica Limited	Jamaica
Gallagher Insurance Brokers Private Limited	India
Gallagher Interbrok Corretora de Seguros Ltda.	Brazil
Gallagher International Cash Management SRL	Barbados

Gallagher International Holdings (US) Inc.	Delaware
Gallagher Investment Advisors, LLC	Delaware
Gallagher Korea Insurance Brokers Limited	Korea, Republic of
Gallagher Mississippi Brokerage, LLC	Mississippi
Gallagher Parisco AS	Norway
Gallagher Re (Nordic) AS	Norway
Gallagher Re (Pty) Limited	South Africa
Gallagher RE (US), LLC	Delaware
Gallagher Re Bermuda Limited	Bermuda
Gallagher RE Canada Inc.	Canada
Gallagher Re GmbH	Germany
Gallagher RE Inc.	New York
Gallagher Re Italia S.p.A.	Italy
Gallagher Re Japan K.K.	Japan
Gallagher Re Labuan Limited	Malaysia
Gallagher Re Latin America Corretora de Resseguros Ltda.	Brazil
Gallagher Re Ltd	United Arab Emirates
Gallagher Re S.A.S.	France
Gallagher ReInsurance Australia Limited	Australia
Gallagher ReInsurance Brokers Bermuda Limited	Bermuda
Gallagher ReInsurance Brokers Miami, LLC	Delaware
Gallagher Risk Group LLC	Delaware
Gallagher Risk Placements Pty Ltd	Australia
Gallagher Securities Europe SAS	France
Gallagher Securities Inc.	Delaware
Gallagher Securities Limited	United Kingdom
Gallagher Service Center LLP	India
Gallagher Sigorta Ve Reasurans Brokerligi Anonim Sirketi	Turkey
Gallagher Voluntary Benefits, LLC	Delaware
Gallagher's Excellence Center for Agencies Limitada	Colombia
Gault Armstrong SARL	Australia
GBCare Texas HCN, LLC	Texas
GBCare, LLC	Delaware
GBS (Australia) Holdings Pty Ltd	Australia
GBS Administrators, Inc.	Washington
GBS Insurance and Financial Services, Inc.	Delaware
GBS Retirement Services, Inc.	New York
GBS Specialty Markets, LLC	Delaware
GGB Finance 1 Limited	United Kingdom
GGB Finance 2 Limited	United Kingdom
GGB Finance 3 Limited	United Kingdom
GGB Finance 4 Limited	United Kingdom
GGB Finance 5 Limited	United Kingdom
GILES Holdings Limited	United Kingdom
Global Financial Brokers Ltd.	Trinidad

Goggins Insurance Brokers Limited	Ireland
GPIS Limited	United Kingdom
GPL Assurance Inc.	Canada
Greenseed Alternative Managers Platform Ltd.	Bermuda
Harlequin Insurance PCC Limited	Guernsey
Healthcare Professionals Purchasing Group, LLC	Delaware
Heath Lambert Limited	United Kingdom
Heath Lambert Overseas Limited	United Kingdom
Heritage Insurance Brokers C.I. Limited	Guernsey
Hexagon Insurance PCC Limited	Guernsey
HFM Columbus Insurance Services Limited	United Kingdom
HMG - PCMS Limited	United Kingdom
Home and Travel Limited	United Kingdom
Honour Point Limited	United Kingdom
Horseshoe Re Limited	Bermuda
Howell & Ryan Limited	Ireland
IBS ReInsurance Brokers Singapore Pte. Ltd.	Singapore
Igloo Insurance PCC Limited	Guernsey
Innovu Bidco Limited	United Kingdom
Innovu Group Holding Company Limited	Ireland
Innovu Operations Limited	Ireland
Inspire Underwriting Limited	United Kingdom
Instrat Integration Holdco Pty Ltd.	Australia
Insurance Acquisitions Holdings Limited	United Kingdom
Insurance Dialogue Limited	United Kingdom
Insurance Plus Purchasing Group, LLC	Delaware
Insure My Villa Limited	United Kingdom
I-Protect Underwriting Pty Limited	Australia
ISure Pty Ltd	Australia
J C Richards Limited	United Kingdom
Just Landlords Insurance Services Ltd	United Kingdom
Lucas Fettes And Partners Limited	United Kingdom
Lucas Fettes Central Limited	United Kingdom
Lucas Fettes Limited	United Kingdom
MA Underwriting Pty Ltd	Australia
Manchester Underwriting Agencies Limited	United Kingdom
Manchester Underwriting Management Limited	United Kingdom
Mannequin Insurance PCC Limited	Guernsey
Matt Jensen Insurance Brokers Limited	New Zealand
Mecacem Insurance SPC, Ltd.	Cayman Islands
Medical Professional Indemnity Group Limited	United Kingdom
Mike Henry Insurance Brokers Limited	New Zealand
Mike Henry Insurance Funding Limited	New Zealand
Milne Alexander Pty Ltd	Australia
Monument Canada Inc.	Canada

Monument Insurance (NZ) Limited	New Zealand
Monument Premium Funding Limited	New Zealand
Mutual Brokers Pty. Limited	Australia
Nonprofit Insurance Risk Purchasing Group, LLC	California
Nordic Forsakring & Riskhantering AB	Sweden
Northern Keep Limited	United Kingdom
Nox II Ltd.	Ohio
OAMPS Ltd.	Australia
Offshore Market Placement Limited	New Zealand
Olayan Financing Company	Saudi Arabia
Osprey Insurance Brokers Company Limited	Malta
Oval EBT Trustees Limited	United Kingdom
Oval Insurance Broking Limited	United Kingdom
Oval Limited	United Kingdom
P.E. Kelly Insurances Limited	Ireland
Parish Council Insurance Brokers Ltd	United Kingdom
Pastel Holding (NZ) Company Limited	New Zealand
Pastel Holdings Pty Limited	Australia
Pastel Purchaser (NZ) Limited	New Zealand
Pastel Purchaser Pty Limited	Australia
Pavey Group Holdings (UK) Limited	United Kingdom
Pavey Group Holdings Limited	United Kingdom
Pavey Group Limited	United Kingdom
PCI-Perrault Consulting Inc.	Canada
Pelican Underwriting Management Limited	United Kingdom
Pen Underwriting Limited	United Kingdom
Pen Insurance Management Advisors, Ltd.	Bermuda
Plexstar Insurance Services Limited	United Kingdom
Plough Court Insurance Services Limited	United Kingdom
Portmore Insurance Brokers (Wiltshire) Ltd	United Kingdom
Portmore Insurance Brokers Limited	United Kingdom
Premier Insurance Services, Inc.	California
Professional Agents Risk Purchasing Group, Inc.	Delaware
Proinova AB	Sweden
Proinova Agency AB	Sweden
Pronto California Agency, LLC	Delaware
Pronto California General Agency, LLC	Delaware
Pronto Florida Claims, LLC	Delaware
Pronto Florida General Agency, LLC	Delaware
Pronto Franchise, LLC	Texas
Pronto General Agency Inc.	Texas
Pronto Insurance Agency of Laredo	Texas
Pronto Premium Finance, LLC	Texas
Property & Commercial Limited	United Kingdom
Property Insurance Initiatives Limited	United Kingdom

Prophet Group Limited	United Kingdom
Prophet Reports & Collections Ltd	United Kingdom
Prophet Trade Credit Ltd	United Kingdom
Protected Insurance Company Ltd.	Bermuda
Ptarmigan Underwriting Agency Limited	United Kingdom
Ptarmigan Underwriting UK Limited	United Kingdom
Purple Bridge Claims Management Limited	United Kingdom
Purple Bridge Finance Limited	United Kingdom
Purple Bridge Group Limited	United Kingdom
Purple Bridge Investments Limited	United Kingdom
Purple Bridge Online Services Limited	United Kingdom
Purple Bridge Publishing Limited	United Kingdom
Purpleline Limited	Ireland
Quantum Underwriting Solutions Limited	United Kingdom
Quillco 226 Limited	United Kingdom
Quillco 227 Limited	United Kingdom
Quoteline Direct Limited	United Kingdom
R.A. Rossborough (Guernsey) Limited	Guernsey
R.A. Rossborough (Insurance Brokers) Limited	Jersey
R.A. Rossborough Limited	Jersey
Real Estate Services Council Risk Purchasing Group, LLC	Nevada
Rentguard Limited	United Kingdom
Resilience Re Ltd.	Bermuda
RGA Referencing Limited	United Kingdom
RGA Underwriting Limited	United Kingdom
RHB Insurance Services Limited	United Kingdom
RIBA Insurance Agency Limited	United Kingdom
RIL Administrators (Guernsey) Limited	Guernsey
Risk Management Partners Ltd.	United Kingdom
Risk Placement Services, Inc.	Illinois
Risk Program Administrators LLC	Delaware
Risk Services (NW) Limited	United Kingdom
Risk Solutions Group Limited	United Kingdom
Rossborough Healthcare International Limited	Guernsey
Rossborough Insurance (IOM) l Limited	Isle of Man
Scholastic First Risk Purchasing Group, LLC	California
SEG Insurance Ltd.	Bermuda
Sentinel Indemnity, LLC	Delaware
Septagon Insurance PCC Limited	Guernsey
SMERI AB	Sweden
Srila Systems (Private) Limited	Sri Lanka
Stackhouse Fisher Limited	United Kingdom
Stackhouse Poland Bidco Limited	United Kingdom
Stackhouse Poland Group Limited	United Kingdom
Stackhouse Poland Holdings Ltd	United Kingdom

Stackhouse Poland Limited	United Kingdom
Stackhouse Poland Midco Limited	United Kingdom
Stafford Brokers Limited	United Kingdom
Stormclose Limited	United Kingdom
Strata Solicitors Ltd	United Kingdom
Super Advice Corporate Services Pty Ltd	Australia
Surecollect Limited	United Kingdom
Suttton Meears & Company Limited	United Kingdom
Symmetry Private Insurance Limited	United Kingdom
Talbot Deane Investments Limited	United Kingdom
Teesside Insurance Consultants Limited	United Kingdom
The Bollington Group (Holdings) Limited	United Kingdom
The EHE Group, LLC	Michigan
The Healthcare Management Company (UK) Limited	United Kingdom
Title & Covenant Brokers Ltd	United Kingdom
Title Investments Ltd	United Kingdom
Towerhill Insurance Underwriters Inc.	Canada
Uni - Care,Inc.	Illinois
Unoccupied Direct Limited	United Kingdom
Vasek Insurance Services Limited	United Kingdom
Verbag Versicherungsberatungs AG	Switzerland
W Burch & Son Limited	United Kingdom
Watson Laurie Holdings Ltd	United Kingdom
Watson Laurie Ltd	United Kingdom
Wexford Financial Services Limited	Ireland
Wexford Insurance Group Limited	Ireland
WHTC Ltd	United Kingdom
William Cullen and Sons Limited	Ireland
Wilsons Commercial Insurance Services Ltd	United Kingdom
Wim Corretora De Seguros Ltda.	Brazil
Wood Interbrok Participacoes Ltda.	Brazil
Wood Macvar Corretores De Seguros Ltda.	Brazil

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements, as listed below, of Arthur J. Gallagher & Co., and in the related Prospectuses, where applicable, of our reports dated February 10, 2023, with respect the consolidated financial statements and schedule of Arthur J. Gallagher & Co., and the effectiveness of internal control over financial reporting of Arthur J. Gallagher & Co., included in this Annual Report (Form 10-K) for the year ended December 31, 2022.

Form	Registration Statement No.	Description
Form S-8	333-87320 and 333-106535	Arthur J. Gallagher & Co. 1988 Nonqualified and Non-Employee Directors' Stock Option Plans
Form S-8	333-106539	Arthur J. Gallagher & Co. Restricted Stock Plan
Form S-8	333-174497	Arthur J. Gallagher & Co. 2011 Long-Term Incentive Plan
Form S-8	333-197898	Arthur J. Gallagher & Co. 2014 Long-Term Incentive Plan, Deferred Equity Participation Plan, Deferred Cash Participation Plan and Supplemental Savings and Thrift Plan
Form S-8	333-204976	Arthur J. Gallagher & Co. Employee Stock Purchase Plan
Form S-8	333-221274	Arthur J. Gallagher & Co. 2017 Long-Term Incentive Plan, Deferred Equity Participation Plan, Deferred Cash Participation Plan and Supplemental Savings and Thrift Plan
Form S-8	333-252830	Arthur J. Gallagher & Co. Employees' 401(k) Savings and Thrift Plan
Form S-8	333-258331	Arthur J. Gallagher & Co. UK Employee Share Incentive Plan
Form S-3	333-254015	Debt Securities, Guarantees, Common Stock, Preferred Stock, Warrants, Depositary Shares, Purchase Contracts, and Units
Form S-4	333-203203 333-214617 and 333-268400	Shares of Common Stock
Form S-8	333-262899	Arthur J. Gallagher & Co. Employees' 401(k) Savings and Thrift Plan, Arthur J. Gallagher & Co. Supplemental Savings and Thrift Plan
Form S-8	333-268401	Arthur J. Gallagher & Co. 2022 Long-Term Incentive Plan

/s/ Ernst & Young LLP

Ernst & Young LLP

Chicago, Illinois
February 10, 2023

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each of the undersigned being a director of Arthur J. Gallagher & Co., a Delaware corporation (the "Company"), does hereby constitute and appoint WALTER D. BAY and DOUGLAS K. HOWELL, with full power to each of them to act alone, as the true and lawful attorneys and agents of the undersigned, with full power of substitution and resubstitution to each of said attorneys, to execute, file and deliver any and all instruments and to do any and all acts and things which said attorneys and agents, or any of them, deem advisable to enable the Company to comply with the Securities Exchange Act of 1934, as amended, and any requirements of the Securities and Exchange Commission in respect thereto, relating to the annual report on Form 10-K for the year ended December 31, 2022, including specifically, but without limitation of the general authority hereby granted, the power and authority to sign his or her name in the name and on behalf of the Company or as a director of the Company, as indicated below opposite his or her signature, to the annual report on Form 10-K for the year ended December 31, 2022 or any amendment or papers supplemental thereto; and each of the undersigned does hereby fully ratify and confirm all that said attorneys and agents or any of them, or the substitute of any of them, shall do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have subscribed these presents this 10th day of February, 2023.

Signature	Title
/s/ SHERRY S. BARRAT Sherry S. Barrat	Director
/s/ WILLIAM L. BAX William L. Bax	Director
/s/ TERESA H. CLARKE Teresa H. Clarke	Director
/s/ D. JOHN COLDMAN D. John Coldman	Director
/s/ DAVID S. JOHNSON David S. Johnson	Director
/s/ KAY W. MC CURDY Kay W. McCurdy	Director
/s/ CHRISTOPHER C. MISKEL Christopher C. Miskel	Director
/s/ RALPH J. NICOLETTI Ralph J. Nicoletti	Director
/s/ NORMAN L. ROSENTHAL Norman L. Rosenthal	Director

Exhibit 31.1

Rule 13a-14(a) Certification of Chief Executive Officer

Certification
I, J. Patrick Gallagher, Jr., certify that:

1.I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d.) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b.) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

/s/ J. Patrick Gallagher, Jr.
J. Patrick Gallagher, Jr.
Chairman, President and Chief Executive Officer
(principal executive officer)

Exhibit 31.2

Rule 13a-14(a) Certification of Chief Financial Officer

Certification
I, Douglas K. Howell, certify that:

1.I have reviewed this annual report on Form 10-K of Arthur J. Gallagher & Co.;

2.Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3.Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4.The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a.) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b.) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c.) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d.) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5.The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a.) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b.) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 10, 2023

/s/ Douglas K. Howell
Douglas K. Howell
Vice President
Chief Financial Officer
(principal financial officer)

Exhibit 32.1

Section 1350 Certification of Chief Executive Officer

I, J. Patrick Gallagher, Jr., the chief executive officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2022 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 10, 2023

/s/ J. Patrick Gallagher, Jr.

J. Patrick Gallagher, Jr.
Chairman, President and Chief Executive Officer
(principal executive officer)

Exhibit 32.2

Section 1350 Certification of Chief Financial Officer

I, Douglas K. Howell, the chief financial officer of Arthur J. Gallagher & Co., certify that (i) the Annual Report on Form 10-K of Arthur J. Gallagher & Co. for the twelve month period ended December 31, 2022 (the "Form 10-K") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Arthur J. Gallagher & Co. and its subsidiaries.

Date: February 10, 2023

/s/ Douglas K. Howell

Douglas K. Howell
Vice President
Chief Financial Officer
(principal financial officer)