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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, 2003

Commission File No. 1-5998
MARSH & MCLENNAN COMPANIES, INC.
(Exact name of Registrant as Specified in Its Charter)

Delaware 36-2668272
(State or Other Jurisdiction of (I.R.S. Employer Identification No.)
Incorporation or Organization)

1166 Avenue of the Americas
New York, New York 10036-2774
(Address of Principal Executive Offices; Zip Code)

Registrant's telephone number, including area code: (212) 345-5000

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

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock	New York Stock Exchange
(par value \$1.00 per share)	Chicago Stock Exchange
Preferred Stock Purchase Rights	Pacific Exchange
	London Stock Exchange

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 X. No .

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.____.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 12b-2).
YES X. No .

As of June 30, 2003, the aggregate market value of the voting stock held by non-affiliates of the registrant was approximately \$27,487,418,346.

As of February 27, 2004, there were outstanding 524,540,040 shares of common stock, par value \$1.00 per share, of the registrant.

DOCUMENTS INCORPORATED BY REFERENCE
(ONLY TO THE EXTENT SET FORTH IN THE PART INDICATED)

Annual Report to Stockholders for the
year ended December 31, 2003 Parts I, II and IV

Notice and Proxy Statement for the 2004 Annual Meeting of Stockholders to
be filed within 120 days after December 31, 2003. Part III

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MARSH & MCLENNAN COMPANIES, INC.

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED DECEMBER 31, 2003

PART I

ITEM 1. BUSINESS.

Marsh & McLennan Companies, Inc. ("MMC"), is a global professional services firm with origins dating from 1871 in the United States. MMC is the parent company of various subsidiaries and affiliates that provide clients with analysis, advice and transactional capabilities in the fields of risk and insurance services, investment management and consulting.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 21 through 29 of the Annual Report to Stockholders for the year ended December 31, 2003 (the "2003 Annual Report"), which is incorporated herein by reference, for a discussion of MMC's revenues and operating income by industry segment for each of the last three fiscal years.

RISK AND INSURANCE SERVICES. MMC's risk and insurance services are provided by its subsidiaries and their affiliates as broker, agent or consultant for insureds, insurance underwriters and other brokers on a worldwide basis in the areas of:

- o risk management and insurance broking,
- o reinsurance broking and services, and
- o related insurance services.

These services are provided by Marsh Inc., which delivers risk and insurance services and solutions to clients through its various subsidiaries and affiliates. Risk management, insurance broking, financial solutions and insurance program management services are provided for businesses, public entities, associations, professional services organizations and private clients under the Marsh name. Reinsurance broking, catastrophe and financial modeling services and related advisory functions are conducted for insurance and reinsurance companies, principally under the Guy Carpenter name. Underwriting management and wholesale broking services are performed for a wide range of clients under various names. Claims and associated productivity services are provided by Sedgwick Claims Management Services. In addition, MMC Capital provides services principally in connection with originating, structuring and managing insurance, financial services and other industry-focused investments.

MARSH INC. Marsh serves clients with risk and insurance services in more than 100 countries in all principal regions of the world where insurance business is conducted. These clients are engaged in essentially all of the major areas of manufacturing and services found in the world economy. Business clients range from prominent worldwide corporations to mid-size and small businesses and professional service organizations. Marsh's clientele also includes government agencies, high-net-worth individuals, and individuals served through affinity groups and employer-based programs.

The services provided by Marsh's operating units include the identification, analysis, estimation, mitigation, financing and transfer of risks that arise from client operations. These client risks relate to damage to property, various liability exposures, and other factors that could result in financial loss, including large and complex risks that require access to world insurance and financial markets. Risks addressed go beyond traditional property-liability areas to include a widening range of exposures. Examples of these risks include employment practices liability, the launch and operation of rockets and spacecraft, the development and operation of technology resources (such as computers, communications networks and websites), the theft or loss of intellectual property, copyright infringement, the remediation of environmental pollution, exposures related to mergers and acquisitions, the interruption of revenue streams derived from leasing and credit operations, political risks and various other financial, strategic and operating exposures.

Marsh's subsidiaries provide a broad spectrum of services requiring expertise in multiple disciplines: risk identification, estimation and mitigation; conducting negotiations and placement transactions with the worldwide insurance and capital markets; gaining knowledge of specific insurance product lines and technical aspects of client operations, industries and fields of business; actuarial analysis; and understanding the regulatory and legal environments of various countries. Once client risks are identified, Marsh provides advice on addressing those exposures, including structuring programs for retaining, mitigating, financing, and transferring the risks in combinations that vary according to the risk profiles, requirements and preferences of clients. Specific professional functions provided in this process include loss-control services, the placement of client risks with the worldwide insurance and capital markets (risk transfer), the development of alternative risk financing methods, establishment and management of specialized insurance companies owned by clients ("captive insurance companies"); claims collection, injury management, claims administration, and other insurance and risk related services. In addition, financial solutions provided to clients include asset-backed securitization, financial guarantees and other advanced techniques for transferring risk into both the insurance and capital markets. Brokerage services are also provided to unaffiliated brokers in certain areas.

Marsh operates principally through the offices of its subsidiaries and affiliates in various countries around the world. In addition, correspondent relationships are maintained with unaffiliated firms in certain countries.

Guy Carpenter, its subsidiaries and affiliates provide reinsurance services to insurance and reinsurance companies and other risk assumption entities. Acting mainly as a broker or intermediary on all classes of reinsurance, Guy Carpenter principally addresses the property and

casualty lines. Guy Carpenter's reinsurance activities also include specialty lines such as professional liability, medical malpractice, agriculture, marine, accident & health, life & annuity, and alternative risk transfer. Guy Carpenter's services include providing advice, placing coverages with reinsurance markets, arranging risk-transfer financing with capital markets, and furnishing related services such as actuarial, financial and regulatory consulting, portfolio analysis, catastrophe modeling, claims and run-off services. An insurance or reinsurance company client may seek reinsurance or other risk-transfer financing on all or a portion of the risks it insures. Guy Carpenter's offices are located principally in North and South America, Europe and Asia Pacific.

Marsh's Affinity and Private Client Practices business unit provides advice and program services to corporate and association clients globally and to individual clients in the United States. Marsh's Affinity practice provides associations with the design, marketing, and administration of a variety of insurance-related products purchased by the association members. The Affinity practice offers services and administration to corporations for employee voluntary payroll deduction programs and insurance- and benefit-related programs. Marsh's Private Client Services practice markets specialized risk and insurance programs to high net worth individuals and family offices. Marsh's Financial Services practice offers key-person and executive benefit programs, as well as planning and wealth preservation solutions for affluent individuals.

Marsh provides underwriting management services to insurers in the United States, Canada and the United Kingdom, primarily for professional liability coverages. Marsh also provides wholesale broking services, consisting of specialized placement services for affiliated and unaffiliated brokers, in the United States and United Kingdom. These services are provided under various names apart from Marsh.

Sedgwick Claims Management Services, a majority-owned subsidiary of Marsh, is a leading provider of various claims and productivity management solutions to North American clients. It provides various claims administration and related services principally for workers' compensation, employers' liability, general liability, automobile liability, and short and long term disability claims.

MMC CAPITAL, INC. MMC Capital is a private equity firm that manages investments and committed capital of more than \$2 billion. MMC Capital invests primarily in industries where MMC possesses specialized knowledge. During the past ten years, MMC Capital has targeted investments in the insurance and financial services industries as the investment manager of the Trident Funds, which consist of The Trident Partnership formed in 1994, Trident II formed in 1999 and Trident III formed in 2003. Investors in these funds include MMC Capital's corporate parent and third-party investors.

MMC Capital's investment activities date back to the mid 1980's when MMC was instrumental in sponsoring several Bermuda-based insurance and reinsurance companies, including ACE Limited, XL Capital Ltd., Centre Reinsurance Holdings Limited and Mid Ocean Limited. More recently, MMC Capital helped to develop an additional source of insurance and

reinsurance capacity after the September 11, 2001 terrorist attacks through the formation of AXIS Capital Holdings Limited.

As a result of the foregoing activities, subsidiaries and affiliates of MMC may have direct or indirect investments in insurance and reinsurance companies, including entities at Lloyd's, which are considered for client placements by MMC's insurance and reinsurance brokerage businesses.

COMPENSATION FOR SERVICES. The revenue attributable to MMC's risk and insurance services consists primarily of fees paid by clients; commissions and fees paid by insurance and reinsurance companies; compensation for billing and related services in the form of interest income on premiums held in a fiduciary capacity for others; market service fees from insurers; and compensation for services provided in connection with the organization, structuring and management of insurance, financial services and other industry-focused investments, including fees and dividends, as well as appreciation or depreciation that has been recognized on holdings in such investments.

Revenue generated by risk and insurance services is fundamentally derived from the value of the services provided to clients and insurance markets. These revenues are affected by premium rate levels in the property and casualty and employee benefits insurance markets and available insurance capacity, since compensation is frequently related to the premiums paid by insureds. In many cases, compensation may be negotiated in advance based upon the estimated value of the services to be performed. Revenue is also affected by fluctuations in the amount of risk retained by insurance and reinsurance clients themselves and by insured values, the development of new products, markets and services, new and lost business, merging of clients (including insurance companies that are clients in the reinsurance intermediary business) and the volume of business from new and existing clients, as well as by the level of interest realized on the investment of fiduciary funds.

Revenue and fees also may be received from originating, structuring and managing insurance, financial services and other industry-focused investments, as well as income derived from investments made by MMC. Market services revenue is derived from agreements that Marsh has with most of its principal insurance markets. Under these agreements, Marsh is paid for services provided to the markets, including: access to a global distribution network that fosters revenue generation and operating efficiencies; intellectual capital in the form of new products, solutions and general information on emerging developments in the insurance marketplace; the development and provision of technology systems and services that create efficiencies in doing business; and a wide range of administrative services. Payments under market service agreements are based upon such factors as the overall volume, growth, and in limited cases profitability, of the total business placed by Marsh with a given insurer.

Commission rates vary in amount depending upon the type of insurance or reinsurance coverage provided, the particular insurer or reinsurer, the capacity in which the broker acts and negotiations with clients. In some cases, clients pay Marsh fees for brokerage or advisory

services. Occasionally, commissions are shared with other brokers that have participated in placing insurance or servicing insureds.

The investment of fiduciary funds, which generates compensation for billing and related services, is governed by the applicable laws or regulations of insurance authorities of the states in the United States and in other jurisdictions in which MMC's subsidiaries do business. These laws and regulations typically limit the type of investments that may be made with such funds. The amount of funds invested and interest rates vary from time to time.

INVESTMENT MANAGEMENT. Investment management and related services are provided by Putnam Investments Trust and its subsidiaries. Putnam has been engaged in the investment management business since 1937, with its principal offices in Boston, Massachusetts. Putnam also has offices in London and Tokyo. Putnam provides individual and institutional investors with a broad range of both equity and fixed income investment products and services, invested domestically and globally. These products and services, designed to meet varying investment objectives, afford Putnam's clients the opportunity to allocate their investment resources among various investment products as changing worldwide economic and market conditions warrant.

INVESTMENT MANAGEMENT SERVICES. Putnam's investment management services, which are performed principally in the United States, include securities investment advisory and management services consisting of investment research and management, and accounting and related services for a group of publicly-held investment companies. As of December 31, 2003, there were 101 such funds (the "Putnam Funds") registered under the Investment Company Act of 1940, including 14 closed-end investment companies whose shares are traded on various major domestic stock exchanges. A number of the open-end funds serve as funding vehicles for variable insurance contracts. Investment management services are also provided on a separately managed or commingled basis to individuals, corporate profit-sharing and pension funds, state and other governmental and public employee retirement funds, university endowment funds, charitable foundations, collective investment vehicles (both U.S. and non-U.S.) and other domestic and foreign institutional accounts.

The majority of Putnam's assets under management are derived from U.S. individuals and institutions. In recent years Putnam has been expanding its international client base on a selective basis through joint ventures and the development of products such as offshore funds. Many international markets are well developed and have established investment management firms. It may be difficult for Putnam to establish businesses abroad whose profitability equals that of its business in the U.S.

In 2000, MMC entered into an agreement to purchase a minority investment in the publicly traded common stock of Gruppo Bipop-Carire S.p.A. ("Bipop") as part of a new agreement that expanded the companies' existing joint venture in Italy, and Putnam became the exclusive investment management partner for Bipop's planned expansion into other parts of Western Europe. In 2002, Bipop was merged with Banca di Roma, the combined businesses were reorganized and the names of the successor companies were changed. As a result of these

actions Putnam's initial holding in Bipop is now comprised of common shares in FinecoGroup S.p.A. and Capitalia S.p.A.

Putnam has a minority interest in Thomas H. Lee Partners ("THL"), a private equity investment firm. In addition, Putnam and THL formed a joint venture entity, TH Lee, Putnam Capital in which Putnam owns a 25% interest. THL and TH Lee, Putnam Capital offer private equity and alternative investment funds for institutional and high-net-worth investors. Putnam is also an investor in certain of those funds.

Assets managed by Putnam, on which management fees are earned, aggregated approximately \$240 billion and \$251 billion as of December 31, 2003 and 2002, respectively, invested both domestically and globally. Average assets under management were approximately \$258 billion and \$279 billion for 2003 and 2002, respectively. Mutual fund assets aggregated \$163 billion at December 31, 2003 and \$164 billion at December 31, 2002. Institutional account assets aggregated \$77 billion at December 31, 2003 and \$87 billion at December 31, 2002. Assets held in equity securities at December 31, 2003 represented 72% of assets under management, compared with 73% in 2002 and 81% in 2001, while investments in fixed income products represented 28%, compared with 27% in 2002 and 19% in 2001. Assets from non-U.S. investors aggregated approximately \$39 billion and \$33 billion at December 31, 2003 and 2002, respectively.

The investment management services provided to the Putnam Funds and institutional accounts are performed pursuant to advisory contracts, which provide for fees payable to the Putnam company that manages the account. The amount of the fees varies depending on the individual mutual fund or account and is usually based upon a sliding scale in relation to the level of assets under management and, in certain instances, is also based on investment performance. Such contracts automatically terminate in the event of their assignment, generally may be terminated by either party without penalty and, as to contracts with the Putnam Funds, continue in effect only so long as approved, at least annually, by their shareholders or by the Putnam Funds' trustees, including a majority who are not affiliated with Putnam. Amendments to fund advisory contracts must be approved by fund shareholders. "Assignment" includes any direct or indirect transfer of a controlling block of voting stock in Putnam or MMC. The management of Putnam and the trustees of the funds regularly review the fund fee structure in light of fund performance, the level and range of services provided, industry conditions and other relevant factors. A reduction in management fees payable under these contracts and/or the termination of one or more of these contracts could have a material adverse effect on Putnam's results of operations.

PUTNAM FIDUCIARY TRUST COMPANY. A Putnam subsidiary, Putnam Fiduciary Trust Company, a Massachusetts trust company, serves as transfer agent, dividend disbursing agent, registrar and custodian for the Putnam Funds and provides custody services to several external clients. Putnam Fiduciary Trust Company receives compensation from the Putnam Funds for such services pursuant to written investor servicing agreements which may be terminated by either party on 90 days' notice, and pursuant to written custody agreements which may be terminated by either party on 30 days' notice. These contracts generally provide for

compensation on the basis of several factors which vary with the type of service being provided. In addition, Putnam Fiduciary Trust Company provides administrative and trustee (or custodial) services, including participant accounting, plan administration and transfer agent services for employee benefit plans (in particular defined contribution 401(k) plans), IRAs and other clients, for which it receives compensation pursuant to service and trust or custodian contracts with plan sponsors and the Putnam Funds. In the case of employee benefit plans, investment options are usually selected by the plan sponsors and may include Putnam mutual funds and other Putnam managed products, as well as employer stock and other non-Putnam investments.

PUTNAM RETAIL MANAGEMENT LIMITED PARTNERSHIP. Putnam Retail Management Limited Partnership ("PRM"), a Putnam subsidiary and a registered broker dealer and member of the National Association of Securities Dealers ("NASD"), acts as principal underwriter of the shares of the open-end Putnam Funds, selling primarily through independent broker/dealers, financial planners and financial institutions, including banks, and directly to certain large 401(k) plans and other institutional accounts. Shares of open-end funds are generally sold to investors at their respective net asset value per share plus a sales charge, which varies depending on the individual fund and the amount and class of shares purchased. In some cases the sales charge is assessed only if the shares are redeemed within a stated time period. In accordance with certain terms and conditions described in the prospectuses for such funds, certain investors are eligible to purchase shares at net asset value or at reduced sales charges, and investors may generally exchange their shares of a fund at net asset value for shares of another Putnam Fund without the payment of additional sales charges.

All open-end Putnam Funds other than a money market fund have adopted and put in place distribution plans pursuant to Rule 12b-1 under the Investment Company Act of 1940. Pursuant to these distribution plans, the Putnam Funds make payments to PRM to cover costs relating to distribution of the Putnam Funds and services provided to shareholders at rates that differ by class of shares. These payments enable PRM to pay service fees and other continuing compensation to firms that provide services to Putnam Fund shareholders and distribute shares of the Putnam Funds. Some Rule 12b-1 fees are retained by PRM as compensation for the costs of distribution and other services provided by Putnam to shareholders and for commissions advanced by Putnam at the point of sale (and recovered through fees received over time) to firms that distribute shares of the Putnam Funds. These 12b-1 distribution plans, and payments made by the Putnam Funds thereunder, are subject to annual renewal by the trustees of the Putnam Funds and to termination by vote of the shareholders of the Putnam Funds or by vote of a majority of the Putnam Funds' trustees who are not affiliated with Putnam. Failure of the Trustees to approve continuation of the Rule 12b-1 plans for Class B (deferred sales charge) shares would have a material adverse effect on Putnam's business and results of operations. The Trustees also have the ability to reduce the level of 12b-1 fees paid by a fund or to make other changes that would reduce the amount of 12b-1 fees received by Putnam. Such changes could have a material adverse effect on Putnam's business and results of operations.

COMPENSATION FOR SERVICES. Putnam's revenue is derived primarily from investment management and 12b-1 fees received from the Putnam Funds and investment management fees for institutional accounts. Investment advisory revenues depend largely on the total value and

composition of assets under management. Assets under management and revenue levels are particularly affected by fluctuations in domestic and international stock and bond market prices, the composition of assets under management and by the level of investments and withdrawals for current and new fund shareholders and clients. U.S. equity markets increased in 2003 after three consecutive years of decline. Assets under management have also been, and may in the future continue to be, adversely affected by increased redemptions in response to events giving rise to the administrative proceedings by the Securities and Exchange Commission ("SEC") and the Massachusetts Secretary of the Commonwealth. Items affecting revenue also include, but are not limited to, actual and relative investment performance, service to clients, the development and marketing of new investment products, the relative attractiveness of the investment style under prevailing market conditions, changes in the investment patterns of clients and the ability to maintain investment management and administrative fees at historic levels.

Revenue levels are sensitive to all of the factors above, but in particular to significant changes in bond and stock market valuations. Fluctuations in the prices of stocks will have an effect on equity assets under management and may influence the flow of monies to and from equity funds and accounts. Fluctuations in interest rates and in the yield curve have a similar effect on fixed income assets under management and may influence the flow of monies to and from fixed-income funds and accounts.

CONSULTING. Through Mercer Inc., subsidiaries and affiliates of MMC, separately and in collaboration, provide consulting and related services from locations around the world, primarily to business organizations, in the areas of:

- o Retirement Services including retirement consulting, administration and investment consulting;
- o Health Care & Group Benefits consulting;
- o Human Capital consulting including performance, measurement and rewards, communication and HR technology & operations consulting;
- o Management and Organizational Change consulting comprising strategy, operations, organizational change, leadership and organizational design; and
- o Economic consulting.

Mercer Human Resource Consulting provides professional advice and services to corporate, government and institutional clients in more than 40 countries and territories in North and South America, Europe, Asia, Australia and New Zealand. Consultants help organizations understand, develop, execute and measure retirement, health care and group benefits and human capital programs, policies and strategies. Under the Mercer Investment Consulting name, the firm assists trustees of pension funds and others in the selection of investment managers and investment strategies. Mercer Investment Consulting also advises investment managers on product design and positioning. In certain locations outside of the United States, Mercer Human Resource Consulting advises individuals in the investment and disposition of lump sum retirement benefits and other retirement savings and offers a retirement trust service, incorporating plan administration, trustee services and investment manager selection. As of

December 31, 2003, retirement plan assets invested through the firm's Australian retirement trust totaled \$4.8 billion, representing the interests of about 110,000 participants. Mercer Human Resource Consulting also has a benefits administration practice. In the U.S., Mercer Human Resource Consulting also operates an NASD registered broker dealer in connection with its investment consulting business to assist investment consulting clients in asset transitions when a new investment manager is selected.

Mercer Management Consulting provides advice and assistance on issues of business strategy and operational execution, primarily to large corporations in North America, Europe and Asia. Consultants help clients anticipate and realize future sources of value growth based on insights into rapidly changing customer priorities, economics and markets. Mercer Management Consulting also assists its clients in the implementation of their strategies. In April 2003, Mercer Management Consulting merged its financial services strategy and risk and actuarial consulting units with Oliver, Wyman & Company to form Mercer Oliver Wyman. Under the Mercer Oliver Wyman name, Mercer Management Consulting provides risk and strategy consulting, primarily to financial services clients, as well as actuarial consulting services to insurance companies, government entities and other organizations. Under the Lippincott Mercer name, Mercer Management Consulting advises leading corporations on issues relating to brand, corporate identity and image.

Mercer Delta Organizational Consulting, with offices in North America, Canada and Europe, works with senior executives and chief executive officers of major corporations and other institutions on organizational design and leadership of organizational change.

National Economic Research Associates ("NERA") serves law firms, corporations, trade associations and governmental agencies, from offices in the United States, Europe, Asia and Australia. NERA provides research and analysis of economic and financial issues arising in competition, regulation, finance, public policy, litigation and management. NERA's auction practice advises clients on the structuring and operation of large scale auctions, such as telecommunications spectrum auctions. NERA also advises on transfer pricing.

COMPENSATION FOR SERVICES. The major component of Mercer's revenue is fees paid by clients for advice and services. In addition, commission revenue is received from insurance companies for the placement of individual and group insurance contracts, primarily life, health and accident coverages. The investment consulting practice primarily receives compensation based on fees for service and sometimes is compensated based on assets under management. A relatively small amount of revenue is derived from brokerage commissions in connection with a registered securities broker dealer.

Revenue in the consulting business is affected by, among other things, economic conditions around the world, including changes in clients' industries and markets. Furthermore, revenue is subject to the introduction of new products and services, broad trends in employee demographics, the effect of government policies and regulations, market valuations, and interest and foreign exchange rate fluctuations.

REGULATION. The activities of MMC are subject to licensing requirements and extensive regulation under the laws of the United States and its various states, territories and possessions, as well as laws of other countries in which MMC's subsidiaries operate. These laws and regulations are primarily intended to benefit clients and mutual fund investors.

MMC's three business segments depend on the validity of, and continued good standing under, the licenses and approvals pursuant to which they operate, as well as compliance with pertinent regulations. MMC therefore devotes significant effort toward maintaining its licenses and to ensuring compliance with a diverse and complex regulatory structure.

In all jurisdictions the applicable laws and regulations are subject to amendment or interpretation by regulatory authorities. Generally, such authorities are vested with relatively broad discretion to grant, renew and revoke licenses and approvals, and to implement regulations. Licenses may be denied or revoked for various reasons, including the violation of such regulations, conviction of crimes and similar matters. Possible sanctions which may be imposed include the suspension of individual employees, limitations on engaging in a particular business for specified periods of time, revocation of licenses, censures, redress to clients and fines. In some instances, MMC follows practices based on its interpretations, or those generally followed by the industry, of laws or regulations, which may prove to be different from those of regulatory authorities. Accordingly, the possibility exists that MMC may be precluded or temporarily suspended from carrying on some or all of its activities or otherwise fined or penalized in a given jurisdiction.

No assurances can be given that MMC's risk and insurance services, investment management or consulting activities can continue to be conducted in any given jurisdiction as they have been in the past.

RISK AND INSURANCE SERVICES. While laws and regulations vary from location to location, every state of the United States and most foreign jurisdictions require an insurance broker or agent (and in some cases a reinsurance broker or intermediary) or insurance consultant, managing general agent or third party administrator, to have an individual and/or company license from a governmental agency or self-regulatory organization. In addition, certain of MMC's risk and insurance activities are also governed by investment, securities and futures licensing and other regulatory authorities. A few jurisdictions issue licenses only to individual residents or locally-owned business entities. In some of these jurisdictions, if MMC has no licensed subsidiary, MMC may maintain arrangements with residents or business entities licensed to act in such jurisdiction. Also, in some jurisdictions, various insurance related taxes may also be due either by clients directly or from the broker. In the latter case, the broker customarily looks to the client for payment.

INVESTMENT MANAGEMENT. Putnam's securities investment management activities are subject to regulation in the United States by the SEC, and other federal, state and self regulatory authorities and in the United Kingdom by the Financial Services Authority, as well as in certain other countries in which it does business. Putnam's officers, directors and employees may from time to time own securities, which are also held by the Putnam Funds or institutional accounts.

Putnam's internal policies with respect to individual investments require prior clearance and reporting of transactions and restrict certain transactions so as to reduce the possibility of conflicts of interest.

To the extent that existing or future regulations or regulatory actions affecting the sale of Putnam fund shares or other investment products or their investment strategies, cause or contribute to reduced sales of Putnam fund shares or investment products or impair the investment performance of the Putnam Funds or such other investment products, Putnam's aggregate assets under management and its revenues might be adversely affected. Changes in regulations affecting the free movement of international currencies might also adversely affect Putnam.

CONSULTING. Mercer's largest service area, retirement-related consulting, is subject to pension law and financial regulation in many countries, including regulation by the Financial Services Authority in the UK. In addition, the provision of services related to brokerage activities, merger and acquisition assistance, trustee services, investment matters (including advice to individuals on the investment of personal pension assets) and the placing of individual and group insurance contracts subjects Mercer Human Resource Consulting subsidiaries to insurance, investment or securities regulations and licensing in various jurisdictions.

COMPETITIVE CONDITIONS. Principal methods of competition in risk and insurance services and consulting include the quality and types of services and products that a broker or consultant provides its clients and their cost. Putnam competes with other providers of investment products and services primarily on the basis of the range of investment products offered, the investment performance of such products, the manner in which such products are distributed, the scope and quality of the shareholder and other services provided, and its general reputation in the marketplace. Sales of Putnam fund shares are also influenced by general securities market conditions, government regulations, global economic conditions and advertising and sales promotional efforts. All of these businesses also encounter strong competition from both public corporations and private firms in attracting and retaining qualified employees.

RISK AND INSURANCE SERVICES. The combined insurance and reinsurance broking services business of MMC is the largest of its type in the world.

MMC encounters strong competition in the risk and insurance services business from other insurance brokerage firms which also operate on a nationwide or worldwide basis, from a large number of regional and local firms in the United States, the European Union and in other countries and regions, from insurance and reinsurance companies that market and service their insurance products without the assistance of brokers or agents and from other businesses, including commercial and investment banks, accounting firms and consultants that provide risk-related services and products.

Certain insureds and groups of insureds have established programs of self insurance (including captive insurance companies), as a supplement or alternative to third-party insurance, thereby reducing in some cases the need for insurance placements. There are also many other

providers of affinity group and private client services, including specialized firms as well as insurance companies and other institutions.

MMC Capital competes with other organizations that set up private equity funds to structure and manage investments in the insurance industry. These organizations include insurance companies, brokers and other market participants.

INVESTMENT MANAGEMENT. Putnam Investments is one of the largest investment management firms in the United States. The investment management business is highly competitive. In addition to competition from firms already in the investment management business, including public and private firms, commercial banks, stock brokerage and investment banking firms, and insurance companies, there is competition from other firms offering financial services and other investment alternatives. Although Putnam Investments has expanded its marketing and distribution outside the U.S., it competes in non-U.S. markets with local and global firms, many of whom have much larger investment management businesses in their respective non-U.S. markets.

Many securities dealers, whose large retail distribution systems play an important role in the sale of shares in the Putnam Funds, also sponsor competing proprietary mutual funds. To the extent that such securities dealers value the ability to offer customers a broad selection of investment alternatives, they will continue to sell independent funds, notwithstanding the availability of proprietary products. However, to the extent that these firms limit or restrict the sale of Putnam fund shares through their brokerage systems in favor of their proprietary mutual funds, assets under management might decline and Putnam's revenues might be adversely affected. In addition, a number of mutual fund sponsors presently market their funds to the general public without sales charges. Certain firms also offer passively managed funds such as index funds to the general public. In the fourth quarter of 2003 Putnam's competitive position was, and it may continue to be, adversely affected by the events that gave rise to the administrative proceedings brought by the SEC and the Massachusetts Secretary of the Commonwealth. The management team at Putnam is committed to restoring Putnam's reputation for reliability and integrity. Any further damage to Putnam's reputation could have a material adverse effect on Putnam.

CONSULTING. Mercer, one of the largest global consulting firms, is a leader in many of its businesses. Mercer Human Resource Consulting is the world's largest human resources consulting organization.

MMC's consulting businesses face strong competition from other privately and publicly held worldwide and national consulting companies, as well as regional and local firms. Competitors include independent consulting firms and consulting organizations affiliated with accounting, information systems, technology and financial services firms, some of which provide administrative or consulting services as an adjunct to other primary services. For most of the services provided by Mercer, clients also have the option of handling these issues internally without assistance from outside advisors.

SEGMENTATION OF ACTIVITY BY TYPE OF SERVICE AND GEOGRAPHIC AREA OF OPERATION. Financial information relating to the types of services provided by MMC and the geographic areas of its operations is incorporated herein by reference to Note 16 of the Notes to Consolidated Financial Statements on pages 51 and 52 of the 2003 Annual Report. MMC's non-U.S. operations are subject to the customary risks involved in doing business in other countries, including currency fluctuations and exchange controls.

EMPLOYEES. As of December 31, 2003 MMC and its consolidated subsidiaries employed about 60,500 people worldwide, of whom approximately 38,700 were employed by subsidiaries providing risk and insurance services, approximately 5,300 were employed by subsidiaries providing investment management services, approximately 15,900 were employed by subsidiaries providing consulting services, and approximately 600 were employed by MMC.

EXECUTIVE OFFICERS OF MMC.

The executive officers of MMC are elected annually. For information regarding executive officers who are also directors, see Item 10 below. As of March 10, 2004, the following individuals also were executive officers of MMC:

Francis N. Bonsignore, age 57, is senior vice president, executive resources & development of MMC. He previously served as senior vice president, human resources & administration from 1990 through June 2001. Immediately prior thereto he was a partner and national director, human resources for Price Waterhouse.

Charles E. Haldeman, age 55, is president, chief executive officer and co-head of Investments of Putnam Investments. Mr. Haldeman joined Putnam in October 2002 as senior managing director and co-head of Investments. He was named president and chief executive officer in November 2003. Before joining Putnam, Mr. Haldeman was president and chief executive officer of Delaware Investments from 2000 to 2002, president and chief operating officer of United Asset Management Corporation from 1998 to 2000, and a partner and director of Cooke & Bieler, Inc. from 1974 to 1998.

William L. Rosoff, age 57, is senior vice president and general counsel of MMC. Before joining MMC in 2000, Mr. Rosoff was a partner at the law firm of Davis Polk & Wardwell, having rejoined that firm after serving two years as senior vice president and general counsel of RJR Nabisco, Inc. Mr. Rosoff first joined Davis Polk & Wardwell in 1978 and became a partner in 1985.

Sandra S. Wijnberg, age 47, is senior vice president and chief financial officer of MMC. Before joining MMC in 2000, Ms. Wijnberg was a senior vice president and treasurer of Tricon Global Restaurants, Inc. from 1997 through 1999. Prior thereto, Ms. Wijnberg spent three years with PepsiCo., last serving as senior vice president and chief financial officer of its KFC Corporation division. Prior to joining PepsiCo., Ms. Wijnberg was a principal at Morgan Stanley & Company.

AVAILABLE INFORMATION.

MMC is subject to the informational reporting requirements of the Securities Exchange Act of 1934, as amended. In accordance with the Exchange Act, MMC files its annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K, and any amendments to such reports, with the SEC. MMC makes these reports available free of charge through its web site, WWW.MMC.COM, as soon as reasonably practicable after they are filed with the SEC.

MMC also posts on its web site the following documents with respect to corporate governance:

- o Guidelines for Corporate Governance;
- o Code of Business Conduct and Ethics;
- o Procedures for addressing complaints and concerns of employees and others; and
- o the charters of the Audit Committee, Compensation Committee and Directors & Governance Committee of the Board of Directors.

All of the above documents are available in printed form to any MMC stockholder upon request.

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS. MMC and its subsidiaries and their representatives may from time to time make verbal or written statements (including certain statements contained in this report and other MMC filings with the SEC and in our reports to stockholders) relating to future results, which are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such statements may include, without limitation, discussions concerning revenues, expenses, earnings, cash flow, capital structure, pension funding, financial losses and expected insurance recoveries resulting from the September 11, 2001 attack on the World Trade Center in New York City, and the adverse consequences arising from the market-timing issues at Putnam, including fines and restitution, as well as market and industry conditions, premium rates, financial markets, interest rates, foreign exchange rates, contingencies, and matters relating to MMC's operations and income taxes. Such forward-looking statements are based on available current market and industry materials, experts' reports and opinions, and long-term trends, as well as management's expectations concerning future events impacting MMC. Forward-looking statements by their very nature involve risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by any forward-looking statements contained or incorporated or referred to herein include, in the case of MMC's risk and insurance services and consulting businesses, the amount of actual insurance recoveries and financial losses from the September 11 attack on the World Trade Center or other adverse consequences from that incident. Other factors that should be considered in the case of MMC's risk and insurance services business are changes in competitive conditions, movements in premium rate levels, the continuation of difficult conditions for the transfer of commercial risk and other changes in the global property and casualty insurance markets, natural catastrophes, mergers between client organizations, and insurance or reinsurance company insolvencies. Factors to be considered in the case of MMC's investment management business include changes in worldwide and national equity and fixed

income markets, actual and relative investment performance, the level of sales and redemptions, and the ability to maintain investment management and administrative fees at historic levels; and with respect to all of MMC's activities, changes in general worldwide and national economic conditions, the impact of terrorist attacks, changes in the value of investments made in individual companies and investment funds, fluctuations in foreign currencies, actions of competitors or regulators, changes in interest rates or in the ability to access financial markets, developments relating to claims, lawsuits and contingencies, prospective and retrospective changes in the tax or accounting treatment of MMC's operations, and the impact of tax and other legislation and regulation in the jurisdictions in which MMC operates. Forward-looking statements speak only as of the date on which they are made, and MMC undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which it is made or to reflect the occurrence of unanticipated events.

MMC is committed to providing timely and materially accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, MMC and its operating companies use their websites to convey meaningful information about their businesses, including the anticipated release of quarterly financial results and the posting of updates of assets under management at Putnam. Monthly updates of total assets under management at Putnam will be posted to the MMC website the first business day following the end of each month. Putnam posts mutual fund and performance data to its website regularly. Assets for most Putnam retail mutual funds are posted approximately two weeks after each month-end. Mutual fund net asset value (NAV) is posted daily. Historical performance and Lipper rankings are also provided. Investors can link to MMC and its operating company websites through www.mmc.com.

ITEM 2. PROPERTIES.

MMC and its subsidiaries have major office locations in New York, London and Boston, as well as other offices around the world.

MMC and certain of its subsidiaries, including Marsh USA Inc. and Mercer Human Resource Consulting, Inc., as tenants in common, own a 69% condominium interest covering approximately 1,120,000 square feet in a 44-story building in midtown Manhattan in New York City, which serves as their worldwide headquarters. MMC has a fixed rate nonrecourse mortgage note agreement due in 2009 amounting to \$200 million, bearing an interest rate of 9.8%, with the notes secured by MMC's interest in its worldwide headquarters. In the event the mortgage is foreclosed following a default, MMC would be entitled to remain in the space and would be obligated to pay rent sufficient to cover interest on the notes or at fair market value if greater. MMC leases an additional 240,000 square feet of space in its headquarters building. MMC and its subsidiaries lease an additional 680,000 square feet in various locations around New York City in support of its operations, including a lease covering approximately 420,000 rentable square feet in a building in Hoboken, New Jersey.

The principal offices of the Marsh subsidiaries in the UK currently are located in the City of London in Tower Place, comprising 354,000 square feet under a long term lease. Marsh subsidiaries lease an additional 160,000 square feet of office space in and around London in

support of their operations. The principal offices of the Mercer subsidiaries in the UK comprise approximately 200,000 square feet of leased space in and around London. Mercer also has entered into a lease covering approximately 150,000 rentable square feet in a new building close to Tower Place.

The principal executive offices of the Putnam subsidiaries comprise approximately 315,000 square feet of leased space located at One Post Office Square, Boston, Massachusetts in Boston's financial district. Putnam leases an additional approximately 890,000 square feet in various locations around the Boston area for investor services and other activities in support of its operations.

The remaining business activities of MMC and its subsidiaries are conducted principally in leased office space in cities throughout the world. In general, no difficulty is anticipated in negotiating renewals as leases expire or in finding other satisfactory space if the premises become unavailable. From time to time, MMC and its subsidiaries 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.

ITEM 3. LEGAL PROCEEDINGS.

PUTNAM MATTERS

REGULATORY MATTERS. On October 28, 2003, the SEC commenced a civil administrative and cease and desist proceeding against Putnam under the Investment Advisors Act of 1940 and the Investment Company Act of 1940. On November 13, 2003, pursuant to an agreement with Putnam, the SEC entered an order making findings, which Putnam neither admitted nor denied, of certain facts and concluded that Putnam violated the Investment Advisors Act of 1940 and the Investment Company Act of 1940. The order imposed partial relief, including final censure, remedial undertakings, and a cease and desist order. The SEC's order found that since 1998 at least six Putnam investment management professionals engaged in excessive short-term trading of Putnam mutual funds in their personal accounts. The order also found that four of these employees engaged in trading in funds over which they had investment decision making responsibilities and access to non-public information regarding their funds' portfolios. The SEC further found that Putnam failed to disclose this potentially self-dealing securities trading to the boards or shareholders of the mutual funds it manages, failed to take adequate steps to detect and deter such trading activity through internal controls and failed in its supervision of these investment management professionals. Under the terms of the order, Putnam has agreed to a number of remedial actions, including new employee trading restrictions, enhanced employee trading compliance, oversight by an independent third party and the SEC of the calculation of the amount of restitution to be made by Putnam for losses attributable to excessive short-term trading by Putnam employees, the retention of an independent compliance consultant, the undertaking of periodic compliance reviews, and certification of compliance with the SEC. The order also contemplates civil monetary penalties to be determined at a later date. Putnam has also undertaken to make appropriate restitution for losses to any of Putnam's funds resulting from improper market timing activities by Putnam employees.

In a separate action, the SEC is seeking an injunction against two of the six investment management employees. All six such employees have been removed from investment management responsibilities at Putnam.

On October 28, 2003, the Massachusetts Secretary of the Commonwealth commenced a civil administrative proceeding against Putnam and two of its employees alleging violations of the state's securities law anti-fraud provisions. These violations are alleged to be based on material misstatements in Putnam mutual fund prospectuses because Putnam allegedly permitted fund managers to engage in activities contrary to Putnam's stated policy against market timing and short-term trading. Putnam is also alleged to have breached its fiduciary duty to Putnam fund shareholders by allowing such employee conduct. In addition, the Massachusetts action alleges that Putnam permitted certain non-employee shareholders of Putnam funds to engage in excessive market timing activities in violation of policies allegedly disclosed by Putnam in its mutual fund prospectuses. The Massachusetts action seeks to have Putnam permanently cease and desist from violating the Massachusetts securities law, and to pay restitution to the funds and administrative fines in an undetermined amount.

Additionally, Putnam has received document subpoenas and/or requests for information from the United States Attorney in Boston, the Florida Department of Financial Services, the Office of the Attorney General for the State of New York, Offices of the Secretary of State and the State Auditor for the State of West Virginia, the NASD and the Boston office of the U.S. Department of Labor inquiring into, among other things, matters that are the subject of the SEC and Massachusetts actions.

Putnam has also received subpoenas from the SEC's Philadelphia office, seeking documents relating to Putnam's directed brokerage practices and the SEC has interviewed, and taken testimony from, a number of Putnam employees relating to revenue sharing practices. In addition, Putnam has received a request for information from the SEC's Chicago office and the NASD regarding revenue sharing arrangements.

Putnam is fully cooperating with the regulatory authorities.

In the fourth quarter of 2003, Putnam recorded net costs of \$24 million related to these proceedings, which included the estimated potential restitution to the Putnam Funds, and compliance, legal and communication expenses. Putnam's partial settlement with the SEC includes civil penalties not yet determined, and therefore, no provision has been made for such penalties.

SECURITIES LITIGATION. As of March 4, 2004, MMC and Putnam have received complaints in approximately 70 civil actions based on allegations of market timing activities. These actions have been filed in federal court in New York, Massachusetts, California, Illinois, Connecticut, and Delaware, and in state court in New York, Massachusetts, California, Illinois, Vermont, Kansas, and North Carolina. These civil actions are as follows:

Ten purported securities class actions (the "MMC Class Action Complaints") have been filed in United States District Court for the Southern District of New York on behalf of a class of purchasers of MMC stock during the period from January, 2000 to November, 2003. The MMC Class Action Complaints allege, among other things, that MMC failed to disclose certain market timing activities at Putnam which, when disclosed, resulted in a drop in the market price of MMC's shares. The MMC Class Action Complaints also name as defendants certain officers and directors of MMC. The MMC Class Action Complaints assert claims under Sections 10(b) and 20(a) of the Exchange Act.

Three shareholder derivative actions have been filed against members of MMC's Board of Directors, and MMC as a nominal defendant. In these actions, the plaintiffs purport to state common law claims based on, among other things, the Board's alleged failure to prevent the alleged market timing from occurring. Two of the MMC derivative complaints were filed in the United States District Court for the Southern District of New York and one was filed in the Supreme Court for the State of New York.

MMC and/or Putnam have been named in 56 additional actions brought by investors in Putnam funds claiming damages to themselves or the Putnam funds as a result of various market timing activities. These actions have been brought either individually (the "Individual Complaints"), derivatively (the "Putnam Derivative Complaints"), or on behalf of a putative class (the "Putnam Class Action Complaints"). The Individual Complaints, the Putnam Class Action Complaints (which also name as defendants certain Putnam funds and certain Putnam employees) and the Putnam Derivative Action Complaints (which also name as defendants certain Putnam officers and employees and certain trustees of the Putnam funds), allege violations of the federal securities and investment advisory laws and state law. At this time, seven of these cases are pending in various state courts. Putnam has also been named as a defendant in one suit in its capacity as a sub-advisor to a non-Putnam fund.

MMC and Putnam moved before the Judicial Panel on Multidistrict Litigation (the "MDL Panel") to consolidate the federal matters before a single judge. On February 20, 2004, the MDL Panel issued an order transferring many of the cases against MMC and Putnam, along with those against other mutual fund complexes, to the United States District Court for the District of Maryland for coordinated pretrial proceedings. In most of the federal cases, either by agreement of the parties or order of the court, MMC and Putnam are not required to respond until after amended complaints have been filed in the consolidated actions.

Putnam has agreed to indemnify the Putnam funds for any liabilities arising from market timing activities, including those that could arise in the securities litigations, and MMC has agreed to guarantee Putnam's obligations in that regard.

ERISA LITIGATION. MMC, Putnam, and various of their officers, directors and employees have been named as defendants in three purported class actions asserting claims under ERISA (the "ERISA Actions"). The ERISA Actions, which have been brought by participants in MMC's Stock Investment Plan and Putnam's Profit Sharing Retirement Plan (collectively, the "Plans"), allege, among other things, that, in view of the market timing trading activity that was allegedly

allowed to occur at Putnam, the defendants knew or should have known that the investment of the Plans' funds in MMC's stock and Putnam's mutual fund shares was imprudent and that the defendants breached their fiduciary duties to the Plans' participants in making these investments. The three ERISA Actions were filed in federal court for the Southern District of New York.

The complaints in the above-referenced matters seek monetary damages and other forms of relief. At the present time, MMC's management is unable to estimate the impact that the outcome of the foregoing proceedings may have on MMC's consolidated results of operations or financial position or cash flows.

EMPLOYMENT DISPUTE. Lawrence J. Lasser, former President and CEO of Putnam, has initiated an arbitration proceeding against MMC. The arbitration will determine whether and to what extent Mr. Lasser is owed any money under his employment arrangements with Putnam.

OTHER LITIGATION

MMC and its subsidiaries are subject to various other claims, lawsuits and proceedings consisting principally of alleged errors and omissions in connection with the placement of insurance or reinsurance and in rendering investment and consulting services. Some of these matters seek damages, including punitive damages, in amounts that could, if assessed, be significant. Insurance coverage applicable to such matters includes elements of both risk retention and risk transfer.

Although the ultimate outcome of these other matters and the employment dispute cannot be ascertained and liabilities in indeterminate amounts may be imposed on MMC and its subsidiaries, on the basis of present information, it is the opinion of MMC's management that the disposition or ultimate determination of these claims, lawsuits, proceedings or reviews should not have a material adverse effect on MMC's consolidated financial position or cash flows, but may be material to MMC's operating results in any particular period.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None.

PART II

ITEM 5. MARKET FOR MMC'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS.

Information regarding dividends paid and the number of holders of MMC's common stock set forth on page 54 of the 2003 Annual Report is incorporated herein by reference.

MMC's common stock is listed on the New York, Chicago, Pacific and London stock exchanges. The high and low stock prices* for our common stock for each quarterly period in 2003 and 2002 are as follows:

	2003		2002	
	STOCK PRICE RANGE		STOCK PRICE RANGE*	
	HIGH	LOW	HIGH	LOW
First Quarter	\$ 49.50	38.27	\$ 56.90	47.20
Second Quarter	\$ 54.97	42.27	\$ 57.30	45.13
Third Quarter	\$ 53.98	47.50	\$ 49.45	38.40
Fourth Quarter	\$ 49.48	41.75	\$ 49.99	34.61
	\$ 54.97	38.27	\$ 57.30	34.61

* Stock prices have been restated for a two-for-one stock distribution of MMC common stock, which was issued as a stock dividend on June 28, 2002.

ITEM 6. SELECTED FINANCIAL DATA.

The selected financial data on page 55 of the 2003 Annual Report are incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The information on pages 21 through 29 of the 2003 Annual Report is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The information under the heading "Market Risk" on pages 27 to 28 of the 2003 Annual Report is incorporated herein by reference.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The Consolidated Financial Statements and the Independent Auditors' Report thereto on pages 30 through 53 of the 2003 Annual Report and Selected Quarterly Financial Data (Unaudited) on page 54 of the 2003 Annual Report are incorporated herein by reference. A supplemental note to the Consolidated Financial Statements is included on the last page of this report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE. None.

ITEM 9A. CONTROLS AND PROCEDURES.

CONTROLS AND PROCEDURES. Based on their evaluation, as of the end of the period for the filing of this Form 10-K, the Company's chief executive officer and chief financial officer have concluded that the Company's disclosure controls and procedures (as defined in Rules 13a-15(e))

or 15d-15(e) under the Securities Exchange Act of 1934) are effective in timely alerting them to material information relating to the Company required to be included in our reports filed under the Exchange Act.

CHANGES IN INTERNAL CONTROLS OVER FINANCIAL REPORTING. There have been no changes in the Company's internal controls over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF MMC.

Information as to the directors and nominees for the Board of Directors of MMC is incorporated herein by reference to the material set forth under the heading "Election of Directors" in our Notice and Proxy Statement for the 2004 Annual Meeting of Stockholders to be filed within 120 days after December 31, 2003 (the "2004 Proxy Statement").

The Executive Officers of MMC are Messrs. Cabiallavetta, Coster, Davis, Greenberg and Groves, with respect to whom information can be found under the heading "Election of Directors" in the 2004 Proxy Statement, and Messrs. Bonsignore, Haldeman, Rosoff and Ms. Wijnberg, with respect to whom information is provided in Part I above under the heading "Executive Officers of MMC".

The information set forth in the 2004 Proxy Statement in the section "Information Regarding the Board of Directors" under "--Committees--The Audit Committee" and "--Codes of Business Conduct and Ethics" is incorporated herein by reference.

The information set forth in the 2004 Proxy Statement in the section "Transactions with Management and Others; Other Information" under "Section 16(a) Beneficial Ownership Reporting Compliance" is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION.

The information under the headings "Information Regarding the Board of Directors-Directors' Compensation", "Compensation of Executive Officers", "Compensation

Committee Report" and "Stock Performance Graph" in the 2004 Proxy Statement is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information under the heading "Stock Ownership of Management and Certain Beneficial Owners" in the 2004 Proxy Statement is incorporated herein by reference.

EQUITY COMPENSATION PLAN INFORMATION TABLE

The following table sets forth information as of December 31, 2003, with respect to compensation plans under which equity securities of MMC are authorized for issuance:

PLAN CATEGORY	(a) NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS(1)(2)	(b) WEIGHTED-AVERAGE EXERCISE PRICE OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS(2)	(c) NUMBER OF SECURITIES REMAINING AVAILABLE FOR FUTURE ISSUANCE UNDER EQUITY COMPENSATION PLANS (EXCLUDING SECURITIES REFLECTED IN COLUMN (a))(2)
Equity compensation plans approved by stockholders	25,658,542	\$35.7467	48,031,258 (3)
Equity compensation plans not approved by stockholders	63,656,530	\$44.9369	63,296,283 (4)
TOTAL	89,315,072 (5)	\$42.2968	111,327,541 (5)

(1) This column reflects shares subject to unexercised options granted over the last ten years under MMC's 2000 SENIOR EXECUTIVE INCENTIVE AND STOCK AWARD PLAN, 1997 SENIOR EXECUTIVE INCENTIVE AND STOCK AWARD PLAN, 1992 INCENTIVE AND STOCK AWARD PLAN, 2000 EMPLOYEE INCENTIVE AND STOCK AWARD PLAN and 1997 EMPLOYEE INCENTIVE AND STOCK AWARD PLAN. This column contains information regarding stock options only; there are no warrants or stock appreciation rights outstanding.

(2) The number of shares that may be issued at the close of current offering periods under stock purchase plans, and the weighted-average exercise price of such shares, is uncertain and is consequently not reflected in columns (a) and (b). The number of shares to be purchased will depend on the amount of contributions with interest accumulated under these plans as of the close of the offering periods. The shares remaining available for future issuance in column (c) includes any shares that may be acquired under all current offering periods for these plans. See notes (3) and (4) below.

(3) Includes the following:

- o 31,650,325 shares available for future awards under the 1999 EMPLOYEE STOCK PURCHASE PLAN, a stock purchase plan qualified under Section 423 of the Internal Revenue Code. Employees may acquire shares at a discounted purchase price at the end of a one-year offering period with the proceeds of their contributions plus interest accumulated during the offering period. The purchase price may be no less than 85% of the lesser of the market price of the stock at the beginning or the end of the offering period.

- o 4,422,938 shares that may be issued to settle outstanding restricted stock unit, deferred stock unit and deferred bonus unit awards and other deferred compensation obligations.
- o 7,507,775 shares available for future awards under the 2000 SENIOR EXECUTIVE INCENTIVE AND STOCK AWARD PLAN. Awards may consist of stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, deferred bonus units, dividend equivalents, stock bonus, performance awards and other unit-based or stock-based awards.
- o 3,407,596 shares available for future deferrals directed into share units under the STOCK INVESTMENT SUPPLEMENTAL PLAN, a nonqualified deferred compensation plan providing benefits to employees whose benefits are limited under the tax-qualified STOCK INVESTMENT PLAN, an employee stock ownership plan with a 401(k) feature.

(4) Includes the following:

- o 12,742,316 shares available for future awards under the STOCK PURCHASE PLAN FOR INTERNATIONAL EMPLOYEES, STOCK PURCHASE PLAN FOR FRENCH EMPLOYEES, SAVE AS YOU EARN PLAN (U.K.), and IRISH SAVINGS RELATED SHARE OPTION SCHEME 2001.
- o 8,585,198 shares that may be issued to settle outstanding restricted stock unit, deferred stock unit and deferred bonus unit awards under the 2000 EMPLOYEE INCENTIVE AND STOCK AWARD PLAN and predecessor plans and programs.
- o 39,240,799 shares available for future awards under the 2000 EMPLOYEE INCENTIVE AND STOCK AWARD PLAN. Awards may consist of stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, deferred bonus units, dividend equivalents, stock bonus, performance awards and other unit-based or stock-based awards.
- o 190,403 shares available for future awards under the APPROVED SHARE PARTICIPATION SCHEMES FOR MARSH & MCLENNAN IRELAND AND MERCER IRELAND. Awards are made in restricted stock.
- o 2,278,892 shares available for future awards, and 258,675 shares that may be issued to settle outstanding awards, under the SPECIAL SEVERANCE PAY PLAN. Awards consist of stock units and dividend equivalents.

(5) MMC's Board of Directors has authorized the repurchase of common stock, including an ongoing authorization to repurchase shares in connection with awards granted under equity-based compensation plans, subject to market conditions and other factors. Pursuant to that authorization, MMC repurchased 26.1 million shares in 2003. See the "Liquidity and Capital Resources" section of "Management's Discussion and Analysis of Financial Condition and Results of Operations" referenced in Part II, Item 7 of this report.

The material features of MMC's compensation plans that have not been approved by stockholders and under which MMC shares are authorized for issuance are described below. Any such material plans under which awards in MMC shares may currently be granted are included as exhibits to this report.

- o STOCK PURCHASE PLAN FOR INTERNATIONAL EMPLOYEES, STOCK PURCHASE PLAN FOR FRENCH EMPLOYEES, SAVE AS YOU EARN PLAN (U.K.) AND IRISH SAVINGS RELATED SHARE OPTION SCHEME. Eligible employees may elect to contribute to these plans through regular payroll deductions over an offering period which varies by plan from 1 to 5 years. At the end of the offering period, participants may receive their contributions plus interest and, in the case of the U.K. and Irish Plans, a 5% employer contribution, in cash or use that amount to acquire shares of stock at a discounted purchase price. Under the International and French Plans, the purchase price may be no less than 85% of the lesser of the market price of the stock at the beginning or end of the offering period, while under the U.K. and Irish

Plans, the purchase price may be no less than 80% of the market price of the stock at the beginning of the offering period.

- o 2000 EMPLOYEE INCENTIVE AND STOCK AWARD PLAN AND PREDECESSOR PLANS AND PROGRAMS. The terms of this plan and the 1997 Employee Incentive and Stock Award Plan are described in Note 8 to the Consolidated Financial Statements referenced in Part II, Item 8 of this report. In addition, the Stock Bonus Award Program provided for the payment of up to 50% of annual bonuses otherwise payable in cash, in the form of deferred stock units or deferred bonus units which are settled in shares. No future awards may be granted under any predecessor plan or program.
- o APPROVED SHARE PARTICIPATION SCHEMES FOR MARSH & McLENNAN IRELAND AND MERCER IRELAND. Eligible participants may elect to acquire shares of restricted stock at market price by allocating their bonus, and in the case of the Marsh & McLennan plan, up to 3% of their basic salary. The acquired shares are held in trust and generally may not be transferred for two years following their acquisition. The initial value of any shares held in trust for more than five years is not subject to income tax.
- o SPECIAL SEVERANCE PAY PLAN. Under this plan, certain holders of restricted stock or awards in lieu of restricted stock with at least 10 years of service will receive payment in shares upon forfeiture of their award if their employment with MMC or one of its subsidiaries terminates. The amount of such payment is based on years of service, with the individual receiving up to a maximum of 90% of the value of the restricted shares after 25 years of service and is subject to execution of a non-solicitation agreement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Information under the headings "Directors' Compensation" and "Transactions with Management and Others; Other Information" in the 2004 Proxy Statement is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES.

The information under the heading "Ratification of Selection of Auditors--Fees of Independent Auditors" in the 2004 Proxy Statement, including the Audit Committee Policy on Preapproval of Services Provided by the Independent Auditor attached as Appendix B to the 2004 Proxy Statement, is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

(a) The following documents are filed as a part of this report:

1. Consolidated Financial Statements (incorporated herein by reference to pages 30 through 53 of the 2003 Annual Report):

Consolidated Statements of Income for each of the three years in the period ended December 31, 2003

Consolidated Balance Sheets as of December 31, 2003 and 2002

Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2003

Consolidated Statements of Stockholders' Equity and Comprehensive Income for each of the three years in the period ended December 31, 2003

Notes to Consolidated Financial Statements

Independent Auditors' Report

Supplemental Note to Consolidated Financial Statements

Independent Auditors' Report

Other:

Selected Quarterly Financial Data and Supplemental Information (Unaudited) for the three years ended December 31, 2003 (incorporated herein by reference to page 54 of the 2003 Annual Report)

Five-Year Statistical Summary of Operations (incorporated herein by reference to page 55 of the 2003 Annual Report)

2. All required Financial Statement Schedules are included in the Consolidated Financial Statements, the Notes to Consolidated Financial Statements or the Supplemental Note to Consolidated Financial Statements.

3. The following exhibits are filed as a part of this report:

(3.1) MMC's restated certificate of incorporation

- (3.2) MMC's by-laws (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2002)
- (4.1) Indenture dated as of June 14, 1999 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Registration Statement on Form S-3, Registration No. 333-108566)
- (4.2) First Supplemental Indenture dated as of June 14, 1999 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 1999)
- (4.3) Second Supplemental Indenture dated as of February 19, 2003 between MMC and U.S. Bank National Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003)
- (4.4) Third Supplemental Indenture dated as of July 30, 2003 between MMC and U.S. National Bank Association (as successor to State Street Bank and Trust Company), as trustee (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended June 30, 2003)
- (4.5) Amended and Restated Rights Agreement dated as of January 20, 2000 between MMC and Harris Trust Company of New York (incorporated by reference to MMC's Registration Statement on Form 8-A/A filed on January 27, 2000)
- (4.6) Amendment No. 1 to Amended & Restated Rights Agreement dated as of June 7, 2002, by and between MMC and Harris Trust Company of New York (incorporated by reference to MMC's Registration Statement on Form 8-A12B/A filed on June 20, 2002)
- (4.7) Indenture dated as of March 19, 2002 between MMC and State Street Bank and Trust Company, as trustee (incorporated by reference to MMC's Registration Statement on Form S-4, Registration No. 333-87510)
- (10.1) *Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1999)

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 * Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

- (10.2) *Marsh & McLennan Companies Stock Investment Supplemental Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1994)
- (10.3) *Amendment to Marsh & McLennan Companies Stock Investment Supplemental Plan dated June 16, 1997 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1997)
- (10.4) *Amendment to Marsh & McLennan Companies Stock Investment Supplemental Plan dated November 20, 1997 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2000)
- (10.5) *Amendment to Marsh & McLennan Companies Stock Investment Supplemental Plan dated January 1, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2000)
- (10.6) *Marsh & McLennan Companies Special Severance Pay Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1996)
- (10.7) *Putnam Investments, Inc. Executive Deferred Compensation Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1994)
- (10.8) *Putnam Investments, LLC Executive Deferred Bonus Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2000)
- (10.9) *Putnam Investments Trust Equity Partnership Plan
- (10.10) *Marsh & McLennan Companies Supplemental Retirement Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1992)
- (10.11) *Amendment to Marsh & McLennan Companies Supplemental Retirement Plan (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ended March 31, 2003)
- (10.12) *Marsh & McLennan Companies Senior Management Incentive Compensation Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1994)

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 * Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

- (10.13) *Marsh & McLennan Companies, Inc. U.S. Employee 2003 Cash Bonus Award Voluntary Deferral Plan
- (10.14) *Marsh & McLennan Companies, Inc. Directors Stock Compensation Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 1997)
- (10.15) *MMC Capital, Inc. Amended and Restated Long Term Incentive Plan dated as of March 19, 2001 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2000)
- (10.16) *Consulting Agreement between A.J.C. Smith and MMC effective as of June 1, 2000 (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2000)
- (10.17) *Renewal of Consulting Agreement between A.J.C. Smith and MMC dated as of May 24, 2001 (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2001)
- (10.18) *Renewal of Consulting Agreement between A.J.C. Smith and MMC dated as of May 16, 2002, (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2002)
- (10.19) *Renewal and Amendment to Consulting Agreement between A.J. C. Smith and MMC dated as of May 16, 2003 (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2003)
- (10.20) *MMC Capital, Inc. Amended and Restated Deferred Compensation and Profits Limited Partnership Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.21) *Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.22) *Amended and Restated Limited Partnership Agreement of Marsh & McLennan Affiliated Fund, L.P. dated October 12, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)

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* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

- (10.23) *Second Amended and Restated Limited Partnership Agreement of Marsh & McLennan Capital Professionals Fund, L.P. dated December 2, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.24) *Amended and Restated Limited Partnership Agreement of Marsh & McLennan Capital Technology Professionals Venture Fund, L.P. dated as of December 2, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.25) *First Amended and Restated Limited Partnership Agreement of MMC Capital Tech Professionals Fund II, L.P. dated as of October 31, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.26) *First Amended and Restated Limited Partnership Agreement of MMC Capital C&I Professionals Fund, L.P. dated as of July 21, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.27) *Amended and Restated Limited Partnership Agreement of Trident Capital II, L.P. dated December 2, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.28) *Amended and Restated Limited Partnership Agreement of Marsh & McLennan Capital Technology Venture GP, L.P. dated December 2, 1999 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.29) *Amended and Restated Limited Partnership Agreement of MMC Capital Tech GP II, L.P. dated as of August 22, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.30) *Limited Partnership Agreement of Marsh & McLennan Capital C&I GP, L.P. dated as of April 7, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.31) *Limited Partnership Agreement of Marsh & McLennan C&I Employees' Securities Company, L.P. dated as of July 21, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)

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 * Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

- (10.32) *Amended and Restated Limited Partnership Agreement of Trident III Professional Fund, L.P. dated December 18, 2003
- (10.33) *Amended and Restated Limited Partnership Agreement of Trident III ESC, L.P. dated December 12, 2003
- (10.34) *Amended and Restated Limited Partnership Agreement of Trident Capital III, L.P. dated December 4, 2003
- (10.35) *Limited Liability Company Agreement of Putnam Investments Employees' Securities Company I LLC dated as of October 3, 2000 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.36) *Limited Liability Company Agreement of Putnam Investments Employees' Securities Company II LLC dated as of June 15, 2002 (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2001)
- (10.37) Form of Waiver dated June 24, 2002 of certain provisions of the MMC Capital Long-Term Incentive Plan executive by Messrs. Greenberg and Davis (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2002)
- (10.38) Representative Fund Advisory Contract with each of the Putnam Funds (incorporated by reference to MMC's Quarterly Report on Form 10-Q for the quarter ending June 30, 2002)
- (12) Statement Re: Computation of Ratio of Earnings to Fixed Charges
- (13) Annual Report to Stockholders for the year ended December 31, 2003, to be deemed filed only with respect to those portions which are expressly incorporated by reference
- (14) Code of Ethics for Chief Executive and Senior Financial Officers (incorporated by reference to MMC's Annual Report on Form 10-K for the year ended December 31, 2002)
- (21) list of subsidiaries of MMC (as of 2/27/2004)
- (23) independent auditors' consent

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* Management contract or compensatory plan or arrangement required to be filed as an exhibit pursuant to Item 15(c) of Form 10-K.

- (24) powers of attorney
- (31) Rule 13a-14(a)/15d-14(a) Certifications
- (32) Section 1350 Certifications

(b) The following reports on Form 8-K were filed by MMC in the fiscal quarter ended December 31, 2003:

- o Current Report on Form 8-K dated October 21, 2003 reporting MMC's issuance of a press release announcing its unaudited third quarter financial results for the quarter ended September 30, 2003.
- o Current Report on Form 8-K dated October 28, 2003 reporting the initiation by the SEC and the Commonwealth of Massachusetts of administrative proceedings against Putnam Investments and two Putnam employees.
- o Current Report on Form 8-K dated November 3, 2003 reporting MMC's issuance of a press release announcing a new management team at Putnam Investments.
- o Current Reports on Form 8-K dated November 7, 2003, November 14, 2003 and November 21, 2003, each reporting the current status of assets under management at Putnam Investments.

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 this 15th day of March, 2004 on its behalf by the undersigned, thereunto duly authorized.

MARSH & McLENNAN COMPANIES, INC.

By /S/ JEFFREY W. GREENBERG

Jeffrey W. Greenberg
Chairman of the Board and
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated this 15th day of March, 2004.

/s/ Jeffrey W. Greenberg

Jeffrey W. Greenberg
Director, Chairman of the Board and
Chief Executive Officer

Peter Coster*

Peter Coster
Director

/s/ Sandra S. Wijnberg

Sandra S. Wijnberg
Senior Vice President and
Chief Financial Officer

Charles A. Davis*

Charles A. Davis
Director

/s/ Robert J. Rapport

Robert J. Rapport
Vice President and Controller
(Chief Accounting Officer)

Robert F. Erburu*

Robert F. Erburu
Director

Lewis W. Bernard*

Lewis W. Bernard
Director

Oscar Fanjul*

Oscar Fanjul
Director

Mathis Cabiallavetta*

Mathis Cabiallavetta
Director

Ray J. Groves*

Ray J. Groves
Director

Stephen R. Hardis*	Morton O. Schapiro*
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Stephen R. Hardis	Morton O. Schapiro
Director	Director
Gwendolyn S. King*	Adele Simmons*
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Gwendolyn S. King	Adele Simmons
Director	Director
The Rt. Hon. Lord Lang of Monkton, DL*	A.J.C. Smith*
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The Rt. Hon. Lord Lang of Monkton, DL	A.J.C. Smith
Director	Director
David A. Olsen*	

David A. Olsen	
Director	

* William L. Rosoff, pursuant to Powers of Attorney executed by each of the individuals whose name is followed by an (*) and filed herewith, by signing his name hereto does hereby sign and execute this Form 10-K of Marsh & McLennan Companies, Inc. on behalf of such individual in the capacities in which the names of each appear above.

/S/ WILLIAM L. ROSOFF

William L. Rosoff

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of
Marsh & McLennan Companies, Inc.:

We have audited the consolidated balance sheets of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2003, and have issued our report thereon dated March 5, 2004; such financial statements and report are included in your 2003 Annual Report to Stockholders and are incorporated herein by reference. Our audits also included the supplemental note to the consolidated financial statements (the "Supplemental Note") listed in Item 15. This Supplemental Note is the responsibility of the Company's management. Our responsibility is to express an opinion based on our audits. In our opinion, the Supplemental Note, when considered in relation to the basic consolidated statements taken as a whole, presents fairly in all material respects the information set forth therein.

As described in Note 5 to the consolidated financial statements, the Company changed its method of accounting for goodwill amortization to conform to Statement of Financial Accounting Standards No. 142, GOODWILL AND OTHER INTANGIBLE ASSETS.

DELOITTE & TOUCHE LLP

New York, New York
March 5, 2004

MARSH & MCLENNAN COMPANIES, INC. AND SUBSIDIARIES
SUPPLEMENTAL NOTE TO CONSOLIDATED FINANCIAL STATEMENTS

17. Information concerning MMC's valuation accounts follows:

An analysis of the allowance for doubtful accounts for the three years ended December 31, 2003 follows (in millions of dollars):

	2003	2002	2001
	----	----	----
Balance at beginning of year.....	\$124	\$139	\$135
Provision charged to operations.....	18	21	30
Accounts written-off, net of recoveries.....	(36)	(44)	(24)
Effect of exchange rate changes.....	10	8	(2)
	-----	-----	-----
Balance at end of year.....	\$116	\$124	\$139
	=====	=====	=====

RESTATED CERTIFICATE OF INCORPORATION

OF

MARSH & McLENNAN COMPANIES, INC.

MARSH & McLENNAN COMPANIES, INC., a corporation organized and existing under the laws of the State of Delaware, does hereby certify as follows:

1. The name of the corporation is MARSH & McLENNAN COMPANIES, INC. The name of the corporation when originally incorporated was MARLENNAN CORPORATION, and the date of filing of its original Certificate of Incorporation with the Secretary of State was March 17, 1969.

2. This Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Certificate of Incorporation of the corporation as heretofore amended or supplemented, and there is no discrepancy between those provisions and the provisions of this Restated Certificate of Incorporation.

3. The text of the Restated Certificate of Incorporation as heretofore amended or supplemented is hereby restated without further amendments or changes to read in its entirety as follows:

FIRST: The name of the Corporation is MARSH & McLENNAN COMPANIES, INC.

SECOND: The registered office of the Corporation in the State of Delaware is located at 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent is The Corporation Trust Company, 1209 Orange Street, Wilmington, Delaware 19801.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock which the Corporation has the authority to issue is 1,606,000,000 of which 6,000,000 are shares of Preferred Stock with a par value of one dollar per share (hereinafter sometimes referred to as "Preferred Stock"), and 1,600,000,000 are shares of Common Stock with a par value of one dollar per share (hereinafter sometimes referred to as "Common Stock").

PART I

PREFERRED STOCK

The Board of Directors is expressly authorized to adopt, from time to time, a resolution or resolutions providing for the issue of Preferred Stock in one or more series, to fix the number of shares in each such series and to fix the designations and the powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions thereof, of each such series.

The authority of the Board of Directors with respect to each such series shall include a determination of the following (which may vary as between the different series of Preferred Stock):

(a) The number of shares constituting the series and the distinctive designation of the series;

(b) The dividend rate on the shares of the series, the conditions and dates upon which dividends thereon shall be payable, the extent, if any, to which dividends thereon shall be cumulative, and the relative rights of preference, if any, of payment of dividends thereon;

(c) Whether or not the shares of the series are redeemable and, if redeemable, including the time during which they shall be redeemable and the amount per share payable in case of redemption, which amount may, but need not vary according to the time and circumstances of such action;

(d) The amount payable in respect of the shares of the series, in the event of any liquidation, dissolution or winding up of the Corporation, which amount may, but need not, vary according to the time or circumstances of such action, and the relative rights of preference, if any, of payment of such amount;

(e) Any requirement as to a sinking fund for the shares of the series, or any requirement as to the redemption, purchase or other retirement by the Corporation of the shares of the series;

(f) The right, if any, to exchange or convert shares of the series into shares of any other series or class of stock of the Corporation and the rate or basis, time, manner and condition of exchange or conversion;

(g) The voting rights, if any, to which the holders of shares of the series shall be entitled in addition to the voting rights provided by law;

(h) Any other term, condition, or provision with respect to the series not inconsistent with the provisions of this Article FOURTH or any resolution adopted by the Board of Directors pursuant thereto.

PART II

COMMON STOCK

(a) Dividends. Subject to any rights to receive dividends to which the holders of the shares of the Preferred Stock may be entitled, the holders of shares of Common Stock shall be entitled to receive dividends, if and when declared payable from time to time by the Board of Directors from any funds legally available therefor.

(b) Liquidation. In the event of any dissolution, liquidation or winding up of the Corporation, whether voluntary or involuntary, after there shall have been paid to the holders of shares of Preferred Stock the full amounts to which they shall be entitled, the holders of the then outstanding shares of Common Stock shall be entitled to receive, pro rata, all of the remaining assets of the Corporation available for distribution to its stockholders. The Board of Directors may distribute in kind to the holders of the shares of Common Stock such remaining assets of the Corporation or may sell, transfer or otherwise dispose of all or any part of such remaining assets to any other corporation, trust or other entity and receive payment therefor in cash, stock or obligations of such other corporation, trust or entity, or any combination thereof, and may sell all or any part of the consideration so received and distribute any balance thereof in kind to holders of the shares of Common Stock. The merger or consolidation of the Corporation into or with any other corporation, or the merger of any other corporation into it, or any purchase or redemption of shares of stock of the Corporation of any class, shall not be deemed to be a dissolution, liquidation or winding up of the Corporation for the purpose of this paragraph (b).

(c) Voting. Each outstanding share of Common Stock of the Corporation shall entitle the holder thereof to one vote on each matter submitted to a vote at a meeting of the stockholders.

PART III

GENERAL PROVISIONS

(a) No Preemptive Rights, Etc. No holder of shares of stock of the Corporation of any class shall have any preemptive, preferential or other right to purchase or subscribe for any shares of stock, whether now or hereafter authorized, of the Corporation of any class, or any obligations convertible into, or any options or warrants to purchase, any shares of stock, whether now or hereafter authorized, of the Corporation of any class, other than such, if any, as the Board of Directors may from time to time determine, and at such price as the Board of Directors may from time to time fix; and any shares of stock or any obligations, options or warrants which the Board of Directors may determine to offer for subscription to holders of any shares of stock of the Corporation may, as the Board of Directors shall determine, be offered to holders of shares of stock of the Corporation of any class or classes or series, and if offered to holders of shares of stock of more than one class or series, in such proportions as between such classes and series as the Board of Directors may determine.

(b) No Action by Consent. Any action required or permitted to be taken by the holders of any class or classes of stockholders of the Corporation must be effected at a duly

called annual or special meeting of such holders and may not be effected by any consent in writing by such holders.

PART IV

CERTIFICATE OF DESIGNATION, PREFERENCES AND RIGHTS OF SERIES A JUNIOR PARTICIPATING PREFERRED STOCK

Section 1. DESIGNATION AND AMOUNT. The shares of such series shall be designated as "Series A Junior Participating Preferred Stock" and the number of shares constituting such series shall be 2,000,000.

Section 2. DIVIDENDS AND DISTRIBUTIONS.

(A) Subject to the prior and superior rights of the holders of any shares of any series of Preferred Stock ranking prior and superior to the shares of Series A Junior Participating Preferred Stock with respect to dividends, the holders of shares of Series A Junior Participating Preferred Stock shall be entitled to receive, when, as and if declared by the Board of Directors out of funds legally available for the purpose, quarterly dividends payable in cash on the fifteenth day of February, May, August and November in each year (each such date being referred to herein as a "Quarterly Dividend Payment Date"), commencing on the first Quarterly Dividend Payment Date after the first issuance of a share or fraction of a share of Series A Junior Participating Preferred Stock, in an amount per share (rounded to the nearest cent) equal to the greater of (a) \$10.00 or (b) subject to the provision for adjustment hereinafter set forth, 100 times the aggregate per share amount of all cash dividends, and 100 times the aggregate per share amount (payable in kind) of all non-cash dividends or other distributions other than a dividend payable in shares of Common Stock or a subdivision of the outstanding shares of Common Stock (by reclassification or otherwise), declared on the Common Stock, par value \$1.00 per share, of the Corporation (the "Common Stock") since the immediately preceding Quarterly Dividend Payment Date, or, with respect to the first Quarterly Dividend Payment Date, since the first issuance of any share or fraction of a share of Series A Junior Participating Preferred Stock. In the event the Corporation shall at any time after September 17, 1987 (the "Rights Declaration Date") (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount to which holders of shares of Series A Junior Participating Preferred stock were entitled immediately prior to such event under clause (b) of the preceding sentence shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) The Corporation shall declare a dividend or distribution on the Series A Junior Participating Preferred Stock as provided in paragraph (A) above immediately after it declares a dividend or distribution on the Common Stock (other than a dividend payable in shares of Common Stock); provided that, in the event no dividend or distribution shall have been declared

on the Common Stock during the period between any Quarterly Dividend Payment Date and the next subsequent Quarterly Dividend Payment Date, a dividend of \$10.00 per share on the Series A Junior Participating Preferred Stock shall nevertheless be payable on such subsequent Quarterly Dividend Payment Date.

(C) Dividends shall begin to accrue and be cumulative on outstanding shares of Series A Junior Participating Preferred Stock from the Quarterly Dividend Payment Date next preceding the date of issue of such shares of Series A Junior Participating Preferred Stock, unless the date of issue of such shares is prior to the record date for the first Quarterly Dividend Payment Date, in which case dividends on such shares shall begin to accrue from the date of issue of such shares, or unless the date of issue is a Quarterly Dividend Payment Date or is a date after the record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive a quarterly dividend and before such Quarterly Dividend Payment Date, in either of which events such dividends shall begin to accrue and be cumulative from such Quarterly Dividend Payment Date. Accrued but unpaid dividends shall not bear interest. Dividends paid on the shares of Series A Junior Participating Preferred Stock in an amount less than the total amount of such dividends at the time accrued and payable on such shares shall be allocated pro rata on a share-by-share basis among all such shares at the time outstanding. The Board of Directors may fix a record date for the determination of holders of shares of Series A Junior Participating Preferred Stock entitled to receive payment of a dividend or distribution declared thereon, which record date shall be no more than 30 days prior to the date fixed for the payment thereof.

Section 3. VOTING RIGHTS. The holders of shares of Series A Junior Participating Preferred Stock shall have the following voting rights:

(A) Subject to the provision for adjustment hereinafter set forth, each share of Series A Junior Participating Preferred Stock shall entitle the holder thereof to 100 votes on all matters submitted to a vote of the stockholders of the Corporation. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the number of votes per share to which holders of shares of Series A Junior Participating Preferred Stock were entitled immediately prior to such event shall be adjusted by multiplying such number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

(B) Except as otherwise provided herein or by law, the holders of shares of Series A Junior Participating Preferred Stock and the holders of shares of Common Stock shall vote together as one class on all matters submitted to a vote of stockholders of the Corporation.

(C) (i) If at any time dividends on any Series A Junior Participating Preferred Stock shall be in arrears in an amount equal to six (6) quarterly dividends thereon, the occurrence of such contingency shall mark the beginning of a period (herein called a "default period") which shall extend until such time when all accrued and unpaid dividends for all previous quarterly dividend periods and for the current quarterly dividend period on all shares of Series A Junior

Participating Preferred Stock then outstanding shall have been declared and paid or set apart for payment. During each default period, all holders of Preferred Stock (including holders of the Series A Junior Participating Preferred Stock) with dividends in arrears in an amount equal to six (6) quarterly dividends thereon, voting as a class, irrespective of series, shall have the right to elect two (2) Directors.

(ii) During any default period, such voting right of the holders of Series A Junior Participating Preferred Stock may be exercised initially at a special meeting called pursuant to subparagraph (iii) of this Section 3(C) or at any annual meeting of stockholders, and thereafter at annual meetings of stockholders, provided that neither such voting right nor the right of the holders of any other series of Preferred Stock, if any, to increase, in certain cases, the authorized number of Directors shall be exercised unless the holders of ten percent (10%) in number of shares of Preferred Stock outstanding shall be present in person or by proxy. The absence of a quorum of the holders of Common Stock shall not affect the exercise by the holders of Preferred Stock of such voting right. At any meeting at which the holders of Preferred Stock shall exercise such voting right initially during an existing default period, they shall have the right, voting as a class, to elect Directors to fill such vacancies, if any, in the Board of Directors as may then exist up to two (2) Directors or, if such right is exercised at an annual meeting, to elect two (2) Directors. If the number which may be so elected at any special meeting does not amount to the required number, the holders of the Preferred Stock shall have the right to make such increase in the number of Directors as shall be necessary to permit the election by them of the required number. After the holders of the Preferred Stock shall have exercised their right to elect Directors in any default period and during the continuance of such period, the number of Directors shall not be increased or decreased except by vote of the holders of Preferred Stock as herein provided or pursuant to the rights of any equity securities ranking senior to or PARI PASSU with the Series A Junior Participating Preferred Stock.

(iii) Unless the holders of Preferred Stock shall, during an existing default period, have previously exercised their right to elect Directors, the Board of Directors may order, or any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding, irrespective of series, may request, the calling of special meeting of the holders of Preferred Stock, which meeting shall thereupon be called by the Chairman, the President or the Secretary of the Corporation. Notice of such meeting and of any annual meeting at which holders of Preferred Stock are entitled to vote pursuant to this paragraph (C) (iii) shall be given to each holder of record of Preferred Stock by mailing a copy of such notice to him at his last address as the same appears on the books of the Corporation. Such meeting shall be called for a time not earlier than 20 days and not later than 60 days after such order or request, or in default of the calling of such meeting within 60 days after such order or request, such meeting may be called on similar notice by any stockholder or stockholders owning in the aggregate not less than ten percent (10%) of the total number of shares of Preferred Stock outstanding. Notwithstanding the provisions of this paragraph (C)(iii), no such special meeting shall be called during the period within 60 days immediately preceding the date fixed for the next annual meeting of the stockholders.

(iv) In any default period, the holders of Common Stock, and other classes of stock of the Corporation if applicable, shall continue to be entitled to elect the whole number of Directors until the holders of Preferred Stock shall have exercised their right to elect two (2)

Directors voting as a class, after the exercise of which right (x) the Directors so elected by the holders of Preferred Stock shall continue in office until their successors shall have been elected by such holders or until the expiration of the default period, and (y) any vacancy in the Board of Directors may (except as provided in paragraph (C)(ii) of this Section 3) be filled by vote of a majority of the remaining Directors theretofore elected by the holders of the class of stock which elected the Director whose office shall have become vacant. References in this paragraph (C) to Directors elected by the holders of a particular class of stock shall include Directors elected by such Directors to fill vacancies as provided in clause (y) of the foregoing sentence.

(v) Immediately upon the expiration of a default period, (x) the right of the holders of Preferred Stock as a class to elect Directors shall cease, (y) the term of any Directors elected by the holders of Preferred Stock as a class shall terminate, and (z) the number of Directors shall be such number as may be provided for in the certificate of incorporation or by-laws irrespective of any increase made pursuant to the provisions of paragraph (C)(ii) of this Section 3 (such number being subject, however, to change thereafter in any manner provided by law or in the certificate of incorporation or by-laws). Any vacancies in the Board of Directors effected by the provisions of clauses (y) and (z) in the preceding sentence may be filled by a majority of the remaining Directors.

(D) Except as set forth herein, holders of Series A Junior Participating Preferred Stock shall have no special voting rights and their consent shall not be required (except to the extent they are entitled to vote with holders of Common Stock as set forth herein) for taking any corporate action.

Section 4. CERTAIN RESTRICTIONS.

(A) Whenever quarterly dividends or other dividends or distributions payable on the Series A Junior Participating Preferred Stock as provided in Section 2 are in arrears, thereafter and until all accrued and unpaid dividends and distributions, whether or not declared, on shares of Series A Junior Participating Preferred Stock outstanding shall have been paid in full, the Corporation shall not:

(i) declare or pay dividends on, make any other distributions on, or redeem or purchase or otherwise acquire for consideration, any shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock;

(ii) declare or pay dividends on, or make any other distributions on, any shares of stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, except dividends paid ratably on the Series A Junior Participating Preferred Stock and all such parity stock on which dividends are payable or in arrears in proportion to the total amounts to which the holders of all such shares are then entitled;

(iii) redeem or purchase or otherwise acquire for consideration shares of any stock ranking on a parity (either as to dividends or upon liquidation, dissolution or winding up) with the Series A Junior Participating Preferred Stock, provided that the Corporation may at any

time redeem, purchase or otherwise acquire shares of any such parity stock in exchange for shares of any stock of the Corporation ranking junior (either as to dividends or upon dissolution, liquidation or winding up) to the Series A Junior Participating Preferred Stock;

(iv) purchase or otherwise acquire for consideration any shares of Series A Junior Participating Preferred Stock, or any shares of stock ranking on a parity with the Series A Junior Participating Preferred Stock, except in accordance with a purchase offer made in writing or by publication (as determined by the Board of Directors) to all holders of such shares upon such terms as the Board of Directors, after consideration of the respective annual dividend rates and other relative rights and preferences of the respective series and classes, shall determine in good faith will result in fair and equitable treatment among the respective series or classes.

(B) The Corporation shall not permit any subsidiary of the Corporation to purchase or otherwise acquire for consideration any shares of stock of the Corporation unless the Corporation could, under paragraph (A) of this Section 4, purchase or otherwise acquire such shares at such time and in such manner.

Section 5. REACQUIRED SHARES. Any shares of Series A Junior Participating Preferred Stock purchased or otherwise acquired by the Corporation in any manner whatsoever shall be retired and cancelled promptly after the acquisition thereof. All such shares shall upon their cancellation become authorized but unissued shares of Preferred Stock and may be reissued as part of a new series of Preferred Stock to be created by resolution or resolutions of the Board of Directors, subject to the conditions and restrictions on issuance set forth herein.

Section 6. LIQUIDATION, DISSOLUTION OR WINDING UP.

(A) Upon any liquidation (voluntary or otherwise), dissolution or winding up of the Corporation, no distribution shall be made to the holders of shares of stock ranking junior (either as to dividends or upon liquidation, dissolution or winding up) to the Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Series A Junior Participating Preferred Stock shall have received \$100 per share, plus an amount equal to accrued and unpaid dividends and distributions thereon, whether or not declared, to the date of such payment (the "Series A Liquidation Preference"). Following the payment of the full amount of the Series A Liquidation Preference, no additional distributions shall be made to the holders of shares of Series A Junior Participating Preferred Stock unless, prior thereto, the holders of shares of Common Stock shall have received an amount per share (the "Common Adjustment") equal to the quotient obtained by dividing (i) the Series A Liquidation Preference by (ii) 100 (as appropriately adjusted as set forth in subparagraph (C) below to reflect such events as stock splits, stock dividends and recapitalizations with respect to the Common Stock) (such number in clause (ii), the "Adjustment Number"). Following the payment of the full amount of the Series A Liquidation Preference and Common Adjustment in respect of all outstanding shares of Series A Junior Participating Preferred Stock and Common Stock, respectively, holders of Series A Junior Participating Preferred Stock and holders of shares of Common Stock shall receive their ratable and proportionate share of the remaining assets to be distributed in the ratio of the Adjustment Number to 1 with respect to such Preferred Stock and Common Stock, on a per share basis, respectively.

(B) In the event, however, that there are not sufficient assets available to permit payment in full of the Series A Liquidation Preference and the liquidation preferences of all other series of Preferred Stock, if any, which rank on a parity with the Series A Junior Participating Preferred Stock, then such remaining assets shall be distributed ratably to the holders of such parity shares in proportion to their respective liquidation preferences. In the event, however, that there are not sufficient assets available to permit payment in full of the Common Adjustment, then such remaining assets shall be distributed ratably to the holders of Common Stock.

(C) In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the Adjustment Number in effect immediately prior to such event shall be adjusted by multiplying such Adjustment Number by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 7. CONSOLIDATION, MERGER, ETC. In case the Corporation shall enter into any consolidation, merger, combination or other transaction in which the shares of Common Stock are exchanged for or changed into other stock or securities, cash and/or any other property, then in any such case the shares of Series A Junior Participating Preferred Stock shall at the same time be similarly exchanged or changed in an amount per share (subject to the provision for adjustment hereinafter set forth) equal to 100 times the aggregate amount of stock, securities, cash and/or any other property (payable in kind), as the case may be, into which or for which each share of Common Stock is changed or exchanged. In the event the Corporation shall at any time after the Rights Declaration Date (i) declare any dividend on Common Stock payable in shares of Common Stock, (ii) subdivide the outstanding Common Stock, or (iii) combine the outstanding Common Stock into a smaller number of shares, then in each such case the amount set forth in the preceding sentence with respect to the exchange or change of shares of Series A Junior Participating Preferred Stock shall be adjusted by multiplying such amount by a fraction the numerator of which is the number of shares of Common Stock outstanding immediately after such event and the denominator of which is the number of shares of Common Stock that were outstanding immediately prior to such event.

Section 8. NO REDEMPTION. The shares of Series A Junior Participating Preferred Stock shall not be redeemable.

Section 9. RANKING. The Series A Junior Participating Preferred Stock shall rank junior to all other series of the Corporation's Preferred Stock as to the payment of dividends and the distribution of assets, unless the terms of any such series shall provide otherwise.

Section 10. AMENDMENT. In the event shares of Series A Junior Participating Preferred Stock are outstanding, the Restated Certificate of Incorporation of the Corporation shall not be further amended in any manner which would materially alter or change the powers, preferences or special rights of the Series A Junior Participating Preferred Stock so as to affect them

adversely without the affirmative vote of the holders of two-thirds or more of the outstanding shares of Series A Junior Participating Preferred Stock, voting separately as a class.

Section 11. FRACTIONAL SHARES. Series A Junior Participating Preferred Stock may be issued in fractions of a share which shall entitle the holder, in proportion to such holders fractional shares, to exercise voting rights, receive dividends, participate in distributions and to have the benefit of all other rights of holders of Series A Junior Participating Preferred Stock.

FIFTH: (a) The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not less than nine nor more than twenty-seven directors, the exact number of directors to be determined from time to time by resolution adopted by affirmative vote of at least two-thirds of the entire Board of Directors. The directors shall be divided into three classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third of the total number of directors constituting the entire Board of Directors. At the 1985 annual meeting of stockholders, Class I directors shall be elected for a one-year term, Class II directors for a two-year term and Class III directors for a three-year term. At each succeeding annual meeting of stockholders beginning in 1986, successors to the class of directors whose term expires at that annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his term expires and until his successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office. Any vacancy on the Board of Directors from any cause whatsoever may be filled by a majority of the remaining directors then in office, even if less than a quorum, or by a sole remaining director. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his predecessor.

Notwithstanding the foregoing, whenever the holders of any one or more classes or series of Preferred Stock issued by the Corporation shall have the right, pursuant to Part I of Article FOURTH of this Restated Certificate of Incorporation, voting separately by class or series, to elect directors at an annual or special meeting of stockholders, the election, term of office, filling of vacancies and other features of such directorships shall be governed by the terms of this Restated Certificate of Incorporation applicable thereto, and such directors so elected shall not be divided into classes pursuant to this Article FIFTH unless expressly provided by such terms.

(b) In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, alter or repeal the by-laws of the Corporation.

(c) Wherever the term "Board of Directors" is used in this Restated Certificate of Incorporation, such term shall mean the Board of Directors of the Corporation; provided, however, that to the extent any committee of directors of the Corporation is lawfully entitled to exercise the powers of the Board of Directors, such committee may exercise any right or authority of the Board of Directors under this Restated Certificate of Incorporation.

SIXTH: (a) RIGHT TO INDEMNIFICATION. Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter, a "proceeding"), by reason of the fact that, on or after the date of adoption of this new Article SIXTH, he or she is serving or had served as a director or officer of the Corporation or, while serving as such director or officer, is serving or had served at the request of the Corporation as a director, officer, employee or agent of, or in any other capacity with respect to, another corporation or a partnership, joint venture, trust or other entity or enterprise, including service with respect to employee benefit plans (hereinafter, an "indemnitee"), whether the basis of such proceeding is alleged action in an official capacity as a director, officer, employee or agent or in any other capacity while serving as a director or officer of the Corporation, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by Delaware law, as the same exists or may hereafter be changed or amended (but, in the case of any such change or amendment, only to the extent that such change or amendment permits the Corporation to provide broader indemnification rights than permitted prior thereto), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts to be paid in settlement) reasonably incurred or suffered by an indemnitee in connection therewith and such indemnification shall continue as to an indemnitee who has ceased to be a director or officer of the Corporation and shall inure to the benefit of the indemnitee's heirs, executors and administrators; PROVIDED, HOWEVER, that except as provided in paragraph (b) hereof with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify an indemnitee in connection with a proceeding (or part thereof) initiated by the indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Article shall be a contract right and shall include the right to be paid by the Corporation the expenses incurred in defending any such proceeding in advance of its final disposition (hereinafter, an "advancement of expenses"); PROVIDED, HOWEVER, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter, an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter, a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Article or otherwise.

(b) RIGHT OF INDEMNITEE TO BRING SUIT. If a claim under paragraph (a) of this Article is not paid in full by the Corporation within sixty days after a written claim has been received by the Corporation, except in the case of a claim for advancement of expenses, in which case the applicable period shall be twenty days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover PAYMENTS by the Corporation to recover an advancement of expenses pursuant to terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (other than a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking the Corporation shall be entitled to recover such

expenses upon a final adjudication that, the indemnitee has not met the applicable standard of conduct set forth in the Delaware General Corporation Law. Neither the failure of the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its Board of Directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to the action. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article or otherwise shall be on the Corporation.

(c) **INDEMNIFICATION OF EMPLOYEES AND AGENTS OF THE CORPORATION.** The Corporation may, to the extent authorized from time to time by its Board of Directors, grant rights to indemnification, and to be paid by the Corporation the expenses incurred in defending any proceeding in advance of its final disposition, to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

(d) **NON-EXCLUSIVITY OF RIGHTS.** The right to indemnification and to the advancement of expenses conferred in this Article shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, this Restated Certificate of Incorporation, by-law, agreement, vote of stockholders or disinterested directors, or otherwise.

(e) **INSURANCE.** The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or of another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

(f) **LIMITATION OF LIABILITY.** A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware General Corporation Law, or (iv) for any transaction from which the director derived any improper personal benefit. If the Delaware General Corporation Law is amended after approval by the stockholders of this paragraph to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware General Corporation Law, as also amended.

(g) SURVIVAL OF PRIOR INDEMNIFICATION PROVISIONS: EFFECT OF SUBSEQUENT CHANGE ON EXISTING RIGHTS. Nothing contained in this Article shall be construed as altering or eliminating the rights to indemnification existing, or based upon service by an indemnitee, prior to adoption of this new Article SIXTH. Any repeal or modification of this Article by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of such repeal or modification.

SEVENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Restated Certificate of Incorporation, in the manner now or hereafter prescribed by the laws of Delaware, and all rights and powers conferred herein upon stockholders and directors are granted subject to this reservation.

EIGHTH: (a) In addition to any affirmative vote required by law or this Restated Certificate of Incorporation or the by-laws of the Corporation, and except as otherwise expressly provided in Section (b) of this Article EIGHTH, a Business Transaction (as hereinafter defined) with, or proposed by or on behalf of, any Interested Stockholder (as hereinafter defined) or any Affiliate or Associate (as hereinafter defined) of any Interested Stockholder or any person who thereafter would be an Affiliate or Associate of such Interested Stockholder shall require the affirmative vote of not less than a majority of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock (as hereinafter defined), voting together as a single class, excluding Voting Stock beneficially owned by such Interested Stockholder. Such affirmative vote shall be required notwithstanding the fact that no vote may be required, or that a lesser percentage or separate class vote may be specified, by law or otherwise.

(b) The provisions of Section (a) of this Article EIGHTH shall not be applicable to any particular Business Transaction, and such Business Transaction shall require only such affirmative vote, if any, as is required by law or by any other provision of this Restated Certificate of Incorporation or the by-laws of the Corporation, or otherwise, if the Business Transaction shall have been approved, either specifically or as a transaction which is within an approved category of transactions, by a majority (whether such approval is made prior to or subsequent to the acquisition of, or announcement or public disclosure of the intention to acquire, beneficial ownership of the Voting Stock that caused the Interested Stockholder to become an Interested Stockholder) of the Disinterested Directors (as hereinafter defined).

(c) The following definitions shall apply with respect to this Article EIGHTH:

1. The term "Business Transactions" shall mean:

- (A) any merger or consolidation of the Corporation or any Subsidiary (as hereinafter defined) with (i) any Interested Stockholder or (ii) any other company (whether or not itself an Interested Stockholder) which is or after such merger or consolidation would be an Affiliate or Associate of an Interested Stockholder; or
- (B) any sale, lease, exchange, mortgage, pledge, transfer or other disposition or security arrangement, investment, loan, advance, guarantee, agreement to purchase, agreement to pay, extension of credit, joint venture

participation or other arrangement (in one transaction or a series of transactions) with or for the benefit of any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder involving any assets, securities or commitments of the Corporation, any Subsidiary or any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder which (except for any arrangement, whether as employee, consultant or otherwise, other than as a director, pursuant to which any Interested Stockholder or any Affiliate or Associate thereof shall, directly or indirectly, have any control over or responsibility for the management of any aspect of the business or affairs of the Corporation, with respect to which arrangements the value tests set forth below shall not apply), together with all other such arrangements (including all contemplated future events), has an aggregate Fair Market Value (as hereinafter defined) and/or involves aggregate commitments of \$10,000,000 or more or constitutes more than five percent of the book value of the total assets (in the case of transactions involving assets or commitments other than capital stock) or five percent of the stockholders' equity (in the case of transactions in capital stock) of the entity in question (the "Substantial Part"), as reflected in the most recent fiscal year-end consolidated balance sheet of such entity existing at the time the stockholders of the Corporation would be required to approve or authorize the Business Transaction involving the assets, securities and/or commitments constituting any Substantial Part; or

- (C) the adoption of any plan or proposal for the liquidation or dissolution of the Corporation or for any amendment to the Corporation's by-laws; or
- (D) any reclassification of securities (including any reverse stock split), or recapitalization of the Corporation, or any merger or consolidation of the Corporation with any of its Subsidiaries or any other transaction (whether or not with or otherwise involving an Interested Stockholder) that has the effect, directly or indirectly, of increasing the proportionate share of any class or series of Capital Stock, or any securities convertible into Capital Stock or into equity securities of any Subsidiary, that is beneficially owned by any Interested Stockholder or any Affiliate or Associate of any Interested Stockholder; or
- (E) any agreement, contract or other arrangement providing for any one or more of the actions specified in the foregoing clauses (A) to (D).

2. The term "Capital Stock" shall mean all capital stock of the Corporation authorized to be issued from time to time under Article FOURTH of this Restated Certificate of Incorporation, and the term "Voting Stock" shall mean all Capital Stock which by its terms may be voted on all matters submitted to stockholders of the Corporation generally.

3. The term "person" shall mean any individual, firm, company or other entity and shall include any group comprised of any person and any other person with whom such person or any Affiliate or Associate of such person has any agreement, arrangement or understanding, directly or indirectly, for the purpose of acquiring, holding, voting or disposing of Capital Stock.
4. The term "Interested Stockholder" shall mean any person (other than the Corporation or any Subsidiary and other than any profit-sharing, employee stock ownership or other employee benefit plan of the Corporation or any Subsidiary or any trustee of or fiduciary with respect to any such plan when acting in such capacity) who (a) is or has announced or publicly disclosed a plan or intention to become the beneficial owner of Voting Stock representing ten percent (10%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock; or (b) is an Affiliate or Associate of the Corporation and at any time within the two-year period immediately prior to the date in question was the beneficial owner of Voting Stock representing ten percent (10%) or more of the votes entitled to be cast by the holders of all then outstanding shares of Voting Stock.
5. A person shall be a "beneficial owner" of any Capital Stock or shall "beneficially own" any Capital Stock (a) which such person or any of its Affiliates or Associates beneficially owns, directly or indirectly; (b) which such person or any of its Affiliates or Associates has or shares, directly or indirectly, (i) the right to acquire (whether such right is exercisable immediately or subject to the passage of time), pursuant to any agreement, arrangement or understanding or upon the exercise of conversion rights, exchange rights, warrants or options, or otherwise, or (ii) the right to vote pursuant to any agreement, arrangement or understanding; or (c) which is beneficially owned, directly or indirectly, by any other person with which such person or any of its Affiliates or Associates has or shares any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of any shares of Capital Stock. For the purposes of determining whether a person is an Interested Stockholder pursuant to paragraph 4 of this Section (c), the number of shares of Capital Stock deemed to be outstanding shall include shares deemed beneficially owned by such person through application of this paragraph 5 of Section (c), but shall not include any other shares of Capital Stock that may be issuable pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise.
6. An "Affiliate" of, or a person "Affiliated" with a specified person, is a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the person specified. The term "Associate" used to indicate a relationship with any person, means (1) any corporation or organization (other than the Corporation or a majority-owned subsidiary of the Corporation) of which such person is an officer or partner or is, directly or indirectly, the beneficial owner of 10 percent or more of any class of

equity securities, (2) any trust or other estate in which such person has a substantial beneficial interest or as to which such person serves as trustee or in a similar fiduciary capacity, or (3) any relative or spouse of such person, or any relative of such spouse, who has the same home as such person or who is a director or officer of the Corporation or any of its parents or subsidiaries.

7. The term "Subsidiary" means any company of which a majority of any class of equity security is beneficially owned by the Corporation; PROVIDED, HOWEVER, that for the purposes of the definition of Interested Stockholder set forth in paragraph 4 of this Section (c), the term "Subsidiary" shall mean only a company of which a majority of each class of equity security is beneficially owned by the Corporation.
8. The term "Disinterested Director" means any member of the Board of Directors of the Corporation (the "Board of Directors"), while such person is a member of the Board of Directors, who is not an Affiliate or Associate or representative or agent or employee of the Interested Stockholder and was a member of the Board of Directors prior to the time that the Interested Stockholder became an Interested Stockholder, and any successor of a Disinterested Director while such successor is a member of the Board of Directors, who is not an Affiliate or Associate or representative or agent or employee of the Interested Stockholder and is recommended or elected to succeed the Disinterested Director by a majority of Disinterested Directors.
9. The term "Fair Market Value" means (a) in the case of cash, the amount of such cash; (b) in the case of stock, the highest closing sale price during the 30-day period immediately preceding the date in question of a share of such stock quoted on the Composite Tape for New York Stock Exchange-Listed Stocks, or, if such stock is not quoted on the Composite Tape, on the New York Stock Exchange, or, if such stock is not listed on such Exchange, on the principal United States securities exchange registered under the Securities Exchange Act of 1934 and the rules and regulations promulgated thereunder on which such stock is listed, or, if such stock is not listed on any such exchange, the highest closing bid quotation with respect to a share of such stock during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotation System or any similar system then in use, or if no such quotations are available, the fair market value on the date in question of a share of such stock as determined by a majority of the Disinterested Directors in good faith; and (c) in the case of property other than cash or stock, the fair market value of such property on the date in question as determined in good faith by a majority of the Disinterested Directors.

(d) A majority of the Disinterested Directors shall have the power and duty to determine for the purposes of this Article EIGHTH on the basis of information known to them after reasonable inquiry, all questions arising under this Article EIGHTH, including, without limitation, (1) whether a person is an Interested Stockholder, (2) the number of shares of Capital Stock or other securities beneficially owned by any person, (3) whether a person is an Affiliate

or Associate of another, (4) whether a Proposed Action is with, or proposed by, or on behalf of an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder, (5) whether the assets that are the subject of any Business Transaction have, or the consideration to be received for the issuance or transfer of securities by the Corporation or any Subsidiary in any Business Transaction has, an aggregate Fair Market Value of \$10,000,000 or more, and (6) whether the assets or securities that are the subject of any Business Transaction constitute a Substantial Part. Any such determination made in good faith shall be binding and conclusive on all parties.

(e) Nothing contained in this Article EIGHTH shall be construed to relieve any Interested Stockholder from any fiduciary obligation imposed by law.

(f) For the purposes of this Article EIGHTH, a Business Transaction or any proposal to amend, repeal or adopt any provision of this Restated Certificate of Incorporation inconsistent with this Article EIGHTH (collectively, "Proposed Action") is presumed to have been proposed by, or on behalf of, an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder or a person who thereafter would become such if (1) after the Interested Stockholder became such, the Proposed Action is proposed following the election of any director of the Corporation who with respect to such Interested Stockholder, would not qualify to serve as a Disinterested Director or (2) such Interested Stockholder, Affiliate, Associate or person votes for or consents to the adoption of any such Proposed Action, unless as to such Interested Stockholder, Affiliate, Associate or person a majority of the Disinterested Directors makes a good faith determination that such Proposed Action is not proposed by or on behalf of such Interested Stockholder, Affiliate, Associate or person, based on information known to them after reasonable inquiry.

(g) Notwithstanding any other provisions of this Restated Certificate of Incorporation or the by-laws of the Corporation (and notwithstanding the fact that a lesser percentage or separate class vote may be specified by law, this Restated Certificate of Incorporation or the by-laws of the Corporation), any proposal to amend or repeal Article EIGHTH of this Restated Certificate of Incorporation or to amend, repeal or adopt any provision of this Restated Certificate of Incorporation inconsistent with this Article EIGHTH which is proposed by or on behalf of an Interested Stockholder or an Affiliate or Associate of an Interested Stockholder shall require the affirmative vote of the holders of not less than a majority of the votes entitled to be cast by the holders of all the then outstanding shares of Voting Stock, voting together as a single class, excluding Voting Stock beneficially owned by such Interested Stockholder; PROVIDED, HOWEVER, that this Section (g) shall not apply to, and such majority vote shall not be required for, any amendment, repeal or adoption recommended by a majority of the Disinterested Directors.

4. This Restated Certificate of Incorporation was duly adopted by the Board of Directors in accordance with Section 245 of the General Corporation Law of the State of Delaware.

IN WITNESS WHEREOF, said MARSH & McLENNAN COMPANIES, INC. has caused its corporate seal to be hereunto affixed and this certificate to be signed by Jeffrey W. Greenberg, its Chairman of the Board and attested by Gregory F. Van Gundy, its Secretary, this 23rd day of July 2003.

MARSH & McLENNAN COMPANIES, INC.

By: /s/ Jeffrey W. Greenberg

Jeffrey W. Greenberg
Chairman of the Board

(CORPORATE SEAL)

ATTEST:

By: /s/ Gregory F. Van Gundy

Gregory F. Van Gundy
Secretary

PUTNAM INVESTMENTS TRUST

EQUITY PARTNERSHIP PLAN

(Amended and Restated February 15, 2003)

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PUTNAM INVESTMENTS TRUST EQUITY PARTNERSHIP PLAN

Section 1. Purpose

The purpose of this Putnam Investments Trust Equity Partnership Plan is to foster and promote the long-term financial success of Putnam and MMC and to increase materially stockholder value by (a) enabling Putnam to attract and retain the services of an outstanding management team upon whose judgment, interest and special effort the successful conduct of its operations is dependent, (b) motivating superior performance by participants in the Plan and (c) providing participants in the Plan with an ownership interest in Putnam.

Section 2. Definitions

(a) Definitions. Whenever used herein, the following terms shall have the respective meanings set forth below:

A. "Accredited Investor" means an "accredited investor" under the individual net worth test set forth in paragraph (a)(5) of Rule 501 ("Rule 501") of Regulation D under the Securities Act of 1933 (the "Securities Act"), the individual net income test set forth in paragraph (a)(6) of Rule 501 or any provision that the Committee may determine is a successor or comparable provision to said paragraphs (a)(5) or (a)(6).

B. "Award Agreement" means an agreement between Putnam and the Participant embodying the terms of any Restricted Stock or Option granted or purchased hereunder, which agreement shall, unless the Committee otherwise determines, be substantially in the form attached hereto as Exhibit A.

C. "Board" means the Board of Trustees of Putnam.

D. "Cause" means misappropriation of assets of Putnam or any Subsidiary, willful misconduct in the performance of the duties of the Participant's position, refusal to perform the duties of the Participant's position, violation of the Participant's Non-Solicitation Agreement or Confidentiality Agreement or other restrictive covenant with Putnam or any Subsidiary, violation of the Putnam Code of Ethics, violation of rules and regulations issued by any regulatory authority, breach of fiduciary duty or breach of trust, willful violation of an important Putnam policy, conviction of a felony, imprisonment for any crime, or any other action likely to bring substantial discredit to Putnam.

E. "Change in Control of MMC" means the first to occur of the following events after the Effective Date:

i) any "person," as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (other than MMC, any trustee or other fiduciary holding securities under an employee benefit plan of MMC or any corporation owned, directly or indirectly, by the stockholders of MMC in substantially the same proportions as their ownership of stock of MMC), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of MMC representing 50% or more of the combined voting power of MMC's then outstanding voting securities; or

ii) during any period of two (2) consecutive years, individuals who at the beginning of such period constitute the MMC Board, and any new director (other than a director designated by a person who has entered into an agreement with MMC to effect a transaction described in clause (i), (iii) or (iv) of this Section 2(a)(E)) whose election by the MMC Board or nomination for election by MMC's stockholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof; or

iii) the stockholders of MMC approve a merger or consolidation of MMC with any other corporation, other than (A) a merger or consolidation that would result in the voting securities of MMC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) more than 50% of the combined voting power of the voting securities of MMC or such surviving or parent entity outstanding immediately after such a merger or consolidation or (B) a merger or consolidation effected to implement a recapitalization of MMC (or similar transaction) in which no "person" (as hereinabove defined) acquired 50% or more of the combined voting power of MMC's then outstanding securities; or

iv) the stockholders of MMC approve a plan of complete liquidation of MMC or an agreement for the sale or disposition by MMC of all or substantially all of MMC's assets (or any transaction having a similar effect).

F. "Change in Control of Putnam" means the first to occur of the following events after the Effective Date:

i) MMC approves a plan of complete liquidation of Putnam or a sale or other disposition of all or substantially all of its assets to an entity of which MMC holds less than 50% of the voting power of securities; or

ii) MMC, together with its subsidiaries, trustees or other fiduciaries holding securities of Putnam under an employee benefit plan maintained by MMC or by a subsidiary of MMC, ceases for any reason (including by reason of a sale or other disposition, including a spinoff or public offering) to be a beneficial owner of securities of Putnam representing more than 50% of the voting power of the securities of Putnam.

G. "Class A Share" means a Class A Common Share, par value \$.01 per share, of Putnam.

H. "Class B Share" means a nonvoting Class B Common Share, par value \$.01 per share, of Putnam.

I. "Committee" means a committee appointed by the Board that shall consist of two (2) or more members of the Board, including the Chief Executive Officer of Putnam and one (1) or more other members of the Board who shall be appointed and serve at the pleasure of the Board.

J. "Common Shares" means Class A Shares and Class B Shares, collectively.

K. "Dividends" means dividends payable with respect to Restricted Stock and Class B Shares in accordance with Section 11(a).

L. "Effective Date" means September 30, 1997.

M. "Employee" means any executive or senior officer or other key employee of Putnam or any Subsidiary who is an Accredited Investor or, subject to the determination by the Committee with the approval of the MMC Committee (such determination to occur only in individual isolated situations), who is not an Accredited Investor, but whose designation as an Employee would not cause the issuance of Class B Shares, Restricted Stock or Options under this Plan not to qualify for the exemption from registration provided by Regulation D promulgated under the Securities Act.

N. "Fair Market Value" means, as of any date, the fair market value, as of the last business day of the fiscal quarter next preceding such date, of a Class B Share as determined in good faith by the Committee in accordance with the valuation methodology set forth in Exhibit B hereto (which may be modified at any time by the Committee with the approval of the MMC Committee), subject, however, to the following provisions of this Section 2(a)(N).

i) A valuation of the Class B Shares shall be performed reasonably promptly following, and effective as of the last day of each of the four fiscal quarters each year (or the business day immediately preceding either such date if it is not a business day), by a nationally recognized independent valuation firm. For purposes of such valuation, the independent valuation firm will use the fully distributed trading value of Putnam ("FDTV") as set forth in Section 3(i) of Exhibit B for calculation of the June 30 Price and the December 31 Price (the "Independent Value"), and the FDTV as set forth in Section 3(ii) of Exhibit B for calculation of the March 31 Price and the September 30 Price (the "Calculated Value").

ii) If, however, both the Committee and the MMC Committee agree that the Independent Value (or a value determined by an independent valuation firm in accordance with Section 2(a)(N)(iii) below) does not fairly represent the Fair Market Value at a particular Valuation Date on which these values are determined, the two committees may jointly choose a second nationally recognized independent valuation firm that will perform its own independent valuation of the Class B Shares (the "Second Independent Value"). If the midpoint of the range of values set forth in the Second Independent Value is within 10% of the midpoint of the range of values set forth in the Independent Value, then the Fair Market Value of a Class B Share as of the applicable Valuation Date shall, for purposes of the Plan, equal the average of the two (2) midpoints described herein. If the midpoint of the range of values set forth in the Second Independent Value is not within 10% of the midpoint of the range of values set forth in the Independent Value, then the MMC Committee shall recommend three (3) other nationally recognized independent valuation firms (and the Committee shall choose one such firm) that shall have the authority to determine which of the midpoints of the two (2) ranges of independent values described herein shall be the Fair Market Value of a Class B Share as of the applicable Valuation Date for purposes of the Plan.

iii) If the Committee believes that the Calculated Value as of a particular Valuation Date fails to incorporate a material change in Putnam's business circumstances, or otherwise does not fairly represent Putnam's current and projected business results, the Committee may, with the approval of the MMC Committee, engage a nationally recognized independent valuation firm to determine the Fair Market Value as of the applicable Valuation Date, using methodology consistent with that set forth in Section 3(i) of Exhibit B.

iv) Notwithstanding the above, if, as of any Valuation Date, no Fair Market Value has been established (as described herein), then, unless otherwise determined by the

Committee with the approval of the MMC Committee, there shall be no purchases or sales of Class B Shares or grants of Restricted Stock or Options pursuant to the Plan until such time that a valuation of Class B Shares shall have been finalized.

v) If Putnam at any time subdivides (by any stock split, stock dividend or otherwise) the Class B Shares into a greater number of shares, or combines (by reverse stock split or otherwise) the Class B Shares into a smaller number of shares, the Fair Market Value shall be appropriately adjusted to reflect such subdivision or combination. In the event of any other extraordinary circumstances as a result of which the Fair Market Value needs to be adjusted, such adjustments may be made by the Committee with the approval of the MMC Committee.

vi) For the purpose of determining Fair Market Value in connection with a Change in Control of Putnam, Change in Control of MMC or minority sale of Putnam under Section 9(c) (each, an "Event"), the Fair Market Value shall be determined without regard to the occurrence of such an Event.

vii) Notwithstanding the foregoing, the "Fair Market Value" of a Class B Share on any date on or after the occurrence of a Special Transaction shall equal the closing price per share of the publicly traded class of common stock of Putnam (or, in the case of a Special Transaction, other entity resulting from such Special Transaction) on such date, adjusted for the Discount (as defined in Exhibit B hereto).

O. "Grant Date" means, with respect to any Option, the date on which such Option is granted pursuant to the Plan and, with respect to any Restricted Stock, the date on which such Restricted Stock is granted or sold, as applicable, pursuant to the Plan.

P. "MMC" means Marsh & McLennan Companies, Inc., a Delaware corporation and any successor thereto.

Q. "MMC Board" means the Board of Directors of MMC.

R. "MMC Committee" means the Compensation Committee of the MMC Board.

S. "Non-Solicitation Agreement" shall mean the Non-Solicitation Agreement or any similar agreement or provision in effect from time to time between the Participant and Putnam.

T. "Option" means the right granted pursuant to the Plan to purchase one Class B Share at a price determined in accordance with Section 6(b)(ii).

U. "Participant" means any Employee designated by the Committee, with the approval of the MMC Committee, to participate in the Plan.

V. "Plan" means the Putnam Investments Trust Equity Partnership Plan, as amended from time to time.

W. "post-Special Termination Exercise Period" means (x) twelve (12) months (or, if shorter, the remaining term of the Option), in case of death or Total Disability, or (y) eighteen (18) months (or, if shorter, the remaining term of the Option), in case of Retirement. The post-Special Termination Exercise Period with respect to a Participant shall terminate immediately upon such Participant's breach of the Non-Solicitation Agreement or Participant's breach of any noncompetition agreement between Participant and Putnam.

X. "post-Termination Holding Period" means (x) the twelve-month period immediately following termination of Participant's employment due to death or Total Disability, (y) the twenty-four month period immediately following termination of Participant's employment due to Retirement or (z) the thirty-day period following termination of Participant's employment (in all other circumstances other than a termination for Cause). The post-Termination Holding Period with respect to a Participant shall terminate immediately upon such Participant's breach of the Non-Solicitation Agreement or Participant's breach of any noncompetition agreement between Participant and Putnam.

Y. "Public Offering" means the occurrence of any event (including an initial public offering or a partial spinoff, but excluding (1) any event that constitutes a Change in Control of MMC or a Change in Control of Putnam and (2) a Special Transaction) as a result of which shares of Putnam common stock become listed on a national or regional securities exchange or traded over the counter on the Nasdaq Stock Market.

Z. "Putnam" means Putnam Investments Trust, a Massachusetts business trust, and any successor thereto.

AA. "Restricted Stock" means a Class B Share subject to restrictions set forth in the Plan and the applicable Award Agreement.

BB. "Retirement" means a termination of Participant's employment under circumstances that the Committee determines as qualifying as retirement for purposes of the Plan and not inconsistent with the treatment of the Participant under other Putnam plans; provided, however, that as a condition of electing Retirement for purposes of the Plan, a Participant must execute a noncompetition agreement in form and on terms satisfactory to Putnam.

CC. "Special Option Window" means the first five (5) business days of each Window Period, and such other periods as the Committee may designate with the approval of the MMC Committee.

DD. "Special Termination" means termination of a Participant's employment by reason of Participant's death, Total Disability or Retirement.

EE. "Special Transaction" shall mean a business combination involving Putnam with another party (other than a Transaction (as defined in Section 9(c)) (i) that is consummated within three (3) years after the Effective Date, (ii) after giving effect to which MMC is the beneficial owner, directly or indirectly, of securities of Putnam (or other entity resulting from such business combination) representing more than 50% of the voting power of the securities of Putnam (or such resulting entity) and (iii) in connection with which the shares of Putnam (or such resulting entity) become listed on a national or regional securities exchange or traded over the counter on the Nasdaq Stock Market. Notwithstanding the above, no transaction will be deemed a Special Transaction unless the value of the other party to such business combination with Putnam exceeds 10% or more of the value of Putnam immediately prior to such business combination. If such party to the business combination does not exceed 10% of the value of Putnam immediately prior to such business combination, such transaction shall be treated as a Public Offering.

FF. "Subsidiary" means any corporation, limited liability company or limited partnership a majority of whose outstanding voting securities is owned, directly or indirectly, by Putnam.

GG. "Total Disability" means a total disability within the meaning of any long-term

disability plan maintained for the benefit of the Employee in question or, if the Employee is not covered by such a disability plan, then as determined by the Committee. A person will be considered to have terminated due to "Total Disability" on the first day of his continuous absence from work on account of the disability supporting his certification as having a Total Disability.

HH. "Unforeseen Personal Hardship" means financial hardship arising from (i) extraordinary medical expense or other expenses directly related to illness or disability of the Participant, a member of the Participant's immediate family or one of the Participant's parents, (ii) payments necessary or required to prevent the eviction of Participant from Participant's principal residence or foreclosure on the mortgage on that residence or (iii) such other comparable circumstances as determined by the Committee in its discretion. The Committee's reasoned and good faith determination of Unforeseen Personal Hardship shall be binding on Putnam and the Participant.

II. "Window Period" means each of (i) the period of not less than ten (10) and not more than twenty (20) consecutive business days designated by the Committee in September of each calendar year commencing in 1998, (ii) the period of not less than ten (10) and not more than twenty (20) consecutive business days designated by the Committee in March of each calendar year commencing in 1998 and (iii) such other periods as the Committee may designate with the approval of the MMC Committee.

(b) Gender and Number. Except when otherwise indicated by the context, words in the masculine gender used in the Plan shall include the feminine gender, the singular shall include the plural, and the plural shall include the singular.

Section 3. Eligibility and Participation

Participants in the Plan shall be those Employees selected by the Committee with the approval of the MMC Committee. The selection of an Employee as a Participant at any time shall neither entitle such Employee to nor disqualify such Employee from participation in the Plan in the future or from participation in any other award or incentive plan.

Section 4. Administration

(a) Power to Grant. The Committee shall, with the approval of the MMC Committee, determine the Participants to whom Options and Restricted Stock shall be granted or sold and the terms and conditions of any and all Options and Restricted Stock granted or sold to Participants. The Board shall determine whether to repurchase Class B Shares pursuant to the Plan and the terms and conditions of any such repurchase.

(b) Administration. Except as set forth in the Plan, the Committee shall be responsible for the administration of the Plan. Any authority exercised by the Committee under the Plan shall be exercised by the Committee in its sole discretion. Subject to the terms of the Plan and except as set forth in the Plan, the Committee, by majority action thereof, is authorized to prescribe, amend and rescind rules and regulations relating to the administration of the Plan, to provide for conditions and assurances deemed necessary or advisable to protect the interests of Putnam and MMC, and to make all other determinations necessary or advisable for the administration and interpretation of the Plan in order to carry out its provisions and purposes. Except as set forth in the Plan, determinations, interpretations or other actions made or taken pursuant to the provisions of the Plan by the Committee and, where applicable, the Board shall be final, binding and conclusive for all purposes and upon all persons. Notwithstanding the foregoing or any other provision of the Plan, the Committee shall advise the MMC Committee of any determinations, interpretations or any other actions it intends to make or to take pursuant to the provisions of the Plan with

respect to Section 8(b)(ii) or Section 9 prior to making any such determination or interpretation or taking other action. In the event the MMC Committee disagrees with such intended determination, interpretation or action, the Committee and the MMC Committee shall negotiate in good faith to arrive at a resolution to such disagreement; failing which the Committee and the MMC Committee shall submit the matter to arbitration under the rules of the American Arbitration Association. Nothing in the Plan shall limit the right of members of the Committee who are Employees to receive awards hereunder.

Section 5. Awards Under the Plan

(a) Types of Awards. Options and Restricted Stock may be granted to Participants under the Plan and Restricted Stock may be sold to Participants under the Plan. Grants of Options may be made in tandem with grants or sales of Restricted Stock or independently.

(b) Number of Class B Shares Subject to Awards. Subject to the provisions of Sections 5(c) and 5(d), the number of Class B Shares (including those subject to Options and Restricted Stock) that may be granted or sold under the Plan shall be equal to, as of the date of any such grant or award, the product of (a) the sum of the number of (i) 88,000,000, being the number of Class A Shares outstanding on July 6, 1999 plus (ii) 2,223,111 Class A Shares issued pursuant to Section 1(a) of that certain Agreement dated as of July 7, 1999 by and between Putnam and Marsh & McLennan Companies, Inc. (the "Agreement") plus (iii) Class A Shares issued from time to time pursuant to Section 1(b) of the Agreement, and (b) the quotient of 12 divided by 88. Class B Shares to be delivered upon the exercise of Options granted under the Plan and the sale or grant of Restricted Stock under the Plan may consist, in whole or in part, of treasury Class B Shares or authorized but unissued Class B Shares.

(c) Cancelled, Terminated or Forfeited Awards. Any Option or Restricted Stock that for any reason is cancelled, terminated or otherwise forfeited, in whole or in part, without having been exercised (including any Class B Shares purchased by Putnam pursuant to Sections 7 or 8), shall again be available for grant under the Plan.

(d) Adjustment in Capitalization. The number of Class B Shares available for issuance upon exercise of Options and upon grant or sale of Restricted Stock under the Plan, the number of Class B Shares subject to outstanding Options, the number of outstanding shares of Restricted Stock and the exercise price of outstanding Options may be adjusted by the Committee, subject to the approval of the MMC Committee, if the Committee shall deem such an adjustment to be necessary or equitable to reflect any dividend, stock split or share combination or any recapitalization, merger, consolidation, exchange of shares, liquidation or dissolution of Putnam or similar corporate event.

(e) Legend. While it is not generally contemplated that certificates be issued, any share certificate representing Class B Shares that may be issued shall bear a legend substantially in the following form:

"Ownership of the shares represented by this certificate is generally restricted to employees of Putnam Investments Trust or its subsidiaries and subject to other restrictions set forth in the Putnam Investments Trust Equity Partnership Plan and in the Declaration of Trust of Putnam Investments Trust. Class B Shares represented by this certificate may not be sold, pledged, mortgaged, encumbered, disposed of or otherwise transferred to any person except Putnam Investments Trust or otherwise in accordance with the provisions of the Putnam Investments Trust Equity Partnership Plan and the Declaration of Trust of Putnam Investments Trust; any other attempt to sell, pledge, mortgage, encumber, dispose of or otherwise transfer these shares will be null, void and of no effect ab initio, will not be recognized by Putnam Investments Trust and will not entitle the purported transferee to any rights of a shareholder or impose any obligations on Putnam Investments Trust. either with respect to these shares or the purported transferee. If, however, a court determines that a transfer is nonetheless valid, the shares so transferred will be

repurchased from the transferee forthwith at Fair Market Value, as defined in the Putnam Investments Trust Equity Partnership Plan. The Class B Shares represented by this certificate have not been registered under the Securities Act of 1933, as amended, or any state securities law. Except as required by law or by Section 11(h) of the Putnam Investments Trust Equity Partnership Plan, the holders of Class B Shares shall not be entitled to vote on any matter submitted to the vote of the stockholders of Putnam Investments Trust. Putnam Investments Trust will provide upon request of the Secretary of Putnam Investments Trust a copy of the Putnam Investments Trust Equity Partnership Plan and the Declaration of Trust of Putnam Investments Trust."

Any "book entry" in the records of Putnam evidencing such Class B Shares shall bear a notation of similar effect to the legend set forth above.

Section 6. Terms of Awards

(a) Restricted Stock.

i) Restricted Stock may be granted or sold to Participants at such time or times, in such amounts and for such prices as may be determined by the Committee, subject to the approval of the MMC Committee. Each grant or sale of Restricted Stock shall be evidenced by an Award Agreement that shall specify the number of shares of Restricted Stock, the purchase price, if any, for each share of Restricted Stock and such other terms consistent with the Plan as the Committee, subject to the approval of the MMC Committee, shall determine, including customary representations, warranties and covenants with respect to securities law matters and provisions calling for execution by Participant of a General Release of all claims against Putnam (and any of its officers, directors or employees) in form satisfactory to Putnam, and/or forfeiture of all or any portion of Restricted Stock or Class B Shares (or all or any portion of the proceeds from any sales thereof) upon violation of the Participant's Non-Solicitation Agreement or noncompetition agreement between Participant and Putnam. As soon as practicable following the grant of Restricted Stock, or, with respect to purchased Restricted Stock, as soon as practicable following receipt of payment in full of the purchase price of such Restricted Stock, a "book entry" shall be made in the records of Putnam to evidence such award or sale of Restricted Stock. No certificate or certificates representing the Restricted Stock acquired shall be issued to the Participants.

ii) Unless determined otherwise by the Committee with the approval of the MMC Committee, Restricted Stock shall only be sold for a purchase price per share of Restricted Stock equal to the Fair Market Value as of the Grant Date. Subject to all of the terms and conditions of the Award Agreement, the Committee shall establish procedures governing the payment of purchase price for Restricted Stock that is sold under the Plan.

iii) Subject to Sections 7, 8 and 9, and unless otherwise determined by the Committee with the approval of the MMC Committee, all Restricted Stock granted or sold to a Participant at any time shall vest in accordance with the vesting schedule set forth in the applicable Award Agreement, provided that the Committee, subject to the approval of the MMC Committee, may accelerate the vesting of any Restricted Stock, at any time and from time to time. Upon vesting, a share of Restricted Stock ceases to be a share of Restricted Stock and shall be treated, pursuant to the Plan, as a Class B Share.

iv) Within 30 days of the Grant Date, the Participant shall give notice to Putnam if he or she has made an election pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, with respect to the Restricted Stock purchased by or granted to the Participant, and in absence of such notification the Participant shall be deemed to not have made such election. The Participant will be solely responsible for any and all tax liabilities payable by him or her in connection with his or her receipt of the Restricted Stock or attributable to his or her making or failing to make such an election.

(b) Options.

i) Options may be granted to Participants at such time or times and covering such number of Class B Shares as shall be determined by the Committee, subject to the approval of the MMC Committee, either independently or in tandem with a grant or sale of Restricted Stock. Each Option granted to a Participant shall be evidenced by an Award Agreement that shall specify the exercise price at which a Class B Share may be purchased pursuant to such Option, the duration of such Option and such other terms consistent with the Plan as the Committee, subject to the approval of the MMC Committee, shall determine, including customary representations, warranties and covenants with respect to securities law matters and provisions calling for forfeiture of all or any portion of the Option, all or any portion of the Class B Shares acquired upon exercise thereof, or all or any portion of the proceeds from the cancellation of the Option or from any sales of such Class B Shares upon violation of the Participant's Non-Solicitation Agreement.

ii) Unless determined otherwise by the Committee, with the approval of the MMC Committee, the exercise price per Class B Share to be purchased upon exercise of an Option shall be the Fair Market Value as of the Grant Date.

iii) Subject to Sections 7, 8 and 9, Options granted to a Participant shall become exercisable in accordance with the vesting schedule set forth in the applicable Award Agreement; provided that the Committee, subject to the approval of the MMC Committee, may accelerate the exercisability of any Option at any time and from time to time; and provided further that Options may not be exercised during the period commencing with the public announcement of a proposed Public Offering and ending on the earliest of (1) consummation of such Public Offering, (2) abandonment of such Public Offering and (3) the six-month anniversary of such public announcement. Notwithstanding any other provision of the Plan, each Option shall terminate on and shall not be exercisable after the tenth anniversary of the Grant Date of such Option.

iv) Options may be exercised only during any Special Option Window or, in accordance with the provisions of Section 7, following the termination of Participant's employment and, unless such condition is waived by the Committee, only if the Participant is an Accredited Investor at the time of such exercise. The Committee shall establish procedures governing the exercise of Options, which procedures shall generally require that written notice of the exercise thereof be given, which notice shall be substantially in the form attached hereto as Exhibit D, and that the exercise price thereof be paid in full in cash or cash equivalents, including by personal check, or, at the Committee's election, by tendering Class B Shares with the aggregate Fair Market Value equal to the exercise price, or by combination of the above at the time of exercise; PROVIDED, HOWEVER, that any Class B Shares so tendered must have been held by the Participant for six (6) months or more following the date of vesting of such shares. As soon as practicable after receipt of a written exercise notice and payment in full of the exercise price of any exercisable Options, a "book entry" shall be made in the records of Putnam to evidence such exercise. No certificate or certificates representing the Class B Shares acquired upon such exercise shall be issued to the Participants.

Section 7. Termination of Employment; Unforeseen Personal Hardship

(a) Special Termination. Unless otherwise determined by the Committee with the approval of MMC (such determination to occur only in individual isolated situations), in the event that a Participant's employment with Putnam and the Subsidiaries terminates by reason of a Special Termination:

i) each Option then held by the Participant, whether or not exercisable as of the date of such termination, shall immediately vest and become fully exercisable and shall remain exercisable until expiration of the post-Special Termination Exercise Period (or, if shorter, until expiration of the remaining term of such Option). Any Options held by the Participant that are not exercised prior to expiration of the

post-Special Termination Exercise Period (or prior to expiration of the remaining term of such Option, if shorter) shall terminate and be cancelled upon the expiration of such period (or, if shorter, the expiration of the term of such Option);

ii) subject to such conditions as the Committee may prescribe (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the Class B Shares, or all or any portion of the proceeds from the sale thereof, upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam), any Restricted Stock held by the Participant shall be fully vested as of the date of such termination.

(b) Termination for Cause. Unless otherwise determined by the Committee with the approval of MMC (such determination to occur only in individual isolated situations), in the event that a Participant's employment with Putnam and the Subsidiaries is terminated for Cause:

i) any Options then held by such Participant (whether or not then exercisable) shall terminate and be cancelled immediately upon such termination of employment;

ii) except as provided in (iii) below, any Class B Shares and Restricted Stock that are then held by such Participant shall terminate and be cancelled immediately upon such termination, and the Participant shall no longer have any rights with respect to such Class B Shares and shares of Restricted Stock;

iii) subject to authorization by the Board and to such conditions as the Committee may prescribe (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the amounts received pursuant to this clause (iii) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam), with respect to any Class B Shares or Restricted Stock then held by such Participant that relate to shares of Restricted Stock that, as specifically set forth in the applicable Award Agreement, were sold to the Participant ("Purchased Shares"), such Class B Shares or Restricted Stock shall terminate and be cancelled immediately upon such termination in exchange for payment in cash, with respect to each Class B Share or share of Restricted Stock so cancelled, of an amount equal to the lesser of (x) the Fair Market Value as of the date of termination and (y) the purchase price per share paid by the Participant for such Class B Share or share of Restricted Stock (plus interest from the date of purchase at a variable rate equal to the ninety day United States Treasury rate, compounded), and upon such cancellation the Participant shall no longer have any rights with respect to such Class B Shares or shares of Restricted Stock except for the right to receive the payment set forth herein; and

iv) to the extent provided for in the Award Agreement, all or any portion of the proceeds received by the Participant from any sales of Class B Shares or shares of Restricted Stock or from the cancellation of Class B Shares, Restricted Stock or Options shall be returned to Putnam.

(c) Involuntary Termination Other Than for Cause. Unless otherwise determined by the Committee with the approval of MMC (such determination to occur only in individual isolated situations), in the event that a Participant's employment with Putnam and the Subsidiaries is terminated by Putnam other than for Cause:

i) each Option then held by the Participant, whether or not exercisable as of the date of such termination, shall immediately vest and become fully exercisable and shall remain exercisable at any time during the thirty (30) days following such termination (or, if shorter, until expiration of the remaining term of such Option).

ii) subject to such conditions as the Committee may prescribe (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the Class B Shares, or all or any portion of the proceeds from the sale thereof, upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam), any Restricted Stock held by the Participant shall be fully vested as of the date of such termination.

(d) Other Termination of Employment. Unless otherwise determined by the Committee with the approval of MMC (such determination to occur only in individual isolated situations), in the event that a Participant's employment with Putnam and the Subsidiaries is terminated other than in the circumstances described in Sections 7(a) through 7(c) above:

i) each Option held by such Participant, to the extent exercisable as of the date of such termination, may be exercised at any time during the thirty (30) days following such termination (or, if shorter, until expiration of the remaining term of the Option). Each Option held by the Participant, to the extent not exercisable at the date of the Participant's termination of employment, shall terminate and be cancelled immediately upon such termination, and any Options described in the preceding sentence that are not exercised prior to expiration of the applicable period described in such sentence shall terminate and be cancelled upon the expiration of such period;

ii) except as provided in (iii) below, any Restricted Stock that is then held by such Participant shall terminate and be cancelled immediately upon such termination, and the Participant shall no longer have any rights with respect to such shares of Restricted Stock, except the right to receive any Dividends declared on a date when the Participant was holder of record of such Restricted Stock; and

iii) subject to authorization by the Board and to such conditions as the Committee may prescribe (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the amounts received pursuant to this clause (iii) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam), with respect to any shares of Restricted Stock that relate to Purchased Shares, such Restricted Stock shall terminate and be cancelled immediately upon such termination in exchange for payment in cash, with respect to each share of Restricted Stock so cancelled, of an amount equal to (1) if the termination was by Putnam or its Subsidiaries, the Fair Market Value as of the date of termination, and (2) if the termination was by the Participant, the lesser of (x) the Fair Market Value as of the date of termination and (y) the purchase price per share paid by the Participant for such Restricted Stock (plus interest from the date of purchase at a variable rate equal to the ninety-day United States Treasury rate, compounded). Upon any such cancellation the Participant shall no longer have any rights with respect to such shares of Restricted Stock except for the right to receive the payment set forth herein.

(e) Treatment of Class B Shares Held upon Termination of Employment or Acquired Thereafter.

i) If the Participant's employment with Putnam and its Subsidiaries terminates for any reason whatsoever (other than a termination for Cause), Putnam (in the discretion of the Board) shall have an option ("Repurchase Option") to purchase all or less than all of the Class B Shares then held or thereafter acquired by the Participant (or, if his employment was terminated by his death, his estate) at any time following the expiration of the post-Termination Holding Period, upon giving notice in writing to the Participant (or his estate) of its election to exercise such Repurchase Option. Notwithstanding the above, the Repurchase Option may not be exercised by Putnam prior to the date six (6) months following (A) the vesting date of the Class B Shares or (B) date of exercise in the case of Class B Shares acquired upon exercise of Options.

ii) Each Participant may request, in a written notice delivered to the Committee during the post-Termination Holding Period, that Putnam (in the discretion of the Board) purchase all or some of the Class B Shares then held by the Participant, but Putnam shall have no obligation to purchase such Class B Shares. Notwithstanding the above, no Participant may offer to Putnam any Class B Shares that have been held by the Participant for less than six (6) months from the date of vesting of such shares.

iii) So long as the Repurchase Option is exercisable but not exercised as provided herein, the Participant (or his or her estate) shall be entitled to retain or transfer such Class B Shares, subject to all of the provisions of this Plan (including, without limitation, Sections 8 and 9) and the Declaration of Trust of Putnam.

iv) Following any exercise of the Repurchase Option by Putnam, the Participant shall no longer have any rights with respect to the Class B Shares so purchased except for the right to receive the payment set forth herein. All purchases pursuant to this Section 7(d) by Putnam shall be for a purchase price per Class B Share equal to Fair Market Value as of the date of sale and shall be subject to such further conditions as the Committee may prescribe (including forfeiture by the Participant of all or any portion of the amounts received pursuant to this Section 7(d) upon violation of the Participant's Non-Solicitation Agreement).

v) The provisions of this Section 7(d) shall apply only to Class B Shares that have not been forfeited or purchased pursuant to Sections 7(a), (b) and (c) hereof.

(f) Unforeseen Personal Hardship. In the event that a Participant, while in the employment of Putnam or any Subsidiary, experiences Unforeseen Personal Hardship, the Board will carefully consider any request by the Participant that Putnam purchase the Participant's Class B Shares at a price per Class B Share equal to Fair Market Value, but Putnam shall have no obligation to purchase such Class B Shares. The Board shall consider such request with respect to Unforeseen Personal Hardship as soon as practicable after receipt by the Committee of a written request by the Participant, such request to include sufficient details of the Participant's Unforeseen Personal Hardship to permit the Board to review the request and the circumstances in an informed manner, and the Board may prescribe such conditions to Putnam's purchase of such Class B Shares as it deems appropriate.

Section 8. Transfer of Awards

(a) Nontransferability of Awards.

i) Except as provided in the Plan or as determined by the Committee, neither the Participant nor any of his heirs or representatives shall sell, assign, transfer, pledge or otherwise directly or indirectly dispose of or encumber any of the Options, Restricted Stock or Class B Shares to or with any other person, firm or corporation (including, without limitation, transfers to any other holder of Putnam's capital stock, dispositions by gift, by will and by operation of law) other than a transfer of Options, Restricted Stock or Class B Shares by operation of law to the estate of the Participant upon the death of the Participant, provided that such estate agrees to be bound by all provisions of the Plan and the applicable Award Agreement.

ii) A Participant may not transfer Options, Restricted Stock and Class B Shares, except that, upon the approval of the Committee (such approval to be granted only in individual isolated situations), a Participant may transfer Options, Restricted Stock and Class B Shares to members of such Participant's Immediate Family (as defined below) if the Participant does not receive any consideration for the transfer. "Immediate Family" refers to children, grandchildren and spouse of the Participant or one or more trusts exclusively for the benefit of such family members or partnerships in which such family

members are the only partners; provided such transfer may not be consummated unless such intended transferee shall have agreed in writing to make and be bound by the representations, warranties and covenants set forth in the Plan and the applicable Award Agreement, pursuant to an instrument of assumption satisfactory in substance and form to Putnam; and provided further that such transferee holds such transferred Options, Class B Shares and Restricted Stock as if no such transfer had occurred. For example, if a Participant transfers Class B Shares pursuant to this Section 8(a)(ii) to his or her child and such Participant is subsequently terminated for Cause, the child must forfeit such transferred Class B Shares in accordance with the terms of the Plan as if the Participant held such Class B Shares at the time of such termination.

iii) If, notwithstanding provisions of the Plan, a court determines that a transfer that is not permitted pursuant to the terms hereof is nonetheless valid, the Class B Shares, Restricted Stock or Options so transferred will be repurchased from the transferee forthwith at a price per Class B Share (or share of Restricted Stock) equal to Fair Market Value (or, in the case of an Option, at a price per Class B Share underlying such Option equal to the excess, if any, of the Fair Market Value over the exercise price per Class B Share of such Option) and in no case will any such transferee have any rights with respect to such Class B Shares, Restricted Stock or Options except for the right to receive the payment set forth herein.

(b) Sales of Class B Shares and Restricted Stock to Putnam;
Cancellation of Options.

i) Each Participant may request, in a written notice delivered to the Board during a Window Period, or, in accordance with Section 7, following the termination of a Participant's employment, that Putnam purchase all or some of the Class B Shares then held by the Participant, but Putnam shall have no obligation to purchase such Class B Shares. Notwithstanding the above, no Participant may offer to Putnam any Class B Shares that have been held by the Participant for less than six (6) months from the date of vesting of such shares. All purchases by Putnam pursuant to this Section 8(b)(i) shall be made effective as of the last day of the applicable Window Period or, in the event of termination, as of the date of purchase, shall be for a purchase price per Class B Share equal to Fair Market Value as of the date of the sale and shall be subject to such conditions as the Committee or the Board may prescribe in the Award Agreement or otherwise (including forfeiture of all or any portion of the proceeds of such purchase upon violation of the Participant's Non-Solicitation Agreement).

ii) Putnam may (1) cancel all or some of the Options then held by the Participant in exchange for a payment in cash, with respect to each Option so cancelled, of an amount equal to the number of Class B Shares subject to the Option multiplied by the excess, if any, of the Fair Market Value per Class B Share on the date of such cancellation over the exercise price per Class B Share for such Option and (2) cancel all or some of the Class B Shares and shares of Restricted Stock in exchange for a payment in cash, with respect to each Class B Share or share of Restricted Stock so cancelled, of an amount equal to Fair Market Value of a Class B Share on the date of the cancellation; provided, however, that (1) a determination to effect a complete cancellation of Options, Class B Shares and Restricted Stock can be made only (x) if directed by the MMC Committee (in which case the Board shall authorize such complete cancellation) or (y) by the Board (with the approval of the MMC Committee); (2) a determination to effect a partial cancellation of Options, Class B Shares and Restricted Stock can be made only by the Board (with the approval of the MMC Committee); and (3) amounts otherwise payable under this paragraph (ii) may be subject to such conditions (including forfeiture of all or any portion of amounts received pursuant to this paragraph (ii) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam), as may be prescribed in the Award Agreement or otherwise. In the event of a complete cancellation of Options, Class B Shares and Restricted Stock, the Plan shall terminate. It is generally intended that any partial cancellation pursuant to this Section 8(b)(ii) shall be accomplished in a manner calculated, in the Board's sole discretion, to affect all Participants ratably and equitably; provided, however, that nothing herein shall prohibit such cancellation on an individual or any

other basis. Notwithstanding the foregoing, if within a twelve-month period immediately following a cancellation pursuant to this Section 8(b)(ii), there occurs a Change in Control of MMC, a Change in Control of Putnam, a Transaction (as defined in Section 9(c) hereof), a Public Offering or a Special Transaction (collectively, an "Event");

(1) in the case of a Change in Control of MMC or a Change in Control of Putnam, each Participant shall be entitled to receive, with respect to each Class B Share, share of Restricted Stock and Option so cancelled, (x) in the case of Class B Shares or shares of Restricted Stock, an additional amount in cash equal to the excess, if any, of the Fair Market Value of a Class B Share on the date of such Change in Control over the Fair Market Value of a Class B Share on the date of cancellation, or, in the case of an Option so cancelled, an additional amount in cash equal to the excess, if any, of the Fair Market Value of a Class B Share on the date of such Change in Control over the higher of the Fair Market Value of a Class B Share on the date of cancellation and the exercise price per Class B Share subject to such Option, and (y) an additional amount in cash equal to the Additional Payment (as defined in Section 9(a) hereof), as if the awards had not been so cancelled, the entitlement to the Additional Payment being subject to the same terms and conditions set forth in said Section 9(a);

(2) in the case of a Transaction, each Participant shall be entitled to receive, with respect to that percentage (equal to the MMC Percentage, as defined in Section 9(c) hereof) of the Class B Shares, shares of Restricted Stock and Options so cancelled, (x) in the case of Class B Shares or shares of Restricted Stock, an additional amount in cash equal to the excess, if any, of the Fair Market Value of a Class B Share as of the date of the Transaction over the Fair Market Value of a Class B Share as of the date of cancellation, or, in the case of an Option so cancelled, an additional amount in cash equal to the excess, if any, of the Fair Market Value of a Class B Share as of the date of the Transaction over the higher of the Fair Market Value of a Class B Share on the date of cancellation and the exercise price per Class B Share subject to such Option, and (y) an additional amount in cash equal to the Additional Tag-Along Payment (as defined in Section 9(c) hereof), as if the awards had not been so cancelled and the Participant had exercised the rights referred to in Section 9(c) hereof, the entitlement to the Additional Tag-Along Payment being subject to the same terms and conditions set forth in said Section 9(c);

(3) in the case of a Public Offering, each Participant shall be entitled to receive, with respect to each Class B Share, share of Restricted Stock and Class B Share subject to an Option so cancelled, an additional amount in cash equal to the excess, if any, of the per share price paid in respect of shares of capital stock of Putnam issued or sold in the Public Offering (which price shall be equitably adjusted, to the extent appropriate, by the Committee with the approval of the MMC Committee in the event that the shares of Putnam common stock issued or sold in the Public Offering are not Class A Shares) over (x) in the case of Class B Shares or Restricted Stock so cancelled, the Fair Market Value of a Class B Share as of the date of cancellation and (y) in the case of an Option so cancelled, the higher of the Fair Market Value of a Class B Share as of the date of cancellation or the exercise price per Class B Share subject to such Option; and

(4) in the case of a Special Transaction, each Participant shall be entitled to receive, with respect to that percentage (equal to the Publicly Traded Transaction Percentage, as defined in Section 9(d) hereof) of the Class B Shares, shares of Restricted Stock and Options so cancelled, an additional amount in cash equal to the excess, if any, of the per share price of the shares of capital stock of Putnam issued to the

public in connection with the Special Transaction (which price shall be equitably adjusted, to the extent appropriate, by the Committee with the approval of the MMC Committee in the event that the shares of Putnam common stock issued or sold in the Special Transaction are not Class A Shares) over (x) in the case of Class B Shares or Restricted Stock so cancelled, the Fair Market Value of a Class B Share as of the date of cancellation and (y) in the case of an Option so cancelled, the higher of the Fair Market Value of a Class B Share as of the date of cancellation or the exercise price per Class B Share subject to such Option.

iii) Following any receipt of notice from Putnam relating to any cancellation pursuant to Section 8(b)(ii), the Participant shall no longer have any rights with respect to the Class B Shares, Restricted Stock and Options so cancelled, except for the right to receive the payments described herein on the terms and conditions provided herein. All purchases pursuant to this Section 8(b) by Putnam shall be for a purchase price per Class B Share equal to Fair Market Value as of the date of sale.

(c) Certain Other Permitted Transfers of Class B Shares. If a Participant requests that Putnam purchase all or some of the Class B Shares then held by the Participant in accordance with Section 8(b)(i) and Putnam does not purchase the Class B Shares so offered ("Refused Shares") then, during the thirty-day period immediately following the date the Class B Shares were refused by Putnam, the Participant may accept an offer (which must be in writing and for Fair Market Value as of the date that the Class B Shares were refused by Putnam) from, and sell to, any Participant who (unless such condition is waived by the Committee with the approval of the MMC Committee) is then an Accredited Investor and an Employee seeking to purchase all or any part of the Refused Shares. Upon receipt of such offer (and prior to acceptance thereof), the Participant shall give notice in writing to Putnam (i) designating the number of Refused Shares to be sold, (ii) naming the purchaser of such Refused Shares and (iii) specifying the price and terms of the sale; provided such sale may not be consummated unless such intended purchaser shall have agreed in writing to make and be bound by the representations, warranties, covenants and conditions set forth in the Plan and the applicable Award Agreement, pursuant to an instrument of assumption satisfactory in substance and form to Putnam. Any Class B Shares so transferred shall be subject to all of the terms and conditions of the Plan and the applicable Award Agreement, except that the transferee-Participant shall be substituted for the transferor-Participant with respect to any such applicable terms and conditions.

(d) Automatic Exchange of Shares or Units. Putnam, by action of the Committee (with the approval of the MMC Committee), may exchange the then Class B Shares and shares of Restricted Stock for shares or units and restricted shares or units, as the case may be, of another entity and substitute shares and units of another entity for Class B Shares subject to options in one or more transactions at one or more times, provided that (x) immediately following each such exchange, the sole assets of such other entity shall be shares of, or other equity interest in, Putnam (or a successor or parent of Putnam) and assets of Putnam (including, without limitation, any right under the Plan, any other equity plan of Putnam, or related to such plans) and (y) the rights of the then holders of Class B Shares and shares of Restricted Stock shall not, in the judgment of the Committee, be materially adversely affected (defined so as to include, without limitation, for purposes of this subsection, being "adversely affected" under Section 77 of the Massachusetts Business Corporation Law (or any successor statute thereto), as may be in effect or amended from time to time, to the extent such Section would have been applicable to, and as a consequence of its application voting rights would have been granted in connection with, such transaction if a corporate entity incorporated under the laws of the Commonwealth of

Massachusetts were engaged in such transaction) as a result of such exchange (it being understood that an exchange (by merger, consolidation or an exchange of units or shares) of units of a business trust for shares of a corporate entity shall not be deemed to have such a material adverse affect as a result of the different entity level taxes to be paid by a business trust and a corporation and that an exchange (by merger, consolidation or an exchange of units and shares) of units of a business trust for shares of a corporate entity incorporated under the laws of the Commonwealth of Massachusetts with terms substantially similar to those set forth in Putnam Investment, Inc.'s Articles of Organization in effect on the date shares were first issued pursuant to the Plan and as such terms may have been modified in the declaration of trust of the business trust or under Massachusetts corporate law, shall automatically be deemed to not have such a material adverse affect). Following any such exchange, references in the Plan to Class B Shares or Class A Shares shall be deemed to refer to the shares or units issued in exchange therefor, references in the Plan to shares of Restricted Stock shall be deemed to refer to the shares or units issued in exchange therefor which, following any such exchange, shall remain subject to the restrictions and other terms of the Restricted Stock and references in the Plan to Putnam and the Articles of Organization of Putnam shall be deemed, respectively, to refer to the entity whose shares or units were issued in the exchange and the corresponding sections of the organizational documents of such entity. In addition, following any exchange and in accordance with Section 5(d), all options to purchase Class B Shares shall thereafter be options to purchase shares or units issued in exchange for the Class B Shares. Following any such exchange, the officers of Putnam are authorized and directed to take all appropriate actions to reflect the exchange and the share/unit ownership transfers and issuances effected thereby.

Section 9. Change in Control; Sale by MMC; Public Offering; Special Transaction

(a) Change in Control. In the event of a Change in Control of MMC or a Change in Control of Putnam, subject to such conditions as may be prescribed by the Committee in the Award Agreement or otherwise (including forfeiture of all or any portion of the amounts paid or payable pursuant to this Section 9(a) upon violation of the Participant's Non-Solicitation Agreement):

i) all outstanding Options and Restricted Stock shall become fully vested immediately prior to the consummation of either such Change in Control;

ii) all outstanding Options shall be cancelled as of the date of either such Change in Control in exchange for a cash payment by Putnam equal to the amount determined under clause (A) of the first sentence of Section 8(b)(ii) hereof;

iii) all Class B Shares shall be cancelled as of the date of either such Change in Control in exchange for a cash payment by Putnam equal to the amount determined under clause (B) of the first sentence of Section 8(b)(ii) hereof;

iv) subject to the succeeding provisions of this Section 9(a), each holder of an Option ("Optionee") and each holder of Class B Shares shall be entitled to receive from Putnam, with respect to each Option or Class B Share (as the case may be) then outstanding, an additional cash amount (the "Additional Payment") equal to (A) the product of (I) the number of Class B Shares subject to the Options cancelled hereunder (in the case of an Optionee) or the number of Class B Shares cancelled hereunder (in the case of a holder of Class B Shares) and (II) the excess, if any, of (1) the per share price payable in respect of Class A Shares in connection with a Change in Control of Putnam (or, in the event of a Change in Control of MMC, the "fully distributed trading value" of a Class B Share as of the date of such Change in Control, determined in accordance with Exhibit B hereof) over (2) in the case of a Class B Share so cancelled, the Fair Market Value of such Class B Share as of the date of the applicable Change in Control, and in the case of an Option so cancelled, the higher of the Fair Market Value of a Class B Share as of the date of the applicable Change in Control and the exercise price per Class B Share subject to such Option, plus or minus (B) any earnings or losses (as hereinafter described) on the amount determined under (A) above; and

v) the Plan shall terminate.

The rights of an Optionee or a holder of Class B Shares to the Additional Payment shall vest at the rate of 33.33% on each of the first three anniversaries of the applicable Change in Control if such Optionee or holder of Class B Shares remains continuously employed with Putnam or any of its Subsidiaries or affiliates and any nonvested amounts shall be forfeited upon the Optionee's or Class B Share holder's termination of employment for any reason; provided, however, that in the event of a Special Termination or an involuntary termination without Cause (in either case, determined in the manner in effect immediately prior to the applicable Change in Control), the Optionee's or Class B Share holder's rights to the Additional Payment shall become fully vested. Any Additional Payment forfeited by a Participant shall revert to Putnam. Upon occurrence of either such Change in Control, Putnam shall establish one or more grantor trusts and promptly contribute thereto the aggregate amount described in clause (iv)(A) above in respect of each Optionee and holder of Class B Shares. Such grantor trust shall permit each such Optionee and holder of Class B Shares to direct the investment of funds held for his benefit in the trust among the various Putnam funds and such other investments as may be designated by the Committee.

(b) Public Offering. Upon a Public Offering, subject to such conditions as may be prescribed by the Committee in the Award Agreement or otherwise (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors of employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the amounts paid or payable pursuant to this Section 9(b) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Putnam and Participant):

i) in accordance with Section 4.2.6 of the Declaration of Trust of Putnam, each Class B Share and each share of Restricted Stock shall be converted into one Class A Share;

ii) all Restricted Stock shall remain subject to the same vesting schedule and other terms and conditions as were in effect immediately prior to such Public Offering. In addition, all Class A Shares issued pursuant to clause (i) above shall be subject to such customary transfer restrictions as shall be reasonably required by the managing underwriter of such Public Offering;

iii) each Option that is outstanding immediately prior to such Public Offering shall be converted into an Option for that number of Class A Shares equal to the number of Class B Shares subject to such Option, at an exercise price equal to the exercise price of such Option immediately prior to the Public Offering. With respect to any Option (or portion of an Option) that is vested immediately prior to the Public Offering, such Option (or such portion of an Option) shall be otherwise subject to the same terms and conditions to which such Option (or such portion of an Option) was subject immediately prior to the Public Offering. With respect to any Option (or a portion of an Option) that is not vested immediately prior to the Public Offering, such Option (or such portion of an Option) shall vest with respect to 25% of shares subject thereto on each of the first, second, third and fourth anniversaries of the Public Offering and shall be otherwise subject to the same terms and conditions to which such Option (or such portion of an Option) was subject immediately prior to the Public Offering;

iv) holders of vested Class A Shares resulting from the conversion described herein shall be entitled to such registration rights as may be deemed appropriate by the Committee with the approval of the MMC Committee; provided however, nothing contained herein shall limit the rights of such holders to sell their vested Class A Shares pursuant to Rule 144 promulgated under the Securities Act; and

v) if a Public Offering occurs in connection with a Transaction, then, first, the

applicable provisions of Section 9(c) will apply and then, with respect to any Class B Shares, Restricted Stock or Options held by the Participant following the application of such provisions, this Section 9(b) shall apply.

(c) Tag-Along Rights. If MMC determines to sell any of the Class A Shares owned by it to a person or entity other than MMC, Putnam, a subsidiary of one of them, a trustee or other fiduciary holding securities of Putnam under an employee benefit plan maintained by MMC or Putnam, or by a subsidiary of one of them, or an employee, trustee or director of MMC or Putnam, in a transaction ("Transaction") that, if consummated, would not constitute a Change in Control of Putnam, a Public Offering or a Special Transaction, then, subject to such conditions as may be prescribed by the Committee in the Award Agreement or otherwise (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the amounts paid or payable pursuant to this Section 9(c) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Putnam and Participant), the Participant may give written notice (such notice to be given by a Participant within twenty-one (21) days of being advised of the Transaction) to the Committee of his desire:

i) to sell to Putnam in connection with the Transaction such percentage of the aggregate number of Class B Shares and shares of Restricted Stock held by the Participant at such time (rounded to the nearest whole share) as equals the percentage that the Class A Shares proposed to be sold by MMC in such Transaction bears to the total number of Class A Shares held by MMC immediately prior to the Transaction (the "MMC Percentage"), such sale to be effected at a price per share equal to the Fair Market Value of a Class B Share as of the date of the Transaction and otherwise on materially the same terms and conditions as are applicable to Class A Shares sold by MMC (with Class B Shares being sold prior to the sale of any shares of Restricted Stock and any shares of Restricted Stock so sold becoming fully vested and no longer subject to restrictions); and/or

ii) to cancel (as of the date of such Transaction) such percentage of each Option granted to such Participant that is outstanding immediately prior to such Transaction (rounded to the nearest whole share) as equals the MMC Percentage, such cancellation to be in exchange for a cash payment from Putnam equal to the product of (A) the number of shares then subject to such Option, (B) the MMC Percentage and (C) the excess, if any, of the Fair Market Value per Class B Share on the date of cancellation over the exercise price per Class B Share for such Option (and Putnam and MMC shall take all actions necessary to implement the Participant's elections upon consummation of the Transaction).

Subject to the provisions of the following sentence, (I) each holder of Class B Shares and shares of Restricted Stock who elects to sell the applicable percentage of such shares, as described in clause (i) above, shall be entitled to receive from Putnam an additional cash payment equal to (A) the number of Class B Shares and shares of Restricted Stock sold hereunder multiplied by (B) the excess, if any, of (i) the per share price payable in respect of Class A Shares in connection with such Transaction over (ii) the Fair Market Value of a Class B Share as of the date of such Transaction, and (II) each Optionee who elects to have a percentage of his Options cancelled, as described in clause (2) above, shall be entitled to receive from Putnam an additional cash payment with respect to each Class B Share subject to an Option or portion of an Option so cancelled, equal to the excess, if any, of (i) the per share price payable in respect of Class A Shares in connection with the Transaction over (ii) the higher of the Fair Market Value of a Class B Share as of the date of such cancellation and the exercise price per Class B Share subject to such Option or portion of an Option (the additional payments referred to in clause (I) or (II), as the case may be, plus or minus earnings and losses thereon, as hereinafter described, being referred to herein as the "Additional Tag-

Along Payment"). The rights of an Optionee or a holder of Class B Shares (or shares of Restricted Stock) to the Additional Tag-Along Payment shall vest at the rate of 33.33% on each of the first three anniversaries of the Transaction if such Optionee or holder of Class B Shares (or shares of Restricted Stock) remains continuously employed with Putnam or any of its Subsidiaries or affiliates and any nonvested amounts shall be forfeited upon the termination of employment of such Optionee or holder of Class B Shares (or shares of Restricted Stock) for any reason; provided, however, that in the event of a Special Termination or an involuntary termination without Cause (in either case, determined in the manner in effect immediately prior to the Transaction), the rights of such Optionee or holder of Class B Shares (or shares of Restricted Stock) to the Additional Tag-Along Payment shall become fully vested. Any Additional Tag-Along Payment forfeited by a Participant shall revert to Putnam. Upon occurrence of the Transaction, Putnam shall establish one or more grantor trusts and promptly contribute thereto an amount equal to the aggregate amount set forth in clauses (I) and (II) above. Such grantor trust shall permit each such Optionee and holder of Class B Shares (or shares of Restricted Stock) to direct the investment of funds held for his benefit in the trust among the various Putnam funds and such other investments as may be designated by the Committee. Notwithstanding anything to the contrary contained in this Section 9(c), any and all Class B Shares and shares of Restricted Stock that are not sold pursuant to this Section 9(c), and any and all Options that are not cancelled pursuant to this Section 9(c), shall remain outstanding in accordance with their respective terms and the terms of this Plan. If for any reason MMC does not consummate the proposed Transaction, the provisions of this Section 9(c) shall cease to apply with respect to such proposed Transaction, provided that such provisions shall again apply to any subsequently proposed Transaction.

(d) Special Transaction. In the event of a Special Transaction, subject to such conditions as may be prescribed by the Committee in the Award Agreement or otherwise (including (x) Participant's execution of a general release of all claims against Putnam (and any of its officers, directors or employees) in form and on terms satisfactory to Putnam, and/or (y) forfeiture of all or any portion of the amounts paid or payable pursuant to this Section 9(d) upon violation of the Participant's Non-Solicitation Agreement or any noncompetition agreement between Participant and Putnam):

i) a percentage of the Class B Shares and a percentage of the shares of Restricted Stock held by each Participant that is equal to (i) the number of shares of common stock of Putnam issued to the public in connection with the Special Transaction (which number of shares shall be equitably adjusted, to the extent appropriate, by the Committee with the approval of the MMC Committee in the event that the shares of Putnam common stock issued to the public are not Class A Shares) divided by (ii) the total number of Class A Shares, Class B Shares, shares of Restricted Stock and Class B Shares subject to Options outstanding immediately prior to the Special Transaction (the "Publicly Traded Special Transaction Percentage") shall be converted into Class A Shares (rounded to the nearest whole share). Each share of Restricted Stock remaining shall be subject to the same vesting schedule and other terms and conditions as were in effect immediately prior to such conversion and each Class B Share remaining shall be subject to the same terms and conditions as were in effect immediately prior to such conversion;

ii) a percentage of each Option that is outstanding immediately prior to such Special Transaction equal to the Publicly Traded Special Transaction Percentage shall be converted into an option for the number of Class A Shares, rounded to the nearest whole share, equal to the number of the Class B Shares that was previously subject to such percentage of each such Option, at an exercise price equal to the exercise price of such Option immediately prior to the Special Transaction. With respect to any Option (or portion of an Option) that is vested immediately prior to the Special Transaction, such Option (or such portion of an Option) shall be otherwise subject to the same terms and conditions to which such Option (or such portion of an Option) was subject immediately prior to the Special Transaction. With respect to any Option (or a portion of an Option) that is not vested immediately prior to the Special Transaction, such Option (or such portion of an Option) shall vest with respect to 25% of the shares subject thereto on each of the first, second, third and fourth anniversaries of the Special Transaction and shall be otherwise subject to the same terms and conditions to which such Option (or such portion of an Option) was subject immediately

prior to the Special Transaction; and

iii) holders of vested Class A Shares resulting from the conversion described herein shall be entitled to such registration rights as may be deemed appropriate by the Committee with the approval of the MMC Committee; provided, however, nothing contained herein shall limit the rights of such holders to sell their vested Class A Shares pursuant to Rule 144 promulgated under the Securities Act.

As soon as practicable following consummation of the Special Transaction, the Committee (or the Committee of the resulting entity) and the MMC Committee shall conduct a formal review of the Plan with a view toward adopting an amended, new or successor plan (the "New Plan"). Upon the adoption of such New Plan, no additional awards will be made under this Plan, but any awards previously granted pursuant to this Plan shall remain subject to the terms and conditions of this Plan. If, however, by the third anniversary of the Special Transaction, the Committee and the MMC Committee are unable to agree to the adoption of the New Plan, then

(1) each Class B Share and each share of Restricted Stock shall be converted into one (1) Class A Share;

(2) all Restricted Stock shall remain subject to the same vesting schedule and other terms and conditions as were in effect immediately prior to such third anniversary;

(3) each Option that is outstanding immediately prior to such third anniversary shall be converted into an Option for that number of Class A Shares equal to the number of Class B Shares subject to such Option, at an exercise price equal to the exercise price of such Option immediately prior to such third anniversary and otherwise subject to the same terms and conditions as such Option was subject to immediately prior to the Public Offering; and

(4) holders of vested Class A Shares resulting from the conversion described herein shall be entitled to such registration rights as may be deemed appropriate by the Committee with the approval of the MMC Committee; provided however, nothing contained herein shall limit the rights of such holders to sell their vested Class A Shares pursuant to Rule 144 promulgated under the Securities Act.

Section 10. Amendment, Modification, and Termination of the Plan

(a) Amendment, Modification and Termination. The MMC Committee at any time may terminate or suspend the Plan, and the Committee (with the approval of the MMC Committee) may from time to time amend or modify the Plan. No right of the MMC Committee under this Plan may be amended in absence of approval of the MMC Committee of such amendment. No amendment, modification, termination or suspension of the Plan shall in any manner materially adversely affect any award theretofore granted under the Plan; provided, however, that notwithstanding the above, the MMC Committee may amend, modify, terminate or suspend the Plan in any manner if such amendment, modification, termination or suspension is approved by holders of not less than 75% of the outstanding Class B Shares, shares of Restricted Stock and Class B Shares subject to Options (in each case, whether or not vested) who vote with respect to such amendment, modification, termination or suspension; provided further that the Committee (with the approval of the MMC Committee) may amend the Plan at any time without any such consent to the extent necessary to ensure compliance with tax, securities or any other applicable laws; and provided further that the MMC Committee, after consultation with the Committee, may amend the Plan and the terms of any outstanding shares of Restricted Stock, Class B Shares or Options, at any time and to the extent necessary, in the opinion of MMC's independent public accountants, to insure (while maintaining, to the extent

practical, the economic and other rights of the holders of Class B Shares, Restricted Stock and Options) that the Plan and the Class B Shares, Restricted Stock and Options continue to qualify for "fixed accounting" under United States generally accepted accounting principles.

(b) Term of Plan; Plan Review. The Plan shall be effective as of the Effective Date. The Plan shall continue in effect unless terminated in accordance with Section 10(a). The provisions of the Plan, however, shall continue thereafter to govern all outstanding Options, Restricted Stock and Class B Shares theretofore acquired by Participants pursuant to the Plan. During 2007, the Committee and the MMC Committee shall conduct a formal review of the Plan to determine its continued appropriateness.

Section 11. Miscellaneous Provisions

(a) Dividends. In accordance with Section 4.2.3 of the Declaration of Trust of Putnam, a Participant shall have the right to receive such dividends per share with respect to the Participant's Restricted Stock and Class B Shares as are declared from time to time per share with respect to Class A Shares, except that (i) Restricted Stock and Class B Shares issued prior to January 1, 1998, shall not be entitled to any dividends declared or paid on or prior to December 31, 1997, (ii) dividends payable with respect to Class A Shares in additional Class A Shares, shall be payable with respect to Class B Shares in additional Class B Shares, (iii) Putnam may pay dividends on Class A Shares without paying a dividend on the Class B Shares provided such dividend is approved by holders of not less than 75% of the outstanding Class B Shares and shares of Restricted Stock who vote with respect to such proposed dividend payment and (iv) Putnam may pay dividends on shares of Class A Common Stock payable in additional shares of Class A Common Stock without paying a dividend on the Class B Shares and Restricted Stock provided that the dividend, liquidation and conversion rights of the Class B Shares and Restricted Stock are equitably adjusted, including by amendment to the Plan pursuant to Section 10(a) hereof, if appropriate, so that the economic and other rights of the Class B Shares and Restricted Stock are not adversely affected. The foregoing notwithstanding, the Committee may provide for optional or mandatory deferral of any cash dividends with respect to Restricted Stock, provided that no additional shares of Restricted Stock become issuable. The Participant shall not have a right to receive dividends with respect to any Options.

(b) Beneficiary Designation. Each Participant under the Plan may from time to time name any beneficiary or beneficiaries (who may be named contingently or successively) by whom any right under the Plan is to be exercised in case of his death. Each designation will revoke all prior designations by the same Participant, shall be in a form reasonably prescribed by the Committee, and will be effective only when filed by the Participant in writing with the Committee during his lifetime.

(c) No Guarantee of Employment or Participation. Nothing in the Plan or the Award Agreement shall interfere with or limit in any way the right of Putnam, MMC or any Subsidiary to terminate any Participant's employment at any time, or confer upon any Participant any right to continue in the employ of Putnam, MMC or any Subsidiary. No Employee shall have a right to be selected as a Participant or, having been so selected, to receive or purchase any Options or Restricted Stock.

(d) Tax Withholding. Putnam or the Subsidiary employing a Participant shall have the power to withhold, or to require such Participant to remit to Putnam or such Subsidiary, subject to such other arrangements as the Committee may make, an amount sufficient to satisfy all federal, state, local and foreign withholding tax requirements in respect of any Option or Restricted Stock granted or sold under the Plan.

(e) Indemnification. Each person who is or shall have been a member of the Committee or of the Board or of the MMC Committee shall be indemnified and held harmless by Putnam to the fullest extent permitted by law from and against any and all losses, costs, liabilities and expenses (including any related attorneys' fees and advances thereof) in connection with, based upon or arising or resulting from any claim, action, suit or proceeding to which he may be made a party or in which he may be involved by reason of any

action taken or failure to act under the Plan and from and against any and all amounts paid by him in settlement thereof, with Putnam's approval, or paid by him or her in satisfaction of any judgment in any such action, suit or proceeding against him or her, provided that he or she shall give Putnam an opportunity, at its own expense, to defend the same before he or she undertakes to defend it on his or her own behalf. The foregoing right of indemnification shall not be exclusive and shall be independent of any other rights of indemnification to which such persons may be entitled under Putnam's Declaration of Trust or By-laws, by contract, as a matter of law or otherwise.

(f) No Limitation on Compensation. Nothing in the Plan shall be construed to limit the right of Putnam, MMC or any Subsidiary to establish other plans or to pay compensation to its employees, in cash or property, in a manner that is not expressly authorized under the Plan.

(g) Securities Laws Compliance. The granting of Options, the granting or sale of Restricted Stock and the issuance of Class B Shares shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required. No Options shall be granted under the Plan, and no Class B Shares or Restricted Stock shall be issued under the Plan, if such grant, sale or issuance would result in a violation of applicable law, including the federal securities laws and any applicable state securities laws.

(h) Voting Rights. Except as otherwise required by law or by this Plan, no Participant holding any Options granted under the Plan shall have any right, in respect of such Options, to vote on any matter submitted to Putnam's stockholders. Except as otherwise required by law or provided below, no Participant holding any Restricted Stock granted or sold under the Plan or any Class B Shares acquired pursuant to the Plan shall have any right, with respect to such Restricted Stock or Class B Shares, to vote on any matter submitted to Putnam's stockholders. Notwithstanding the above, at such time as requested by the MMC Committee, the Putnam Board shall take all steps as may be necessary to amend the Declaration of Trust so that each Class B Share shall be entitled to one-tenth of one vote per share (or such other voting rights as may be determined by the MMC Committee) and to vote together with the Class A Shares on all matters on which shareholders are generally entitled to vote. In approving any such amendments to the Declaration of Trust, only the holders of Class A Shares shall be entitled to vote, except to the extent holders of Class B Shares have been granted voting rights prior thereto.

(i) Certain Accounting Considerations. The Options and Restricted Stock granted or sold pursuant to the Plan are intended to be subject to "fixed accounting" under the United States Generally Accepted Accounting Principles and shall be so interpreted to the extent such interpretation is consistent with the purpose of the provisions being so interpreted.

(j) Governing Law. The Plan, and all agreements thereunder, shall be construed in accordance with and governed by the laws of the Commonwealth of Massachusetts.

(k) Limitation of Liability. To the extent that Putnam is a business trust, the shareholders, trustees, officers, employees or agents of the trust, in their capacity as such, shall not be personally liable for any claims arising against the business trust related to the business trust's obligations or duties under the Plan and all Participants and other parties to the Plan shall look solely to the Trust Estate (as such term is defined in the Declaration of Trust for the trust) for the payment of any claim arising against the business trust related to the business trust's obligations or duties under the Plan or for the performance of any obligations of the business trust under the Plan. Notwithstanding the foregoing, Participants and other parties to the Plan shall remain liable for any claims related to their individual obligations, duties and performance imposed by the Plan.

THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933.

MARSH & MCLENNAN COMPANIES, INC.
U.S. EMPLOYEE
2003 CASH BONUS AWARD VOLUNTARY DEFERRAL PLAN

1. ELIGIBILITY

All active U.S. employees of Marsh & McLennan Companies, Inc. (the "Corporation") and its subsidiaries who are designated as eligible for participation in the MMC Partners Bonus Plan or a Local Bonus Plan, and who are presently receiving an annual base salary of \$150,000 or above, may, at management's discretion, be considered for participation in the Marsh & McLennan Companies, Inc. U.S. Employee 2003 Cash Bonus Award Voluntary Deferral Plan (the "2003 Plan"). Participants in the 2003 Plan may make deferral elections pursuant to the rules outlined in Section 2 below.

2. PROGRAM RULES

Except as otherwise provided herein, the 2003 Plan shall be administered by the Compensation Committee of the Board of Directors of the Corporation (the "Committee"). The Committee shall have authority in its sole discretion to interpret the 2003 Plan and make all determinations, including the determination of bonus awards eligible to be deferred, with respect to the 2003 Plan. All determinations made by the Committee shall be final and binding. The Committee may delegate to any other individual or entity the authority to perform any or all of the functions of the Committee under the 2003 Plan, and references to the Committee shall be deemed to include any such delegate. Exercise of deferral elections under the 2003 Plan must be made in accordance with the following rules.

a. RIGHTS TO AN AWARD AND TO A DEFERRAL ELECTION

- (i) 2003 CASH BONUS DEFERRAL. The right of an employee to a deferral election currently applies to the annual cash bonus scheduled to be awarded in early 2004 in respect of 2003 services, the payment of which bonus would normally be made by the end of the first quarter of the 2004 calendar year. The granting of such an annual cash bonus award is discretionary, and neither delivery of deferral election materials nor an election to defer shall affect entitlement to such an award. The right to a deferral election does not apply to bonuses (including, but not limited to, sign-on bonuses, commissions or non-annual incentive payments) that are not awarded as part of an annual cash bonus plan.
- (ii) 2004 CASH BONUS DEFERRAL. The right of an employee to a deferral election currently applies to the annual cash bonus scheduled to be awarded in early 2005 in respect of 2004 services, should the employee have a guarantee for the bonus, the payment of which would normally be made by the end of the first quarter of the 2005 calendar year. The deferral of such a bonus will be made pursuant to the U.S. Employee 2004 Cash Bonus Award Voluntary Deferral Plan (the "2004 Plan") and is contingent upon approval of the 2004 Plan by the Committee. The terms and conditions for the 2004 Plan are expected to be essentially the same as for the 2003 Plan.

b. ELECTION FORMS

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In order to ensure that elections to defer bonus amounts (including such amounts for 2004 cash bonuses with a guarantee) are effective under applicable tax laws, please complete and sign the attached election form(s), and return them (postmarked, delivered or faxed) no later than December 5, 2003. Form(s) should be returned, and any questions should be directed, to:

William Palazzo
Senior Manager, Executive Compensation
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036-2774
Telephone #: (212) 345-5663
Facsimile #: (212) 345-4767

c. DEFERRAL OPTIONS

- (i) DEFERRAL AMOUNT. An eligible employee may elect to defer a portion of such employee's bonus award until January of a specific year ("year certain") or until January of the year following retirement in an amount represented by one of the following two choices:
 - 1. 10% to 75% in 1% increments of the employee's cash bonus award, subject to a

maximum limit established by the Committee,
or

2. the lowest of 10% to 75% in 1% increments of the employee's cash bonus award which results in a deferral of at least \$10,000.

If the percentage selected times the amount of the cash bonus award is less than \$10,000, NO deferral will be made or deducted from the award.

- (ii) 2003 DEFERRED BONUS ACCOUNTS. If a deferral election is made, deferrals may be made into one or both of the two accounts which the Corporation shall make available to the participating employee. The relevant portion of the award deferral will be credited to the relevant account on the first business day following the date on which the bonus payment would have been made had it not been deferred. The available accounts for deferrals of bonuses (the "2003 Deferred Bonus Accounts") shall consist of (a) the 2003 Putnam Fund Account and (b) the 2003 Corporation Stock Account. Amounts may not be transferred between the 2003 Corporation Stock Account and the 2003 Putnam Fund Account.

d. 2003 PUTNAM FUND ACCOUNT

- (i) ACCOUNT VALUATION. The 2003 Putnam Fund Account is a bookkeeping account, the value of which shall be based upon the performance of selected funds of the Putnam mutual fund group. The Corporation will determine, in its sole discretion, the funds of the Putnam mutual fund group into which deferrals may be made. Deferrals among selected funds comprising the 2003 Putnam Fund Account must be made in multiples of 5% of the total amounts deferred into the 2003 Putnam Fund Account. Deferred amounts will be credited to the 2003 Putnam Fund Account with units each reflecting one Class Y share of the elected fund. Fractional units will also be credited to such account, if applicable. The number of such credited units will be determined by dividing the value of the bonus award deferred into the elected fund by the net asset value of such fund of the 2003 Putnam Fund Account as of the close of business on the day on which such bonus payment would have been made had it not been deferred. All dividends paid with respect to an elected fund of a 2003 Putnam Fund Account will be deemed to be immediately reinvested in such fund.
- (ii) FUND REALLOCATIONS. Amounts deferred into a 2003 Putnam Fund Account may be reallocated between eligible funds of these respective accounts pursuant to an election which may be made daily. Such election shall be effective, and the associated reallocation shall be based upon the net asset values of the applicable funds of the 2003 Putnam Fund Account, as of the close of business on the business day the election is received by facsimile or mail, if received by 2:30 p.m. Eastern Time of that day. If received later than 2:30 p.m., the election shall be effective as of the close of business on the following business day.

e. 2003 CORPORATION STOCK ACCOUNT

- (i) ACCOUNT VALUATION. The 2003 Corporation Stock Account is a bookkeeping account, the value of which shall be based upon the performance of the common stock of the Corporation. Amounts deferred into the 2003 Corporation Stock Account will be credited to such account with units each reflecting one share of common stock of the Corporation. Fractional units will also be credited to such account, if applicable. The number of such credited units will be determined by dividing the value of the bonus award deferred into the 2003 Corporation Stock Account (plus the "supplemental amount" referred to in clause (ii) below) by the closing price of the common stock of the Corporation on the New York Stock Exchange on the day on which such bonus payment would have been made had it not been deferred. Dividends paid on the common stock of the Corporation shall be reflected in a participant's 2003 Corporation Stock Account by the crediting of additional units in such account equal to the value of the dividend and based upon the closing price of the common stock of the Corporation on the New York Stock Exchange on the date such dividend is paid. Deferrals into the 2003 Corporation Stock Account must be deferred to a date not earlier than January 1, 2007. (For deferrals relating to 2004 bonuses with a guarantee, such deferrals will be allocated into the 2004 Corporation Stock Account and must be deferred to a date not earlier than January 1, 2008.)

- (ii) SUPPLEMENTAL AMOUNT. With respect to that portion of a bonus award which a participating employee defers into the 2003 Corporation Stock Account, there shall be credited to such participant's 2003 Corporation Stock Account an amount equal to the amount deferred into such account plus an additional amount equal to 15% of the amount so deferred (the "supplemental amount"). The maximum percentage of any participating employee's annual bonus award permitted to be deferred into the 2003 Corporation Stock Account (prior to giving effect to the supplemental amount) is 50% of such award.
- (iii) STOCK DISTRIBUTIONS. Distributions from the 2003 Corporation Stock Account will be deposited automatically via book entry for your personal account with the Corporation's stock transfer agent. If you (or you and your spouse, as joint tenants) already have such an account with the stock transfer agent, then the shares will be deposited into that account. If you do not have such an account, then one will be established in your name, and the shares will be deposited in the account.

f. STATEMENT OF ACCOUNT

The Corporation shall provide periodically to each participant (but not less frequently than once per calendar quarter) a statement setting forth the balance to the credit of such participant in such participant's 2003 Deferred Bonus Accounts.

g. IRREVOCABILITY AND ACCELERATION

Subject to the provisions of paragraphs h. (iii) and h. (vii) below, all deferral elections made under the 2003 Plan (and the 2004 Plan) are irrevocable. However, the Committee may, in its sole discretion, and upon finding that a participant has demonstrated severe financial hardship, direct the acceleration of the payment of any or all deferred amounts then credited to the participant's 2003 Deferred Bonus Accounts.

h. PAYMENT OF DEFERRED AMOUNTS

- (i) YEAR CERTAIN DEFERRALS. If the participant remains employed until the deferral year elected, all amounts relating to "year certain" deferrals will be paid in a single distribution, less applicable withholding taxes, in January of the deferral year elected, or the participant may elect (at the time of the original deferral election) to have distributions from the 2003 Corporation Stock Account or the 2003 Putnam Fund Account, as the case may be, made in up to fifteen (15) annual installments payable each January commencing with the deferral year elected. Annual installments will be paid in an amount, less applicable withholding taxes, determined by multiplying (i) the balance of the 2003 Corporation Stock Account or the 2003 Putnam Fund Account, as the case may be, by (ii) a fraction, the numerator of which is 1 and the denominator of which is a number equal to the remaining unpaid annual installments.

- (ii) RETIREMENT DEFERRALS. For participants who retire, amounts relating to deferrals until the year following retirement will be paid in a single distribution in January of the year following retirement, or the participant may elect (at the time of the original deferral election) to have distributions from the 2003 Corporation Stock Account or 2003 Putnam Fund Account, as the case may be, made in up to fifteen (15) annual installments payable each January commencing with the year following retirement. Annual installments will be paid in an amount, less applicable withholding taxes, determined by multiplying (i) the balance of the 2003 Corporation Stock Account or 2003 Putnam Fund Account, as the case may be, by (ii) a fraction, the numerator of which is 1 and the denominator of which is a number equal to the remaining unpaid annual installments.
- (iii) REDEFERRAL ELECTION. Participants shall be permitted to delay the beginning date of distribution and/or increase the number of annual installments (up to the maximum number permitted under the 2003 Plan) for awards previously deferred or redeferred under the 2003 Plan (and the 2004 Plan), provided that the redeferral election must be made at least one full calendar year prior to the beginning date of distribution.
- (iv) TERMINATION OF EMPLOYMENT PRIOR TO END OF DEFERRAL PERIOD. Subject to the provisions of paragraph (vi) below, in the event of termination of employment for any reason prior to completion of the elected deferral period, all amounts then in the participant's 2003 Deferred Bonus Accounts will be paid to the participant (or the participant's designated beneficiary in the event of death) in a single distribution, less applicable withholding taxes, as soon as practicable after the end of the quarter in which the termination occurred; PROVIDED, HOWEVER, that, subject to the provisions of paragraph (vi) below, upon a participant's retirement or termination for total disability prior to completion of the elected deferral period, all such amounts shall be paid in January of the year following such retirement or termination for total disability, as the case may be.
- (v) DEATH DURING INSTALLMENT PERIOD. If a participant dies after the commencement of payments from his or her 2003 Deferred Bonus Accounts, the designated beneficiary shall receive the remaining installments over the elected installment period.
- (vi) SPECIAL RULES APPLICABLE TO 2003 CORPORATION STOCK ACCOUNT. Notwithstanding any provision in the 2003 Plan to the contrary (other than the second sentence of Section 2.i. above), with respect to a participant's 2003 Corporation Stock Account, in the event that prior to January 1, 2007, a participant's employment terminates for total disability or retirement, all amounts in such account will be paid to the participant, less applicable withholding taxes, in January of 2007. In the event that, prior to January 2007, a participant's employment terminates on account of death, or a participant whose employment was earlier terminated for total disability or retirement should die, the distribution rule in paragraph (iv) above will apply. If, however, the termination of employment prior to January 1, 2007 is on account of a reason other than death, total disability or retirement, the participant will receive, as soon as practicable following the end of the quarter in which the termination occurred, a single distribution, less applicable withholding taxes, of (a) the balance of the participant's 2003 Corporation

Stock Account less (b) the portion of such balance attributable to the supplemental amount (including earnings thereon), which portion shall be forfeited in its entirety. For purposes of determining the portion of the balance of the 2003 Corporation Stock Account attributable to the supplemental amount, the supplemental amount shall be increased or decreased by the respective gain or loss in the 2003 Corporation Stock Account attributable to such supplemental amount.

- (vii) ACCELERATION OF DISTRIBUTION. A participant may elect to accelerate the distribution of all or a portion of the 2003 Deferred Bonus Accounts for any reason prior to the completion of the elected deferral period, subject to the imposition of a significant penalty in accordance with applicable tax rules. The penalty shall be an account forfeiture equal to (i) 6% of the amount that the participant elects to have distributed from the 2003 Deferred Bonus Accounts and (ii) 100% of any unvested supplemental amount as provided in Section 2(e)(ii) above, including related earnings, that the participant elects to have distributed from the 2003 Corporation Stock Account. Amounts distributed to the participant will be subject to applicable tax withholding, but amounts forfeited will not be subject to tax.
- (viii) CHANGE IN CONTROL. Notwithstanding any other provision in the 2003 Plan to the contrary, in the event of a "change in control" of the Corporation, as defined in the Corporation's 2000 Senior Executive Incentive and Stock Award Plan (the "2000 Senior Executive Plan") and 2000 Employee Incentive and Stock Award Plan (the "2000 Employee Plan"), all amounts credited to a participant's 2003 Deferred Bonus Accounts as of the effective date of such change in control will be distributed within five days of such change in control as a lump sum cash payment, less applicable withholding taxes.
- (ix) FORM OF PAYMENT. All payments in respect of the 2003 Putnam Fund Account shall be made in cash and payments in respect of the 2003 Corporation Stock Account shall be made in shares of common stock of the Corporation; provided, however, that in the event of a change in control of the Corporation, payments from the 2003 Corporation Stock Account shall be made in cash based upon (A) the highest price paid for shares of common stock of the Corporation in connection with such change in control or (B) if shares of common stock of the Corporation are not purchased or exchanged in connection with such change in control, the closing price of the common stock of the Corporation on the New York Stock Exchange on the last trading day on the New York Stock Exchange prior to the date of the change in control.

i. TAX TREATMENT

Under present Federal income tax laws, no portion of the balance credited to a participant's 2003 Deferred Bonus Accounts will be includable in income for Federal income tax purposes during the period of deferral. However, FICA tax withholding is required currently on the cash bonus amount (excluding any portion subject to a mandatory deferral) awarded to the participant, and such withholding is required on the supplemental amount in January of 2007. When any part of the 2003 Deferred Bonus Accounts is actually paid to the participant, such portion will be includable in income, and Federal, state and local income tax withholding will

apply. The Corporation may make necessary arrangements in order to effectuate any such withholding, including the mandatory withholding of shares of common stock of the Corporation which would otherwise be distributed to a participant.

j. BENEFICIARY DESIGNATION

Each participant shall have the right, at any time, to designate any person or persons as beneficiary or beneficiaries (both principal and contingent) to whom payment shall be made under the 2003 Plan and every other Cash Bonus Award Voluntary Deferral Plan for which the participant has or will have an account balance (collectively, including the 2003 Plan, "the Plans"), in the event of death prior to complete distribution to the participant of the amounts due under the Plans. Any beneficiary designation may be changed by a participant by the filing of such change in writing on a form prescribed by the Corporation. The filing of a new beneficiary designation form will cancel all beneficiary designations previously filed and apply to all deferrals in the account. A beneficiary designation form is attached for use by a participant who either does not have such form on file or wishes to make a change in the beneficiary designation. Upon completion of the attached form, it should be forwarded to William Palazzo, at the address set forth in Section 2.b. above. If a participant does not have a beneficiary designation in effect, or if all designated beneficiaries predecease the participant, then any amounts payable to the beneficiary shall be paid to the participant's estate. The payment to the designated beneficiary or to the participant's estate shall completely discharge the Corporation's obligations under the Plans.

k. CHANGES IN CAPITALIZATION

If there is any change in the number or class of shares of common stock of the Corporation through the declaration of stock dividend or other extraordinary dividends, or recapitalization resulting in stock splits, or combinations or exchanges of such shares or in the event of similar corporate transactions, each participant's 2003 Corporation Stock Account shall be equitably adjusted by the Committee to reflect any such change in the number or class of issued shares of common stock of the Corporation or to reflect such similar corporate transaction.

3. AMENDMENT AND TERMINATION OF THE 2003 PLAN

The Committee may, at its discretion and at any time, amend the 2003 Plan in whole or in part. The Committee may also terminate the 2003 Plan in its entirety at any time and, upon any such termination, each participant shall be paid in a single distribution, or over such period of time as determined by the Committee (not to extend beyond the earlier of 15 years or the elected deferral period), the then remaining balance in such participant's 2003 Deferred Bonus Accounts.

4. MISCELLANEOUS

- a. A participant under the 2003 Plan is merely a general (not secured) creditor, and nothing contained in the 2003 Plan shall create a trust of any kind or a fiduciary relationship between the Corporation and the participant or the participant's estate. Nothing contained herein shall be construed as conferring upon the participant the right to continued employment with the Corporation or its subsidiaries, or to a cash bonus award. Except as otherwise provided by applicable law, benefits payable under the 2003 Plan may not be assigned or hypothecated, and no such benefits shall be subject to legal process or attachment for the payment of any claim of any person entitled to receive the same. The adoption of the 2003 Plan and any elections made pursuant to the 2003 Plan are subject to approval of the 2003 Plan by the Committee.
- b. Participation in the 2003 Plan is subject to these terms and conditions and to the terms and conditions of (i) the 2000 Senior Executive Plan with respect to those participants hereunder who are subject thereto and (ii) the 2000 Employee Plan with respect to all other participants. Participation in the 2003 Plan shall constitute an agreement by the participant to all such terms and conditions and to the administrative regulations of the Committee. In the event of any inconsistency between these terms and conditions and the provisions of the 2000 Senior Executive Plan or the 2000 Employee Plan, as applicable, the provisions of the latter shall prevail. The 2000 Senior Executive Plan and the 2000 Employee Plan are not subject to any of the provisions of the Employee Retirement Income Security Act Of 1974.
- c. Not more than eight million (8,000,000) shares of the Corporation's common stock, plus such number of shares remaining unused under pre-existing stock plans approved by the Corporation's stockholders, may be issued under the 2000 Senior Executive Plan.
- d. Not more than eighty million (80,000,000) shares of the Corporation's common stock, plus such number of shares authorized and reserved for awards pursuant to certain preexisting share resolutions adopted by the Corporation's Board of Directors, may be issued under the 2000 Employee Plan.

5. INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Annual Report on Form 10-K of the Corporation for its last fiscal year, the Corporation's Registration Statement on Form 8 dated February 3, 1987, describing Corporation common stock, including any amendment or reports filed for the purpose of updating such description, and the Corporation's Registration Statement on Form 8-A/A dated January 26, 2000, describing the Preferred Stock Purchase Rights attached to the common stock, including any further amendment or reports filed for the purpose of updating such description, which have been filed by the Corporation under the Securities Exchange Act of 1934, as amended (the Exchange Act), are incorporated by reference herein.

All documents subsequently filed by the Corporation pursuant to Sections 13(a), 13(c), 14 and 15(d) of the Exchange Act, subsequent to the end of the Corporation's last fiscal year and prior to the filing of a post-effective amendment which indicates that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference herein and to be a part hereof from the date of filing of such documents.

Participants may receive without charge, upon written or oral request, a copy of any of the documents incorporated herein by reference and any other documents that constitute part of this Prospectus by contacting Mr. William Palazzo, Senior Manager, Executive Compensation, as indicated above.

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AMENDED AND RESTATED LIMITED PARTNERSHIP AGREEMENT

OF

TRIDENT III PROFESSIONALS FUND, L.P.

(A Cayman Islands Exempted Limited Partnership)

This Amended and Restated Limited Partnership Agreement of Trident III Professionals Fund, L.P., dated December 18, 2003, amends and restates the Limited Partnership Agreement of Trident III Professionals Fund, L.P., dated October 22, 2003

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This Amended and Restated Limited Partnership Agreement (as from time to time amended, supplemented or restated, this "AGREEMENT") of TRIDENT III PROFESSIONALS FUND, L.P., a Cayman Islands exempted limited partnership (the "PARTNERSHIP"), is made and entered into on December 18, 2003, for the purpose of amending and restating the Limited Partnership Agreement of the Partnership, dated October 22, 2003 (the "INITIAL AGREEMENT"). Capitalized terms used herein without definition have the meanings specified in Section 14.

W I T N E S S E T H:

WHEREAS, the Partnership is an exempted limited partnership, organized under the laws of the Cayman Islands pursuant to the Partnership Law, originally between the General Partner and the Initial Limited Partner;

WHEREAS, the Partnership was constituted pursuant to the Initial Agreement, and the General Partner made such registrations with the Registrar of Exempted Limited Partnerships in the Cayman Islands as were necessary to effect the registration of the Partnership as an exempted limited partnership under the Partnership Law;

NOW, THEREFORE, in consideration of the premises and the mutual promises contained in this Agreement, the parties hereto hereby agree as follows:

SECTION 1

ORGANIZATION; ETC.

1.1 AMENDMENT AND RESTATEMENT OF THE INITIAL AGREEMENT; FILINGS, ETC.

(a) GENERAL. The General Partner, the Initial Limited Partner and the Persons from time to time listed in the Partnership Register as limited partners of the Partnership (in their capacities as limited partners of the Partnership, the "LIMITED PARTNERS", and the General Partner and the Limited Partners being herein referred to collectively as the "PARTNERS", both such terms to include any Person hereafter admitted to the Partnership as a Limited Partner or a General Partner, as the case may be, in accordance with the terms hereof, and to exclude any Person that ceases to be a Partner in accordance with the terms hereof), hereby amend the Initial Agreement in its entirety by deleting it and replacing it with this Agreement. The parties hereto hereby agree to continue the Partnership as a limited partnership under and pursuant to the provisions of the Partnership Law and agree that the rights, duties and liabilities of the Partners shall be as provided in the Partnership Law, except as otherwise provided herein. A Person shall be admitted as a limited partner of the Partnership at the time that (i) the Agreement, a Power of Attorney and a Subscription Agreement, or counterparts thereof are executed by or on behalf of such Person and are accepted by the General Partner and (ii) such Person is listed by the

General Partner as a Limited Partner in the Partnership Register. Immediately following the admission of Limited Partners at the Initial Closing, the Initial Limited Partner shall cease to be a partner of the Partnership and the Partnership shall return the original capital contribution made by the Initial Limited Partner, who shall have no further rights or claims against, or obligations as a partner of, the Partnership.

(b) PARTNERSHIP REGISTER. The General Partner shall cause to be maintained in the registered and principal offices of the Partnership a register of limited partnership interests of the Partnership setting forth the name, mailing address, Capital Commitment and group (as set forth in Section 3.1) of each Partner along with such other information as required by Section 11(1) of the Partnership Law (the "PARTNERSHIP REGISTER"). The Partnership Register shall from time to time be updated as necessary and in accordance with the Partnership Law to maintain the accuracy of the information contained therein. Except as may otherwise be provided herein, any reference in this Agreement to the Partnership Register shall be deemed to be a reference to the Partnership Register as in effect from time to time. Subject to the terms of this Agreement, the General Partner may authorize any action permitted hereunder in respect of the Partnership Register without any need to obtain the consent of any other Partner.

1.2 NAME AND OFFICES. The name of the Partnership is Trident III Professionals Fund, L.P. The Partnership shall have its registered office in the Cayman Islands at the offices of Walkers SPV Limited, Walkers House, Mary Street, P.O. Box 908 GT, Georgetown, Grand Cayman, Cayman Islands at which shall be kept the records required to be maintained under the Partnership Law, at which the service of process on the Partnership may be made and to which all notices and communications may be addressed. The General Partner may designate from time to time another office in the Cayman Islands as the Partnership's registered office. The Partnership shall have its initial principal office for its activities at 20 Horseneck Lane, Greenwich, CT 06830, United States of America. The General Partner may designate from time to time another office within or without the United States as the Partnership's principal office for its investment activities. The Partnership may from time to time have such other office or offices within or without the Cayman Islands as may be designated by the General Partner.

1.3 PURPOSES. Subject to the other provisions of this Agreement, the purposes and business of the Partnership are to co-invest with Trident III, L.P., a Cayman Islands exempted limited partnership (the "INSTITUTIONAL FUND" and, together with any other investment funds and separate accounts organized by or managed by MMC or its Affiliates and authorized to co-invest with the Institutional Fund in Portfolio Companies, the "CO-INVESTMENT FUNDS") and to engage in such other activities as the General Partner deems necessary, advisable, convenient or incidental thereto, to engage in any business which may lawfully be conducted by a limited partnership formed pursuant to the Partnership Law and to carry on any activities relating thereto or arising therefrom,

including without limitation anything incidental, ancillary or necessary to the foregoing, PROVIDED that the Partnership shall not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the activities of the Partnership exterior to the Cayman Islands.

1.4 TERM. The term of the Partnership commenced on the date set forth in the statement (as it may be amended from time to time, the "STATEMENT") effecting its registration as an exempted limited partnership pursuant to Section 9 of the Partnership Law and shall continue, unless the Partnership is sooner dissolved, until the end of the term of the Institutional Fund (such term, as so extended, being referred to as the "TERM"), PROVIDED, that the General Partner in its sole discretion may extend such Term. Notwithstanding the expiration of the Term, the Partnership shall continue until notice of dissolution of the Partnership is filed in accordance with Section 13.4(b) and in the manner provided in the Partnership Law.

1.5 FISCAL YEAR. The Fiscal Year of the Partnership shall end on the 31st day of December in each year. The Partnership shall have the same Fiscal Year for income tax and for financial and partnership accounting purposes.

1.6 PARTNERSHIP POWERS. In furtherance of the purposes specified in Section 1.3 and without limiting the generality of Section 2.1, the Partnership and the General Partner, acting on behalf of the Partnership or on its own behalf and in its own name, as appropriate, shall be empowered to do or cause to be done any and all acts deemed by the General Partner, in its sole judgment, to be necessary, advisable, appropriate, proper, convenient or incidental to or for the furtherance of the purposes of the Partnership including, without limitation, the power and authority:

(a) to acquire, hold, manage, own and Transfer the Partnership's interests in Securities or any other investments made or other property or assets held by the Partnership;

(b) to establish, have, maintain or close one or more offices within or without the Cayman Islands and in connection therewith to rent or acquire office space and to engage personnel;

(c) to open, maintain and close bank and brokerage (including, without limitation, margin) accounts, including, without limitation, to draw checks or other orders for the payment of moneys, to exchange U.S. dollars held by the Partnership into non-U.S. currencies and vice versa, to enter into currency forward and futures contracts and to hedge Portfolio Investments, and to invest funds in Temporary Investments;

(d) to bring, defend, settle and dispose of Proceedings at law or in equity or before any Governmental Authority;

(e) to retain and remove consultants, custodians, attorneys, placement agents, accountants, actuaries and such other agents and employees of the Partnership as it may deem necessary or advisable, and to authorize each such agent and employee to act for and on behalf of the Partnership;

(f) to retain the Manager, as contemplated by Section 7.1, to render investment advisory and managerial services to the Partnership;

(g) to execute, deliver and perform its obligations under the Subscription Agreements and any agreements to induce any Person to purchase limited partnership interests in the Partnership, without any further act, approval or vote of any Partner;

(h) to make all elections, investigations, evaluations and decisions, binding the Partnership thereby, that may, in the sole discretion of the General Partner, be necessary, appropriate, desirable or convenient for the acquisition, holding or Transfer of Securities for the Partnership;

(i) to enter into, deliver, perform and carry out contracts and agreements of every kind necessary or incidental to the offer and sale of limited partner interests in the Partnership, to the acquisition, holding and Transfer of Securities, or otherwise, to the accomplishment of the Partnership's purposes, and to take or omit to take such other action in connection with such offer and sale, with such acquisition, holding or Transfer, or with the business of the Partnership as may be necessary, desirable or convenient to further the purposes of the Partnership;

(j) to borrow money and to issue guarantees; and

(k) to carry on any other activities necessary to, in connection with, or incidental to any of the foregoing or the Partnership's business.

Section 2

THE GENERAL PARTNER

2.1 MANAGEMENT. The management, control and operation of and the determination of policy with respect to the Partnership and its affairs shall be vested exclusively in the General Partner (acting directly or through its duly appointed agents), which is hereby authorized and empowered on behalf and in the name of the Partnership, subject to Section 2.2 and the other terms of this Agreement, to carry out any and all of the objects and purposes of the Partnership and to perform all acts and enter into and

perform all contracts and other undertakings that it may in its sole discretion deem necessary, advisable, convenient or incidental thereto. The General Partner may exercise on behalf of the Partnership, and may delegate to the Manager, all of the powers set forth in Section 1.6, PROVIDED, that the management and the conduct of the activities of the Partnership shall remain the sole responsibility of the General Partner and all decisions relating to the selection and disposition of the Partnership's investments shall be made exclusively by the General Partner in accordance with this Agreement. The General Partner is hereby authorized to appoint a successor general partner.

2.2 LIMITATIONS ON THE GENERAL PARTNER. The General Partner shall not:

(a) do any act in contravention of any applicable law or regulation, or any provision of this Agreement or of the Statement;

(b) possess Partnership property for other than a Partnership purpose;

(c) admit any Person as a general partner of the Partnership except as permitted by this Agreement and the Partnership Law;

(d) admit any Person as a Limited Partner except as permitted by this Agreement and the Partnership Law;

(e) Transfer its interest in the Partnership except as permitted by this Agreement and the Partnership Law; or

(f) permit the registration or listing of interests in the Partnership on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

2.3 RELIANCE BY THIRD PARTIES. In dealing with the General Partner and its duly appointed agents (including, without limitation, the Manager), no Person shall be required to inquire as to the General Partner's or any such agent's authority to bind the Partnership.

2.4 EXPENSES. All Partnership Expenses and Organizational Expenses shall be paid by the Partnership.

2.5 LIABILITY OF THE GENERAL PARTNER AND THE MANAGER. (a) GENERAL. Except as provided in the Partnership Law, the General Partner has the liabilities of a partner in a partnership without limited partners to (I) the Partnership and the other Partners and (II) subject to the other provisions of this Agreement, to Persons other than the Partnership and the other Partners. No Covered Person shall be liable to the Partnership or any Partner for any act or omission taken or suffered by such Covered Person in good faith. No Partner shall be liable to the Partnership or any Partner for any action taken by

any other Partner. To the extent that, at law or in equity, a Covered Person has duties and liabilities to the Partnership or to the Partners, such Covered Person acting under this Agreement or otherwise shall not be liable to the Partnership or any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent they expressly restrict, replace or modify the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to restrict, replace or modify such other duties and liabilities of such Covered Person. Except as otherwise expressly provided in this Agreement, the General Partner shall not be liable for the return of all or any portion of the Limited Partner's Capital Accounts or Capital Contributions.

(b) RELIANCE. A Covered Person (I) shall incur no liability in acting upon any signature or writing believed by it to be genuine, (II) may rely on a certificate signed by an officer of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge, and (III) may rely on an opinion of counsel selected by such Covered Person with respect to legal matters. Each Covered Person may act directly or through its agents or attorneys. Each Covered Person may consult with counsel, appraisers, engineers, accountants, actuaries, auditors and other skilled Persons of its choosing, and shall not be liable for anything done, suffered or omitted in good faith reliance upon the advice of any of such Persons. No Covered Person shall be liable to the Partnership or any Partner for any error of judgment made in good faith by a responsible officer or officers of the Covered Person. Except as otherwise provided in this Section 2.5, no Covered Person shall be liable to the Partnership or any Partner for any mistake of fact or judgment by the Covered Person in conducting the affairs of the Partnership or otherwise acting in respect of and within the scope of this Agreement.

(c) DISCRETION. Whenever in this Agreement the General Partner or the Manager is permitted or required to make a decision (I) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner or the Manager, as the case may be, shall be entitled to consider such interests and factors as it deems appropriate, including, without limitation, its own interests, or (II) in its "good faith" or under another expressed standard, the General Partner or the Manager, as the case may be shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other agreement or by relevant provisions of law or in equity or otherwise. If any questions should arise with respect to the operation of the Partnership, which are not otherwise specifically provided for in this Agreement or the Partnership Law, or with respect to the interpretation of this Agreement, the General Partner is hereby authorized to make a final determination with respect to any such question and to interpret this Agreement in good faith, and its determination and interpretation so made shall be final and binding on all parties.

2.6 CONFLICTS OF INTEREST. (a) POTENTIAL CONFLICTS OF INTEREST. While the Manager and the General Partner intend to avoid situations involving conflicts of interest, each

Limited Partner acknowledges that there may be situations in which the interests of the Partnership, with respect to a Portfolio Company or otherwise, may conflict with the interests of the General Partner, the Manager or their respective Affiliates. Each Limited Partner agrees that the activities of the General Partner, the Manager, and their respective Affiliates not prohibited by this Agreement may be engaged in by the General Partner, the Manager or any such Affiliate, as the case may be, and will not, in any case or in the aggregate, be deemed a breach of this Agreement or any duty owed by any such Person to the Partnership or to any Partner.

(b) ACTUAL CONFLICTS OF INTEREST. On any issue involving actual conflicts of interest not provided for elsewhere in this Agreement, each of the Manager and the General Partner will be guided by its good faith judgment as to the best interests of the Partnership and shall take such actions as are determined by the Manager and the General Partner, as the case may be, to be necessary or appropriate to ameliorate any such conflict of interest. If the General Partner or the Manager takes an action in respect of a matter giving rise to a conflict of interest, neither the General Partner nor the Manager nor any of their respective Affiliates shall have any liability to the Partnership or any Limited Partner for actions in respect of such matter taken in good faith by them.

2.7 TRANSFER OR WITHDRAWAL BY THE GENERAL PARTNER. To the extent permitted by law,

(a) the General Partner may at its election convert to a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction, or

(b) the General Partner may Transfer its interest as the general partner of the Partnership to, or be merged with and into, a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction for the purpose of serving as the general partner of the Partnership,

but only if in any such case the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, include the Persons that are the general partners or the controlling equity holders of the General Partner. Upon any such conversion to such a limited partnership, limited liability company or other entity, or any such Transfer by or merger of the General Partner to or with such a limited partnership, limited liability company or other entity, such limited partnership, limited liability company or other entity shall be deemed to be the same Person as the General Partner for all purposes of this Agreement. All Subscription Agreements applicable to the Partnership that are in effect at the time of any such conversion, Transfer or merger shall thereafter continue in full force and effect.

2.8 CERTAIN OTHER RELATIONSHIPS. MMC, the General Partner, the Manager, and any of their respective Affiliates may organize, sponsor or manage, private investment funds, including, without limitation, funds having primary investment objectives and policies substantially the same as those of the Partnership. Other than as expressly contemplated herein, this Agreement shall not restrict or limit the activities of MMC, the General Partner, the Manager or any of their respective Affiliates.

SECTION 3

LIMITED PARTNERS

3.1 LIMITED PARTNERS. Limited Partners shall be divided into groups as follows:

(a) "EMPLOYER LIMITED PARTNERS" shall be those Limited Partners designated as such in the Partnership Register.

(b) "PROFITS LIMITED PARTNERS" shall be those Limited Partners designated as such in the Partnership Register.

(c) "CASH LIMITED PARTNERS" shall be those Limited Partners designated as such in the Partnership Register.

The Associated Commitments of the Profits Limited Partners shall be associated on the records of the Partnership with the Capital Commitment of the relevant Employer Limited Partner.

3.2 NO PARTICIPATION IN MANAGEMENT, ETC. No Limited Partner, in its capacity as a limited partner of the Partnership, shall take part in the management or control of the Partnership's affairs, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. No Limited Partner shall have the right to vote for the election, removal or replacement of the General Partner, except that, upon an event causing the immediate dissolution of the Partnership pursuant to Section 15 of the Partnership Law or Section 13.1 of this Agreement, the Limited Partners may vote to unanimously elect one or more new general partners of the Partnership pursuant to Section 15 of the Partnership Law. No provision of this Agreement shall obligate any Limited Partner to refer investments to the Partnership or restrict any investments that a Limited Partner may make.

3.3 LIMITATION OF LIABILITY. Except as may otherwise be provided by the Partnership Law or in Section 10.1(b) or Section 6.12 or otherwise herein, the liability of a Limited Partner for any loss of the Partnership shall not exceed the sum of (A) the amount of its Capital Commitment, if any, (B) its interest in the undistributed assets of the Partnership, (C) its obligation to make other payments expressly provided for in this

Agreement, and (D) its liability under any applicable law, including without limitation the Partnership Law.

3.4 NO PRIORITY, ETC. No Limited Partner shall have priority over any other Limited Partner either as to the return of the amount of its Capital Contribution to the Partnership or, except as provided in Section 6, as to any allocation of income, gain, deduction or loss.

SECTION 4

INVESTMENTS

4.1 INVESTMENTS IN PORTFOLIO COMPANIES. (a) CO-INVESTMENT. The Partnership shall co-invest (and, in connection with such co-investments acquire, hold, manage and Transfer Securities) with the other Co-Investment Funds in a manner determined in the by the general partner of the Institutional Fund pursuant to the Institutional Fund Agreement; PROVIDED that in all instances the Partnership shall co-invest with the other Co-Investment Funds PRO RATA (allowing for rounding) on the basis of committed capital in the same class or classes of Securities acquired by the Co-Investment Funds on the same terms and at the same time as the Co-Investment Funds, except that the Partnership may purchase from the Co-Investment Funds its PRO RATA share of any portfolio investment acquired by the Co-Investment Funds prior to a Closing Date at the acquisition cost to the Co-Investment Funds, plus interest (calculated from the date the Co-Investment Funds acquired such investment) at a rate per annum equal to the Prime Rate plus two percent (2%).

(b) REINVESTMENT. Proceeds from the disposition of Portfolio Investments may, in the sole discretion of the General Partner, be retained and reinvested by the Partnership to the same extent that the Institutional Fund is permitted by the Institutional Fund Agreement to reinvest proceeds from the disposition of such financings and investments.

(c) SPECIAL INVESTMENT VEHICLE. If the General Partner determines in its sole discretion for legal, tax, regulatory or other reasons that it is appropriate for any or all of the Partners to participate in one or more investments, each of which would be a Portfolio Investment if it were made by the Partnership, through an entity other than the Partnership, the General Partner may structure the making of such investment or investments outside of the Partnership by requiring each such Partner, subject to Section 5.2, to contribute capital to an alternative entity (each, a "SPECIAL INVESTMENT VEHICLE") that, in lieu of the Partnership, will invest in such investment or investments. In such event, (i) each such Partner shall make a capital commitment directly to such Special Investment Vehicle, subject to Section 5.2, and such capital commitment shall reduce the Capital Commitments of such Partner to the same extent, and (ii) each Limited Partner shall participate in the Special Investment Vehicle pursuant to the Power of

Attorney executed by such Limited Partner, and documentation with respect to such Special Investment Vehicle shall be executed and delivered on behalf of each such Limited Partner by the General Partner pursuant to such Power of Attorney. The economic terms of the organizational documents of any Special Investment Vehicle will be substantially similar in all material respects to those of the Partnership.

(d) BLOCKER STRUCTURE. If the General Partner determines, in its sole discretion, that a Portfolio Investment may give rise to material taxable income which is (or is taken into account as if it were) effectively connected with the conduct of a trade or business within the United States to a Limited Partner subject to tax on such income under section 871(b) or 897 of the Code, the General Partner may cause the Partnership to invest in such Portfolio Investment through an entity treated as a corporation for United States federal income tax purposes, in which event the General Partner may utilize one or more Special Investment Vehicles and/or subsidiaries of the Partnership.

(e) PARTICIPATION. The Partners shall participate in Portfolio Investments in proportion to their Available Capital Commitments.

4.2 TEMPORARY INVESTMENTS. The General Partner may invest funds held by the Partnership in Temporary Investments pending investment in Portfolio Investments, pending distribution or for any other purpose.

SECTION 5

CAPITAL CONTRIBUTIONS; CAPITAL COMMITMENTS

5.1 CAPITAL CONTRIBUTIONS AND CAPITAL COMMITMENTS OF THE PARTNERS. (a) CAPITAL CONTRIBUTIONS. Except as otherwise provided herein, each Partner (other than the Profits Limited Partners) shall make Capital Contributions to the Partnership in the aggregate amount of the Capital Commitment of such Partner as set forth opposite its name in the Partnership Register, PROVIDED that, except as otherwise provided herein, the Partners (other than the Profits Limited Partners) shall make such Capital Contributions to the Partnership (i) in respect of Portfolio Investments, PRO RATA based on the Capital Commitments or Remaining Capital Commitments, as determined with respect to each Portfolio Investment by the General Partner in its sole discretion, of all the Partners (other than Defaulting Cash Limited Partners and Limited Partners (including, without limitation, an Employer Limited Partner in respect of an associated Profits Limited Partner) excused from making such a Capital Contribution pursuant to Section 5.2), and (ii) in respect of Organizational Expenses and Partnership Expenses, PRO RATA based on the Capital Commitments of all the Partners (other than Defaulting Cash Limited Partners), and PROVIDED FURTHER that in respect of each Partner, such Partner's aggregate Capital Contributions shall not exceed such Partner's Capital Commitment.

(b) DRAWDOWNS. Except as otherwise provided herein, the Capital Contributions of each Partner (other than the Profits Limited Partners), shall be paid in separate Drawdowns, subject to the following terms and conditions:

(i) The General Partner shall provide each Employer Limited Partner and each Cash Limited Partner with a notice (as the same may be revised by the General Partner in its sole discretion, the "DRAWDOWN NOTICE") at least 3 days prior to the date of Drawdown. Each such Partner shall pay to the Partnership the Capital Contribution of such Partner as specified in the Drawdown Notice, in cash or other immediately available funds by the date of Drawdown specified in the Drawdown Notice.

(ii) Subject to Section 5.2, each Limited Partner (other than the Profits Limited Partners) shall pay to the Partnership the Capital Contribution of such Partner in respect of Portfolio Investments, Partnership Expenses or Organizational Expenses, as the case may be, as specified in the Drawdown Notice (as the same may be revised), in cash or other immediately available funds by the date of Drawdown specified in the Drawdown Notice.

(iii) Each Capital Contribution by an Employer Limited Partner in respect of a Capital Commitment shall be associated on the records of the Partnership with the Profits Limited Partner with which such Capital Commitment is associated.

(c) CREDITORS. The provisions of this Section 5.1 are intended solely to benefit the Partners and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Partnership (and no such creditor shall be a third party beneficiary of this Agreement), and no Partner shall have any duty or obligation to any creditor of the Partnership to make any Capital Contributions or to cause the General Partner to deliver a Drawdown Notice.

5.2 EXCUSED INVESTMENTS. The General Partner may, in its sole discretion, excuse, in whole or in part, any Limited Partner from participation in any Portfolio Investment if the General Partner, in its sole discretion, has determined that any such participation (i) may constitute a conflict of interest for such Limited Partner, the Partnership or any other Co-Investment Fund, (ii) may subject such Limited Partner, the Partnership or any other Co-Investment Fund to a material tax or material regulatory requirement to which it or they would not otherwise be subject, or which is reasonably likely to materially increase any such material tax or material regulatory requirement beyond what it would otherwise have been, or (iii) may cause a Material Adverse Effect. In the event that, pursuant to the immediately preceding sentence, the General Partner excuses a Profits Limited Partner with respect to participation in a Portfolio Investment, the Associated Contribution of the Employer Limited Partner associated with such Profits Limited Partner shall be excused. For the avoidance of doubt, there will be no reduction

in the Remaining Associated Commitment of an Employer Limited Partner with respect to an excused Profits Limited Partner associated with such Employer Limited Partner.

5.3 DEFAULTING LIMITED PARTNERS. (a) CASH LIMITED PARTNERS. If any Cash Limited Partner fails to contribute, in a timely manner, any portion of the Capital Commitment required to be contributed by such Cash Limited Partner hereunder or pursuant to such Cash Limited Partner's Subscription Agreement, or any portion of the amounts determined pursuant to Section 10.1 to be required to be contributed by such Cash Limited Partner, and any such failure continues for ten Business Days after receipt of written notice thereof from the General Partner (a "CASH LIMITED PARTNER DEFAULT"), then such Cash Limited Partner (a "DEFAULTING CASH LIMITED PARTNER") may be designated by the General Partner as in default and shall thereafter be subject to the provisions of this Section 5.3. The General Partner, in its sole discretion, may choose not to designate any such Cash Limited Partner as a Defaulting Cash Limited Partner and may agree to waive or permit the cure of all or part of any default by such Defaulting Cash Limited Partner, subject to such conditions as the General Partner and the Defaulting Cash Limited Partner may agree upon. In the event that a Cash Limited Partner becomes a Defaulting Cash Limited Partner, (i) such a Defaulting Cash Limited Partner's Remaining Capital Commitment (the "DEFAULTED COMMITMENTS") shall be deemed to be zero (except that the General Partner, the Employer Limited Partners and the Cash Limited Partners that are not Defaulting Cash Limited Partners shall have an option, exercisable within ten Business Days following the date of the notice referred to in the first sentence of this Section 5.3(a), to assume the Defaulted Commitments, if any, of the Defaulting Cash Limited Partner, such Defaulted Commitments to be assumed in proportion to the Capital Commitments and/or Associated Commitments, as the case may be, of the Partners exercising such option (the "EXERCISING PARTNERS")), (ii) such Defaulting Cash Limited Partner shall be entitled to receive only one-half of the distributions that it would have been entitled to receive had it not become a Defaulting Cash Limited Partner, and the other one-half of such distributions (the "FORFEITED DISTRIBUTIONS") shall be made in accordance with this Section 5.3(a), and (iii) such Defaulting Cash Limited Partner shall not have a right to receive any distributions with respect to any Portfolio Investment for which such Defaulting Cash Limited Partner failed to contribute when due any portion of such Defaulting Cash Limited Partner's Capital Commitment or any Portfolio Investment made on or after such date. The Forfeited Distributions of a Defaulting Cash Limited Partner pursuant to this Section 5.3(a) shall be applied as follows when and as amounts become distributable: FIRST, to the Partnership in an amount equal to the Organizational Expenses and Partnership Expenses, in each case as estimated in good faith by the Manager, attributable to such Defaulting Cash Limited Partner's Capital Commitment for the period from the date of Cash Limited Partner Default through the end of the Term, and SECOND, to the Exercising Partners in accordance with the respective Capital Commitments and/or Associated Commitments, as the case may be, of such Partners, or, if there are no Exercising Partners, to all Partners other than any Limited Partner, Cash Limited Partner, or Profits Limited Partner in default in accordance with their respective

Capital Commitments and/or Associated Commitments, as the case may be. In addition, such Defaulting Cash Limited Partner shall contribute to the Partnership an amount equal to the contribution, if any, that such Defaulting Cash Limited Partner would be required to make to the Partnership pursuant to Section 6.11(d), Section 6.12 or Section 10.1(b) if all of the assets of the Partnership were liquidated as of the date of Cash Limited Partner Default for their Value and all of the liabilities of the Partnership were satisfied in accordance with their terms and the Partnership was dissolved in accordance with Section 13. Notwithstanding any other provision of this Section 5.3(a), the obligations of any Defaulting Cash Limited Partner to the Partnership hereunder shall not be extinguished as a result of the operation of this Section 5.3(a). The General Partner shall have the right, in its sole discretion, to pursue all remedies at law or in equity available to it with respect to the default of a Defaulting Cash Limited Partner.

(b) PROFITS LIMITED PARTNERS. If any Profits Limited Partner (A) fails to make, in a timely manner, any contributions required to be made by such Limited Partner pursuant to Section 6.12 or Section 10.1(b), or (B) fails to defer compensation at the time and in the amount required by the MMC Capital Plan, and any such failure continues for ten Business Days after receipt of written notice thereof from the General Partner (a "PROFITS LIMITED PARTNER DEFAULT"), then such Limited Partner (a "DEFAULTING PROFITS LIMITED PARTNER") may be designated by the General Partner as in default and shall thereafter be subject to the provisions of this Section 5.3(b). To the extent permitted by the MMC Capital Plan, the General Partner, in its sole discretion, may choose not to designate any Profits Limited Partner as a Defaulting Profits Limited Partner and may agree to waive or permit the cure of all or part of any default by such Defaulting Profits Limited Partner, subject to such conditions as the General Partner and the Defaulting Profits Limited Partner may agree upon. Except as may be otherwise provided in this Agreement, in the event that a Profits Limited Partner becomes a Defaulting Profits Limited Partner, (i) such a Defaulting Profits Limited Partner's interest in the Partnership attributable to such Defaulting Profits Limited Partner's unfunded deferral under the MMC Capital Plan would be purchased by the relevant Employer Limited Partner or its designee for \$1.00, and (ii) such Defaulting Profits Limited Partner shall not have a right to receive any distributions with respect to any Portfolio Investment made on or after the date on which such Defaulting Profits Limited Partner failed to make deferrals when due under the MMC Capital Plan. For the avoidance of doubt, amounts deferred pursuant to the MMC Capital Plan by a Profits Limited Partner but not yet invested in Portfolio Investments at the time of a Profits Limited Partner Default by such Profits Limited Partner shall not be invested in Portfolio Investments. In addition, such Defaulting Profits Limited Partner shall contribute to the Partnership an amount equal to the contribution, if any, that such Defaulting Profits Limited Partner would be required to make to the Partnership pursuant to Section 6.12 or Section 10.1(b) if all of the assets of the Partnership were liquidated as of the date of Profits Limited Partner Default for their Value and all of the liabilities of the Partnership were satisfied in accordance with their terms and the Partnership was dissolved in accordance with Section 13, and such Defaulting Profits Limited Partner's

contribution in respect of Section 6.12 shall be distributed to its associated Employer Limited Partner. In addition, the Defaulting Profits Limited Partner may be required to purchase the portion of the interest of its associated Employer Limited Partner in the Partnership attributable to any outstanding Advance made by such Employer Limited Partner, in accordance with the provisions of sections 8.2 and 8.3 of the MMC Capital Plan. Notwithstanding any other provision of this Section 5.3(b), the obligations of any Defaulting Profits Limited Partner to the Partnership hereunder shall not be extinguished as a result of the operation of this Section 5.3(b). The General Partner shall have the right, in its sole discretion, to pursue all remedies at law or in equity available to it with respect to the Profits Limited Partner Default of a Defaulting Profits Limited Partner.

5.4 TERMINATION OF EMPLOYMENT (OTHER THAN TIER 1 LIMITED PARTNERS).

(a) TERMINATION IN THE EVENT OF DEATH, TOTAL DISABILITY OR RETIREMENT. If a Cash Limited Partner (other than a Tier 1 Cash Limited Partner) or a Profits Limited Partner (other than a Tier 1 Profits Limited Partner) dies or is terminated as an employee or consultant of an Employer Limited Partner by reason of such Limited Partner's Total Disability or Retirement, (i) such Cash Limited Partner or Profits Limited Partner (or his or her estate or legal representative) shall retain his or her interest in the Partnership, PROVIDED that such Limited Partner (or his or her estate or legal representative) may at any time request that the General Partner (or in the case of a Profits Limited Partner, the Employer Limited Partner associated with such terminated Profits Limited Partner) purchase, or designate a purchaser for, all or a portion of the interest in the Partnership of such Limited Partner, and (ii) such Limited Partner's obligation to make future Capital Contributions to the Partnership in respect of its Capital Commitment to fund Portfolio Investments made after the date of such request shall terminate, except that the obligation to make Capital Contributions to fund Portfolio Investments by a Limited Partner whose employment is termination by reason of Retirement shall not terminate, unless so requested by such Limited Partner (or his or her estate or legal representative), (iii) any capital contributed to the Partnership by such Limited Partner but not yet invested in a Portfolio Investment shall be distributed (net of any amounts that would be deductible if such capital was distributed pursuant to clause (iv) below) to such Limited Partner (or his estate) and (IV) if such Limited Partner retains his or her interest but his or her obligation to contribute capital to the Partnership is terminated, the Partnership shall be permitted to deduct from Distributable Cash attributable to such Limited Partner's interest in the Partnership amounts equal to the accrued and unpaid and/or anticipated expenses of the Partnership, including without limitation any amounts payable upon dissolution or to fund indemnification obligations pursuant to Section 6.11(d), Section 6.12 or Section 10.1(b). The General Partner and the affected Employer Limited Partner may grant any such requests made pursuant to clauses (i) or (ii) above, in whole or in part, but have no obligation to grant any such request. If the General Partner or the affected Employer Limited Partner grants the request that an interest be purchased, the General Partner or the affected Employer Limited Partner, as the case may be, or such Person's designee, shall provide notice no later than 90 days after such request is made and shall pay to such

Limited Partner an amount equal to the Value of such Limited Partner's interest in the Partnership (or a greater amount agreed to by the General Partner or the Employer Limited Partner, as the case may be) within 60 days of such notice. Without duplication, the obligations of such terminated Limited Partner pursuant to Section 6.11(d), Section 6.12 and Section 10.1(b) shall survive with the same effect as if such terminated Limited Partner had retained its interest in the Partnership.

(b) OTHER TERMINATION. If a Cash Limited Partner (other than a Tier 1 Cash Limited Partner) or a Profits Limited Partner (other than a Tier 1 Profits Limited Partner) is terminated as an employee of or consultant to an Employer Limited Partner for a reason other than death, Total Disability or Retirement, the General Partner (or in the case of such a terminated Profits Limited Partner, the Employer Limited Partner associated with such terminated Profits Limited Partner) will have the right, but not the obligation, to purchase or designate a purchaser for the interest in the Partnership of such Limited Partner at any time after such termination. If such termination is an involuntary termination without an MMC Capital Cause Determination or is a voluntary termination, the purchase price for such Limited Partner's interest shall be the fair market value of such interest, which shall be as mutually agreed by the parties, provided that in the absence of such agreement, fair market value shall be determined by an independent appraiser selected by the General Partner (or the Employer Limited Partner, as the case may be) and approved by the Limited Partner, which approval shall not be unreasonably withheld. The cost of such appraisal shall be borne by the General Partner (or the Employer Limited Partner, as the case may be). If the employment of a Limited Partner is terminated due to an involuntary termination with an MMC Capital Cause Determination, the purchase price for such Limited Partner's interest in the Partnership shall be the lesser of (i) an amount equal to the aggregate Capital Contributions made by such Limited Partner to the Partnership and (ii) the Value of such interest. Fair market value as of any date shall be determined as if the Partnership had been liquidated in an orderly manner as of such date. Upon any such purchase of a Limited Partner's interest in the Partnership, such Limited Partner shall have no further interest in the Partnership. In the absence of any such purchase of a Limited Partner's interest in the Partnership, such Limited Partner shall remain a Limited Partner in the Partnership and shall remain subject to all provisions of this Agreement, PROVIDED that such Limited Partner shall have no rights under Section 8.2(b). In addition, unless the General Partner in its sole discretion determines otherwise, the obligation of such a terminated Cash Limited Partner to make further Capital Contributions to the Partnership in respect of his or her Capital Commitment to fund Portfolio Investments made after the date of such Cash Limited Partner's termination will terminate, PROVIDED that if such obligation is not to be so terminated, notice that such obligation will continue will be given to such Cash Limited Partner within 180 days of the termination of employment of such

Cash Limited Partner. In addition, unless the General Partner in its sole discretion determines otherwise, such terminated Cash Limited Partner or Profits Limited Partner shall contribute to the Partnership (or the Partnership shall withhold from distributions otherwise due to such Cash Limited Partner or Profits Limited Partner) an amount equal to the contribution, if any, that such terminated Limited Partner would be required to make to the Partnership pursuant to Section 6.11(d), Section 6.12 or Section 10.1(b) if all of the assets of the Partnership were liquidated as of the date of termination for their Value and all of the liabilities of the Partnership were satisfied in accordance with their terms and the Partnership was dissolved in accordance with Section 13. Without duplication, the obligations of such terminated Limited Partner pursuant to Section 6.11(d), Section 6.12 and Section 10.1(b) shall survive with the same effect as if such terminated Limited Partner had retained its interest in the Partnership.

5.5 TERMINATION OF A TIER 1 LIMITED PARTNER. (a) TERMINATION IN THE EVENT OF DEATH, TOTAL DISABILITY OR RETIREMENT. If a Tier 1 Limited Partner dies or is terminated as an employee of or consultant to an Employer Limited Partner by reason of such Tier 1 Limited Partner's Total Disability or Retirement, such Tier 1 Limited Partner shall retain his or her interest in the Partnership, PROVIDED that such Tier 1 Limited Partner or his or her estate or legal representative may at any time request that the General Partner (or in the case of a Tier 1 Profits Limited Partner, its associated Employer Limited Partner) purchase or designate a purchaser for, all or a portion of the interest in the Partnership of such Tier 1 Limited Partner. The General Partner and the affected Employer Limited Partner may grant such request in whole or in part, but have no obligation to do so. If the General Partner or the affected Employer Limited Partner grants the request that an interest be purchased, the General Partner or the affected Employer Limited Partner, as the case may be, or such Person's designee shall provide notice no later than 90 days after such request is made, and shall pay to such Limited Partner an amount equal to the Value of such Limited Partner's interest in the Partnership within 60 days of such notice. In addition, a Tier 1 Cash Limited Partner or his or her estate or legal representative may elect to terminate such Tier 1 Cash Limited Partner's obligation to make future Capital Contributions to the Partnership, in respect of any amount of his or her Capital Commitment which exceeds \$2.5 million, to fund Portfolio Investments made after the date of such election. The obligations of such terminated Limited Partner pursuant to Section 6.11(d), Section 6.12 and Section 10.1(b) shall survive with the same effect as if such terminated Limited Partner had retained its interest in the Partnership.

(b) OTHER TERMINATION. If a Tier 1 Limited Partner is terminated as an employee or consultant for a reason other than death, Total Disability or Retirement, the General Partner (or in the case of a Tier 1 Profits Limited Partner, the Employer Limited Partner associated with such Tier 1 Profits Limited Partner) may, but only with the consent of such Tier 1 Limited Partner, purchase or designate a purchaser for the interest in the Partnership of such Tier 1 Limited Partner at a purchase price that is mutually agreed upon but which shall not be less than the Value of such interest. In addition, unless both the General Partner and a terminated Tier 1 Cash Limited Partner agree otherwise, the Remaining Capital Commitments of such Tier 1 Cash Limited Partner shall be reduced to zero and such terminated Tier 1 Cash Limited Partner shall have no further obligation to

make Capital Contributions to the Partnership. Without duplication, the obligations of such terminated Tier 1 Cash Limited Partner pursuant to Section 6.11(d), Section 6.12, and Section 10.1(b), as applicable, shall survive with the same effect as if such terminated Limited Partner had retained its interest in the Partnership. Upon termination of the employment of a Tier 1 Limited Partner, such Tier 1 Limited Partner or representative thereof, can require (i) that Distributable Cash apportioned to such Tier 1 Limited Partner be distributed promptly, and (ii) that proceeds from the disposition of Portfolio Investments apportioned to such Limited Partner shall not be reinvested pursuant to Section 4.1(b).

(c) COMMITMENTS. In the event the Capital Commitments of any Tier 1 Cash Limited Partner are reduced pursuant to Section 5.5, the Employer Limited Partner will assume such Capital Commitments to the extent required to ensure that the Capital Commitments of the Tier 1 Cash Limited Partners, aggregated with the Capital Commitments of the Employer Limited Partner associated with the Tier 1 Profits Limited Partners and with the capital commitments of the Key Employees and their estate planning vehicles to Trident Capital III, L.P., equal at least \$10 million.

5.6 SPECIAL CONSEQUENCES OF TERMINATION OF ANY PROFITS LIMITED PARTNER. If, for any reason, a Profits Limited Partner is terminated as an employee of or consultant to its associated Employer Limited Partner, there are additional consequences as set forth in the MMC Capital Plan. Such Profits Limited Partner will have an interest only in Portfolio Investments that were made during the period when the Profits Limited Partner made deferrals when due under the MMC Capital Plan. The Employer Limited Partner associated with such terminated Profits Limited Partner will purchase the portion of such Profits Limited Partner's interest in the Partnership attributable to such terminated Profits Limited Partner's unpaid deferral under the MMC Capital Plan for \$1.00, and such terminated Profits Limited Partner's obligation to make further deferrals under the MMC Capital Plan will be reduced to zero. If, at the time the employment of a Profits Limited Partner with MMC Capital is terminated, (i) such Profits Limited Partner has not deferred an amount under the MMC Capital Plan at least equal to the amount of such Profits Limited Partner's Associated Commitment, and (ii) the amount, if any, of the Capital Contributions of such Employer Limited Partner in respect of the associated Profits Limited Partner's interest in the Partnership exceeds the amount such Profits Limited Partner has deferred under the MMC Capital Plan, then such Employer Limited Partner may, in its discretion, require the Profits Limited Partner to purchase, for cash, the portion of such Employer Limited Partner's interest in the Partnership attributable to such excess Capital Contributions of such Employer Limited Partner in accordance with the provisions of sections 8.2 and 8.3 of the MMC Capital Plan.

5.7 FURTHER ACTIONS. To the extent necessary in the sole discretion of the General Partner, the General Partner shall cause this Agreement to be amended, without the need for any further act, vote or approval of any other Partner or Person, to reflect as

appropriate the occurrence of any of the transactions referred to in this Section 5 or in Section 11 as promptly as is practicable after such occurrence.

SECTION 6

CAPITAL ACCOUNTS; DISTRIBUTIONS; ALLOCATIONS; WITHHOLDING

6.1 CAPITAL ACCOUNTS. There shall be established on the books and records of the Partnership a capital account (a "CAPITAL ACCOUNT") for each Partner.

6.2 ADJUSTMENTS TO CAPITAL ACCOUNTS. As of the last day of each Period, the balance in each Partner's Capital Account shall be adjusted by (A) increasing such balance by (i) such Partner's allocable share of each item of the Partnership's income and gain for such Period (allocated in accordance with Section 6.9) and (ii) the Capital Contributions, if any, made by such Partner during such Period and (B) decreasing such balance by (i) the amount of cash or the Value of Securities or other property distributed or deemed distributed to such Partner pursuant to Section 6 or Section 13 and (ii) such Partner's allocable share of each item of the Partnership's deduction or loss for such Period (allocated in accordance with Section 6.10). Each Partner's Capital Account shall be further adjusted with respect to any special allocations or adjustments pursuant to this Agreement.

6.3 DISTRIBUTIONS. Distributable Cash attributable to any Portfolio Investment shall initially be apportioned among the Partners in proportion to their Sharing Percentages for such Portfolio Investment. Distributable Cash not attributable to a Portfolio Investment shall be apportioned among the Partners (other than the Employer Limited Partners) in proportion to their respective Capital Contributions giving rise to the Distributable Cash (or, in the case of a Profits Limited Partner, the Capital Contributions of the Employer Limited Partner associated with such Profits Limited Partner). Except as otherwise provided herein, Distributable Cash apportioned to the General Partner shall be distributed to the General Partner and Distributable Cash apportioned to a Cash Limited Partner shall be distributed to such Cash Limited Partner. Except as otherwise provided herein, Distributable Cash apportioned to a Profits Limited Partner shall be distributed as follows:

FIRST, 100% to the Employer Limited Partner associated with such Profits Limited Partner until the cumulative amount distributed to such Employer Limited Partner in respect of such Profits Limited Partner pursuant to this paragraph First is equal to the sum of (i) the aggregate Capital Contributions of such Employer Limited Partner associated with such Profits Limited Partner used to fund the cost of such Portfolio Investment and each other Portfolio Investment previously disposed of, or used to fund Partnership Expenses and Organizational Expenses, and (ii) such additional amount as is necessary to provide such

Employer Limited Partner with a rate of return on such Capital Contributions equal to the AFR Rate (such sum, the "AFR RETURN"); and

SECOND, to such Profits Limited Partner.

6.4 TAX DISTRIBUTIONS. Notwithstanding Section 6.3, the Partnership may, either prior to, together with or subsequent to any distribution of Distributable Cash pursuant to Section 6.3 with respect to a Portfolio Investment, make distributions to all Partners (other than any Defaulting Cash Limited Partners or Defaulting Profits Limited Partners), regardless of their tax status, in amounts intended to enable such Partners (or any Person whose tax liability is determined by reference to the income of any such Partner) to discharge their United States federal, state and local (and, in the discretion, of the General Partner, non-U.S.) income tax liabilities arising from the allocations and distributions made (or to be made) pursuant to this Agreement with respect to such Portfolio Investment. The amount distributable pursuant to this Section 6.4 shall be determined by the General Partner in its sole discretion, taking into account the maximum combined United States federal, New York State and New York City tax rates applicable to individuals or corporations (whichever is higher) on ordinary income and capital gain (taking into account the applicable holding period), as the case may be, and the amounts of ordinary income and capital gain allocated to the Partners pursuant to this Agreement, and otherwise based on such reasonable assumptions as the General Partner determines in good faith to be appropriate (and the assumptions described in this sentence shall be applied equally to each Partner regardless of its tax status). The amount distributable to any Partner pursuant to any clause of Section 6.3 shall be reduced by the amount distributed to such Partner pursuant to this Section 6.4, and the amount so distributed under this Section 6.4 shall be deemed to have been distributed to the extent of such reduction pursuant to such clause of Section 6.3 for purposes of making the calculations required by Section 6.3.

6.5 OTHER PROVISIONS. (a) AVAILABLE ASSETS. Notwithstanding any other provision of this Agreement, distributions shall be made only to the extent of Available Assets and in compliance with the Partnership Law.

(b) DISPOSITION OF PORTION OF PORTFOLIO INVESTMENT. If less than all of the Portfolio Investments in a Portfolio Company are disposed of by the Partnership, the portion disposed of and the portion retained shall for purposes of Sections 6 and 10 (including for purposes of applying the definitions used therein) be deemed to be two separate Portfolio Investments. Any Capital Contributions, allocations or distributions made with respect to such Portfolio Investment shall be allocated between the portion disposed of and the portion retained PRO RATA in proportion to their respective purchase prices.

(c) DEFERRAL OF DISTRIBUTIONS IN CONNECTION WITH OUTSTANDING ADVANCES. Notwithstanding paragraph Second of Section 6.3, if an Employer Limited Partner shall

have notified the Partnership that, pursuant to the MMC Capital Plan, an Advance has been made to any Profits Limited Partner associated with such Employer Limited Partner, then an amount equal to the amount of such Advance shall be retained in the Partnership and not distributed to such Profits Limited Partner until such Employer Limited Partner shall have notified the Partnership that the Advance is no longer outstanding, at which time such amount (together with any earnings thereon) shall be distributed to such Profits Limited Partner. Any amount so withheld shall be invested by the Partnership in Temporary Investments for the account of the holder of such Profits Limited Partner.

6.6 DISTRIBUTIONS OF SECURITIES. Except in connection with the dissolution and liquidation of the Partnership as provided in Section 13, the General Partner shall not make any distributions in kind except to the extent the general partner of the Institutional Fund is permitted to make distributions in kind as provided in the Institutional Fund Agreement and as set forth herein. In the event that a distribution of Securities is made, such Securities shall be deemed to have been sold at their Value and the proceeds of such sale shall be deemed to have been distributed to the Partners for all purposes of this Agreement.

6.7 NEGATIVE CAPITAL ACCOUNTS. Except as provided by Section 6.12, no Limited Partner shall, and except as otherwise required by law the General Partner shall not, be required to make up a negative balance in its Capital Account.

6.8 NO WITHDRAWAL OF CAPITAL. Except as otherwise expressly provided herein, no Partner shall have the right to withdraw capital from the Partnership or to receive any distribution of or return on such Partner's Capital Contributions.

6.9 ALLOCATIONS. Each item of income, gain, loss and deduction of the Partnership (determined in accordance with U.S. tax principles as applied to the maintenance of capital accounts) shall be allocated among the Capital Accounts of the Partners with respect to each Period as of the end of such Period in a manner that as closely as possible gives economic effect to the provisions of Sections 6 and 13 and the other relevant provisions of this Agreement.

6.10 TAX MATTERS. Except as otherwise provided herein, the income, gains, losses, credits and deductions recognized by the Partnership shall be allocated among the Partners, for United States federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Partners' Capital Accounts. Notwithstanding the foregoing, the General Partner shall have the power in its sole discretion to make such allocations for United States federal, state and local income tax purposes as may be necessary to maintain substantial economic effect, or to insure that such allocations are in accordance with the interests of the Partners in the Partnership, in each case within the meaning of the Code and the Treasury Regulations. Tax credits shall be allocated in good faith by

the General Partner. All matters concerning allocations for United States federal, state and local and non-U.S. income tax purposes, including, without limitation, accounting procedures, not expressly provided for by the terms of this Agreement shall be determined in good faith by the General Partner. The General Partner may, in its sole discretion, cause the Partnership to make the election under section 754 of the Code. The General Partner is hereby designated as the "tax matters partner" of the Partnership, as provided in the Treasury Regulations pursuant to section 6231 of the Code (and any similar provisions under any other state or local or non-U.S. tax laws). Each Partner hereby consents to such designation and agrees that upon the request of the General Partner it will execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. Either the General Partner shall have executed and filed a U.S. Internal Revenue Service Form 8832 prior to the date hereof electing to classify the Partnership as a partnership for U.S. federal income tax purposes pursuant to section 301.7701-3 of the Treasury Regulations as of a date no later than the date hereof, or the General Partner shall timely execute and file such Form 8832 on or after the date hereof electing to classify the Partnership as a partnership for United States federal income tax purposes as of a date no later than the date hereof, and the General Partner is hereby authorized to execute and file such Form for all of the Partners. The General Partner shall not subsequently elect to change such classification. The General Partner is hereby authorized to execute and file for all of the Partners any comparable form or document required by any applicable United States state or local tax law in order for the Partnership to be classified as a partnership under such tax law. The Partnership shall not participate in the establishment of an "established securities market" (within the meaning of section 1.7704-1(b) of the Treasury Regulations) or a "secondary market or the substantial equivalent thereof" (within the meaning of section 1.7704-1(c) of the Treasury Regulations) or, in either case, the inclusion of interests in the Partnership thereon.

6.11 WITHHOLDING TAXES. (a) AUTHORITY TO WITHHOLD; TREATMENT OF WITHHELD TAX. Notwithstanding any other provision of this Agreement, each Partner hereby authorizes the Partnership to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Partnership or any of its Affiliates (pursuant to the Code or any provision of United States federal, state, or local or non-U.S. tax law) with respect to such Partner or as a result of such Partner's participation in the Partnership (including as a result of a distribution in kind). If and to the extent that the Partnership shall be required to withhold or pay any such withholding or other taxes, such Partner shall be deemed for all purposes of this Agreement to have received a payment from the Partnership as of the time such withholding or other tax is required to be paid, which payment shall be deemed to be a distribution of Distributable Cash pursuant to the relevant clause of Section 6.3 with respect to such Partner's interest in the Partnership to the extent that such Partner (or any successor to such Partner's interest in the Partnership) would have received a cash distribution but for such withholding. To the extent that such deemed payment exceeds the cash distribution that such Partner would have received at

such time but for such withholding, the General Partner shall notify such Partner as to the amount of such excess and such Partner shall make a prompt payment to the Partnership of such amount by wire transfer. The Partnership may hold back from any distribution in kind property having a Value equal to the amount of taxes withheld or otherwise paid until the Partnership has received such payment.

(b) WITHHOLDING TAX RATE. Any withholdings referred to in this Section 6.11 shall be made at the maximum applicable statutory rate under the applicable tax law unless the General Partner shall have received an opinion of counsel or other evidence, satisfactory to the General Partner, to the effect that a lower rate is applicable, or that no withholding is applicable.

(c) WITHHOLDING FROM DISTRIBUTIONS TO THE PARTNERSHIP. In the event that the Partnership receives a distribution or payment from or in respect of which tax has been withheld, the Partnership shall be deemed to have received cash in an amount equal to the amount of such withheld tax, and each Partner shall be deemed to have received as a distribution of Distributable Cash pursuant to the relevant clause of Section 6.3 the portion of such amount that is attributable to such Partner's interest in the Partnership as equitably determined by the General Partner. To the extent that such deemed distribution exceeds the cash distribution that such Partner would have received but for such withholding, the General Partner shall notify such Partner as to the amount of such excess and such Partner shall make a prompt payment to the Partnership of such amount by check or wire transfer, which payment shall not constitute a Capital Contribution and, consequently, shall not reduce the Remaining Capital Commitment or increase the Capital Account of such Partner. In the event that the Partnership anticipates receiving a distribution or payment from which tax will be withheld in kind, the General Partner may elect to prevent such in-kind withholding by paying such tax in cash and may require each Partner in advance of such distribution to make a prompt payment to the Partnership by wire transfer of the amount of such tax attributable to such Partner's interest in the Partnership as equitably determined by the General Partner, which payment shall not constitute a Capital Contribution and, consequently, shall not reduce the Remaining Capital Commitment or increase the Capital Account of such Partner.

(d) INDEMNIFICATION. Each Partner shall, to the fullest extent permitted by applicable law, indemnify and hold harmless the Partnership and the General Partner against all claims, liabilities and expenses of whatever nature relating to the Partnership's or the General Partner's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Partnership or the General Partner as a result of such Partner's participation in the Partnership. In addition, the Partnership shall, hereby or pursuant to a separate indemnification agreement and to the fullest extent permitted by applicable law, indemnify and hold harmless each Portfolio Company and any other Covered Person who is or who is deemed to be the responsible withholding agent for United States federal, state or local or non-U.S. income tax purposes (other than any

Covered Person that is indemnified by each Partner pursuant to the previous sentence) against all claims, liabilities and expenses of whatever nature relating to such Portfolio Company's or Covered Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by such Portfolio Company or Covered Person, as the case may be, as a result of the participation in the Partnership of a Partner (other than such Covered Person). If, pursuant to a separate indemnification agreement or otherwise, the Partnership shall indemnify or be required to indemnify any Portfolio Company or Covered Person against any claims, liabilities or expenses of whatever nature relating to such Portfolio Company's or Covered Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by such Portfolio Company or Covered Person as a result of any Partner's participation in the Partnership, such Partner shall pay to the Partnership the amount of the indemnity paid or required to be paid.

6.12 CLAWBACK BY PROFITS LIMITED PARTNERS. If, as of the date of the dissolution of the Partnership, prior to the application of this Section 6.12, the aggregate amount distributed pursuant to Section 6 or Section 13 to an Employer Limited Partner with respect to any Profits Limited Partner associated with such Employer Limited Partner is not sufficient to provide the AFR Return attributable to such Profits Limited Partner, such Profits Limited Partner shall contribute to the Partnership an amount that equals the amount of such shortfall and the Partnership shall, subject to Section 6.11 and applicable law, distribute such amount to such Employer Limited Partner.

6.13 FINAL DISTRIBUTION. The final distributions following dissolution shall be made in accordance with the provisions of Section 13.2.

SECTION 7

THE MANAGER

The Partnership hereby appoints the Manager, and the Manager hereby agrees, to act as the investment advisor to and manager of the Partnership, and pursuant to such appointment:

(a) The Manager shall manage the operations of the Partnership, shall have the right to execute and deliver documents on behalf of the Partnership in lieu of the General Partner and shall have discretionary authority with respect to investments of the Partnership, including, without limitation, the authority to evaluate, monitor, exercise voting rights, liquidate and take other appropriate action with respect to investments on behalf of the Partnership, PROVIDED that the management and the conduct of the activities of the Partnership shall remain the sole responsibility of the General Partner and all decisions relating to the selection and disposition of the Partnership's investments shall be made exclusively by the General Partner in accordance with this Agreement.

Appointment of the Manager by the Partnership shall not relieve the General Partner from its obligations to the Partnership hereunder or under the Partnership Law.

(b) The Manager shall act in conformity with this Agreement and with the instructions and directions of the General Partner.

The engagement by the Partnership of the Manager contemplated hereby may be set forth in a separate management agreement specifying in further detail the rights and duties of the Manager. Such engagement, whether or not set forth in such a management agreement, shall terminate upon the filing of a notice of dissolution of the Partnership as described in Section 13.4(b).

SECTION 8

BANKING; ACCOUNTING; BOOKS AND RECORDS; ADMINISTRATIVE SERVICES

8.1 BANKING. All funds of the Partnership may be deposited in such bank, brokerage or money market accounts as shall be established by the General Partner. Withdrawals from and checks drawn on any such account shall be made upon such signature or signatures as the General Partner may designate. All securities held by the Partnership shall be held by a custodian or at a bank or other secure location selected by the General Partner.

8.2 MAINTENANCE OF BOOKS AND RECORDS; ACCESS. (a) MAINTENANCE. The General Partner shall keep or cause to be kept complete records and books of account. Such books and records shall be maintained in accordance with the provisions of the Institutional Fund Agreement applicable to the records and books of account of the Institutional Fund as if such provisions were applicable to the Partnership. The books and records required by law to be maintained at the registered office of the Partnership shall be so maintained pursuant to the provisions of the Partnership Law. In particular, the General Partner shall maintain, or cause to be maintained, at the registered office of the Partnership, in accordance with the Partnership Law, the Partnership Register containing the name and address, amount and date of the contribution or contributions of each Partner and the amount and date of any payment representing a return of any part of the contributions of any Partner, which register shall be updated within twenty-one Business Days of any change in the particulars therein. In accordance with the Partnership Law, the Partnership Register shall be PRIMA FACIE evidence of the matters which are required to be inserted therein and shall be open to inspection by any Person during all business hours.

(b) ACCESS. Such books and records shall be available, upon five Business Days' notice to the General Partner, for inspection and copying at reasonable times during

normal business hours by a Limited Partner or its duly authorized agents or representatives for any purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership.

8.3 PARTNERSHIP TAX RETURNS. The General Partner shall cause the Partnership initially to elect the Fiscal Year as its taxable year and shall cause to be prepared and timely filed all tax returns required to be filed for the Partnership in the jurisdictions in which the Partnership conducts business or derives income for all applicable tax years.

8.4 VALUATION. For all purposes of this Agreement, "VALUE" shall mean, with respect to any asset or Security, including but not limited to any Portfolio Investment, owned (directly or indirectly) by the Partnership at any time, the fair market value of such asset or Security, as determined by the General Partner in its sole discretion. "Fair market value" generally shall be determined by the General Partner by reference to such factors as it deems appropriate, including, with respect to a Security owned directly or indirectly by the Partnership, the valuation set forth for such Portfolio Investment in the Partnership's most recent quarterly financial statements. Any valuation may, in the discretion of the General Partner, be made by independent third parties appointed by the General Partner and deemed qualified by the General Partner to render valuation opinions, which third parties may use such methods and consider such information as they deem appropriate.

SECTION 9

REPORTS TO PARTNERS

9.1 INDEPENDENT AUDITORS. The books of account and records of the Partnership shall be audited as of the end of each Fiscal Year by such recognized accounting firm as shall be selected by the General Partner. The Partnership's independent public accountants shall be a recognized independent public accounting firm selected from time to time by the General Partner in its sole discretion. All reports provided to the Limited Partners pursuant to Section 9.2 shall be prepared in accordance with United States generally accepted accounting principles consistently applied. The Partnership's financial statements shall not be consolidated with those of the General Partner, any Portfolio Company or any Affiliate of the Partnership, unless such consolidation shall be required by United States generally accepted accounting principles, in which case the Partnership shall provide "stand-alone" financial statements for the Partnership, reviewed by the Partnership's independent public accounting firm on an unconsolidated basis pursuant to investment company accounting standards as reasonably determined by the General Partner.

9.2 REPORTS TO CURRENT PARTNERS. As soon as practicable after the end of each Fiscal Year, the General Partner shall prepare and mail or cause to be prepared and

mailed to each Limited Partner audited financial statements of the Partnership, a statement of such Limited Partner's capital account and such other information as the General Partner, in its sole discretion, deems appropriate. As soon as practicable after the end of the second fiscal quarter each Fiscal Year, the General Partner shall prepare and mail or cause to be prepared and mailed to each Limited Partner unaudited financial statements of the Partnership and such other information as the General Partner, in its sole discretion, deems appropriate. In addition, if a Limited Partner so requests in writing, the Partnership shall provide to each Limited Partner on a timely basis, all reports sent (after the date of such request) to the limited partners of the Institutional Fund pursuant to the limited partnership agreement of the Institutional Fund.

9.3 UNITED STATES FEDERAL INCOME TAX INFORMATION. The General Partner shall use its commercially reasonable best efforts to send, no later than 90 days after the end of each Fiscal Year, to each Limited Partner (or its legal representatives) and to each other Person that was a Limited Partner at any time during such Fiscal Year (or its legal representatives), a Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.," to United States Internal Revenue Service Form 1065, "U.S. Partnership Return of Income," or any successor schedule or form, filed by the Partnership, for such Person.

9.4 ADDITIONAL INFORMATION. The General Partner shall promptly provide to any Tier 1 Limited Partner who so requests in writing such additional information concerning the Partnership as such Tier 1 Limited Partner may reasonably find relevant to the interests in the Partnership held by such Tier 1 Limited Partner.

SECTION 10

INDEMNIFICATION OF COVERED PERSONS

10.1 INDEMNIFICATION OF COVERED PERSONS. (a) GENERAL. The Partnership and each Partner shall, and hereby does, to the fullest extent permitted by applicable law, indemnify, hold harmless and release each Covered Person from and against all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated ("CLAIMS"), that may accrue to or be incurred by any Covered Person, or in which any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Partnership (including, but not limited to, Claims arising out of the disposition of any Portfolio Company), or otherwise relating to or arising out of this Agreement, including, but not limited to, amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding (a "PROCEEDING"), whether civil or criminal (all of such Claims and amounts covered by

this Section 10.1, and all expenses referred to in Section 10.2, referred to as "DAMAGES"), except to the extent that it shall have been determined ultimately by a court of competent jurisdiction that such Damages arose from the Disabling Conduct of such Covered Person. The termination of any Proceeding by settlement shall not, of itself, create a presumption that such Covered Person has engaged in Disabling Conduct or any Damages relating to such settlement arose primarily from the Disabling Conduct of any Covered Person. The provisions of this Section 10 shall survive the termination, dissolution and winding-up of the Partnership.

(b) CONTRIBUTION. Notwithstanding any other provision of this Agreement, at any time and from time to time and prior to the last day of the Term, the General Partner may require the Partners to contribute to the Partnership an amount sufficient to satisfy all or any portion of the indemnification obligations of the Partnership, whether such obligations arise before or after the last day of the Term, or with respect to any Person who is a Partner, before or after such Person ceases to be a Partner, PROVIDED that each Partner shall make such contributions in respect of its share of any such indemnification obligations made or required to be made as follows:

(i) if the Claims or Damages so indemnified against arise out of a Portfolio Investment,

(A) by each Partner to which Distributable Cash was distributed in connection with such Portfolio Investment in such amounts as shall result in each Partner retaining from such Distributable Cash the amount that would have been distributed to such Partner had the amount of Distributable Cash been, at the time of such distribution, reduced by the amount of such indemnification obligations, as equitably determined by the General Partner; and

(B) thereafter, by the Partners in proportion to their Sharing Percentages with respect to such Portfolio Investment, or

(ii) in any other circumstances, by the Partners (other than the Employer Limited Partners) in proportion to their Capital Commitments and/or Associated Commitments, as the case may be.

Notwithstanding anything in this Section 10 to the contrary, a Partner's liability under the first sentence of this Section 10.1(b) is limited to such Partner's Capital Commitment. Nothing in this Section 10.1(b), express or implied, is intended or shall be construed to give any Person other than the Partnership or the Partners any legal or equitable right, remedy or claim under or in respect of this Section 10.1(b) or any provision contained herein.

(c) NO DIRECT LIMITED PARTNER INDEMNITY. Limited Partners shall not be required directly to indemnify any Covered Person under this Section 10.1.

10.2 EXPENSES, ETC. To the fullest extent permitted by applicable law, expenses incurred by a Covered Person in defense or settlement of any Claim that may be subject to a right of indemnification hereunder shall be advanced by the Partnership prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined ultimately by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified hereunder. The right of any Covered Person to the indemnification provided herein shall be cumulative with, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's successors, assigns and legal representatives. All judgments against the Partnership, and all judgments against the Partnership and either or both of the General Partner and/or the Manager in respect of which the General Partner and/or the Manager are/is entitled to indemnification, shall first be satisfied from Partnership assets (including, without limitation, Capital Contributions and any payments under Section 10.1(b)), before the General Partner or the Manager, as the case may be, is responsible therefor.

10.3 NOTICES OF CLAIMS, ETC. Promptly after receipt by a Covered Person of notice of the commencement of any Proceeding, such Covered Person shall, if a claim for indemnification in respect thereof is to be made against the Partnership, give written notice to the Partnership of the commencement of such Proceeding, PROVIDED that the failure of any Covered Person to give notice as provided herein shall not relieve the Partnership of its obligations under this Section 10, except to the extent that the Partnership is actually prejudiced by such failure to give notice. In case any such Proceeding is brought against a Covered Person (other than a derivative suit in right of the Partnership), the Partnership shall be entitled to participate in and to assume the defense thereof to the extent that the Partnership may wish, with counsel reasonably satisfactory to such Covered Person. After notice from the Partnership to such Covered Person of the Partnership's election to assume the defense of such Proceeding, the Partnership shall not be liable for expenses subsequently incurred by such Covered Person in connection with the defense thereof. The Partnership shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Covered Person of a release from all liability in respect to such Claim.

10.4 NO WAIVER. Nothing contained in this Section 10 shall constitute a waiver by any Partner of any right that it may have against any party under any U.S. federal or state securities laws, Cayman Islands laws or other non-U.S. laws.

10.5 COVERED PERSONS MAY RELY AND ENFORCE. It is the express intention of the parties hereto that the provisions of this Section 10 for the indemnification of Covered Persons may be relied upon by such Covered Persons and may be enforced by such Covered Persons (or by the General Partner on behalf of any such Covered Person, PROVIDED that the General Partner shall not have any obligation to so act for or on behalf of any such Covered Person) against the Partnership and the Partners as if such Covered Persons were parties hereto.

SECTION 11

TRANSFER OF LIMITED PARTNERSHIP INTERESTS; WITHDRAWAL OF LIMITED PARTNERS

11.1 ADMISSION, SUBSTITUTION AND WITHDRAWAL OF LIMITED PARTNERS; ASSIGNMENT. (a) GENERAL. Except as set forth in Section 5 or in this Section 11, no Additional Limited Partners may be admitted to, and no Limited Partner may withdraw from, the Partnership prior to the dissolution and winding-up of the Partnership. Except as set forth in this Section 11 no Limited Partner shall sell, transfer, assign, convey, pledge, mortgage, encumber, hypothecate or otherwise dispose of ("TRANSFER") all or any part of its interest in the Partnership, PROVIDED that any Limited Partner may, with the prior written consent of the General Partner (which consent may be withheld in the sole and absolute discretion of the General Partner) and upon compliance with Sections 11.1(b) and (c), Transfer all or a portion of such Limited Partner's interest in the Partnership. Notwithstanding the foregoing, no Limited Partner may enter into, create, sell or Transfer any financial instrument or contract the value of which is determined in whole or in part by reference to the Partnership (including the amount of Partnership distributions, the value of Partnership assets, or the results of Partnership operations), within the meaning of section 1.7704-1(a)(2)(i)(B) of the Treasury Regulations.

(b) CONDITIONS TO TRANSFER. Any purported Transfer by a Limited Partner pursuant to the terms of this Section 11 shall, in addition to requiring the prior written consent referred to in Section 11.1(a), be subject to the satisfaction of the following conditions:

(i) the Limited Partner that proposes to effect such a Transfer (a "TRANSFEROR") or the Person to whom such Transfer is made (a "TRANSFeree") shall pay all expenses incurred by the Partnership or the General Partner on behalf of the Partnership in connection therewith;

(ii) the Partnership shall receive from the Transferee (and in the case of clause (C) below, from the Transferor to the extent specified by the General Partner) (A) such documents, instruments and certificates as may be requested by the General Partner, pursuant to which such Transferee shall become bound by

this Agreement, including, without limitation, a counterpart of this Agreement executed by or on behalf of such Transferee, (B) a certificate to the effect that the representations set forth in the Subscription Agreement of such Transferee are (except as otherwise disclosed to the General Partner) true and correct with respect to such Transferee as of the date of such Transfer and (C) such other documents, opinions, instruments and certificates as the General Partner shall request;

(iii) such Transferor or Transferee shall, prior to making any such Transfer, deliver to the Partnership the opinion of counsel described in Section 11.1(c);

(iv) the General Partner may, in its sole discretion, require any Limited Partner wishing to make a Transfer under this Section 11 or such Transferee to pay to the Partnership such amount in immediately available funds as is sufficient to cover all expenses incurred by or on behalf of the Partnership in connection with such substitution or Transfer, and in connection therewith, to execute and deliver such documents, instruments, certificates and opinions of counsel as the General Partner shall request;

(v) the General Partner shall be given at least 30 days' prior written notice of such desired Transfer;

(vi) the Transferor and the Transferee shall each provide a certificate to the effect that (A) the proposed Transfer will not be effected on or through (1) a U.S. national, regional or local securities exchange, (2) a non-U.S. securities exchange or (3) an interdealer quotation system that regularly disseminates firm buy or sell quotations by identified brokers or dealers (including, without limitation, NASDAQ or a foreign equivalent thereto) and (B) it is not, and its proposed Transfer or acquisition (as the case may be) will not be made by, through or on behalf of, (1) a Person, such as a broker or a dealer, making a market in interests in the Partnership or (2) a Person who makes available to the public bid or offer quotes with respect to interests in the Partnership;

(vii) such Transfer will not be effected on or through an "established securities market" or a "secondary market or the substantial equivalent thereof," as such terms are used in section 1.7704-1 of the Treasury Regulations; and

(viii) such Transfer would not result in the Partnership at any time during its taxable year having more than 100 partners within the meaning of section 1.7704-1(h)(1)(ii) of the Treasury Regulations (taking into account section 1.7704-1(h)(3) of the Treasury Regulations).

The General Partner may waive any or all of the conditions set forth in this Section 11.1(b) (other than clause (vii) hereof) if in its sole discretion, it deems it in the best interest, or not opposed to the interest, of the Partnership to do so.

(c) OPINION OF COUNSEL. The opinion of counsel referred to in Section 11.1(b)(iii) shall be in form and substance satisfactory to the General Partner, shall be from counsel satisfactory to the General Partner and shall be substantially to the effect that (unless specified otherwise by the General Partner) the consummation of the Transfer contemplated by the opinion:

(i) will not require registration under, or violate any provisions of, the Securities Act or any applicable state or non-U.S. securities laws;

(ii) will not require the General Partner or the Partnership to register as an investment company under the Investment Company Act; and, as required by the General Partner, that the Transferee is a Person that counts as one beneficial owner for purposes of section 3(c)(1) of the Investment Company Act;

(iii) will not require the Manager, the General Partner or any Affiliate of the Manager or the General Partner that is not registered under the Investment Advisers Act or the Partnership to register as an investment adviser under the Investment Advisers Act;

(iv) will not cause the Partnership to be taxable as corporation under the Code; and

(v) will not violate the laws, rules or regulation of any state or the rules and regulations of any Governmental Authority applicable to such Transfer.

In giving such opinion, counsel may, with the consent of the General Partner, rely as to factual matters on certificates of the Transferor, the Transferee and the General Partner.

(d) DEATH, INCAPACITY ETC. Subject to Sections 11.1(a), 11.1(b) and 11.1(c), the estate of a Limited Partner who is a natural person shall have the right to Transfer, upon the death, incompetency, bankruptcy, withdrawal or incapacity of such Limited Partner, his or her interest in the Partnership.

(e) SUBSTITUTE LIMITED PARTNERS. Notwithstanding any other provision of this Agreement, any Transferee of a Transferor's interest in the Partnership pursuant to the terms of this Section 11 may be admitted to the Partnership as a substitute limited partner of the Partnership (a "SUBSTITUTE LIMITED PARTNER") only with the consent of the General Partner, which consent may be withheld in the sole and absolute discretion of the General Partner. Upon the admission of such Transferee as a Substitute Limited Partner, all references herein to such Transferor shall be deemed to apply to such Substitute Limited

Partner, and such Substitute Limited Partner shall succeed to all rights and obligations of the Transferor hereunder. A Person shall be deemed admitted to the Partnership as a Substitute Limited Partner at the time that the foregoing conditions are satisfied and such Person is listed as a limited partner of the Partnership in the Partnership Register. Any Transferee of an economic interest in the Partnership shall become a Substitute Limited Partner only upon satisfaction of the requirements set forth in this Section 11.1.

(f) TRANSFER IN VIOLATION OF AGREEMENT NOT RECOGNIZED. No attempted Transfer or substitution shall be recognized by the Partnership and any purported Transfer or substitution shall be void unless effected in accordance with and as permitted by this Agreement.

11.2 ADDITIONAL LIMITED PARTNERS. (a) CONDITIONS TO ADMISSION. In addition to the admission of Limited Partners at the Initial Closing, the General Partner, in its sole discretion, may schedule, from time to time, one or more additional Closings for one or more Person or Persons seeking admission to the Partnership as an additional limited partner of the Partnership (each such Person, an "ADDITIONAL LIMITED PARTNER", which term shall include any Person that is a Partner immediately prior to such additional Closing and that wishes to increase the amount of such Person's Capital Commitment or, in the case of a Profits Limited Partner, its Associated Commitment), subject to the determination by the General Partner in the exercise of its good faith judgment that in the case of each such admission or increase the following conditions have been satisfied:

(i) Each such Additional Limited Partner shall have executed and delivered such instruments and shall have taken such actions as the General Partner shall deem necessary, convenient or desirable to effect such admission or increase, including, without limitation, the execution of (A) a Subscription Agreement pursuant to which such Additional Limited Partner agrees to be bound by the terms and provisions hereof or (if such Additional Limited Partner is a Cash Limited Partner or an Employer Limited Partner) to increase the amount of such Limited Partner's Capital Commitment, as the case may be and (B) a Power of Attorney.

(ii) Such admission or such increase shall not result in a violation of any applicable law, including, without limitation, Cayman Islands and United States federal and state securities laws, or any term or condition of this Agreement and, as a result of such admission or such increase, the Partnership shall not be required to register as an Investment Company under the Investment Company Act or any law of similar import of the Cayman Islands; none of the General Partner, the Manager or any Affiliate of the General Partner or Manager would be required to register as an investment adviser under the Investment Advisers Act or any law of similar import of the Cayman Islands; and the Partnership shall not become taxable as a corporation or association.

(b) On the date of its admission to the Partnership or the date of such increase, as the case may be, such Additional Limited Partner shall have paid or unconditionally agreed to pay to the Partnership, an amount equal to the sum of

(i) in the case of each Portfolio Investment then held by the Partnership, with the exception of such Portfolio Investments as the General Partner in its sole discretion deems fair and equitable to exclude, the percentage of such Additional Limited Partner's Capital Commitment or (if the Additional Limited Partner is increasing its Capital Commitment) the percentage of the amount of the increase of such Additional Limited Partner's Capital Commitment that is equal to a fraction, (1) the numerator of which is the aggregate of the Capital Contributions of the previously admitted Partners used to fund the cost of such Portfolio Investment and (2) the denominator of which is the sum of the aggregate of (x) the Capital Commitments of the previously admitted Partners that made Capital Contributions used to fund the cost of such Portfolio Investment and (y) (without duplication) the Capital Commitments of all Additional Limited Partners, and

(ii) the percentage of such Additional Limited Partner's Capital Commitment or (if such Additional Limited Partner is increasing its Capital Commitment) the percentage of the amount of the increase of such Additional Limited Partner's Capital Commitment that is equal to a fraction, (1) the numerator of which is the aggregate of the Capital Contributions of the previously admitted Limited Partners in respect of all Drawdowns which have theretofore been funded and not returned to the Partners, other than Drawdowns made and used to fund the cost of a Portfolio Investment and (2) the denominator of which is the sum of the aggregate of (X) the Capital Commitments of all previously admitted Partners and (Y) (without duplication) the Capital Commitments of all Additional Limited Partners,

together with, in the case of clauses (A) and (B), an amount calculated as interest thereon at a rate per annum equal to the Prime Rate plus 200 basis points from the dates that contribution of such amounts by such Additional Limited Partner would have been due if such Additional Limited Partner had been admitted to the Partnership or had increased its Capital Commitment, as the case may be, on the date of the Initial Closing, to the date that the payment required to be made by such Additional Limited Partner pursuant to this Section 11.2(a)(iii) is made, which interest shall be treated as provided in Section 11.2(b), and less such amount as is necessary to take into account all distributions theretofore made.

A Person shall be deemed admitted to the Partnership as an Additional Limited Partner at the time that the foregoing conditions are satisfied and when such Person is listed as a limited partner of the Partnership, and the Capital Commitment made with respect to such Person is listed, in the Partnership Register.

(c) CERTAIN PAYMENTS AND TRANSFERS. Any amount paid by an Additional Limited Partner pursuant to Section 11.2(a)(iii)(A) with respect to the acquisition of Portfolio Investment (and any interest paid thereon) shall be remitted promptly to the previously admitted Partners, PRO RATA in accordance with their Capital Contributions used to fund the acquisition of such Portfolio Investment (before giving effect to the adjustments referred to in the following clause), and the Partners' Sharing Percentages for such Portfolio Investment shall be appropriately adjusted. Any amount paid by an Additional Limited Partner pursuant to Section 11.2(a)(iii)(B) (and any interest paid thereon) shall be remitted promptly to the previously admitted Partners, PRO RATA in accordance with their Capital Commitments. Such payments and remittances shall, in accordance with section 707(a) of the Code, be treated for all purposes of this Agreement and for all accounting and tax reporting purposes as payments made directly from the Additional Limited Partner to the previously admitted Partners and not as items of Partnership income, gain, loss, deduction, contribution or distribution. Such Additional Limited Partner shall succeed to the Capital Contributions of the previously admitted Partners attributable to the portion of the amount remitted to such previously admitted Partners pursuant to Section 11.2(a)(iii) (not including any amount calculated as interest thereon), as appropriate, and the Capital Contributions of the previously admitted Partners shall be decreased accordingly. In addition, the Remaining Capital Commitments of the previously admitted Limited Partners shall be increased by such amount remitted (not including any amount calculated as interest thereon), and the amount of such increase in Remaining Capital Commitments may be called again by the Partnership. The Remaining Capital Commitment of the Additional Limited Partner shall be appropriately determined by the General Partner. The Partnership Register shall be amended by the General Partner as appropriate to show the name and business address of each Additional Limited Partner and the amount of its Capital Commitment. Neither the admission of an Additional Limited Partner nor an increase in the amount of an Additional Limited Partner's Capital Commitment shall be a cause for dissolution of the Partnership.

(d) NO CONSENT. The transactions contemplated by this Section 11.2 shall not require the consent of any of the Limited Partners.

(e) MULTI-FUND AND MULTI-VEHICLE ADJUSTMENTS. Any payments to be made by, and the distributions to be made to, certain Partners pursuant to Section 11.2(a) and (b), and the equivalent provisions of the Institutional Fund Agreement, shall be adjusted as necessary to take into account (i) that investments held by the Partnership may, as of any Closing Date, be held by one or more of the Co-Investment Funds, (ii) that a portion of each Limited Partner's Capital Commitment originally made to the Partnership may, at the time of the subsequent Closings, be a capital commitment to one or more Special Investment Vehicles, and (iii) closings of a Co-Investment Fund. Notwithstanding any other provision of this Agreement, investments held by the Partnership, the other Co-Investment Funds, and/or Special Investment Vehicles may be transferred among such entities (for a price equal to cost plus interest thereon at a rate per annum of the Prime

Rate plus 200 basis points) to effectuate the purposes of this Section 11.2 and the equivalent provisions of the Institutional Fund Agreement. After the payments, distributions and adjustments described in this Section 11.2(d) and the equivalent provisions of the Institutional Fund Agreement are taken into account, each investment in a Portfolio Company shall be held by the Partnership and any Co-Investment Fund in proportion to their respective capital commitments, including, without limitation, all capital committed to the Partnership or any such Co-Investment Fund, as the case may be, after the date on which such investment was made but prior to September 30, 2004.

SECTION 12

DEATH, INCOMPETENCY OR BANKRUPTCY OR DISSOLUTION OF PARTNERS

12.1 BANKRUPTCY, DISSOLUTION OF THE GENERAL PARTNER. In the event of the bankruptcy or dissolution and commencement of winding up of the General Partner or the occurrence of any other event that causes the General Partner to cease to be a general partner of the Partnership under the Partnership Law, the Partnership shall be dissolved and its affairs shall be wound up as provided in Section 13, unless the business of the Partnership is continued pursuant to Section 13.1(a). The General Partner shall take no action voluntarily to declare bankruptcy or accomplish its dissolution prior to the dissolution of the Partnership. Notwithstanding any other provision of this Agreement, the bankruptcy of the General Partner will not cause the General Partner to cease to be a general partner of the Partnership, and upon the occurrence of such an event, the business of the Partnership shall continue without dissolution.

12.2 DEATH, INCOMPETENCE, BANKRUPTCY, DISSOLUTION OR WITHDRAWAL OF A LIMITED PARTNER. The death, Total Disability, bankruptcy, dissolution, retirement, resignation or withdrawal of a Limited Partner or the occurrence of any other event that causes a Limited Partner to cease to be a Partner of the Partnership shall not in and of itself dissolve or terminate the Partnership; and the Partnership, notwithstanding such event, shall continue without dissolution upon the terms and conditions provided in this Agreement, and each Limited Partner, by executing this Agreement, agrees to such continuation of the Partnership without dissolution.

SECTION 13

DURATION AND TERMINATION OF PARTNERSHIP

13.1 DURATION. (a) There shall be a dissolution of the Partnership and its affairs shall be wound up upon the first to occur of any of the following events:

- (i) the date of the dissolution of the Institutional Fund; or

(ii) the last Business Day of the Fiscal Year in which all assets acquired, or agreed to be acquired, by the Partnership have been sold or otherwise disposed of; or

(iii) the withdrawal, bankruptcy or dissolution and commencement of winding up of the General Partner, or the assignment by the General Partner of its entire interest in the Partnership in contravention of this Agreement, or the occurrence of any other event that causes the General Partner to cease to be a general partner of the Partnership under the Partnership Law, UNLESS, within 90 calendar days after the occurrence of such event, a substitute general partner is appointed by a Majority in Interest effective as of the date of withdrawal (i) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership that is hereby authorized to and does (unanimously in the case of more than one general partner) elect to continue the business of the Partnership without dissolution or (ii) the business of the Partnership is otherwise continued without dissolution pursuant to the provisions of the Partnership Law and PROVIDED, that for the purposes of this Section 13.1, the General Partner shall not be deemed to have been dissolved or to have commenced a winding up as a result of the fact that any general partner of the General Partner ceases to be a general partner of the General Partner if and as long as the General Partner shall have at least one remaining general partner who shall have the right and shall elect to carry on the business of the General Partner; and PROVIDED, FURTHER, that the conversion of the General Partner to a limited partnership, limited liability company or other entity, or the Transfer of the General Partner's interest as the general partner of the Partnership to, or the merger of the General Partner with and into, a limited partnership, limited liability company or other entity as provided for in Section 2.7 shall not, for the purposes of this Section 13.1 be deemed a dissolution or winding up or commencement of winding up of the General Partner; or

(iv) a decision, made by the General Partner in its sole discretion, to dissolve the Partnership because it has determined, due to a change in the text, application or interpretation of any applicable statute, regulation, case law, administrative ruling or other similar authority (including, without limitation, changes that result in the Partnership being taxable as a corporation under United States federal income tax law), that the Partnership will be unable to effectively carry out its investment program as contemplated by this Agreement; or

(v) the entry of a decree of judicial dissolution.

13.2 DISTRIBUTION UPON DISSOLUTION. Upon the dissolution of the Partnership, the General Partner (or, if dissolution of the Partnership should occur by reason of Section 13.1(a)(iii), a liquidating trustee selected by the General Partner, or if the General

Partner has dissolved or withdraws from the Partnership, or other representative duly designated by a Majority in Interest) shall proceed, subject to the provisions of this Section 13, to liquidate the Partnership and apply the proceeds of such liquidation, or in its sole discretion to distribute Partnership assets, in the following order of priority:

FIRST, to creditors in satisfaction of debts and liabilities of the Partnership, whether by payment or the making of reasonable provision for payment (other than any loans or advances that may have been made by any of the Partners to the Partnership), and the expenses of liquidation whether by payment or the making of reasonable provision for payment, any such reasonable reserves (which may be funded by a liquidating trust) to be established by the General Partner (or any liquidating trustee selected by the General Partner, or if the General Partner has dissolved or withdraws from the Partnership, or other representative duly designated by a Majority in Interest) in amounts deemed by it to be reasonably necessary for the payment of the Partnership's expenses, liabilities and other obligations (whether fixed or contingent, conditional or unmatured);

SECOND, to the Partners in satisfaction of any loans or advances that may have been made by any of the Partners to the Partnership, whether by payment or the making of reasonable provision for payment;

THIRD, to the Partners in accordance with Section 6.3.

13.3 DISTRIBUTIONS IN CASH OR IN KIND. Upon the dissolution of the Partnership, the General Partner (or liquidating trustee selected by the General Partner or, if the General Partner has dissolved or withdraws from the Partnership, a representative duly designated by a Majority in Interest) its successor or other representative shall use its commercially reasonable efforts to liquidate all of the Partnership assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2, PROVIDED THAT if in the good faith business judgment of the General Partner (or such liquidating trustee or other representative), a Partnership asset should not be liquidated, the General Partner (or such other representative) shall allocate, on the basis of the Value of any Partnership assets not sold or otherwise disposed of, any unrealized gain or loss based on such Value to the Partner's Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in accordance with Section 13.2, subject to the priorities set forth in Section 13.2, PROVIDED FURTHER that the General Partner (such other representative) will in good faith attempt to liquidate sufficient Partnership assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in paragraphs First and Second of Section 13.2. The General Partner may cause certificates evidencing any Securities to be distributed to be imprinted with legends as to such restrictions on transfers that it may deem necessary or appropriate, including, without limitation, legends as to applicable federal or state or non-U.S. securities laws or other legal or contractual

restrictions, and may require any Partner to which Securities are to be distributed to agree in writing (A) that such Securities will not be transferred except in compliance with such restrictions and (B) to such other matters as the General Partner may deem necessary, appropriate convenient or incidental to the foregoing.

13.4 TIME FOR LIQUIDATION, ETC. (a) At the end of the term of the Partnership as provided for in the provisos to Section 1.4, the Partnership shall be liquidated and any remaining assets shall be distributed in accordance with Section 13.2. A reasonable time period shall be allowed for the orderly winding-up and liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to seek to minimize potential losses upon such liquidation. Subject to Section 13.1, the provisions of this Agreement shall remain in full force and effect during the period of winding-up and until the filing of a notice of dissolution of the Partnership with the Registrar of Exempted Limited Partnerships of the Cayman Islands, as provided in 13.4(b).

(b) FILING OF NOTICE OF DISSOLUTION. Upon completion of the foregoing, the General Partner (or any liquidating trustee selected by the General Partner, or if the General Partner has dissolved or withdraws from the Partnership, a representative duly designated by a Majority in Interest) shall execute, acknowledge and cause to be filed a notice of dissolution of the Partnership with the Registrar of Exempted Limited Partnerships of the Cayman Islands.

13.5 GENERAL PARTNER AND MANAGER NOT PERSONALLY LIABLE FOR RETURN OF CAPITAL CONTRIBUTIONS. None of the General Partner or the Manager, or any of its or their respective Affiliates shall be personally liable for the return of all or any portion of the Capital Accounts or the Capital Contributions of any Partner, and such return shall be made solely from available Partnership assets, if any, and each Limited Partner hereby waives any and all claims it may have against the General Partner or the Manager, or any of its or their respective Affiliates thereof in this regard.

13.6 REORGANIZATION OF THE PARTNERSHIP. To the extent permitted by law, in order to effect a reorganization of the Partnership,

(a) the General Partner may cause the conversion of the Partnership to a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction or

(b) the General Partner may cause the exchange of the interests of the Partners in the Partnership for interests in, or cause the Partnership to be merged with and into, a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction,

but only if in any such case the Partners (including, without limitation, their successors) shall become, and no other Persons (other than Persons necessary for the qualification of such limited partnership, limited liability company or other entity under such laws) shall be, the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, PROVIDED that no such conversion, exchange or merger shall be permitted unless

(i) the General Partner shall first have delivered to the Partnership

(A) a written opinion from Debevoise & Plimpton or other counsel of recognized standing experienced in United States federal income tax matters, to the effect that such limited partnership, limited liability company or other entity will be classified as a partnership, and will not be treated as a corporation, for United States federal income tax purposes, and

(B) a written opinion (the conclusions of which may be based in part on the opinion specified in the immediately preceding clause (A)) of each of

(1) experienced counsel admitted to practice in each jurisdiction in which such limited partnership, limited liability company or other entity is formed or has an office and

(2) experienced counsel admitted to practice in each jurisdiction (X) in which such limited partnership, limited liability company or other entity shall have an office, be doing business or otherwise be subject to the income tax laws of such jurisdiction immediately after such conversion, exchange or merger and (Y) under the income tax laws of which the Partnership was not taxed directly on its income before such conversion, exchange or merger,

to the effect that such conversion, exchange or merger would not cause such limited partnership, limited liability company or other entity to be taxed directly on its income under the income tax laws of such jurisdiction,

(ii) the General Partner shall have first delivered to the Partnership a written opinion of experienced counsel admitted to practice in the jurisdiction under the laws of which such limited partnership, limited liability company or other entity is formed, to the effect that such conversion, exchange or merger would not adversely affect the limited liability of the Limited Partners,

(iii) such conversion, exchange or merger would not result in the violation of any applicable securities laws,

(iv) such conversion, exchange or merger would not result in such limited partnership, limited liability company or other entity being required to register as an Investment Company under the Investment Company Act or any law of similar import of the jurisdiction under the laws of which such limited partnership, limited liability company or other entity is formed, and would not result in the General Partner or any Affiliate of the General Partner being required to register as an investment adviser under the Investment Advisers Act or any law of similar import of such jurisdiction, and

(v) the General Partner shall have made a good faith determination that such conversion, exchange or merger would not adversely affect the rights or increase the liabilities of the Limited Partners.

Upon any such conversion, exchange or merger, such limited partnership, limited liability company or other entity shall be treated as the successor to the Partnership for all purposes of this Agreement and of the corresponding agreement pursuant to which the rights and obligations of the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, are determined. All Subscription Agreements applicable to the Partnership that are in effect at the time of any such conversion, exchange or merger shall thereafter continue in full force and effect, and shall apply to the limited partnership, limited liability company or other entity that becomes the successor to the Partnership pursuant to such conversion, exchange or merger. In conjunction with any such conversion, exchange or merger, the General Partner may execute, on behalf of the Partnership and each of the Limited Partners, all documents that in its reasonable judgment are necessary or appropriate to consummate such conversion, exchange or merger, including, but not limited to, the agreement pursuant to which the rights and obligations of the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, are determined (in the case of such a conversion to, exchange for interests in or merger into a limited partnership, including the limited partnership agreement thereof), all without any further consent or approval of any other Partner, PROVIDED, that no such agreement may directly or indirectly effect a modification or amendment of the rights and obligations of the Partners which, if such modification or amendment were made to this Agreement, would require the consent of the Partners, any group thereof, or any individual Partner as provided in Section 15.1, unless the consent to such modification or amendment required under Section 15.1 is obtained. A reorganization of the Partnership pursuant to this Section 13.6 shall not be deemed to be or result in a dissolution, winding up or commencement of winding up of the Partnership.

SECTION 14

DEFINITIONS

As used herein the following terms have the respective meanings set forth below (each such meaning to be equally applicable to the singular and plural forms of the respective terms so defined):

"ADDITIONAL LIMITED PARTNER" shall have the meaning set forth in Section 11.2(a).

"ADJUSTMENT DATE" shall mean the last Business Day of any Fiscal Year or any other date determined by the General Partner, in its sole discretion, as appropriate for an interim closing of the Partnership's books.

"ADVANCE" shall mean, with respect to a Profits Limited Partner, the amount by which the Associated Contributions exceed the amount of the deferrals made under the MMC Capital Plan by the Person who is such Profits Limited Partner and credited to such Person's AFR Account (as defined in the MMC Capital Plan) under the MMC Capital Plan.

"AFFILIATE" shall mean, with respect to any specified Person, (A) a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified, (B) a trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in another similar fiduciary capacity, and (C) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person, PROVIDED that none of the Portfolio Companies or portfolio companies of the private equity funds managed by the Manager, including without limitation The Trident Partnership, L.P., Trident II, L.P., Marsh & McLennan Capital Technology Venture, L.P., MMC Capital Technology Fund II, L.P. and Marsh & McLennan Capital Communications and Information Fund, L.P. shall be an "Affiliate" of a Key Employee, the Manager, the General Partner or the Partnership.

"AFR RATE" shall mean the fixed rate of return as of the date of the first Drawdown, equal to the applicable federal long-term rate under section 1274(d) of the Code, compounded annually, as determined in the good faith judgment of the General Partner, PROVIDED, that the General Partner may increase such fixed rate of return if, as of the date of any subsequent Drawdown, such fixed rate of return is less than the applicable federal rate under Section 1274(d) of the Code, compounded annually.

"AFR RETURN" shall have the meaning set forth in Section 6.3, paragraph FIRST.

"AGREEMENT" shall have the meaning set forth in the initial paragraph of this Agreement.

"ASSOCIATED COMMITMENT" shall mean, with respect to a Profits Limited Partner, the Capital Commitment of the Employer Limited Partner associated with such Profits Limited Partner.

"ASSOCIATED CONTRIBUTION" shall mean, with respect to a Profits Limited Partner, the Capital Contribution of the Employer Limited Partner associated with such Profits Limited Partner.

"AVAILABLE ASSETS" shall mean as of any date, the excess of the cash, cash equivalent items and Temporary Investments held by the Partnership over the sum of the amount of such items determined by the General Partner to be reasonably necessary for the payment of the Partnership's expenses, liabilities and other obligations (whether fixed, contingent, conditional or unmatured), including, but not limited to, the Partnership's indemnification obligations and for the establishment of appropriate reserves for such expenses, liabilities and obligations as may arise, including, without limitation, the maintenance of adequate working capital for the continued conduct of the Partnership's business.

"AVAILABLE CAPITAL COMMITMENT" shall mean

"BUSINESS DAY" shall mean any day on which banks in New York City are not required or authorized by law to remain closed.

"CAPITAL ACCOUNT" shall have the meaning set forth in Section 6.1.

"CAPITAL COMMITMENT" shall mean the commitment of each Cash Limited Partner and each Employer Limited Partner to contribute capital to the Partnership pursuant to Section 5.1 as set forth in the Partnership Register. The Associated Commitments of the Profits Limited Partners shall be associated on the records of the Partnership with the Capital Commitment of the relevant Employer Limited Partner.

"CAPITAL CONTRIBUTION" shall mean with respect to a Partner other than a Profits Limited Partner, the amount of capital contributed pursuant to a single Drawdown or the aggregate amount of such contributions, as the context requires, by such Partner to the Partnership pursuant to Section 5.1 and the other provisions of this Agreement.

"CASH LIMITED PARTNERS" shall have the meaning set forth in Section 3.1(c).

"CLAIMS" shall have the meaning set forth in Section 10.1(a).

"CLOSING" shall have the meaning set forth in the Subscription Agreements.

"CLOSING DATE" shall mean any date on which a Closing occurs.

"CODE" shall mean the Internal Revenue Code of 1986, as amended.

"CO-INVESTMENT FUNDS" shall have the meaning set forth in Section 1.3.

"COVERED PERSONS" shall mean (i) the General Partner, the Manager and the Key Employees; (ii) each of the respective Affiliates of each Person identified in clause (i) of this definition; and (iii) each Person who is or at any time becomes a shareholder, officer, director, employee, partner, member, manager, consultant or agent of any of the Persons identified in clause (i) or clause (ii) of this definition.

"DAMAGES" shall have the meaning set forth in Section 10.1(a).

"DEFAULTED COMMITMENT" shall have the meaning set forth in Section 5.3(a).

"DEFAULTING CASH LIMITED PARTNER" shall have the meaning set forth in Section 5.3(a).

"DEFAULTING PROFITS LIMITED PARTNER" shall have the meaning set forth in Section 5.3(b).

"DISABLING CONDUCT" shall mean, with respect to any Person, fraud, willful misfeasance, gross negligence or reckless disregard, in each case, of such Person's duties to the Partnership. Notwithstanding the provisions of Section 16.7 hereof, "gross negligence" shall have the meaning given such term under the laws of the State of Delaware.

"DISTRIBUTABLE CASH" shall mean, for each Period and each Partner, the excess of (i) the sum of cash receipts of all kinds, over (ii) cash disbursements or reserves for expenses, liabilities or obligations of the Partnership or amounts retained by the Partnership to be reinvested pursuant to Section 4.1(b).

"DRAWDOWN NOTICE" shall have the meaning set forth in Section 5.1(b)(i).

"DRAWDOWNS" shall mean the Capital Contributions made to the Partnership pursuant to Section 5.1 from time to time by the Partners pursuant to Drawdown Notices.

"EMPLOYER LIMITED PARTNERS" shall have the meaning set forth in Section 3.1(a).

"EXCUSED LIMITED PARTNER" shall mean, with respect to any Portfolio Investment, any Limited Partner that, pursuant to Section 5.2, is excused from making a Capital Contribution or Associated Contribution, as the case may be, in respect thereof.

"EXERCISING PARTNER" shall have the meaning set forth in Section 5.3(a).

"FISCAL YEAR" shall mean the fiscal year of the Partnership, as determined pursuant to Section 1.5.

"FORFEITED DISTRIBUTIONS" shall have the meaning set forth in Section 5.3(a).

"GENERAL PARTNER" shall mean MMC GP III, Inc., a Delaware corporation, and any additional or successor general partner of the Partnership in its capacity as a general partner of the Partnership, as such entity may be affected by the provisions of Section 2.7.

"GOVERNMENTAL AUTHORITY" shall mean any United States federal, state or local, or any Cayman Islands or other non-U.S. court, arbitrator or governmental agency, authority, commission, instrumentality or administrative or regulatory body.

"INITIAL AGREEMENT" shall have the meaning set forth in the initial paragraph of this Agreement.

"INITIAL CLOSING" shall mean the first Closing under which Limited Partners have acquired interests in the Partnership pursuant to the Subscription Agreements.

"INITIAL LIMITED PARTNER" shall mean David J. Wermuth, in such capacity as the initial limited partner of the Partnership.

"INSTITUTIONAL FUND AGREEMENT" shall mean the Amended and Restated Limited Partnership Agreement, as amended from time to time, of the Institutional Fund.

"INSTITUTIONAL FUND" shall have the meaning set forth in Section 1.3.

"INVESTMENT ADVISERS ACT" shall mean the United States Investment Advisers Act of 1940, as amended from time to time, and any successor statute thereto.

"INVESTMENT COMPANY ACT" shall mean the United States Investment Company Act of 1940, as amended from time to time, and any successor statute thereto.

"INVESTMENT COMPANY" shall mean any Person that comes within the definition of "investment company" contained in the Investment Company Act.

"KEY EMPLOYEES" shall mean the following key employees of the Manager: Charles A. Davis, Meryl D. Hartzband and Garrett M. Moran; PROVIDED, that the provisions of this Agreement expressly governing the Key Employees shall not apply to any aforementioned individual in such individual's capacity as a Key Employee after such individual has ceased to provide services as described in Section 2.4(e) of the limited partnership agreement of the Institutional Fund.

"LIMITED PARTNERS" shall have the meaning set forth in Section 1.1(a), shall mean the Cash Limited Partners, any Employer Limited Partners and the Profits Limited Partners and all other Partners admitted (excluding, without limitation, all Persons that cease to be Partners in accordance with the terms hereof), from time to time, as limited partners of the Partnership in accordance with the provisions of this Agreement and as set forth in the Partnership Register, and shall include without limitation such Partner's successors and permitted assigns.

"MMC CAPITAL CAUSE DETERMINATION" shall mean, with respect to any Limited Partner, a determination (made in a reasonable manner) by the General Partner (in the case of a Cash Limited Partner) or the relevant Employer Limited Partner (in the case of a Profits Limited Partner) that such Limited Partner has committed one or more acts involving gross negligence or willful misconduct.

"MMC CAPITAL PLAN" shall mean the Second Amended and Restated MMC Capital Inc. Deferred Compensation and Profits Limited Partnership Plan effective as of November 17, 2003.

"MAJORITY IN INTEREST" shall mean Partners who, at the time in question, have Capital Account balances having values equal to more than 50% of the aggregate Capital Account balances of all the Cash Limited Partners who are not Defaulting Cash Limited Partners and all Profits Limited Partners who are not Defaulting Profits Limited Partners.

"MANAGER" shall mean MMC Capital, Inc., a Delaware corporation, or any successor thereto.

"MATERIAL ADVERSE EFFECT" shall mean, as applicable, (A) a violation of a statute, rule or governmental administrative policy applicable to a Partner regulation of a Governmental Authority which could have a material adverse effect on a Portfolio Company or any Affiliate thereof or on the Partnership, the General Partner, the Manager or any of their respective Affiliates or on any Partner or any Affiliate of any such Partner, or (B) an occurrence which could subject a Portfolio Company or Affiliate thereof or the Partnership, the General Partner, the Manager or any of their respective Affiliates or any Partner or any Affiliate of any such Partner to any material tax or material regulatory requirement to which it would not otherwise be subject, or which could materially increase any such material tax or material regulatory requirement beyond what it would otherwise have been.

"MMC" shall mean Marsh & McLennan Companies, Inc., a Delaware corporation, and any successors thereto, and, as the context requires, its subsidiaries and other Affiliates, including Marsh Inc., Mercer Inc. and Putnam Investments LLC.

"NASDAQ" shall mean The Nasdaq Stock Market, Inc.

"ORGANIZATIONAL EXPENSES" shall mean all costs and expenses that, in the sole judgment of the General Partner, are incurred in, or are incidental to, the formation and organization of, and sale of interests in, the Partnership, including, without limitation, out-of-pocket legal, accounting, printing, consultation, travel, administrative and filing fees and expenses, but only those expenses that the General Partner has determined, in its sole discretion, are properly borne by the Partnership.

"PARTNERS" shall have the meaning set forth in Section 1.1(a).

"PARTNERSHIP" shall have the meaning set forth in the initial paragraph of this Agreement.

"PARTNERSHIP EXPENSES" shall mean the Partnership's pro rata share, based on the capital commitments of each of the Co-Investment Funds, of the expenses incurred in the operation of the Co-Investment Funds.

"PARTNERSHIP LAW" shall mean the Exempted Limited Partnership Law (2003 Revision) of the Cayman Islands, as amended, and any successor to such statute.

"PARTNERSHIP REGISTER" shall have the meaning set forth in Section 1.1(b).

"PERIOD" shall mean, for the first period, the period commencing on the date of this Agreement and ending on the next Adjustment Date. All succeeding Periods shall commence on the calendar day after an Adjustment Date and end on the next Adjustment Date.

"PERSON" shall mean any individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.

"PORTFOLIO COMPANY" shall mean an entity in which a Portfolio Investment is made by the Partnership directly or through one or more intermediate entities of the Partnership.

"PORTFOLIO INVESTMENT" shall mean any debt or equity (or debt with equity) investment (including, without limitation, Temporary Investments and bridge financings) made by the Partnership.

"POWER OF ATTORNEY" shall mean, with respect to any Limited Partner, the Power of Attorney executed by such Partner substantially in the form attached to the Subscription Agreements.

"PRIME RATE" shall mean the rate of interest publicly announced by JPMorgan Chase Bank from time to time in New York City as its prime rate.

"PROCEEDING" shall have the meaning set forth in Section 10.1(a).

"PROFITS LIMITED PARTNERS" shall have the meaning set forth in Section 3.1(b).

"REMAINING ASSOCIATED COMMITMENT" shall mean, in respect of any Profits Limited Partner, the amount of the Employer Limited Partner's Capital Commitment associated with such Profits Limited Partner, determined at any date, which has not been contributed as an Associated Contribution, as adjusted as contemplated hereby.

"REMAINING CAPITAL COMMITMENT" shall mean, in respect of any Partner, the amount of such Partner's Capital Commitment, determined at any date, which has not been contributed as a Capital Contribution, as adjusted as contemplated hereby.

"RETIREMENT" shall have the meaning ascribed to such term in the MMC Benefits Program.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended from time to time, and any successor statute thereto, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder.

"SECURITIES" shall mean shares of capital stock, partnership interests, limited liability company interests, warrants, options, bonds, notes, debentures and other securities and equity interests of whatever kind of any Person, whether readily marketable or not.

"SHARING PERCENTAGE" shall mean with respect to any Partner (other than the Employer Limited Partners) and any Portfolio Investment, a fraction, expressed as a percentage, the numerator of which is the aggregate amount of the Capital Contributions of such Partner (or, in the case of a Profits Limited Partner, the Capital Contributions of the Employer Limited Partner associated with such Profits Limited Partner) used to fund the cost of such Portfolio Investment and the denominator of which is the aggregate amount of the Capital Contributions of all of the Partners used to fund the cost of such Portfolio Investment. The Sharing Percentage of each Employer Limited Partner for each Portfolio Investment shall be 0%.

"SPECIAL INVESTMENT VEHICLE" shall have the meaning ascribed to it in the Institutional Fund Agreement.

"STATEMENT" shall have the meaning set forth in Section 1.4.

"SUBSCRIPTION AGREEMENTS" shall mean the several Subscription Agreements entered into by the respective Limited Partners in connection with their purchase of limited partner interests in the Partnership.

"SUBSTITUTE LIMITED PARTNER" shall have the meaning set forth in Section 11.1(e).

"TEMPORARY INVESTMENT" shall mean investments in (A) cash equivalents, (B) marketable direct obligations issued or unconditionally guaranteed by the United States of America, or issued by any agency thereof, maturing within one year from the date of acquisition thereof, (C) money market instruments, commercial paper or other short-term debt obligations having at the date of purchase by the Partnership the highest or second highest rating obtainable from either Standard & Poor's Ratings Services or Moody's Investors Service, Inc. or their successors, (D) money market mutual funds managed by Putnam Investments, Inc. or a subsidiary thereof, (E) interest bearing accounts and/or certificates of deposit maturing within one year from the date of acquisition thereof issued by commercial banks incorporated under the laws of the United States of America or any state thereof or the District of Columbia, each having at the date of acquisition by the Partnership undivided capital and surplus in excess of \$100 million, combined capital and surplus of not less than \$100,000,000, (F) overnight repurchase agreements with primary Fed dealers collateralized by direct U.S. Government obligations or (G) pooled investment vehicles or accounts which invest only in Securities or instruments of the type described in (a) through (d). If there exists any uncertainty as to whether any investment by the Partnership constitutes a Temporary Investment or a Portfolio Investment, such investment shall be deemed a Temporary Investment unless the General Partner determines in its sole discretion that such investment is a Portfolio Investment.

"TERM" shall have the meaning set forth in Section 1.4.

"TIER 1 CASH LIMITED PARTNER" shall mean a Limited Partner who is a present or former Key Employee, or estate planning vehicle thereof or any successor or Transferee (other than an Employer Limited Partner or the General Partner) with respect to the Cash Limited Partner Interest of such present or former Key Employee.

"TIER 1 LIMITED PARTNER" shall mean a Limited Partner that is a Tier 1 Cash Limited Partner or a Tier 1 Profits Limited Partner.

"TIER 1 PROFITS LIMITED PARTNER" shall mean a Limited Partner who is a present or former Key Employee, or any successor or Transferee (other than an Employer Limited Partner or the General Partner) with respect to the Profits Limited Partner interest of such present or former Key Employee.

"TOTAL DISABILITY" shall have the meaning ascribed to such term in the MMC Benefits Program.

"TRANSFER" shall have the meaning set forth in Section 11.1(a).

"TRANSFeree" shall have the meaning set forth in Section 11.1(b).

"TRANSFEROR" shall have the meaning set forth in Section 11.1(b).

"TREASURY REGULATIONS" shall mean the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"VALUE" shall have the meaning set forth in Section 8.4.

SECTION 15

AMENDMENTS; POWER OF ATTORNEY

15.1 AMENDMENTS. Any modifications or amendments duly adopted in accordance with the terms of this Agreement may be executed in accordance with Section 15.2. The terms and provisions of this Agreement may be modified or amended at any time and from time to time with the written consent of (A) the General Partner and (B) a Majority in Interest; PROVIDED, HOWEVER, that without the consent of the Limited Partners, the General Partner:

(i) may amend the Partnership Register from time to time as provided in Section 1.1(b);

(ii) may enter into agreements with Persons who are Transferees of the interests in the Partnership of Limited Partners, pursuant to the terms of this Agreement, providing that such Transferees will be bound by this Agreement and will become Substitute Limited Partners in the Partnership;

(iii) may amend this Agreement as may be required to implement (A) Transfers of interests of Limited Partners as contemplated by Section 11.1, (B) the admission of any Substitute Limited Partner or any Additional Limited Partner, and any related changes in Capital Commitments, as contemplated by Section 11.1 or 11.2, (C) any changes in the Partnership Register due to a Cash Limited Partner Default or Profits Limited Partner Default, (D) the conversion, Transfer or merger of all or any part of its interest as general partner of the Partnership as contemplated by Section 2.7, or (E) a reorganization of the Partnership as contemplated by Section 13.6;

(iv) may amend this Agreement (A) to satisfy any requirements, conditions, rulings, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the Securities and Exchange Commission, the Internal Revenue Service or any other U.S. federal or state or non-U.S. agency, or in any U.S. federal or state or non-U.S. statute, compliance with which the General Partner deems to be in the best interests of the Partnership, and (B) to change the name of the Partnership, so long as any such amendment under this clause (iv) does not

materially and adversely affect the interests of the Limited Partners under this Agreement;

(v) may amend this Agreement in accordance with Section 5.7 and/or 15.2; and

(vi) may amend this Agreement to cure any ambiguity or correct or supplement any provision hereof that may be incomplete or inconsistent with any other provision hereof so long as such amendment under this clause (vi) does not materially and adversely affect the interests of the Limited Partners;

and PROVIDED FURTHER, that, notwithstanding the foregoing, no amendment of this Agreement shall

(1) materially increase any financial obligation or liability of a Limited Partner or reduce the economic rights of a Limited Partner beyond that set forth herein or permitted hereby without such Limited Partner's consent,

(2) materially and adversely affect the rights of a Limited Partner in a manner which discriminates against such Limited Partner vis-a-vis other Limited Partners without the consent of such Limited Partner,

(3) change the provisions of Section 3.2, Section 13.1, Section 13.2, Section 13.3, Section 13.4, or this Section 15.1 without the consent of a Majority in Interest,

(4) change the definition of "Majority in Interest" in Section 14.1 without the consent of a Majority in Interest, or

(5) modify or amend any defined term, if such modification or amendments will have a material and adverse effect on the substantive rights of the Limited Partners provided for in such section.

15.2 POWER OF ATTORNEY. Each Limited Partner does hereby irrevocably constitute and appoint the General Partner with full power of substitution, the true and lawful attorney-in-fact and agent of such Limited Partner, to take or cause to be taken, or omit or cause to be omitted, any and all actions should the General Partner, in its sole discretion, deem such actions or omissions to be necessary, advisable, appropriate, proper, convenient or incidental to, or for the furtherance of the purposes of, the Partnership, PROVIDED that such actions or omissions do not materially and adversely affect the interests of the Limited Partners at the time of such action or omission; including, without limitation, the power and authority to execute, acknowledge, verify, swear to, deliver, record and file, in its or its assignee's name, place and stead, all agreements, instruments,

documents and certificates (i) which may from time to time be required by the laws of the United States of America, the Cayman Islands, any other jurisdiction in which the Partnership conducts or plans to conduct business, or any political subdivision or agency thereof, to effectuate, implement and continue the valid existence and business of the Partnership, or (ii) which the General Partner deems to be necessary, advisable, appropriate, proper, convenient or incidental to, or for the furtherance of the purposes of, the Partnership, including, without limitation, the power and authority to execute, verify, swear to, acknowledge, deliver, record and file:

(a) all certificates and other instruments, including, without limitation, this Agreement, and any amendments thereto or to the Statement, which the General Partner deems appropriate to (i) form, qualify or continue the Partnership as an exempted limited partnership (or a partnership in which the limited partners have limited liability) in the Cayman Islands and all other jurisdictions in which the Partnership has an office or conducts or plans to conduct business, and (ii) admit such Person as a Limited Partner in the Partnership;

(b) all instruments which the General Partner deems appropriate to reflect or effect any amendment to this Agreement or the Statement (i) to reflect or effect Transfers of interests of Limited Partners, the admission of Substitute Limited Partners or Additional Limited Partners, or the increase of Capital Commitments pursuant to Section 11, (ii) to satisfy any requirements, conditions, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the United States Securities and Exchange Commission, the United States Internal Revenue Service or any other Governmental Authority, or in any United States federal or state or local or any Cayman Islands or other non-U.S. statute, compliance with which it deems to be in the best interests of the Partnership, (iii) to change the name of the Partnership or reflect or effect a reorganization of the Partnership, as contemplated by Section 13.6, (iv) to reflect or effect the conversion of the General Partner to, or the merger of the General Partner with and into, a limited partnership, limited liability company or other entity, or the Transfer of its interest in the Partnership to a limited partnership, limited liability company or other entity, as contemplated by Section 2.7, and (v) to cure any ambiguity or correct or supplement any provision contained in this Agreement that may be incomplete or inconsistent with any other provision contained in this Agreement so long as such amendment under this clause (v) does not adversely affect the interests of the Limited Partners;

(c) all conveyances and other instruments which the General Partner deems appropriate to reflect and effect the dissolution and termination of the Partnership pursuant to the terms of this Agreement, including, without limitation, the filing of a notice of dissolution as provided for in Section 13;

(d) all instruments relating to (i) Transfers of interests in the Partnership, or the admission of Substitute Limited Partners or Additional Limited Partners pursuant to Section 11.1, (ii) the treatment of a Defaulting Cash Limited Partner, a Defaulting Profits Limited Partner, or an Excused Limited Partner, or a Limited Partner whose participation in an investment is excused, limited or discontinued pursuant to Section 5.2 or (iii) any change in the Capital Commitment of any Limited Partner, all in accordance with the terms of this Agreement;

(e) all amendments to this Agreement duly adopted in accordance with Section 15.1;

(f) certificates of assumed name and such other certificates and instruments as may be necessary under the fictitious or assumed name statutes from time to time in effect in the Cayman Islands and any other jurisdiction in which the Partnership has an office or conducts or plans to conduct business;

(g) any other instruments determined by the General Partner to be necessary or appropriate in connection with the proper conduct of the business of the Partnership and which do not adversely affect the interests of the Limited Partners; and

(h) all certificates, conveyances and other instruments which the General Partner deems necessary, appropriate, convenient or desirable (i) to form, qualify or continue, or to admit such Limited Partner as a limited partner of, or to change capital commitments with respect to, any Special Investment Vehicle, or (ii) otherwise in connection with such Special Investment Vehicle to the same extent as provided with respect to the Partnership in this Section 15.2, PROVIDED, that such action does not materially and adversely affect the interests of such Limited Partner at the time of such action.

Such attorney-in-fact and agent shall not, however, have the right, power or authority to amend or modify this Agreement when acting in such capacities, except to the extent authorized herein. This power of attorney shall not be affected by the subsequent disability or incompetence of the principal. This power of attorney shall be deemed to be coupled with an interest, shall be irrevocable, shall survive and not be affected by the dissolution, bankruptcy or legal disability of any Limited Partner and shall extend to such Limited Partner's successors and assigns. This power of attorney may be exercised by such attorney-in-fact and agent for all Limited Partners (or any of them) by a single signature of the General Partner acting as attorney-in-fact with or without listing all of the Limited Partners executing an instrument. Any person dealing with the Partnership may conclusively presume and rely upon the fact that any instrument referred to above, executed by such attorney-in-fact and agent, is authorized, regular and binding, without further inquiry. If required, each Limited Partner shall execute and deliver to the General

Partner, within five Business Days after receipt of a request therefor, such further designations, powers of attorney or other instruments as the General Partner shall reasonably deem necessary for the purposes hereof. The foregoing power of attorney as in effect at the time of any reorganization of the Partnership pursuant to Section 13.6 shall thereafter continue in full force and effect, and shall apply to the limited partnership, limited liability company or other entity that becomes the successor to the Partnership pursuant to such reorganization. The foregoing power of attorney as in effect at the time of the conversion of, Transfer by, or merger of the General Partner pursuant to Section 2.7 shall, thereafter continue in full force and effect and shall apply to the limited partnership, limited liability company, or other entity that becomes the successor to the General Partner pursuant to such conversion, Transfer or merger.

15.3 FURTHER ACTIONS OF THE LIMITED PARTNERS. Each Limited Partner shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the General Partner in connection with the formation of the Partnership and the achievement of its purposes and not inconsistent with the terms and provisions of this Agreement, including, without limitation, (A) any documents that the General Partner deems necessary or appropriate to form, qualify or continue the Partnership as a limited partnership in all jurisdictions in which the Partnership conducts or plans to conduct business and (B) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Partnership.

SECTION 16

MISCELLANEOUS PROVISIONS

16.1 NOTICES. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be transmitted by (A) registered or certified mail, return receipt requested, postage prepaid, (B) hand delivery service prepaid, (C) next day or overnight mail or delivery, in each case postage or service prepaid, (d) email (and, in the case of a Partner who is no longer an employee of the Manager, confirmed by phone, fax or return email) or (E) telecopy or facsimile, confirmed by telephone or facsimile communication with such individual. All notices to any Partner shall be addressed to such Partner and its trustee (if any) at their respective addresses set forth in the Partnership Register or at such other address as such Partner may have designated by notice in writing. Any Partner, other than the General Partner, may designate a new address by written notice to that effect given to the General Partner. The General Partner may designate a new address by written notice to that effect given to all of the other Partners. All such notices, requests, demands, waivers and other communications shall be deemed to have been received (i) if by email, on the day immediately following the day upon which such email was transmitted, (ii) if by personal delivery, on the day after such delivery, (iii) if by certified or registered mail, on the fifth

business day after the mailing thereof, (IV) if by next-day or overnight mail or delivery, one day after the mailing thereof, or (V) if by facsimile, on the day immediately following the day on which such facsimile was sent.

16.2 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which taken together shall constitute a single agreement.

16.3 TABLE OF CONTENTS AND HEADINGS. The table of contents and the headings of the sections of this Agreement are inserted for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof.

16.4 SUCCESSORS AND ASSIGNS. Except as otherwise specifically provided herein, this Agreement shall inure to the benefit of and be binding upon the parties and to their respective heirs, executors, administrators, successors and permitted assigns.

16.5 SEVERABILITY. Every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision will be enforced to the maximum extent permitted by applicable law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of this Agreement. Any default hereunder by a Limited Partner shall not excuse a default by any other Limited Partner.

16.6 NON-WAIVER. No provision of this Agreement shall be deemed to have been waived except if the giving of such waiver is contained in a written notice given to the party claiming such waiver and no such waiver shall be deemed to be a waiver of any other or further obligation or liability of the party or parties in whose favor the waiver was given.

16.7 APPLICABLE LAW (SUBMISSION TO JURISDICTION). EXCEPT AS PROVIDED IN THE DEFINITION OF "DISABLING CONDUCT", THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE CAYMAN ISLANDS. The General Partner hereby submits to the nonexclusive jurisdiction of the courts of the Cayman Islands and to the courts of the jurisdiction in which the principal office of the Partnership is located (and, if the principal office is located in the United States, of the federal district court having jurisdiction over the location of the principal office) for the resolution of all matters pertaining to the enforcement and interpretation of this Agreement.

16.8 CONFIDENTIALITY. Each Limited Partner agrees that it shall not disclose without the prior consent of the General Partner (other than to such Limited Partner's employees, auditors, actuaries, counsel or prospective transferees; PROVIDED, that such

Limited Partner obtain the agreement of such Person to be bound by the obligations of this Section 16.8) any information with respect to the Partnership or the other Co-Investment Funds or any Portfolio Company that is designated by the General Partner to such Limited Partner in writing as confidential, PROVIDED that a Limited Partner may disclose any such information (A) as has become generally available to the public, (B) as may be required or appropriate in any report, statement or testimony submitted to any Governmental Authority having jurisdiction over such Limited Partner, or to the National Association of Insurance Commissioners or similar organizations and their successors, (C) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation, (D) to the extent necessary in order to comply with any law, order, regulation, ruling or other governmental request applicable to such Limited Partner, (E) to its professional advisors and (F) that constitutes United States federal income tax treatment or tax structure of the Partnership (including transactions undertaken by the Partnership) and all materials of any kind (including opinions or other tax analyses) that are provided to such Limited Partner relating to such tax treatment and tax structure, PROVIDED that, subject to the remainder of this Section 16.8 other than Section 16.8(f), prior to the final Closing of the Partnership, Limited Partners may not disclose the name of (or any other similar identifying information, including the names of any employees, affiliates or investments regarding) the Partnership, the General Partner or the Portfolio Investments (other than their status for United States federal income tax purposes), except to their tax advisors or to a regulatory authority as required by law. Notwithstanding anything in this Agreement to the contrary, the General Partner shall have the right to keep confidential any information known by the General Partner as to Portfolio Companies, Portfolio Investments or other aspects of the Partnership's investment activities if and to the extent that the General Partner determines that keeping such information confidential is in the best interests of the Partnership or that the Partnership is required by law or agreement with a third party to keep confidential.

16.9 SURVIVAL OF CERTAIN PROVISIONS. The obligations of each Partner pursuant to Section 6.11(d) and Section 10 shall survive the termination or expiration of this Agreement and the dissolution, winding up and termination of the Partnership.

16.10 WAIVER OF PARTITION. Except as may otherwise be provided by law in connection with the winding-up, liquidation and dissolution of the Partnership, each Partner hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Partnership's property.

16.11 ENTIRE AGREEMENT. This Agreement (including, without limitation, all Schedules attached hereto) and the Subscription Agreements, the related Powers of Attorney and any other written agreement between the General Partner or the Partnership and any Limited Partner with respect to the subject matter hereof, shall constitute the entire agreement and understanding among the Partners and between the Partners and the Initial Limited Partner with respect to the subject matter hereof, and shall supersede any

prior agreement or understanding among them hereto with respect to the subject matter hereof, PROVIDED that the representations and warranties of the General Partner and the Limited Partners in, and the other provisions of, the Subscription Agreements shall survive the execution and delivery of this Agreement.

16.12 CURRENCY. The term "dollar" and the symbol "\$", wherever used in this Agreement, shall mean the United States dollar.

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Limited Partnership Agreement of Trident III Professionals Fund, L.P. on the day and year first above written.

GENERAL PARTNER:

MMC GP III, INC.

By: _____
Name:
Title:

INITIAL LIMITED PARTNER:

SOLELY TO REFLECT THE WITHDRAWAL OF
THE INITIAL LIMITED PARTNER FOR PURPOSES
OF SECTION 1.1:

LIMITED PARTNERS:

Each of the Limited Partners listed in
the Partnership Register, pursuant to
the power of attorney and authorization

granted by each such Limited Partner to
the General Partner as attorney-in-fact
and agent under the separate Powers of
Attorney, dated various dates:

By: MMC GP III, INC.

By: _____
Name:
Title:

MANAGER:

SOLELY FOR THE PURPOSE OF ACCEPTING THE
APPOINTMENT CONTAINED IN SECTION 7.

MMC Capital, Inc.

By: _____

Name:

Title:

AMENDED AND RESTATED
LIMITED PARTNERSHIP AGREEMENT

OF

TRIDENT III ESC, L.P.

(A Cayman Islands Exempted Limited Partnership)

LIMITED PARTNER INTERESTS IN TRIDENT III ESC, L.P. ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY. THEY MAY NOT BE TRANSFERRED WITHOUT THE CONSENT OF THE GENERAL PARTNER OF TRIDENT III ESC, L.P. AND EXCEPT AS PERMITTED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ALL OTHER APPLICABLE LAWS. INVESTORS WILL BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN TRIDENT III ESC, L.P. FOR AN INDEFINITE PERIOD OF TIME.

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This Amended and Restated Limited Partnership Agreement (as from time to time amended, restated, supplemented or otherwise modified, this "AGREEMENT") of TRIDENT III ESC, L.P., a Cayman Islands exempted limited partnership (the "PARTNERSHIP"), is made and entered into on December 12, 2003 for the purpose of amending and restating the initial Limited Partnership Agreement of the Partnership, dated _____, 2003 (the "INITIAL AGREEMENT"). Capitalized terms used herein without definition have the meanings specified in Section 14.

SECTION 1

ORGANIZATION, ETC.

1.1 AMENDMENT AND RESTATEMENT OF THE INITIAL AGREEMENT; ADMISSION OF LIMITED PARTNERS. The General Partner, the Initial Limited Partner and the Persons listed in the records of the Partnership as limited partners of the Partnership (such Persons, in their capacities as limited partners of the Partnership, the "LIMITED PARTNERS" and, together with the General Partner, the "PARTNERS", both such terms to include any Person hereafter admitted as a Partner in accordance with the terms hereof, and to exclude any Person that ceases to be a Partner in accordance with the terms hereof), hereby amend and restate the Initial Agreement in its entirety by deleting it and replacing it with this Agreement. A Person shall be admitted as a limited partner of the Partnership at the time that this Agreement and a Subscription Agreement are executed by or on behalf of such Person and accepted by the General Partner. Any such admission shall be listed by the General Partner in the register of partnership interests of the Partnership maintained at its registered office. Upon the admission of the first Limited Partner to the Partnership, the Initial Limited Partner shall cease to be a partner of the Partnership and the Partnership shall return the original capital contribution made by the Initial Limited Partner, who shall have no further rights or claims against, or obligations as a partner of, the Partnership.

1.2 NAME AND OFFICES. The name of the Partnership is Trident III ESC, L.P. The Partnership shall have its registered office in the Cayman Islands at the offices of Walkers SPV Limited, Walkers House, Mary Street, P.O. Box 908 GT, George Town, Grand Cayman, Cayman Islands, at which shall be kept the records required to be maintained under the Partnership Law, at which the service of process on the Partnership may be made and to which all notices and communications may be addressed. The General Partner may designate from time to time another office in the Cayman Islands as the Partnership's registered office. The General Partner may from time to time maintain one or more other offices within or without the United States. The Partnership may from time to time have such other office or offices within or without the Cayman Islands as may be designated by the General Partner.

1.3 PURPOSES. Subject to the other provisions of this Agreement, the purposes and business of the Partnership are to co-invest (and, in connection with such co-investments, to acquire, hold, manage and Transfer Securities) with Trident III, L.P., a Cayman Islands exempted limited partnership (the "INSTITUTIONAL FUND", and, together with any other investment funds and separate accounts organized and/or managed by MMC or its Affiliates and authorized to co-invest with the Institutional Fund, the "PARALLEL FUNDS"), and to engage in such other activities as the General Partner deems necessary, advisable, convenient or incidental thereto, to engage in any business which may lawfully be conducted by a limited partnership formed pursuant to the Partnership Law, and to carry on any activities relating thereto or arising therefrom, including anything incidental, ancillary or necessary to the foregoing, PROVIDED that the Partnership shall not undertake business with the public in the Cayman Islands other than so far as may be necessary for the carrying on of the activities of the Partnership exterior to the Cayman Islands.

1.4 TERM. The term of the Partnership commenced on the date set forth in the statement (as it may be amended from time to time, the "STATEMENT") effecting its registration as an exempted limited partnership pursuant to Section 9 of the Partnership Law and shall continue, unless the Partnership is sooner dissolved, until the end of the term of the Institutional Fund, including as such term is extended pursuant to the Institutional Fund Agreement (such term of the Partnership, as so extended, being referred to as the "TERM"), PROVIDED, that the General Partner in its sole discretion may extend such Term. Notwithstanding the expiration of the Term, the Partnership shall continue until notice of dissolution of the Partnership is filed in accordance with Section 13.4 and in the manner provided in the Partnership Law.

1.5 FISCAL YEAR. The Fiscal Year of the Partnership shall end on the 31st day of December in each year. The Partnership shall have the same Fiscal Year for income tax and for financial and partnership accounting purposes.

1.6 PARTNERSHIP POWERS. In furtherance of the purposes specified in Section 1.3 and without limiting the generality of Section 2.1, the Partnership and the General Partner, acting on behalf of the Partnership or on its own behalf and in its own name, as appropriate, shall be empowered to do or cause to be done any and all acts deemed by the General Partner, in its sole discretion, to be necessary, advisable, appropriate, proper, convenient or incidental to or for the furtherance of the purposes of the Partnership including, without limitation, the power and authority:

(a) to acquire, hold, manage and Transfer Securities or any other investments made or other property or assets held by the Partnership;

(b) to establish, have, maintain or close one or more offices within or without the Cayman Islands and in connection therewith to rent or acquire office space and to engage personnel;

(c) to open, maintain and close bank and brokerage (including, without limitation, margin) accounts, including, without limitation, to draw

checks or other orders for the payment of moneys, to exchange U.S. dollars held by the Partnership into non-U.S. currencies and vice versa, to enter into currency forward and futures contracts, to hedge Portfolio Investments, and to invest such funds as are temporarily not otherwise required for Partnership purposes in Temporary Investments;

(d) to bring, defend, settle and dispose of actions, Proceedings at law or in equity or before any Governmental Authority;

(e) to retain and remove consultants, custodians, attorneys, placement agents, accountants, actuaries and such other agents and employees of the Partnership as it may deem necessary or advisable, and to authorize each such agent and employee to act for and on behalf of the Partnership;

(f) to retain the Manager as contemplated by Section 7 to render investment advisory and managerial services to the Partnership;

(g) to execute, deliver and perform its obligations under the Subscription Agreements and any agreements to induce any Person to purchase limited partner interests in the Partnership, without any further act, approval or vote of any Partner;

(h) to make all elections, investigations, evaluations and decisions, binding the Partnership thereby, that may, in the sole discretion of the General Partner, be necessary, appropriate, desirable or convenient for the acquisition, holding or disposition of Securities for the Partnership;

(i) to enter into, deliver, perform and carry out contracts and agreements of every kind necessary or incidental to the offer and sale of limited partner interests in the Partnership, to the acquisition, holding and Transfer of Securities, or otherwise, to the accomplishment of the Partnership's purposes, and to take or omit to take such other action in connection with such offer and sale, with such acquisition, holding or Transfer, or with the business of the Partnership as may be necessary, desirable or convenient to further the purposes of the Partnership;

(j) to borrow money and to issue guarantees; and

(k) to carry on any other activities necessary to, in connection with, or incidental to any of the foregoing or the Partnership's business.

SECTION 2

THE GENERAL PARTNER

2.1 MANAGEMENT. The management, control and operation of and the determination of policy with respect to the Partnership and its affairs shall be vested exclusively in the General Partner (acting directly or through its duly appointed agents),

which is hereby authorized and empowered on behalf and in the name of the Partnership, subject to Section 2.2 and the other terms of this Agreement, to carry out any and all of the objects and purposes of the Partnership and to perform all acts and enter into and perform all contracts and other undertakings that it may in its sole discretion deem necessary, advisable, convenient or incidental thereto. The General Partner may exercise on behalf of the Partnership, and may delegate to the Manager, all of the powers set forth in Section 1.6, PROVIDED, that the management and the conduct of the activities of the Partnership shall remain the sole responsibility of the General Partner and all decisions relating to the selection and disposition of the Partnership's investments shall be made exclusively by the General Partner in accordance with this Agreement. The General Partner is hereby authorized to appoint a successor general partner.

2.2 LIMITATIONS ON THE GENERAL PARTNER. The General Partner shall not:

(a) do any act in contravention of any applicable law or regulation, or any provision of this Agreement or of the Statement;

(b) possess Partnership property for other than a Partnership purpose;

(c) admit any Person as a general partner of the Partnership except as permitted by this Agreement and the Partnership Law;

(d) admit any Person as a Limited Partner except as permitted by this Agreement and the Partnership Law;

(e) Transfer its interest in the Partnership except as permitted by this Agreement and the Partnership Law; or

(f) permit the registration or listing of interests in the Partnership on an "established securities market," as such term is used in Treasury Regulations section 1.7704-1.

2.3 RELIANCE BY THIRD PARTIES. In dealing with the General Partner and its duly appointed agents (including, without limitation, the Manager), no Person shall be required to inquire as to the General Partner's or any such agent's authority to bind the Partnership.

2.4 FEES AND EXPENSES. (a) The Partnership shall not pay any management fee, carried interest or other similar fee or performance incentive to the General Partner, the Manager, MMC or any of their respective Affiliates.

(b) All expenses relating to the organization of the Partnership shall be paid by the Partnership and shall be allocated to all Partners in proportion to their Capital Commitments.

(c) The Partnership shall pay its PRO RATA share of actual out-of-pocket expenses of investigating potential investment opportunities and monitoring portfolio companies, such as travel, legal, auditing, consulting, accounting,

actuarial and other professional fees or third-party expenses, in all cases to the extent not reimbursed by others. The Partnership shall pay all extraordinary expenses (such as litigation) and all costs and expenses relating to the Partnership's activities, including, but not limited to, legal, auditing, consulting, accounting, tax preparation, custodial fees and costs of reports to and meetings of the Partners.

2.5 CONFLICTS OF INTEREST. (a) GENERAL. While the General Partner and the Manager intend to avoid situations involving conflicts of interest, each Limited Partner acknowledges that there may be situations in which the interests of the Partnership, with respect to a Portfolio Company or otherwise, may conflict with the interests of the General Partner, the Manager or their respective Affiliates. Each Limited Partner agrees that the activities of the General Partner, the Manager and their respective Affiliates specifically authorized by or described in this Agreement or the Memorandum may be engaged in by the General Partner, the Manager or any such Affiliate, as the case may be, and shall not, in any case or in the aggregate, be deemed a breach of this Agreement or any duty owed by any such Person to the Partnership or any Partner. On any issue involving an actual conflict of interest not provided for elsewhere in this Agreement, each of the General Partner and the Manager shall take such actions as are determined in good faith by the Manager or the General Partner, as the case may be, to be necessary or appropriate to ameliorate any such conflict of interest.

(b) OTHER FUNDS. MMC, the General Partner, the Manager and any of their respective Affiliates may organize, sponsor or manage private investment funds and separate accounts in addition to the Partnership (such funds and accounts, including any Parallel Funds, the "OTHER FUNDS"), including Other Funds having primary investment objectives and policies substantially the same as those of the Partnership. Investment opportunities suitable for the Partnership shall be allocated among the Partnership and the Other Funds by the general partner of the Institutional Fund. The agreements governing the Other Funds may include restrictions on activities of MMC or its Affiliates that would otherwise be permitted under this Section 2.5, or may subject such activities to conditions. The General Partner shall afford the Partnership the benefits of any such restrictions or conditions to the extent it deems appropriate.

(c) CERTAIN CONTRACTS. Subject to the other provisions of this Agreement, the General Partner or the Manager may cause the Partnership to enter into contracts and transactions with MMC or any of its Affiliates (including the Manager), PROVIDED that the General Partner shall have determined in good faith that the terms of any such contract or transaction are commercially reasonable to the Partnership.

(d) OTHER RESTRICTIONS. Notwithstanding any other provision of this Agreement, the Partnership's investment activities shall at all times be conducted in accordance with the conditions of any order under Section 6(b) of the Investment Company Act that is from time to time applicable to the Partnership. Each proposed transaction involving the Partnership otherwise prohibited by

Section 17(a) or Section 17(d) of the Investment Company Act and Rule 17d-1 thereunder (the "SECTION 17 TRANSACTIONS") shall be effected only if the General Partner makes such determinations as are required by any such order. The General Partner shall record and preserve a description of each Section 17 Transaction, its findings, the information or materials upon which its findings are based and the basis therefor. All such records shall be maintained for the life of the Partnership and at least two years thereafter. In connection with Section 17 Transactions, the General Partner shall adopt, and periodically review and update, procedures designed to ensure that reasonable inquiry is made, prior to the consummation of any such transaction, with respect to the possible involvement in the transaction of any affiliated person or promoter of the Partnership, or any affiliated person of such a person or promoter. In any case where purchases or sales are made from or to an entity affiliated with the Partnership by reason of a 5% or more investment in such entity by a director, officer or employee of MMC, such individual shall not participate in the General Partner's determination of whether or not to effect such purchase or sale.

2.6 LIABILITY OF THE GENERAL PARTNER AND THE MANAGER. (a) Except as otherwise provided in the Partnership Law, the General Partner has the liabilities of a partner in a partnership without limited partners to (i) subject to the other provisions of this Agreement, the Partnership and the other Partners and (ii) Persons other than the Partnership and the other Partners. No Covered Person shall be liable to the Partnership or any Partner for any act or omission taken or suffered by any such Covered Person in good faith. No Partner shall be liable to the Partnership or any Partner for any action taken by any other Partner. To the extent that, at law or in equity, a Covered Person has duties and liabilities to the Partnership or to the Partners, such Covered Person acting under this Agreement or otherwise shall not be liable to the Partnership or any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they expressly restrict, replace or modify the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to restrict, replace or modify such other duties and liabilities of such Covered Person.

(b) RELIANCE. A Covered Person shall incur no liability in acting upon any signature or writing believed by such Covered Person to be genuine, may rely on a certificate signed by an officer of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge and may rely on an opinion of counsel selected by such Covered Person with respect to legal matters. Each Covered Person may act directly or through its agents or attorneys. Each Covered Person may consult with counsel, appraisers, engineers, accountants, actuaries, auditors and other skilled Persons of its choosing, and shall not be liable for anything done, suffered or omitted in good faith reliance upon the advice of any of such Persons. No Covered Person shall be liable to the Partnership or any Partner for any error of judgment made in good faith by a responsible officer or officers of such Covered Person. Except as otherwise provided in this Section 2.6, no Covered Person shall be liable to the Partnership or any Partner for any mistake of fact or judgment by such Covered Person in

conducting the affairs of the Partnership or otherwise acting in respect of and within the scope of this Agreement.

(c) DISCRETION. Whenever in this Agreement the General Partner or the Manager is permitted or required to make a decision (i) in its "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partner or the Manager, as the case may be, shall be entitled to consider only such interests and factors as it deems appropriate, including, without limitation, its interests, or (ii) in its "good faith" or under another expressed standard, the General -- Partner or the Manager, as the case may be, shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other agreement or by relevant provisions of law or in equity or otherwise. If any questions should arise with respect to the operation of the Partnership, which are not specifically provided for in this Agreement or the Partnership Law, or with respect to the interpretation of this Agreement, the General Partner is hereby authorized to make a final determination with respect to any such question and to interpret this Agreement in good faith, and its determination and interpretation so made shall be final and binding on all parties.

SECTION 3

LIMITED PARTNERS

3.1 ELIGIBILITY. Each Limited Partner (other than MMC and its Affiliates) must, as a condition of partnership, qualify as an Eligible Employee (as determined by the General Partner in its sole discretion).

3.2 NO PARTICIPATION IN MANAGEMENT, ETC. No Limited Partner, in its capacity as a limited partner of the Partnership, shall take part in the management or control of the Partnership's affairs, transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership. No Limited Partner shall have the right to vote for the election, removal or replacement of the General Partner, except that, upon an event causing the immediate dissolution of the Partnership pursuant to Section 15 of the Partnership Law or Section 13.1 of this Agreement, the Limited Partners may vote to unanimously elect one or more new general partners of the Partnership pursuant to Section 15 of the Partnership Law.

3.3 LIMITATION OF LIABILITY. Except as may otherwise be provided herein or by the Partnership Law, the liability of each Limited Partner is limited to its Capital Commitment.

3.4 NO PRIORITY, ETC. No Limited Partner shall have priority over any other Limited Partner either as to the return of the amount of its Capital Contribution to the Partnership, or as to any allocation of income, gain, deduction or loss.

3.5 FURTHER ACTIONS OF THE LIMITED PARTNERS. Each Limited Partner shall execute and deliver such other certificates, agreements and documents, and take such

other actions, as may reasonably be requested by the General Partner in connection with the formation of the Partnership and the achievement of its purposes, including, without limitation, (A) any documents that the General Partner deems necessary or appropriate to form, qualify or continue the Partnership as a limited partnership in all jurisdictions in which the Partnership has an office or conducts or plans to conduct business and (B) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Partnership.

SECTION 4

INVESTMENTS

4.1 INVESTMENTS IN PORTFOLIO COMPANIES. (a) GENERAL. The Partnership shall co-invest (and, in connection with such co-investments, acquire, hold, manage and Transfer Securities) with the Parallel Funds to the extent and in the manner determined by the general partner of the Institutional Fund pursuant to the Institutional Fund Agreement, PROVIDED that in all instances the Partnership shall co-invest with the Parallel Funds PRO RATA (allowing for rounding) on the basis of committed capital in the same class or classes of Securities acquired by the Parallel Funds on the same terms and at the same time as the Parallel Funds, except that the Partnership may purchase from the Parallel Funds its PRO RATA share of any portfolio investment acquired by the Parallel Funds prior to a Closing Date at the acquisition cost to the Parallel Funds, plus interest (calculated from the date the Parallel Funds acquired such investment) at a rate per annum equal to the Prime Rate plus two percent (2%).

(b) REINVESTMENT. Proceeds from the disposition of Bridge Financings, Temporary Investments and Portfolio Investments may, in the sole discretion of the General Partner, be retained and reinvested by the Partnership to the same extent that the Institutional Fund is permitted by the Institutional Fund Agreement to reinvest proceeds from the disposition of such financings and investments;

(c) PARTICIPATION. The Partners shall participate in Bridge Financings and Portfolio Investments in proportion to their Available Capital Commitments.

4.2 SPECIAL INVESTMENT VEHICLE; BLOCKER STRUCTURES. (a) If the General Partner determines for legal, tax, regulatory or other reasons that it is appropriate for any or all of the Partners to participate in one or more investments, each of which would be a Portfolio Investment if it were made by the Partnership, through an entity other than the Partnership, the General Partner may structure the making of such investment or investments outside of the Partnership by requiring each such Partner to contribute capital to an alternative entity (each, a "SPECIAL INVESTMENT VEHICLE") that, in lieu of the Partnership, shall invest in such investment or investments. In such event, (i) each such Partner shall make a capital commitment directly to such Special Investment Vehicle and such capital commitment shall reduce the Capital Commitment of such Partner to the same extent, and (ii) each such Limited Partner shall participate in the Special Investment Vehicle pursuant to the Power of Attorney executed by such Limited Partner, and

documentation with respect to such Special Investment Vehicle shall be executed and delivered on behalf of each such Limited Partner by the General Partner pursuant to such Power of Attorney. The economic terms of the organizational documents of any Special Investment Vehicle shall be substantially similar in all material respects to those of the Partnership.

(b) If the General Partner determines, in its sole discretion, that a Portfolio Investment may give rise to material taxable income which is (or is taken into account as if it were) effectively connected with the conduct of a trade or business within the United States to a Limited Partner subject to tax on such income under section 871(b) or 897 of the Code, the General Partner may cause the Partnership to invest in such Portfolio Investment through an entity treated as a corporation for United States federal income tax purposes, in which event the General Partner may utilize one or more Special Investment Vehicles and/or subsidiaries of the Partnership.

4.3 TEMPORARY INVESTMENTS. The General Partner may invest funds held by the Partnership in Temporary Investments pending investment in Portfolio Investments, pending distribution or for any other purpose.

SECTION 5

CAPITAL CONTRIBUTIONS AND CAPITAL COMMITMENTS

5.1 CAPITAL CONTRIBUTIONS AND CAPITAL COMMITMENTS OF THE PARTNERS. (a) Subject to Sections 5.4 and 10.1(b), each Partner shall, to the extent requested by the General Partner, make Capital Contributions to the Partnership in the aggregate amount of their respective Capital Commitments as set forth in such Partner's Subscription Agreement and/or as reflected in the records of the Partnership.

(b) Such Capital Contributions shall be drawn down in installments, each of which shall be contributed by each Partner in United States dollars. The first installment (in an amount equal to twenty percent (20%) of such Partner's Capital Commitment) shall be paid on the Closing Date on which such Partner is admitted to the Partnership. Subsequent capital installments (each in an amount equal to at least ten percent (10%) of such Partner's Capital Commitment, but never in an amount greater than such Partner's Remaining Capital Commitment) shall be paid in separate Drawdowns in the sole discretion of the General Partner, subject to the following terms and conditions:

(i) The General Partner shall provide each Partner with a notice (the "DRAWDOWN NOTICE") at least thirty days prior to the date of Drawdown.

(ii) Each Partner shall pay to the Partnership the Capital Contribution of such Partner as specified in the Drawdown Notice in cash

or other immediately available funds, by the date specified in the applicable Drawdown Notice.

5.2 DEFAULTING PARTNER. If any Limited Partner fails to contribute, in a timely manner, any portion of the Capital Commitment required to be contributed by such Limited Partner and any such failure continues for ten Business Days after receipt of written notice thereof from the General Partner (a "DEFAULT"), then such Limited Partner (a "DEFAULTING PARTNER") may be designated by the General Partner as in default and shall thereafter be subject to the provisions of this Section 5.2. The General Partner may choose not to designate any Limited Partner as a Defaulting Partner and may agree to waive or permit the cure of any Default by a Limited Partner, subject to such conditions as the General Partner and the Defaulting Partner may agree upon. In the event that a Limited Partner becomes a Defaulting Partner, (i) such Defaulting Partner's Remaining Capital Commitment shall be deemed to be zero, (ii) such Defaulting Partner shall have no interest in future Portfolio Investments and no right to contribute capital to future Portfolio Investments, and (iii) such Limited Partner shall be entitled to receive only one-half of the total distributions (including, without limitation, distributions previously made) that it would have been entitled to receive had it not become a Defaulting Partner, with the other one-half of such distributions to be applied when and as amounts become distributable, FIRST to the Partnership in an amount equal to such Limited Partner's PRO RATA share of the accrued and unpaid and/or anticipated expenses of the Partnership (including any amounts payable upon dissolution or to fund indemnification obligations), and SECOND, to all Partners other than Defaulting Partners in accordance with their respective Capital Commitments; PROVIDED, that the General Partner, MMC, or any of their respective Affiliates (other than any natural person) shall have an option to assume the Remaining Capital Commitments of the Defaulting Partner. From time to time it may be necessary (because of irregular or insufficient cashflows or otherwise) for the Partnership, the General Partner or the Manager to advance payment of expenses allocable to the interest of a Defaulting Partner whose Remaining Capital Commitment has been deemed to be zero pursuant to this Section 5.2 and, before any amounts may be distributed by the Partnership pursuant to the immediately preceding sentence, the amount of any such payment, plus interest (at the Applicable Federal Rate, determined on and calculated from the date of such payment), shall be deducted from future distributions by the Partnership in respect of such Defaulting Partner's interest and paid by the Partnership to the Person that made such advance payment. The General Partner shall make such adjustments, including, without limitation, adjustments to the Capital Accounts of the Partners (including, without limitation, the Defaulting Partners), as it determines to be appropriate to give effect to the provisions of this Section 5.2. On any date following a Default by a Defaulting Partner, such Defaulting Partner shall be required to pay to the Partnership all amounts that such Defaulting Partner would be required to contribute to the Partnership if the Partnership were dissolved as of such date (and its assets liquidated at fair market value as of the most recent valuation date). Notwithstanding any other provision of this Section 5.2, the obligations of any Defaulting Partner to the Partnership hereunder shall not be extinguished as a result of the transactions contemplated by this Section 5.2. Whenever the vote, consent or decision of a Limited Partner or of the Limited Partners is required or permitted pursuant to this Agreement or under the Partnership Law, a Defaulting Partner shall not be entitled to

participate in such vote or consent, or to make such decision, and such vote, consent or decision shall be tabulated or made as if such Defaulting Partner were not a Limited Partner.

5.3 FURTHER ACTIONS. To the extent deemed necessary in the sole discretion of the General Partner, the General Partner shall cause this Agreement to be amended, without the need for any further act, vote or approval of any other Partner or Persons, to reflect as appropriate the occurrence of any of the transactions referred to in this Section 5 or in Section 11.

5.4 EXCUSED INVESTMENTS. The General Partner may, in its sole discretion, excuse any Limited Partner from participation in any investment of the Partnership if the General Partner has determined, in its sole discretion, that such investment may constitute a conflict of interest for such Limited Partner.

SECTION 6

CAPITAL ACCOUNTS; DISTRIBUTIONS

6.1 CAPITAL ACCOUNTS. There shall be established on the books and records of the Partnership a capital account (a "CAPITAL ACCOUNT") for each Partner.

6.2 ADJUSTMENTS TO CAPITAL ACCOUNTS. As of the last day of each Period, the balance in each Partner's Capital Account shall be adjusted by (A) increasing such balance by (i) such Partner's allocable share of each item of the Partnership's income and gain for such Period (allocated in accordance with Section 6.8) and (ii) the Capital Contributions, if any, made by such Partner during such Period and (B) decreasing such balance by (i) the amount of cash or the Value of Securities or other property distributed or deemed distributed to such Partner pursuant to Sections 6 or 13 and (ii) such Partner's allocable share of each item of the Partnership's deduction or loss for such Period (allocated in accordance with Section 6.8). Each Partner's Capital Account shall be further adjusted with respect to any special allocations or adjustments pursuant to this Agreement.

6.3 DISTRIBUTIONS. Except as otherwise provided in this Agreement (including in Section 4.1(b)), Distributable Cash shall be distributed to the Partners in proportion to their Sharing Percentages for the Bridge Financing, Temporary Investment or Portfolio Investment to which such Distributable Cash is attributable.

6.4 OVERRIDING PROVISION. Notwithstanding any other provision of this Agreement, distributions shall be made only to the extent of Available Assets and in compliance with the Partnership Law.

6.5 DISTRIBUTIONS IN KIND. Prior to the dissolution of the Partnership, distributions may be in cash or marketable Securities. In connection with the liquidation and dissolution of the Partnership, distributions may also include restricted Securities or other assets of the Partnership. In the event a distribution of Securities or other assets is made, such Securities or other assets shall be deemed to have been sold at their Value and the proceeds of such sale shall be deemed to have been distributed to the Partners for all purposes of this Agreement. Subject to Section 13.2, Securities or other assets distributed in kind shall be distributed in proportion to the aggregate amounts that would be distributed to each Partner pursuant to Section 6.3, such aggregate amounts to be estimated in the good faith judgment of the General Partner. The General Partner may cause certificates evidencing any Securities to be distributed to be imprinted with legends as to such restrictions on Transfers that it may deem necessary or appropriate, including, without limitation, legends as to applicable United States federal or state or non-U.S. Securities laws or other legal or contractual restrictions, and may require any Partner to whom Securities are to be distributed to agree in writing (i) that such Securities shall not be transferred except in compliance with such restrictions and (ii) to such other matters as the General Partner may deem necessary or appropriate.

6.6 NEGATIVE CAPITAL ACCOUNTS. No Limited Partner shall, and except as otherwise required by law the General Partner shall not, be required to make up a negative balance in its Capital Account.

6.7 NO WITHDRAWAL OF CAPITAL. Except as otherwise expressly provided herein, no Partner shall have the right to withdraw capital from the Partnership or to receive any distribution of or return on such Partner's Capital Contributions.

6.8 ALLOCATIONS. Each item of income, gain, loss, credit and deduction of the Partnership (determined in accordance with U.S. tax principles as applied to the maintenance of capital accounts) shall be allocated among the Capital Accounts of the Partners with respect to each Period as of the end of such Period in a manner that as closely as possible gives economic effect to the provisions of Sections 6 and 13 and the other relevant provisions of this Agreement.

6.9 TAX MATTERS. Except as otherwise provided herein, the income, gains, losses, credits and deductions recognized by the Partnership shall be allocated among the Partners, for United States federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Partners' Capital Accounts. Notwithstanding the foregoing, the General Partner shall have the power in its sole discretion to make such allocations for United States federal, state and local income tax purposes as may be necessary to maintain substantial economic effect, or to ensure that such allocations are in accordance with the interests of the Partners in the Partnership, in each case within the meaning of the Code and the Treasury Regulations. Tax credits shall be allocated in good faith by the General Partner. All matters concerning allocations for United States federal, state and local and non-U.S. income tax purposes, including accounting procedures, not expressly provided for by the terms of this Agreement shall be determined in good faith by the General Partner. The General Partner may, in its sole discretion, cause the

Partnership to make the election under section 754 of the Code. The General Partner is hereby designated as the "tax matters partner" of the Partnership, as provided in the Treasury Regulations pursuant to section 6231 of the Code (and any similar provisions under any other state or local or non-U.S. tax laws). Each Partner hereby consents to such designation and agrees that upon the request of the General Partner it shall execute, certify, acknowledge, deliver, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. Either the General Partner shall have executed and filed a U.S. Internal Revenue Service Form 8832 prior to the date hereof electing to classify the Partnership as a partnership for U.S. federal income tax purposes pursuant to section 301.7701-3 of the Treasury Regulations as of a date no later than the date hereof, or the General Partner shall timely execute and file such Form 8832 on or after the date hereof electing to classify the Partnership as a partnership for United States federal income tax purposes as of a date no later than the date hereof, and the General Partner is hereby authorized to execute and file such Form for all of the Partners. The General Partner shall not subsequently elect to change such classification. The General Partner is hereby authorized to execute and file any comparable form or document required by any applicable United States state or local tax law in order for the Partnership to be classified as a partnership under such tax law.

6.10 WITHHOLDING TAXES. (a) AUTHORITY TO WITHHOLD; TREATMENT OF WITHHELD TAX. Notwithstanding any other provision of this Agreement, each Partner hereby authorizes the Partnership to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Partnership or any of its Affiliates (pursuant to the Code or any provision of United States federal, state, or local or foreign tax law) with respect to such Partner or as a result of such Partner's participation in the Partnership (including as a result of a distribution in kind). If and to the extent that the Partnership shall be required to withhold or pay any such withholding or other taxes, such Partner shall be deemed for all purposes of this Agreement to have received a payment from the Partnership as of the time such withholding or other tax is required to be paid, which payment shall be deemed to be a distribution of Distributable Cash pursuant to the relevant clause of Section 6.3 with respect to such Partner's interest in the Partnership to the extent that such Partner (or any successor to such Partner's interest in the Partnership) would have received a cash distribution but for such withholding. To the extent that such deemed payment exceeds the cash distribution that such Partner would have received at such time but for such withholding, the General Partner shall notify such Partner as to the amount of such excess and such Partner shall make a prompt payment to the Partnership of such amount by wire transfer. The Partnership may hold back from any distribution in kind property having a Value equal to the amount of the taxes withheld or otherwise paid until the Partnership has received such payment.

(b) WITHHOLDING TAX RATE. Any withholdings referred to in this Section 6.10 shall be made at the maximum applicable statutory rate under the applicable tax law unless the General Partner shall have received an opinion of counsel or other evidence, satisfactory to the General Partner, to the effect that a lower rate is applicable, or that no withholding is applicable.

(c) WITHHOLDING FROM DISTRIBUTIONS TO THE PARTNERSHIP. In the event that the Partnership receives a distribution or payment from or in respect of which tax has been withheld, the Partnership shall be deemed to have received cash in an amount equal to the amount of such withheld tax, and each Partner shall be treated as having received as a distribution of Distributable Cash pursuant to the relevant clause of Section 6.3 the portion of such amount that is attributable to such Partner's interest in the Partnership as equitably determined by the General Partner. To the extent that such deemed distribution exceeds the cash distribution that such Partner would have received but for such withholding, the General Partner shall notify such Partner as to the amount of such excess and such Partner shall make a prompt payment to the Partnership of such amount by check or wire transfer, which payment shall not constitute a Capital Contribution and, consequently, shall not reduce the Remaining Capital Commitment or increase the Capital Account of such Partner. In the event that the Partnership anticipates receiving a distribution or payment from which tax will be withheld in kind, the General Partner may elect to prevent such in-kind withholding by paying such tax in cash and may require each Partner in advance of such distribution to make a prompt payment to the Partnership by wire transfer of the amount of such tax attributable to such Partner's interest in the Partnership as equitably determined by the General Partner, which payment shall not constitute a Capital Contribution and, consequently, shall not reduce the Remaining Capital Commitment or increase the Capital Account of such Partner.

(d) INDEMNIFICATION. Each Partner shall, to the fullest extent permitted by applicable law, indemnify and hold harmless the Partnership and the General Partner against all claims, liabilities and expenses of whatever nature relating to the Partnership's or the General Partner's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Partnership or the General Partner as a result of such Partner's participation in the Partnership. In addition, the Partnership shall, hereby or pursuant to a separate indemnification agreement and to the fullest extent permitted by applicable law, indemnify and hold harmless each Portfolio Company and any Covered Person who is or who is deemed to be the responsible withholding agent for United States federal, state or local or non-U.S. income tax purposes (other than any Covered Person that is indemnified by each Partner pursuant to the previous sentence) against all claims, liabilities and expenses of whatever nature relating to such Portfolio Company's or Covered Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by such Portfolio Company or Covered Person, as the case may be, as a result of the participation in the Partnership of a Partner (other than such Covered Person). If, pursuant to a separate indemnification agreement or otherwise, the Partnership shall indemnify or be required to indemnify any Portfolio Company or Covered Person against any claims, liabilities or expenses of whatever nature relating to such Portfolio Company's or Covered Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by such Portfolio Company or Covered Persons as a result of any Partner's participation in the Partnership,

such Partner shall pay to the Partnership the amount of the indemnity paid or required to be paid.

6.11 FINAL DISTRIBUTION. The final distributions following dissolution shall be made in accordance with the provisions of Section 13.2.

SECTION 7

THE MANAGER

The Partnership hereby appoints the Manager, and the Manager hereby agrees, to act as the investment advisor to and manager of the Partnership, and pursuant to such appointment:

(a) The Manager shall manage the operations of the Partnership, shall have the right to execute and deliver documents on behalf of the Partnership in lieu of the General Partner and shall have discretionary authority with respect to investments of the Partnership, including, without limitation, the authority to evaluate, monitor, exercise voting rights, liquidate and take other appropriate action with respect to investments on behalf of the Partnership, PROVIDED that the management and the conduct of the activities of the Partnership shall remain the sole responsibility of the General Partner and all decisions relating to the selection and disposition of the Partnership's investments shall be made exclusively by the General Partner in accordance with this Agreement. Appointment of the Manager by the Partnership shall not relieve the General Partner from its obligations to the Partnership hereunder or under the Partnership Law.

(b) The Manager shall act in conformity with this Agreement and with the instructions and directions of the General Partner.

The engagement by the Partnership of the Manager contemplated hereby may be set forth in a separate management agreement specifying in further detail the rights and duties of the Manager. Such engagement, whether or not set forth in such a management agreement, shall terminate upon the filing of a notice of dissolution of the Partnership as described in Section 13.4(b).

SECTION 8

BANKING, CUSTODY OF SECURITIES, ACCOUNTING, BOOKS AND RECORDS, ADMINISTRATIVE SERVICES

8.1 BANKING; CUSTODY OF SECURITIES. All funds of the Partnership may be deposited in such bank, brokerage or money market accounts as shall be established by the General Partner. Withdrawals from and checks drawn on any such account shall be made upon such signature or signatures as the General Partner may designate. All Securities held by the Partnership shall be held by a custodian or at a bank or other secure location selected by the General Partner.

8.2 MAINTENANCE OF BOOKS AND RECORDS; ACCESS.

(a) MAINTENANCE. The General Partner shall keep or cause to be kept complete records and books of account. Such books and records shall be maintained in accordance with the provisions of the Institutional Fund Agreement applicable to the records and books of account of the Institutional Fund as if such provisions were applicable to the Partnership. The books and records required by law to be maintained at the registered office of the Partnership shall be so maintained pursuant to the provisions of the Partnership Law. In particular, the General Partner shall maintain, or cause to be maintained, at the registered office of the Partnership, in accordance with the Partnership Law, a register containing the name and address, amount and date of the contribution or contributions of each Partner and the amount and date of any payment representing a return of any part of the contributions of any Partner (the "REGISTER OF PARTNERSHIP INTERESTS"), which register shall be updated within twenty-one Business Days of any change in the particulars therein. In accordance with the Partnership Law, the Register of Partnership Interests shall be PRIMA FACIE evidence of the matters which are required to be inserted therein and shall be open to inspection by any Person during all business hours.

(b) ACCESS. Such books and records shall be available, upon five Business Days' notice to the General Partner, for inspection and copying at reasonable times during normal business hours by a Limited Partner or its duly authorized agents or representatives for any purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership. The General Partner shall have the right to keep confidential from the Limited Partners for such period of time as the General Partner deems reasonable, any information the disclosure of which the General Partner deems in its sole discretion to be not in the best interest of the Partnership or its business or which the Partnership is required by law or by agreement with a third party to keep confidential, PROVIDED, that nothing in this Section 8.2 shall prevent the Partnership from distributing to Partners the financial reports referred to in Sections 9.2 and 9.3.

8.3 PARTNERSHIP TAX RETURNS. The General Partner shall cause the Partnership initially to elect the Fiscal Year as its taxable year and shall cause to be prepared and timely filed all tax returns required to be filed for the Partnership in the jurisdictions in which the Partnership conducts business or derives income for all applicable tax years.

SECTION 9

REPORTS TO PARTNERS, ANNUAL MEETING, VALUATIONS

9.1 INDEPENDENT AUDITORS. The books of account and records of the Partnership shall be audited as of the end of each Fiscal Year by such recognized accounting firm as shall be selected by the General Partner. The Partnership's independent public accountants shall be a recognized independent public accounting firm selected from time to time by the General Partner in its discretion. All reports provided

to the Limited Partners pursuant to Section 9.2 shall be prepared in accordance with United States generally accepted accounting principles consistently applied. The Partnership's financial statements shall not be consolidated with those of the General Partner, any Portfolio Company or any Affiliate of the Partnership, unless such consolidation shall be required by United States generally accepted accounting principles, in which case the Partnership shall provide "stand-alone" financial statements for the Partnership, reviewed by the Partnership's independent public accounting firm on an unconsolidated basis pursuant to investment company accounting standards as reasonably determined by the General Partner.

9.2 PARTNERSHIP REPORTS TO LIMITED PARTNERS. (a) ANNUAL REPORTS. As soon as practicable (but in any event within 180 days) after the end of each Fiscal Year, the General Partner shall prepare and mail or cause to be prepared and mailed to each Limited Partner audited financial statements of the Partnership, a statement of such Limited Partner's capital account and such other information as the General Partner, in its sole discretion, deems appropriate.

(b) SEMI-ANNUAL REPORTS. As soon as practicable (but in any event within 120 days) after the end of the second fiscal quarter each Fiscal Year, the General Partner shall prepare and mail or cause to be prepared and mailed to each Limited Partner unaudited financial statements of the Partnership and such other information as the General Partner, in its sole discretion, deems appropriate.

9.3 UNITED STATES FEDERAL INCOME TAX INFORMATION. The General Partner shall use its commercially reasonable best efforts to send, no later than 90 days after the end of each Fiscal Year, to each Limited Partner (or its legal representative) and to each other Person that was a Limited Partner (or its legal representative) at any time during such Fiscal Year, a Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc.," to United States Internal Revenue Service Form 1065, "U.S. Partnership Return of Income," or any successor form, filed by the Partnership for such Person.

9.4 ANNUAL MEETING. The General Partner may, but shall not be obligated to, cause the Partnership to have a meeting of the Limited Partners each year (the "ANNUAL MEETING") and shall give 20 Business Days' advance written notice to each Limited Partner of such meeting. At the Annual Meeting, the Partners shall be permitted to meet with the senior management of the Manager to consult on general economic and financial trends and on the Partnership's existing Portfolio Investments. In order to help ensure each Limited Partner's limitation of liability pursuant to Section 3.3, the Partnership's potential investments shall not be submitted for discussion and none of the Partners shall play any role in the Partnership's governance or participate in the control of the business of the Partnership in his or her capacity as Limited Partner.

9.5 VALUATION. For all purposes of this Agreement, "VALUE" shall mean, with respect to any Security, including, but not limited to, any Security owned (directly or indirectly) by the Partnership at any time, the fair market value of such Security, as determined by the General Partner in its sole discretion. "FAIR MARKET VALUE" generally shall be determined by the General Partner by reference to such factors as it deems

appropriate, including, with respect to a Security owned (directly or indirectly) by the Partnership, the valuation set forth in the Partnership's last annual or semi-annual financial statements. Any valuation may, in the discretion of the General Partner, be made by one or more independent third parties appointed by the General Partner and deemed qualified by the General Partner to render valuation opinions, which third parties may use such methods and consider such information as they may deem appropriate.

SECTION 10

INDEMNIFICATION

10.1 INDEMNIFICATION OF COVERED PERSONS. (a) GENERAL. The Partnership shall and hereby does, to the fullest extent permitted by applicable law, indemnify, hold harmless and release each Covered Person from and against all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated ("CLAIMS"), that may accrue to or be incurred by any Covered Person, or in which any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Partnership (including, but not limited to, Claims arising out of the disposition of any Portfolio Company), or otherwise relating to or arising out of this Agreement, including, but not limited to, amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding (a "PROCEEDING"), whether civil or criminal (all of such Claims and amounts covered by this Section 10.1 and all expenses referred to in Section 10.2 are referred to as "DAMAGES"), except to the extent that it shall have been determined ultimately by a court of competent jurisdiction that such Damages arose primarily from the Disabling Conduct of such Covered Person. The termination of any Proceeding by settlement shall not, of itself, create a presumption that such Covered Person has engaged in Disabling Conduct or any Damages relating to such settlement arose primarily from the Disabling Conduct of any Covered Person.

(b) CONTRIBUTION. Notwithstanding any other provision of this Agreement, at any time and from time to time and prior to the last day of the Term, the General Partner may require the Partners to contribute to the Partnership an amount sufficient to satisfy all or any portion of the indemnification obligations of the Partnership pursuant to Section 6.10(d) or Section 10.1(a), PROVIDED that each Partner shall make such contributions in respect of its share of any such indemnification obligations made or required to be made as follows:

(i) if the Claims or Damages so indemnified against arise out of a Bridge Financing, Temporary Investment or Portfolio Investment, according to its Sharing Percentage with respect to such financing or investment; and

(ii) thereafter, or in any other circumstances, proportionately according to its Capital Commitment.

Notwithstanding anything in this Section 10 to the contrary, a Partner's liability under the first sentence of this Section 10.1(b) is limited to such Partner's Capital Commitment. Nothing in this Section 10.1(b), express or implied, is intended or shall be construed to give any Person other than the Partnership or the Partners any legal or equitable right, remedy or claim under or in respect of this Section 10.1(b) or any provision contained herein.

10.2 EXPENSES, ETC. To the fullest extent permitted by applicable law, expenses incurred by a Covered Person in defense or settlement of any Claim that may be subject to a right of indemnification hereunder shall be advanced by the Partnership prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined ultimately by a court of competent jurisdiction that the Covered Person is not entitled to be indemnified hereunder. The right of any Covered Person to the indemnification provided herein shall be cumulative with, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's successors, assigns and legal representatives. All judgments against the Partnership, and all judgments against the Partnership and either or both of the General Partner and/or the Manager in respect of which the General Partner and/or the Manager is/are entitled to indemnification, shall first be satisfied from Partnership assets (including, without limitation, Capital Contributions and any payments under Section 10.1(b)), before the General Partner or the Manager, as the case may be, is responsible therefor.

10.3 NOTICES OF CLAIMS, ETC. Promptly after receipt by a Covered Person of notice of the commencement of any Proceeding, such Covered Person shall, if a claim for indemnification in respect thereof is to be made against the Partnership, give written notice to the Partnership of the commencement of such Proceeding, PROVIDED that the failure of any Covered Person to give notice as provided herein shall not relieve the Partnership of its obligations under this Section 10, except to the extent that the Partnership is actually prejudiced by such failure to give notice. In case any such Proceeding is brought against a Covered Person (other than a derivative suit in right of the Partnership), the Partnership shall be entitled to participate in and to assume the defense thereof to the extent that the Partnership may wish, with counsel reasonably satisfactory to such Covered Person. After notice from the Partnership to such Covered Person of the Partnership's election to assume the defense of such Proceeding, the Partnership shall not be liable for expenses subsequently incurred by such Covered Person in connection with the defense thereof. The Partnership shall not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Covered Person of a release from all liability in respect to such Claim.

10.4 NO WAIVER. Nothing contained in this Section 10 shall constitute a waiver by any Partner of any right that it may have against any party under any U.S. federal or state securities laws, Cayman Islands or other non-U.S. laws.

10.5 COVERED PERSONS MAY RELY AND ENFORCE. It is the express intention of the parties hereto that the provisions of this Section 10 for the indemnification of Covered Persons may be relied upon by such Covered Persons and may be enforced by such Covered Persons (or by the General Partner on behalf of any such Covered Person, PROVIDED that the General Partner shall not have any obligation to so act for or on behalf of any such Covered Person) against the Partnership and the Partners as if such Covered Persons were parties hereto.

SECTION 11

TRANSFERS, REDEMPTIONS AND WITHDRAWALS

11.1 GENERAL RESTRICTIONS ON TRANSFERS AND WITHDRAWALS; MATERIAL ADVERSE EFFECTS; REGULATORY REDEMPTIONS.

(a) GENERAL. Except as set forth in this Section 11, no Additional Limited Partners may be admitted to and no Limited Partner may withdraw from the Partnership prior to the dissolution and winding-up of the Partnership. No Limited Partner may Transfer all or any part of its interest in the Partnership other than for the reasons set forth in this Section 11, and then only to a Permitted Transferee upon satisfaction of any conditions deemed necessary, convenient or desirable by the General Partner and with the prior written consent of the General Partner, which consent may be withheld in the sole discretion of the General Partner. No Transfer shall be recognized by the Partnership unless effected in accordance with this Agreement.

(b) LIMITED PARTNERS WITH ADVERSE EFFECTS. (i) If at any time the General Partner determines (after consultation with counsel reasonably satisfactory to the General Partner) that there is a reasonable likelihood that for any reason (other than the reason set forth in (c) below) the continuing participation in the Partnership by any Limited Partner might have a Material Adverse Effect on the Partnership or any Portfolio Company, such Limited Partner shall, upon the written request of the General Partner, Transfer its entire interest in the Partnership (or such portion of its interest that, in the sole discretion of the General Partner, is sufficient to prevent or remedy a Material Adverse Effect) for Value to a Permitted Transferee designated by the General Partner.

(c) REDEMPTION FOR REGULATORY REASONS. Notwithstanding Section 11.1(b), the Limited Partners hereby acknowledge and agree that the General Partner may accept subscriptions from more than 500 Limited Partners in anticipation of receiving no-action relief from the SEC with respect to certain public reporting and other regulatory requirements under the Exchange Act applicable to issuers whose interests are held by more than 500 Persons. In the

event that the SEC declines to grant the requested relief, the General Partner shall have the right to redeem (or to designate another Permitted Transferee to redeem) the interests of one or more Limited Partners, which Limited Partners shall be selected by the General Partner in its sole discretion. Each Limited Partner whose interest in the Partnership is redeemed pursuant to this Section 11.1(c) shall be entitled to receive, as consideration for such redemption, an amount equal to the sum of (i) the aggregate amount - of such Limited Partner's Capital Contributions, less any amounts distributed by the Partnership to such Limited Partner prior to such redemption, plus (ii) interest. For the purposes of this Section 11.1(c), (A) capital held by the Partnership in Temporary Investments pending investment in Portfolio Investments will earn the actual amount of interest earned by the Partnership thereon and (B) capital invested by the Partnership in Portfolio Investments or Bridge Financings will earn the - Applicable Federal Rate, determined on and calculated from the date on which such capital was invested by the Partnership. Any Limited Partner whose interest in the Partnership is redeemed pursuant to this Section 11.1(c) shall, immediately upon such redemption, cease to be a Partner and shall be deemed never to have been a Partner for all purposes of this Agreement.

11.2 ADDITIONAL LIMITED PARTNERS. (a) CONDITIONS TO ADMISSION. In addition to the admission of Limited Partners at the initial Closing, the General Partner, in its sole discretion, may schedule, from time to time, one or more additional closings on any date for one or more Person or Persons seeking admission to the Partnership as additional limited partners of the Partnership (each such Person, an "ADDITIONAL LIMITED PARTNER", which term shall include any Person that is a Partner immediately prior to such additional Closing and that wishes to increase the amount of its Capital Commitment), subject to the determination by the General Partner in the exercise of its good faith judgment that in the case of each admission or increase the following conditions have been satisfied:

(i) Each such Additional Limited Partner shall have executed and delivered such instruments and shall have taken such actions as the General Partner shall deem necessary, convenient or desirable to effect such admission or increase, including, without limitation, the execution of (A) a Subscription Agreement, (B) a counterpart of this Agreement pursuant to which such Additional Limited Partner agrees to be bound by the terms and provisions hereof or to increase the amount of such Limited Partner's Capital Commitment, as the case may be, and (C) a Power of Attorney.

(ii) Such admission or increase shall not result in a violation of any applicable law, including, without limitation, Cayman Islands and United States federal and state securities laws, or any term or condition of this Agreement and, as a result of such admission or such increase, the Partnership shall not be required to register as an Investment Company under the Investment Company Act or any law of similar import of the Cayman Islands; none of the General Partner, the Manager or any Affiliate of the General Partner or the Manager would be required to register as an

investment adviser under the Investment Advisers Act or any law of similar import of the Cayman Islands and the Partnership shall not become taxable as a corporation or association.

(iii) On the date of its admission to the Partnership or the date of such increase, as the case may be, such Additional Limited Partner shall have paid or unconditionally agreed to pay to the Partnership, an amount equal to the sum of

(A) in the case of each Portfolio Investment then held by the Partnership, the percentage of such Additional Limited Partner's Capital Commitment or (if the Additional Limited Partner is increasing its Capital Commitment) the percentage of the amount of the increase of such Additional Limited Partner's Capital Commitment that is equal to a fraction, (1) the numerator of which is the aggregate of the Capital Contributions of the - previously admitted Partners used to fund the cost of such Portfolio Investment and (2) the denominator of - which is the sum of the aggregate of (X) the Capital Commitments of the previously admitted Partners that - made Capital Contributions used to fund the cost of such Portfolio Investment and (Y) (without duplication) - the Capital Commitments of all Additional Limited Partners, and

(B) the percentage of such Additional Limited Partner's Capital Commitment or (if such Additional Limited Partner is increasing its Capital Commitment) the percentage of the amount of the increase of such Additional Limited Partner's Capital Commitment that is equal to a fraction, (1) the numerator of which is the aggregate of the Capital - Contributions of the previously admitted Limited Partners in respect of all Drawdowns which have theretofore been funded and not returned to the Partners, other than Drawdowns made and used to fund the cost of a Portfolio Investment and (2) the denominator of which is the sum of the aggregate of (X) the - - Capital Commitments of all previously admitted Partners and (Y) (without duplication) the Capital - Commitments of all Additional Limited Partners,

together with, in the case of clauses (A) and (B), an amount calculated as interest thereon at a rate per annum equal to the Prime Rate plus two percent (2%) from the dates that contribution of such amounts by such Additional Limited Partner would have been due if such Additional Limited Partner had been admitted to the Partnership or had increased its Capital Commitment, as the case may be, on the date of the initial Closing, to the date that the payment required to be made by such Additional Limited Partner pursuant to this Section 11.2(a)(iii) is made, which interest shall be treated as provided in Section 11.2(b), and less such amount as is necessary to take into account all distributions theretofore made.

A Person shall be deemed admitted to the Partnership as an Additional Limited Partner at the time that the foregoing conditions are satisfied and when such Person is listed as a limited partner of the Partnership on the register of partnership interests of the Partnership maintained at the registered office of the Partnership.

(b) CERTAIN PAYMENTS AND TRANSFERS. Any amount paid by an Additional Limited Partner pursuant to Section 11.2(a)(iii)(A) with respect to the acquisition of Portfolio Investment (and any interest paid thereon) shall be remitted promptly to the previously admitted Partners, PRO RATA in accordance with their Capital Contributions used to fund the acquisition of such Portfolio Investment (before giving effect to the adjustments referred to in the following clause), and the Partners' Sharing Percentages for such Portfolio Investment shall be appropriately adjusted. Any amount paid by an Additional Limited Partner pursuant to Section 11.2(a)(iii)(B) (and any interest paid thereon) shall be remitted promptly to the previously admitted Partners, PRO RATA in accordance with their Capital Commitments. Such payments and remittances shall, in accordance with section 707(a) of the Code, be treated for all purposes of this Agreement and for all accounting and tax reporting purposes as payments made directly from the Additional Limited Partner to the previously admitted Partners and not as items of Partnership income, gain, loss, deduction, contribution or distribution. Such Additional Limited Partner shall succeed to the Capital Contributions of the previously admitted Partners attributable to the portion of the amount remitted to such previously admitted Partners pursuant to Section 11.2(a)(iii) (not including any amount calculated as interest thereon), as appropriate, and the Capital Contributions of the previously admitted Partners shall be decreased accordingly. In addition, the Remaining Capital Commitments of the previously admitted Limited Partners shall be increased by such amount remitted (not including any amount calculated as interest thereon), and the amount of such increase in Remaining Capital Commitments may be called again by the Partnership. The Remaining Capital Commitment of the Additional Limited Partner shall be appropriately determined by the General Partner. The Register of Partnership Interests shall be amended by the General Partner as appropriate to show the name and business address of each Additional Limited Partner and the amount of its Capital Commitment. Neither the admission of an Additional Limited Partner nor an increase in the amount of an Additional Limited Partner's Capital Commitment shall be a cause for dissolution of the Partnership. The transactions contemplated by this Section 11.2 shall not require the consent of any of the Limited Partners.

(c) NO CONSENT. The transactions contemplated by this Section 11.2 shall not require the consent of any of the Limited Partners.

11.3 MULTI-FUND AND MULTI-VEHICLE ADJUSTMENTS. Any payments to be made by, and the distributions and/or adjustments to be made to, certain Partners pursuant to Section 11.2 (a) and (b) and the equivalent provisions of the Institutional Fund Agreement shall be adjusted as necessary to take into account (i) that investments held by the Partnership may, as of any Closing Date, be held by one or more Parallel Funds,

(ii) that a portion of each Limited Partner's Capital Commitment originally made to the Partnership may become a capital commitment to one or more Special Investment Vehicles and (iii) any closing of a Parallel Fund. Investments held by the Partnership, Parallel Funds and/or Special Investment Vehicles may be transferred among such entities to effectuate the purposes of the Institutional Fund Agreement. After the payments, distributions and adjustments described in this Section 11.3 and in the equivalent provisions of the Institutional Fund Agreement are taken into account, each investment in a Portfolio Company shall be held by the Partnership and any Parallel Fund in proportion to their respective capital commitments, including, without limitation, all capital committed to the Partnership or any such Parallel Fund, as the case may be, after the date on which such investment was made, but only to the extent such capital commitments shall be applied to be invested in such Portfolio Company.

11.4 EFFECT OF TERMINATION OF EMPLOYMENT. (a) Upon the death, Total Disability or Retirement (as such terms are defined in the MMC Companies Benefits Program) of a Limited Partner, (i) such Limited Partner (or its estate) shall retain its interest in the Partnership, PROVIDED that such Limited Partner (or its representative) may request that its interest in the Partnership be purchased by the General Partner (or another Permitted Transferee designated by the General Partner) for Value, (ii) the obligation of such Limited Partner to make Capital Contributions shall terminate and such Limited Partner shall have no right to participate in future Portfolio Investments, Bridge Financings or other investments by the Partnership, except that a Retiring Limited Partner's obligation to make Capital Contributions shall not be terminated other than at the request of such Partner, (iii) any capital contributed to the Partnership by such Limited Partner but not yet invested in a Portfolio Investment or Bridge Financing shall be distributed (net of any amounts that would be deductible if such capital was distributed pursuant to clause (iv) below) to such Limited Partner (or its estate) and (iv) if such Limited Partner retains its interest but its obligation to contribute capital to the Partnership is terminated, the Partnership shall be permitted to deduct from any Distributable Cash attributable to such Limited Partner's interest in the Partnership amounts equal to the accrued and unpaid and/or anticipated expenses of the Partnership (including any amounts payable upon dissolution or to fund indemnification obligations) allocable to such Limited Partner's interest. The General Partner may grant any requests made by Limited Partners pursuant to this Section 11.4(a) in whole or in part, but shall have no obligation to do so.

(b) Upon the termination of the employment of a Limited Partner with MMC for any reason other than death, Total Disability or Retirement (as such terms are defined in the MMC Companies Benefits Program), (i) the General Partner shall have the right, - but not the obligation, to purchase (or to designate another Permitted Transferee to purchase) such Limited Partner's interest in the Partnership for Value, (ii) the obligation of such Limited Partner to make Capital Contributions shall -- terminate and such Limited Partner shall have no right to participate in future Portfolio Investments, Bridge Financings or other investments by the Partnership, shall be terminated, (iii) any capital contributed to the Partnership by such Limited Partner but not yet invested in a Portfolio Investment or Bridge Financing shall be distributed (net of any amounts that

would be deductible if such capital was distributed pursuant to clause (iv) below) to such Limited Partner and (iv) if such Limited Partner retains its interest, the Partnership shall be permitted to deduct from any Distributable Cash attributable to such Limited Partner's interest in the Partnership amounts equal to the accrued and unpaid and/or anticipated expenses of the Partnership (including any amounts payable upon dissolution or to fund indemnification obligations) allocable to such Limited Partner's interest.

(c) From time to time it may be necessary (because of irregular or insufficient cashflows or otherwise) for the Partnership, the General Partner or the Manager to advance payment of expenses allocable to the interest of a Limited Partner whose Capital Commitment has been terminated pursuant to this Section 11.4. The amount of any such payment, plus interest (at the Applicable Federal Rate, determined on and calculated from the date of such payment), shall be deducted from future distributions by the Partnership to such Limited Partner and paid by the Partnership to the Person that made such advance payment.

(d) Amounts retained or deducted pursuant to this Section 11.4 shall be invested by the Partnership in Temporary Investments pending their use and, to the extent unused, will be distributed as set forth in Section 13.2 upon the dissolution of the Partnership, unless the General Partner, in its sole discretion, elects to distribute all or any lesser portion of them earlier.

11.5 TRANSFER OR WITHDRAWAL BY THE GENERAL PARTNER. The General Partner shall not Transfer all or any part of its interest as the general partner of the Partnership, and the General Partner shall not withdraw as the general partner of the Partnership. Notwithstanding the foregoing, and to the extent permitted by law,

(a) the General Partner may at its election convert to a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction, or

(b) the General Partner may Transfer its interest as the general partner of the Partnership to, or be merged with and into, a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction for the purpose of serving as the general partner of the Partnership,

but only if in any such case the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, include the Persons that are the general partners or controlling equity holders of the General Partner.

Upon any such conversion to such a limited partnership, limited liability company or other entity, or any such Transfer by or merger of the General Partner to or with such a limited partnership, limited liability company or other entity, such limited partnership, limited liability company or other entity shall be deemed to be the same Person as the

General Partner for all purposes of this Agreement. All Subscription Agreements applicable to the Partnership that are in effect at the time of any such conversion, Transfer, or merger shall thereafter continue in full force and effect.

SECTION 12

DEATH, INCOMPETENCY OR BANKRUPTCY OR DISSOLUTION OF PARTNERS

12.1 BANKRUPTCY OR DISSOLUTION OF THE GENERAL PARTNER. In the event of the bankruptcy or dissolution and commencement of winding-up of the General Partner, or the occurrence of any other event that causes the General Partner to cease to be a general partner of the Partnership under the Partnership Law, the Partnership shall be dissolved and its affairs shall be wound up as provided in Section 13, unless the business of the Partnership is continued pursuant to Section 13.1(a).

12.2 DEATH, INCOMPETENCE, BANKRUPTCY, DISSOLUTION OR WITHDRAWAL OF A LIMITED PARTNER. The death, Total Disability, bankruptcy, dissolution, retirement, resignation or withdrawal of a Limited Partner or the occurrence of any other event that causes a Limited Partner to cease to be a Partner of the Partnership shall not in and of itself dissolve or terminate the Partnership; and the Partnership, notwithstanding such event, shall continue without dissolution upon the terms and conditions provided in this Agreement, and each Limited Partner, by executing this Agreement, agrees to such continuation of the Partnership without dissolution.

SECTION 13

DISSOLUTION AND TERMINATION OF PARTNERSHIP

13.1 DISSOLUTION. (a) There shall be a dissolution of the Partnership and its affairs shall be wound up upon the first to occur of any of the following events:

(i) the date of the dissolution of the Institutional Fund; or

(ii) the expiration of the Term as provided in Section 1.4; or

(iii) the last Business Day of the Fiscal Year in which all assets acquired, or agreed to be acquired, by the Partnership have been sold or otherwise disposed of; or

(iv) a decision by the General Partner in its sole discretion to dissolve the Partnership because it has determined that due to a change in the text, application or interpretation of the provisions of any applicable law (including, without limitation, changes that result in the Partnership being taxable as a corporation under the Code), there is a substantial likelihood that the Partnership will be unable to effectively carry out its investment program or otherwise operate in the manner contemplated by this Agreement; or

(v) the withdrawal, bankruptcy or dissolution and commencement of winding-up of the General Partner, or the assignment by the General Partner of its entire interest in the Partnership, or the occurrence of any other event that causes the General Partner to cease to be a general partner of the Partnership under the Partnership Law, UNLESS (i) at the time of the occurrence of such event there is at least one remaining general partner of the Partnership that is hereby authorized to and does (unanimously in the case of more than one general partner) elect to continue the business of the Partnership without dissolution or (ii) the business of the Partnership is otherwise continued without dissolution pursuant to the provisions of the Partnership Law, PROVIDED that, for the purposes of this Section 13.1, the conversion of the General Partner to a limited partnership, limited liability company or other entity, or the Transfer of the General Partner's interest as the general partner of the Partnership to, or the merger of the General Partner with and into, a limited partnership, limited liability company or other entity as provided for in Section 11.5 shall not, for the purposes of this Section 13.1 be deemed a dissolution or winding-up or commencement of winding-up of the General Partner.

13.2 DISTRIBUTION UPON DISSOLUTION. Upon the dissolution of the Partnership, the General Partner (or, if dissolution of the Partnership should occur by reason of Section 13.1(c), a duly elected liquidating trustee of the Partnership or other representative who may be designated by a Majority in Interest) shall proceed, subject to the provisions of this Section 13, to liquidate the Partnership and apply the proceeds of such liquidation, or in its sole discretion to distribute Partnership assets, in the following order of priority:

FIRST, to creditors in satisfaction of debts and liabilities of the Partnership, whether by payment or the making of reasonable provision for payment (other than any loans or advances that may have been made by any of the Partners to the Partnership), and the expenses of liquidation whether by payment or the making of reasonable provision for payment, any such reasonable reserves (which may be funded by a liquidating trust) to be established by the General Partner (or any liquidating trustee selected by the General Partner, or if the General Partner has dissolved or withdraws from the Partnership, or other representative duly designated by the Manager or by MMC) in amounts deemed by it to be reasonably necessary for the payment of the Partnership's expenses, liabilities and other obligations (whether fixed or contingent, conditional or unmatured);

SECOND, to the Partners in satisfaction of any loans or advances that may have been made by any of the Partners to the Partnership, whether by payment or the making of reasonable provision for payment;

THIRD, to the Partners in accordance with Section 6.

13.3 DISTRIBUTIONS IN CASH OR IN KIND. Upon the dissolution of the Partnership, the General Partner (or liquidating trustee selected by the General Partner or, if the General Partner has dissolved or withdraws from the Partnership, a representative duly designated by the Manager or by MMC) or its successor or other representative shall use its commercially reasonable efforts to liquidate all of the Partnership assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 13.2, PROVIDED THAT if in the good faith business judgment of the General Partner (or such liquidating trustee or other representative), a Partnership asset should not be liquidated, the General Partner (or such other representative) shall allocate, on the basis of the Value of any Partnership assets not sold or otherwise disposed of, any unrealized gain or loss based on such Value to the Partner's Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in accordance with Section 13.2, subject to the priorities set forth in Section 13.2, PROVIDED FURTHER that the General Partner (such other representative) shall in good faith attempt to liquidate sufficient Partnership assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in paragraphs First and Second of Section 13.2. The General Partner may cause certificates evidencing any Securities to be distributed to be imprinted with legends as to such restrictions on transfers that it may deem necessary or appropriate, including, without limitation, legends as to applicable federal or state or non-U.S. securities laws or other legal or contractual restrictions, and may require any Partner to which Securities are to be distributed to agree in writing (A) that such Securities shall not be transferred except in compliance with such restrictions and (B) to such other matters as the General Partner may deem necessary, appropriate convenient or incidental to the foregoing.

13.4 TIME FOR LIQUIDATION, ETC. (a) At the end of the term of the Partnership as provided for in Section 1.4, the Partnership shall be liquidated and any remaining assets shall be distributed in accordance with Section 13.2. A reasonable time period shall be allowed for the orderly winding-up and liquidation of the assets of the Partnership and the discharge of liabilities to creditors so as to enable the General Partner to seek to minimize potential losses upon such liquidation. Subject to Section 13.1, the provisions of this Agreement shall remain in full force and effect during the period of winding-up and until the filing of a notice of dissolution of the Partnership with the Registrar of Exempted Limited Partnerships of the Cayman Islands, as provided in 13.4(b).

(b) FILING OF NOTICE OF DISSOLUTION. Upon completion of the foregoing, the General Partner shall execute, acknowledge and file or cause to be filed a notice of dissolution of the Partnership with the Registrar of Exempted Limited Partnerships of the Cayman Islands.

13.5 GENERAL PARTNER AND MEMBERS OF MMC NOT PERSONALLY LIABLE FOR RETURN OF CAPITAL CONTRIBUTIONS. None of the General Partner, the Manager, or any member of MMC or any of its or their respective Affiliates shall be personally liable for the return of all or any portion of the Capital Accounts or the Capital Contributions of any Partner, and such return shall be made solely from available Partnership assets, if any, and each Limited Partner hereby waives any and all claims it may have against the General

Partner, the Manager and the members of MMC or any of its or their respective Affiliates in this regard.

13.6 REORGANIZATION OF THE PARTNERSHIP. To the extent permitted by law, in order to effect a reorganization of the Partnership:

(a) the General Partner may cause the conversion of the Partnership to a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction, or

(b) the General Partner may cause the exchange of the interests of the Partners in the Partnership for interests in, or cause the Partnership to be merged with and into, a limited partnership, limited liability company or other entity formed under the laws of the Cayman Islands or any other jurisdiction,

but only if in any such case the Partners (including, without limitation, their successors) shall become, and no other Persons (other than Persons necessary for the qualification of such limited partnership, limited liability company or other entity under such laws) shall be, the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, PROVIDED that no such conversion, exchange or merger shall be permitted unless

(i) the General Partner shall first have delivered to the Partnership

(A) a written opinion from Debevoise & Plimpton or other counsel of recognized standing experienced in United States federal income tax matters, to the effect that such limited partnership, limited liability company or other entity shall be classified as a partnership, and shall not be treated as a corporation, for United States federal income tax purposes, and

(B) a written opinion (the conclusions of which may be based in part on the opinion specified in the immediately preceding clause (A)) of each of

(1) experienced counsel admitted to practice in each jurisdiction in which such limited partnership, limited liability company or other entity is formed or has an office and

(2) experienced counsel admitted to practice in each jurisdiction (X) in which such limited partnership, limited liability company or other entity shall have an office, be doing business or otherwise be subject to the income tax laws of such jurisdiction immediately after such conversion, exchange or merger and (y) under the income tax laws of which the Partnership was not taxed directly on

its income before such conversion, exchange or merger,

to the effect that such conversion, exchange or merger would not cause such limited partnership, limited liability company or other entity to be taxed directly on its income under the income tax laws of such jurisdiction,

(ii) the General Partner shall have first delivered to the Partnership a written opinion of experienced counsel admitted to practice in the jurisdiction under the laws of which such limited partnership, limited liability company or other entity is formed, to the effect that such conversion, exchange or merger would not adversely affect the limited liability of the Limited Partners,

(iii) such conversion, exchange or merger would not result in the violation of any applicable securities laws,

(iv) such conversion, exchange or merger would not result in such limited partnership, limited liability company or other entity being required to register as an investment company under the Investment Company Act or any law of similar import of the jurisdiction under the laws of which such limited partnership, limited liability company or other entity is formed, and would not result in the General Partner or any Affiliate of the General Partner being required to register as an investment adviser under the Investment Advisers Act or any law of similar import of such jurisdiction, and

(v) the General Partner shall have made a good faith determination that such conversion, exchange or merger would not adversely affect the rights or increase the liabilities of the Limited Partners.

Upon any such conversion, exchange or merger, such limited partnership, limited liability company or other entity shall be treated as the successor to the Partnership for all purposes of this Agreement and of the corresponding agreement pursuant to which the rights and obligations of the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, are determined. All Subscription Agreements applicable to the Partnership that are in effect at the time of any such conversion, exchange or merger shall thereafter continue in full force and effect, and shall apply to a limited partnership, limited liability company or other entity that becomes the successor to the Partnership pursuant to such conversion, exchange or merger. In conjunction with any such conversion, exchange or merger, the General Partner may execute, on behalf of the Partnership and each of the Limited Partners, all documents that in its reasonable judgment are necessary or appropriate to consummate such conversion, exchange or merger, including, but not limited to, the agreement pursuant to which the rights and obligations of the partners of such limited partnership, the members of such limited liability company or the equity holders of such other entity, as the case may be, are determined (in the case of such a conversion to,

exchange for interests in or merger into a limited partnership, including the limited partnership agreement thereof), all without any further consent or approval of any other Partner, PROVIDED that no such agreement may directly or indirectly effectuate a modification or amendment of the rights and obligations of the Partners which, if such modification or amendment were made to this Agreement, would require the consent of the Partners, any group thereof or any individual Partner as provided in Section 15, unless the consent to such modification or amendment required under Section 15 is obtained. A reorganization of the Partnership pursuant to this Section 13.6 shall not be deemed to be or result in a dissolution, winding-up or commencement of winding-up of the Partnership.

SECTION 14

DEFINITIONS

As used herein the following terms have the meaning set forth below:

"ADDITIONAL LIMITED PARTNER" shall have the meaning set forth in Section 11.2(a).

"ADJUSTMENT DATE" shall mean the last day of each Fiscal Year or any other date determined by the General Partner, in its sole discretion, as appropriate for an interim closing of the Partnership's books.

"AFFILIATE" shall mean, with respect to any specified Person, a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified, PROVIDED that Portfolio Companies and any Person controlled by a Portfolio Company shall not be an "Affiliate" of the Partnership, the General Partner, the Manager, MMC or any Covered Person and PROVIDED FURTHER that an "Affiliate" of the General Partner shall include any principal, employee, consultant or director of either the General Partner or the Manager.

"AGREEMENT" shall have the meaning set forth in the initial paragraph of this Agreement.

"ANNUAL MEETING" shall have the meaning set forth in Section 9.4.

"APPLICABLE FEDERAL RATE" shall mean the annual Short-Term Applicable Federal Rate published from time to time by the United States Internal Revenue Service.

"AVAILABLE ASSETS" shall mean as of any date, the excess of the cash, cash equivalent items and Temporary Investments held by the Partnership over the sum of the amount of such items determined by the General Partner in its sole discretion to be reasonably necessary for the payment of the Partnership's expenses, liabilities and other obligations (whether fixed, contingent, conditional or unmatured), including the Partnership's indemnification obligations, and the conduct of the Partnership's investment program, and for the establishment of appropriate reserves for such expenses, liabilities and obligations and investment program.

"AVAILABLE CAPITAL COMMITMENT" shall mean, in respect of any Partner, the amount of such Partner's Capital Commitment that has not been used to fund Portfolio Investments.

"BRIDGE FINANCING" shall mean any interim financing provided by the Partnership in order to facilitate a Portfolio Investment, which financing is disposed of by the Partnership by the end of the 12-month period beginning on the date such financing was made. (For the avoidance of doubt, any Bridge Financing that is not disposed of by the Partnership by the end of such 12-month period shall be deemed to have been a Portfolio Investment from the date it was made.)

"BUSINESS DAY" shall mean any day on which banks located in New York City are not required or authorized by law to remain closed.

"CAPITAL ACCOUNT" shall have the meaning set forth in Section 6.1.

"CAPITAL COMMITMENT" shall mean the commitments of the Partners to contribute capital pursuant to Section 5.1.

"CAPITAL CONTRIBUTION" shall mean, with respect to any Partner, the amount of capital contributed, or to be contributed, as the case may be, and pursuant to a single Drawdown or in the aggregate, as the context may require, by such Partner to the Partnership pursuant to Section 5.1 and the other provisions of this Agreement.

"CLAIMS" shall have the meaning set forth in Section 10.1.

"CLOSING" shall have the meaning set forth in the Subscription Agreements.

"CLOSING DATE" shall mean any date upon which the Partnership allows subscriptions to the Partnership to be made.

"CODE" shall mean the United States Internal Revenue Code of 1986, as amended.

"COVERED PERSON" shall mean (i) the General Partner and the Manager, (ii) each of the respective Affiliates of each Person identified in clause (i) of this definition and (iii) each Person who at any time was or is a shareholder, officer, director, employee, partner, member, manager, consultant or agent of any of the Persons identified in clause (i) or clause (ii) of this definition.

"DAMAGES" shall have the meaning set forth in Section 10.1.

"DEFAULT" shall have the meaning set forth in Section 5.2.

"DEFAULTING PARTNER" shall have the meaning set forth in Section 5.2.

"DISABLING CONDUCT" shall mean conduct that constitutes Gross Negligence or willful misfeasance of the duties involved in the conduct of the office of the Person referred to.

"DISTRIBUTABLE CASH" shall mean shall mean the excess of (A) cash received by the Partnership from the sale or other disposition of, or dividends or interest income from, a Bridge Financing, Temporary Investment or Portfolio Investment, or otherwise received by the Partnership, other than Capital Contributions, over (B) cash disbursements for expenses of the Partnership (or amounts reserved against liabilities, contingent or otherwise, or other obligations of the Partnership, including to pay organizational or ongoing expenses of the Partnership).

"DRAWDOWN NOTICE" shall have the meaning set forth in Section 5.1(b).

"DRAWDOWNS" shall mean the Capital Contributions made to the Partnership pursuant to Section 5.1 from time to time by the Partners pursuant to the Drawdown Notice.

"ELIGIBLE EMPLOYEE" shall have the meaning set forth in the Subscription Agreements.

"EXCHANGE ACT" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder.

"FISCAL YEAR" shall mean the fiscal year of the Partnership, as determined pursuant to Section 1.5.

"GENERAL PARTNER" shall mean MMC GP III, Inc., a Delaware corporation, or its assignee and any additional or successor General Partner of the Partnership in its capacity as the General Partner of the Partnership as such entity may be affected by the provisions of Section 11.5.

"GOVERNMENTAL AUTHORITY" shall mean any United States federal, state or local, or any Cayman Islands or other non-U.S. court, arbitrator or governmental agency, authority, commission, instrumentality or regulatory or administrative body.

"GROSS NEGLIGENCE" shall mean "gross negligence" as interpreted in accordance with the laws of the State of Delaware (notwithstanding the provisions of Section 16.7 of this Agreement).

"INITIAL AGREEMENT" shall have the meaning set forth in the initial paragraph of this Agreement.

"INITIAL LIMITED PARTNER" shall mean David J. Wermuth, Esq.

"INSTITUTIONAL FUND" shall have the meaning set forth in Section 1.3.

"INSTITUTIONAL FUND AGREEMENT" shall mean the Amended and Restated Limited Partnership Agreement of the Institutional Fund, as amended and/or restated from time to time.

"INVESTMENT ADVISERS ACT" shall mean the United States Investment Advisers Act of 1940, as amended.

"INVESTMENT COMPANY ACT" shall mean the United States Investment Company Act of 1940, as amended.

"LIMITED PARTNER" shall have the meaning set forth in Section 1.1.

"MAJORITY IN INTEREST" shall mean Limited Partners who, at the time in question, have Capital Contributions aggregating more than 50% of the aggregate Capital Contributions of the Partners.

"MANAGER" shall mean MMC Capital, Inc., a Delaware corporation, or any successor thereto.

"MATERIAL ADVERSE EFFECT" shall mean (A) a violation of a statute, rule, regulation or governmental administrative policy applicable to a Partner of a U.S. federal, state or non-U.S. Governmental Authority which could have a material adverse effect on a Portfolio Company or any Affiliate thereof or on the Partnership or the General Partner, or any of their respective Affiliates or (b) an occurrence which could subject a Portfolio Company or Affiliate thereof or the Partnership, the General Partner or the Manager, or any of their respective Affiliates to any material regulatory requirement to which it would not otherwise be subject, or which could materially increase any such regulatory requirement beyond what it would otherwise have been.

"MEMORANDUM" shall mean the Confidential Private Placement Memorandum of the Partnership and any supplements thereto.

"MMC" shall mean Marsh & McLennan Companies, Inc., and, as the context requires, its subsidiaries and Affiliates, including Marsh Inc., Mercer Inc. and Putnam Investments LLC.

"OTHER FUNDS" shall have the meaning set forth in Section 2.5.

"PARALLEL FUNDS" shall have the meaning set forth in Section 1.3.

"PARTNERS" shall have the meaning set forth in Section 1.1.

"PARTNERSHIP" shall have the meaning set forth in the initial paragraph of this Agreement.

"PARTNERSHIP LAW" shall mean the Exempted Limited Partnership Law (2003 Revision) of the Cayman Islands, as amended, and any successor to such statute.

"PERIOD" shall mean, for the first period, the period commencing on the date of this Agreement and ending on the next Adjustment Date, and thereafter the period commencing on the day after an Adjustment Date and ending on the next Adjustment Date.

"PERMITTED TRANSFEREE" shall mean the General Partner or any Affiliate of the General Partner (other than any natural person).

"PERSON" shall mean any individual, entity, corporation, partnership, association, limited liability company, limited liability partnership, joint-stock company, trust or unincorporated organization.

"PORTFOLIO COMPANY" shall mean an entity in which a Portfolio Investment is made by the Partnership directly or through one or more intermediate entities of the Partnership.

"PORTFOLIO INVESTMENT" shall mean any debt or equity (or debt with equity) investment (other than any Bridge Financing) made by the Partnership pursuant to Section 4.1.

"POWER OF ATTORNEY" shall mean, with respect to any Limited Partner, the Power of Attorney executed by such Limited Partner substantially in the form attached to the Subscription Agreements.

"PRIME RATE" shall mean the rate of interest publicly announced by JPMorgan Chase Bank from time to time in New York, New York as its prime rate.

"PROCEEDING" shall have the meaning set forth in Section 10.1.

"REGISTER OF PARTNERSHIP INTERESTS" shall have the meaning set forth in Section 8.2(a).

"REMAINING CAPITAL COMMITMENT" shall mean, in respect of any Partner, the amount of such Partner's Capital Commitment, determined at any date and subject to Section 4.1(b), eligible to be drawn by the Partnership as a Capital Contribution.

"SEC" shall mean the United States Securities and Exchange Commission.

"SECTION 17 TRANSACTIONS" shall have the meaning set forth in Section 2.5(d).

"SECURITIES" shall mean shares of capital stock, limited partnership interests, limited liability company interests, warrants, options, bonds, notes, debentures and other equity and debt securities and interests of whatever kind of any Person, whether readily marketable or not.

"SECURITIES ACT" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder.

"SHARING PERCENTAGE" shall mean with respect to any Partner and any Bridge Financing, Temporary Investment or Portfolio Investment, a fraction, expressed as a percentage, the numerator of which is the aggregate amount of the Capital Contributions of such Partner used to fund the cost of such financing or investment and the denominator

of which is the aggregate amount of the Capital Contributions of all of the Partners used to fund the cost of such financing or investment.

"SPECIAL INVESTMENT VEHICLE" shall have the meaning set forth in Section 4.2.

"STATEMENT" shall have the meaning set forth in Section 1.4.

"SUBSCRIPTION AGREEMENTS" shall mean the several Subscription Agreements entered into by the respective Limited Partners in connection with their purchase of limited partner interests in the Partnership.

"TEMPORARY INVESTMENTS" shall mean investments in (A) cash equivalents, (B) marketable direct obligations issued or unconditionally guaranteed by the United States of America, or issued by any agency thereof, maturing within one year from the date of acquisition thereof, (C) money market instruments, commercial paper or other short-term debt obligations having at the date of purchase by the Partnership the highest or second highest rating obtainable from either Standard & Poor's Corporation or Moody's Investors Service, Inc. or their successors, (D) money market mutual funds managed by Putnam Investments LLC or a subsidiary thereof, (E) interest-bearing accounts and/or certificates of deposit maturing within one year from the date of acquisition thereof issued by commercial banks incorporated under the laws of the United States of America or any state thereof or the District of Columbia, each having at the date of acquisition by the Partnership undivided capital and surplus of not less than \$100,000,000, (F) overnight repurchase agreements with primary Fed dealers collateralized by direct United States Government obligations or (G) pooled investment vehicles or accounts which invest only in Securities or instruments of the type described in (a) through (d). If there exists any uncertainty as to whether any investment by the Partnership constitutes a Temporary Investment or Portfolio Investment, such investment shall be deemed a Temporary Investment unless the General Partner determines in its sole discretion that such investment is a Portfolio Investment.

"TERM" shall have the meaning set forth in Section 1.4.

"TRANSFER" shall mean a direct or indirect transfer in any form, including a sale, assignment, conveyance, pledge, mortgage, encumbrance, securitization, hypothecation or other disposition or purported severance or alienation of any beneficial interest (including the creation of any derivative or synthetic interest) in the Partnership, or the act of so doing, as the context requires.

"TREASURY REGULATIONS" shall mean the Regulations of the Treasury Department of the United States issued pursuant to the Code.

"VALUE" shall have the meaning set forth in Section 9.5.

SECTION 15

AMENDMENTS

This Agreement may be modified, amended or restated at any time and from time to time with the written consent of (A) the General Partner and (B) a Majority in Interest of Limited Partners, PROVIDED that, without the consent of any of the Partners, the General Partner may (i) amend this Agreement or take any other action as permitted or contemplated by the Powers of Attorney, (ii) reflect on the records of the Partnership changes validly made, pursuant to the terms of this Agreement, in the amount of (and the obligation to fund the full amount of) the Capital Commitment of any Partner or in the membership of the Partnership, (iii) enter into agreements with any Permitted Transferee acquiring an interest in the Partnership, (iv) amend this Agreement as may be required to implement (A) Transfers of interests of Limited Partners, (B) the admission of any Additional Limited Partner, (C) any admission of Limited Partners or changes in Capital Commitments contemplated by Section 11.2, (D) any changes due to a Defaulting Partner, (E) the conversion, Transfer or merger of all or any part of its interest as general partner of the Partnership as contemplated by Section 11.5 or (F) a reorganization of the Partnership as contemplated by Section 13.6; and (V) may amend this Agreement (A) to satisfy any requirements, conditions, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the SEC, the United States Internal Revenue Service or any other U.S. federal or state agency, or in any federal or state statute, compliance with which the General Partner deems to be in the best interests of the Partnership, (B) to change the name of the Partnership and (C) to cure any ambiguity or correct or supplement any provision of this Agreement that may be incomplete or inconsistent with any other provision contained herein, so long as such amendment under clause (C) of this clause (v) does not adversely affect the interests of the Limited Partners hereunder, and PROVIDED FURTHER that no amendment of this Agreement (X) shall increase or extend any financial obligation or liability of a Limited Partner beyond that set forth herein or permitted hereby without such adversely affected Limited Partner's consent, or (Y) materially and adversely affect the rights of a Limited Partner in a manner that discriminates against such Limited Partner vis-a-vis the other Limited Partners without the written consent of such Limited Partner. Any modifications or amendments duly adopted in accordance with the terms of this Agreement may be executed in accordance with the Powers of Attorney.

SECTION 16

MISCELLANEOUS PROVISIONS

16.1 NOTICES. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be transmitted by (A) registered or certified mail, return receipt requested, postage prepaid, (B) hand delivery service prepaid, (C) next day or overnight mail or delivery, in each case postage or service prepaid, (d) email or (E) telecopy or facsimile, addressed as follows:

(a) if to the General Partner or to the Partnership, to it at:

c/o MMC Capital, Inc.
20 Horseneck Lane
Greenwich, Connecticut 06830
Attention: Joseph Mancuso

Telephone No.: (203) 862-3142
Telecopier No.: (203) 862-3143
Email: JMancuso@MMCCapital.com

(b) if to a Limited Partner, to such Limited Partner at any of the home, office or email address of such Limited Partner.

All such notices, requests, demands, waivers and other communications shall be deemed to have been received (V) if by email, on the day immediately following the day upon which such email was transmitted, (W) if by personal delivery, on the day after such delivery, (X) if by certified or registered mail, on the fifth business day after the mailing thereof, (Y) if by next-day or overnight mail or delivery, one day after the mailing thereof, or (Z) if by facsimile, on the day immediately following the day on which such facsimile was sent, PROVIDED that a copy is also sent by certified or registered mail.

16.2 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be considered an original and all of which taken together shall constitute a single agreement.

16.3 TABLE OF CONTENTS AND HEADINGS. The table of contents and the headings of the sections of this Agreement are inserted for convenience of reference only and shall not be deemed to alter or affect the meaning or interpretation of any provision hereof.

16.4 SUCCESSORS AND ASSIGNS. Except as otherwise specifically provided herein, this Agreement shall inure to the benefit of and be binding upon the parties and to their respective heirs, executors, administrators, successors and permitted assigns.

16.5 SEVERABILITY. Every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision shall be enforced to the maximum extent permitted by applicable law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of the Agreement. Any default hereunder by a Limited Partner shall not excuse a default by any other Limited Partner.

16.6 NON-WAIVER. No provision of this Agreement shall be deemed to have been waived except if the giving of such waiver is contained in a written notice given to the party claiming such waiver and no such waiver shall be deemed to be a waiver of any other or further obligation or liability of the party or parties in whose favor the waiver was given.

16.7 APPLICABLE LAW (SUBMISSION TO JURISDICTION). EXCEPT AS PROVIDED IN THE DEFINITION OF "GROSS NEGLIGENCE", THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HERETO SHALL BE INTERPRETED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE CAYMAN ISLANDS. The General Partner hereby submits to the nonexclusive jurisdiction of the courts of the Cayman Islands and to the courts of the jurisdiction in which the principal office of the Partnership is located (and, if the principal office is located in the United States, of the federal district court having jurisdiction over the location of the principal office) for the resolution of all matters pertaining to the enforcement and interpretation of this Agreement.

16.8 CONFIDENTIALITY. Each Limited Partner agrees that it shall not disclose without the prior consent of the General Partner (other than to such Limited Partner's employees, auditors or counsel, PROVIDED that such Limited Partner obtain the agreement of such Person to be bound by the obligations of this Section 16.8) any information with respect to the Partnership or any Portfolio Company that is designated by the General Partner to such Limited Partner in writing as confidential, PROVIDED that a Limited Partner may disclose any such information (A) as has become generally available to the public, (B) as may be required or appropriate in any report, statement or testimony submitted to any Governmental Authority having jurisdiction over such Limited Partner, or to the National Association of Insurance Commissioners or similar organizations and their successors, (C) as may be required or appropriate in response to any summons or subpoena or in connection with any litigation, (D) to the extent necessary in order to comply with any law, order, regulation, ruling or other governmental request applicable to such Limited Partner, (E) to its professional advisors and (f) that constitutes United States federal income tax treatment or tax structure of the Partnership (including transactions undertaken by the Partnership) and all materials of any kind (including opinions or other tax analyses) that are provided to such Limited Partner relating to such tax treatment and tax structure, PROVIDED that, prior to the final Closing of the Partnership, Limited Partners may not disclose the name of (or any other similar identifying information, including the names of any employees, affiliates or investments regarding) the Partnership, the General Partner or the Portfolio Investments (other than their status for United States federal income tax purposes), except to their tax advisors or to a regulatory authority as required by law. Notwithstanding anything in this Agreement to the contrary, the General Partner shall have the right to keep confidential from Limited Partners for such a period of time as the General Partner deems reasonable, any information that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interest of the Partnership or could damage the Partnership or its business or that the Partnership is required by law or by agreement with a third Person to keep confidential.

16.9 SURVIVAL OF CERTAIN PROVISIONS. The obligations of each Partner pursuant to Section 6.10(d) and Section 10 shall survive the termination or expiration of this Agreement and the dissolution, winding-up and termination of the Partnership.

16.10 WAIVER OF PARTITION. Except as may otherwise be provided by law in connection with the winding-up, liquidation and dissolution of the Partnership, each Partner hereby irrevocably waives any and all rights that it may have to maintain an action for partition of any of the Partnership's property.

16.11 CURRENCY. The term "dollar" and the symbol"\$", wherever used in this Agreement, shall mean the United States dollar.

16.12 ENTIRE AGREEMENT. This Agreement (including, without limitation, all schedules hereto) and the Subscription Agreements constitute the entire agreement among the Partners, among the Partners and the Initial Limited Partner and between the Partnership and the Manager with respect to the subject matter hereof and thereof, and supersede any prior agreement or understanding among or between them with respect to such subject matter.

IN WITNESS WHEREOF, the undersigned have duly executed this Amended and Restated Limited Partnership Agreement of the Trident III ESC, L.P. on the day and year first above written.

GENERAL PARTNER:

MMC GP III, INC.

By: -----
Name:
Title:

LIMITED PARTNERS:

Each of the Limited Partners listed on the register of Partnership interests maintained at the registered office of the Partnership, pursuant to the power of attorney and authorization granted by each such Limited Partner to the General Partner as attorney-in-fact and agent under the separate Powers of Attorney, dated various dates:

By: MMC GP III, INC.

By: -----
Name:
Title:

INITIAL LIMITED PARTNER:

MANAGER:

For the purpose of accepting the appointment contained in Section 7 only.

MMC Capital, Inc.

By: -----
Name:
Title:

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TRIDENT CAPITAL III, L.P.
(a Cayman Islands exempted limited partnership)

AMENDED AND RESTATED

LIMITED PARTNERSHIP AGREEMENT

Dated December 4, 2003

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This Amended and Restated Limited Partnership Agreement (as from time to time amended, supplemented, restated or otherwise modified, this "AGREEMENT") of TRIDENT CAPITAL III, L.P., a Cayman Islands exempted limited partnership (the "PARTNERSHIP"), is made and entered into on December 4, 2003 among: CD Trident III, LLC, a Delaware limited liability company; GM Trident III, LLC, a Delaware limited liability company; MH Trident III, LLC, a Delaware limited liability company; and MMC GP III, Inc., a Delaware corporation ("GP III") (collectively, the "GENERAL PARTNERS"); and the other Persons listed on the Partnership Register (the "LIMITED PARTNERS" and, together with the General Partners, the "PARTNERS", both such terms to include any Person hereinafter admitted to the Partnership as a Limited Partner or General Partner, as the case may be, and to exclude any Person that ceases to be a Partner in accordance with the terms hereof). Certain capitalized terms used herein without definition have the meanings specified in Article XI.

WHEREAS, the Partnership is an exempted limited partnership, organized under the laws of the Cayman Islands pursuant to the Partnership Law and among the General Partners and the Limited Partners;

WHEREAS, the Partnership was constituted pursuant to the Limited Partnership Agreement of the Partnership, dated October 22, 2003 (the "INITIAL AGREEMENT"), and the General Partners made such registrations with the Registrar of Exempted Limited Partnerships in the Cayman Islands as are necessary to effect the registration of the Partnership as an exempted limited partnership under the Partnership Law;

WHEREAS, the Partners seek to amend and restate the Initial Agreement in its entirety.

NOW, THEREFORE, in consideration of the premises and mutual promises contained in this Agreement, the parties hereto hereby amend and restate the Initial Agreement in its entirety and agree as follows:

ARTICLE I

ORGANIZATION, ETC.

1.1 CONTINUATION.

(a) GENERAL. The Partners hereby agree to continue the Partnership as an exempted limited partnership subject to the terms of this Agreement and under and pursuant to the provisions of the Partnership Law and agree that the rights, duties and liabilities of the Partners shall be as provided in the Partnership Law, except as otherwise provided herein.

(b) ADMISSIONS. Upon the execution of this Agreement or a counterpart of this Agreement, each of the General Partners shall continue as General Partners, each of the other Persons listed on Schedule A hereto shall be admitted to the Partnership as a Limited Partner and the Initial Limited Partner shall cease to be a partner of the Partnership and the Partnership shall return the original capital contribution made by the Initial Limited Partner, who shall have no

further rights or claims against, or obligations as a partner of, the Partnership. Subject to the other provisions of this Agreement, a Person may be admitted as a Partner of the Partnership at the time that (i) this Agreement or a counterpart of this Agreement is executed by or on behalf of such Person and (ii) such Person is listed on the Partnership Register.

(c) PARTNERSHIP REGISTER. The General Partners shall cause to be maintained in the principal office of the Partnership a register setting forth, with respect to each Partner, his name, mailing address, Capital Commitment, total Capital Contributions to date and Minimum Points and, with respect to each Portfolio Investment, the number of Points allocated to each Partner and the Capital Contribution made by each Partner, and such other information as the General Partners may deem necessary or desirable (the "PARTNERSHIP REGISTER"). The General Partners shall from time to time update the Partnership Register as necessary to accurately reflect the information therein. Any reference in this Agreement to the Partnership Register shall be deemed to be a reference to the Partnership Register as in effect from time to time. The form of Partnership Register as in effect on the date hereof shall be attached hereto as Schedule A, and each Partner shall receive as the Schedule A attached to such Partner's Agreement the information set forth on the Partnership Register on the date hereof with respect to such Partner's interest in the Partnership, PROVIDED that no Limited Partner shall have the right to any information set forth on the Partnership Register with respect to any other Partner. No action of any Limited Partner, and no amendment of any Schedule A to this Agreement, shall be required to amend or update the Partnership Register.

1.2 NAME AND OFFICES. The name of the Partnership heretofore formed and continued hereby is "Trident Capital III, L.P." The registered office of the Partnership shall be at the offices of Walkers SPV Limited, Walker House, Mary Street, P.O. Box 908 GT, George Town, Grand Cayman, Cayman Islands at which shall be kept the records required to be maintained under the Partnership Law and at which service of process on the Partnership may be made. At any time, the Partnership may designate another registered agent for service of process and/or registered office.

1.3 FISCAL YEAR. The fiscal year of the Partnership (the "FISCAL YEAR") shall end on the 31st day of December in each year. The Partnership shall have the same fiscal year for income tax and for financial and accounting purposes.

ARTICLE II

PURPOSES AND POWERS

2.1 PURPOSES. Subject to the other provisions of this Agreement, the purposes of the Partnership are to serve as general partner of the Fund; to acquire, hold and dispose of Securities; and to engage in such activities as the General Partners deem necessary, advisable, convenient or incidental to the foregoing, in all cases subject to the Partnership Law.

2.2 POWERS OF THE PARTNERSHIP.

(a) POWERS GENERALLY. The Partnership shall have the power and authority to take any and all actions necessary, appropriate, proper, advisable, incidental or convenient to or for the

furtherance of the purpose set forth in Section 2.1, including, but not limited to, the power and authority:

(i) to direct the formulation of investment policies and strategies for the Partnership and the Fund, direct the investment activities of the Partnership and the Fund, and select and approve the investment of the funds of the Partnership and the Fund;

(ii) to acquire, hold, manage, own, sell, transfer, convey, assign, exchange, pledge or otherwise dispose of Securities, and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to Securities, including, without limitation, the voting of Securities, the approval of a restructuring of an investment in Securities, participation in arrangements with creditors, the institution and settlement or compromise of suits and administrative proceedings and other similar matters;

(iii) to establish, have, maintain or close one or more offices within or without the Cayman Islands and in connection therewith to rent or acquire office space and to engage personnel;

(iv) to open, maintain and close bank accounts and draw checks or other orders for the payment of money and open, maintain and close brokerage, mutual fund and similar accounts;

(v) to hire consultants, custodians, attorneys, accountants and such other agents and employees for the Partnership as it may deem necessary or advisable, and authorize any such agent or employee to act for and on behalf of the Partnership;

(vi) to make and perform such other agreements and undertakings as may be necessary or advisable to the carrying out of any of the foregoing powers, objects or purposes;

(vii) to enter into the Fund Agreement, and cause the Fund to enter into Subscription Agreements with its limited partners and other agreements and documents in connection with the admission of Persons as limited partners of the Fund;

(viii) to bring and defend actions and proceedings at law or in equity or before any governmental, administrative or other regulatory agency, body or commission; and

(ix) to carry on any other activities necessary to, in connection with or incidental to any of the foregoing, the Partnership's business or the Fund's business.

(b) FUND AGREEMENT. Notwithstanding any other provision of this Agreement, the Partnership, and any General Partner on behalf of the Partnership, is hereby authorized to execute, deliver and perform its obligations under the Fund Agreement.

ARTICLE III

CAPITAL CONTRIBUTIONS; CAPITAL ACCOUNTS; ALLOCATIONS

3.1 CAPITAL CONTRIBUTIONS. Each Partner shall make cash Capital Contributions to the Partnership in the aggregate amount of the Capital Commitment set forth opposite such Partner's name on the Partnership Register. Except as otherwise provided herein, the Partners shall make such Capital Contributions to the Partnership PRO RATA in accordance with their respective Capital Commitments at such times and in such amounts as are sufficient to meet Partnership Expenses or enable the Partnership to contribute the amount of capital required to be contributed by the Partnership to the Fund pursuant to the applicable provisions of the Fund Agreement, PROVIDED that Capital Contributions to fund any Portfolio Investments shall be made by the Partners participating in such Portfolio Investment PRO RATA in accordance with their respective Remaining Capital Commitments and PROVIDED, FURTHER, that in respect of each Partner such Partner's aggregate Capital Contributions shall not exceed such Partner's Capital Commitment. Each Partner's Remaining Capital Commitment shall be increased by any amounts returned to such Partner (I) pursuant to Section 4.3(b)(i) or (II) pursuant to Section 4.3(b)(ii), to the same extent that such amounts would increase the remaining capital commitments of the limited partners of the Fund if such amounts had been distributed to them pursuant to the Fund Agreement.

3.2 CAPITAL ACCOUNTS; MEMO ACCOUNTS.

(a) CAPITAL ACCOUNTS. There shall be established on the books and records of the Partnership a capital account (a "CAPITAL ACCOUNT") for each Partner.

(b) MEMO ACCOUNTS. There shall be established on the books and records of the Partnership a memorandum account (a "MEMO Account") for each Partner. Upon the sale or other disposition of a Portfolio Investment, the balance of each Partner's Memo Account (which may be positive or negative) shall be adjusted by (I) increasing such balance by such Partner's PRO RATA share (based on the number of Points held by each Partner for such Portfolio Investment) of the Target Amount, if any, for such Portfolio Investment and (II) decreasing such balance by (A) such Partner's PRO RATA share (based on the number of Points held by each Partner for such Portfolio Investment) of the Shortfall, if any, for such Portfolio Investment and (B) the amount distributable, if any, to such Partner pursuant to Section 4.3(b)(iii) with respect to such Portfolio Investment, PROVIDED that the Memo Account of M&M Vehicle, L.P. shall be determined without regard to amounts distributable to it pursuant to Section 4.3(b)(iii)(B) (I.E., solely with regard to any Points held by it). The Partners confirm that the intent of the Memo Account mechanism is to equitably allocate carried interest distributions received from the Fund such that, to the maximum extent practicable, the gain or loss with respect to any Portfolio Investment disposed of (to the extent not attributable to GP III and M&M Vehicle, L.P.'s 50% interest) is shared by the Partners based on the number of Points they hold with respect to such Portfolio Investment. The intended result is that a Partner's share of carried interest distributions from a gain investment is offset by such Partner's share of losses from a loss investment that reduced the overall amount of carried interest payable by the Fund to the Partnership. In furtherance thereof, the General Partners may, in their sole discretion, adjust the Memo Accounts of the Partners to the extent necessary or desirable to adequately reflect this intent, including, without limitation, to take into account the preferred return and any unrealized losses.

3.3 ADJUSTMENTS TO CAPITAL ACCOUNTS. As of the last day of each Period, the balance in each Partner's Capital Account shall be adjusted by (A) increasing such balance by (I) such Partner's allocable share of items of income and gain for such Period (allocated in accordance with Section 3.4) and (II) the Capital Contributions, if any, made by such Partner during such Period and (b) decreasing such balance by (I) such Partner's allocable share of items of loss and deduction for such Period (allocated in accordance with Section 3.4) and (II) the amount of cash or the Value of Securities or other property distributed to such Partner during such Period.

3.4 ALLOCATIONS. Each item of income, gain, loss, credit and deduction of the Partnership shall be allocated among the Capital Accounts of the Partners with respect to each Period as of the end of such Period by the General Partners in a manner that as closely as possible gives effect to the provisions of Articles IV and X and the other relevant provisions of this Agreement.

3.5 TAX MATTERS. The income, gains, losses, credits and deductions recognized by the Partnership shall be allocated among the Partners, for United States federal, state and local income tax purposes, to the extent permitted under the Code and the Treasury Regulations, in the same manner that each such item is allocated to the Partners' Capital Accounts. Notwithstanding the foregoing, the General Partners shall have the power to make such allocations for United States federal, state and local income tax purposes as may be necessary to maintain substantial economic effect, or to insure that such allocations are in accordance with the interests of the Partners in the Partnership, in each case within the meaning of the Code and the Treasury Regulations thereunder. Tax credits shall be equitably allocated by the General Partners. All matters concerning allocations for United States federal, state and local and non-U.S. income tax purposes, including accounting procedures, not expressly provided for by the terms of this Agreement shall be equitably determined in good faith by the General Partners. GP III is hereby designated as the tax matters partner of the Partnership as provided in the Treasury Regulations pursuant to section 6231 of the Code (and any similar provisions under any state, local or non-U.S. tax laws). Each Partner hereby consents to such designation and agrees that upon the request of the tax matters partner it will execute, certify, acknowledge, swear to, file and record at the appropriate public offices such documents as may be necessary or appropriate to evidence such consent. The General Partners may, in their sole discretion, cause the Partnership to make the election provided for under section 754 of the Code. Either GP III shall have executed and filed a U.S. Internal Revenue Service Form 8832 prior to the date hereof electing to classify the Partnership as a partnership for U.S. federal income tax purposes pursuant to section 301.7701-3 of the Treasury Regulations as of a date no later than the date hereof, or GP III shall timely execute and file such Form 8832 on or after the date hereof electing to classify the Partnership as a partnership for United States federal income tax purposes as of a date no later than the date hereof, and GP III is hereby authorized to execute and file such Form for all of the Partners. The General Partners will not subsequently elect to change such classification. Each General Partner is hereby authorized to execute and file for all of the Partners any comparable form or document required by any applicable United States state or local tax law in order for the Partnership to be classified as a partnership under such tax law.

3.6 NEGATIVE CAPITAL ACCOUNTS. Except as provided in this Agreement or required by law, no Partner is required to make up a negative balance in such Partner's Capital Account.

3.7 EXCUSED INVESTMENT. Notwithstanding Section 3.1 and Section 3.4, no Partner shall make a Capital Contribution with respect to, or otherwise participate in, any Portfolio Investment of the Fund if the General Partners have determined in their sole discretion that participation by such Partner in such Portfolio Investment might give rise to a conflict of interest or to a material tax or regulatory requirement for such Partner or the Partnership.

3.8 ESTATE PARTNERS. Notwithstanding any other provision of this Agreement, Capital Commitments and Capital Contributions of any Partner and its Estate Partner (including, without limitation, pursuant to Section 4.5) shall be apportioned between such Partner and such Estate Partner in proportion to their Capital Commitments.

ARTICLE IV

DISTRIBUTIONS; WITHHOLDING

4.1 WITHDRAWAL OF CAPITAL. Except as otherwise expressly provided in this Article IV or in Article X, no Partner shall have the right to withdraw capital from the Partnership or to receive any distribution or return of, or interest on, his Capital Contribution.

4.2 SHARING OF CARRIED INTEREST; POINTS.

(a) GENERAL. The Partnership's share of the carried interest in the Fund with respect to each Portfolio Investment shall be shared among the Partners of the Partnership based on the number of Points (the "POINTS") held by each Partner with respect to such Portfolio Investment. There shall be a total of 1,000 Points allocated to the Partners with respect to each Portfolio Investment. Prior to the consummation of a Portfolio Investment, each Partner shall be allocated, with respect to such Portfolio Investment, Points equal to the Minimum Points, if any, then listed with respect to such Partner on the Partnership Register (subject to Section 4.2(b)), and, if the aggregate number of such Points is less than 1,000, the difference shall be allocated to one or more Partners as determined by a majority of the Tier 1 General Partners in their sole discretion, PROVIDED that (I) without the consent of GP III, the aggregate number of Points allocated to the Tier 1 Partners with respect to any Portfolio Investment shall not exceed 225 Points, (II) without the consent of GP III, no Points shall be allocated to CD Trident III, LLC, GM Trident III, LLC, MH Trident III, LLC, Charles A. Davis, Garrett M. Moran or Meryl D. Hartzband in excess of the Minimum Points then listed with respect to such Partner on the Partnership Register and (III) any Points allocated to any Partner and its Estate Partner shall be allocated between such Partner and such Estate Partner in proportion to their Capital Commitments. Subject to the provisos contained in the preceding sentence, any Points forfeited by a Partner who becomes a Special Assignee pursuant to Article IX shall be reallocated to one or more Partners as determined by a majority of the then remaining Tier 1 General Partners in their sole discretion.

(b) ZERO POINTS IF EXCUSED INVESTMENT. Notwithstanding anything to the contrary in Section 4.2(a), a Partner shall be allocated zero Points with respect to a Portfolio Investment if, pursuant to Section 3.7, such Partner is excused from making a Capital Contribution with respect to, or otherwise participating in, such Portfolio Investment.

4.3 DISTRIBUTIONS.

(a) FORM OF DISTRIBUTIONS. Subject to the other provisions of this Article IV, as determined by a majority of the General Partners, the Partnership shall, at any time and after payment of any Partnership Expenses and establishing reasonable reserves for material anticipated obligations or commitments of the Partnership, promptly distribute cash or Securities to the Partners, PROVIDED that no reserve shall be established with respect to any anticipated Clawback Amount other than pursuant to Section 4.4. Upon a distribution of Securities, the Securities distributed shall be valued in accordance with the valuation provisions of the Fund Agreement, and such Securities shall be deemed to have been sold at such value and the proceeds of such sale shall be deemed to have been distributed to the Partners for all purposes of this Agreement. Subject to Sections 10.2 and 10.3, Securities distributed in kind shall be distributed in proportion to the aggregate amounts that would be distributed to each Partner pursuant to this Section 4.3, such aggregate amounts to be estimated in the good faith judgment of the General Partners. The Partnership may cause certificates evidencing any Securities to be distributed to be imprinted with legends as to such restrictions on Transfer as it may deem necessary or appropriate, including legends as to applicable United States federal or state or non-U.S. securities laws or other legal or contractual restrictions, and may require any Partner to which Securities are to be distributed to agree in writing (I) that such Securities will not be transferred except in compliance with such restrictions and (II) to such other matters as may be deemed necessary or appropriate. Notwithstanding the foregoing, at the request of any Partner, the General Partners may cause the Partnership to dispose of any property that would be distributed to such Partner pursuant to this Section and distribute the net proceeds of such disposition to such Partner and such Partner shall bear all out-of-pocket expenses incurred to effect such sale; PROVIDED, however, that the General Partners shall only be required to effect such disposition to the extent such distribution (A) would cause such Partner to own or control in excess of the amount of such property that it may lawfully own, (B) would subject such Partner to any material filing or regulatory requirement, or would make such filing or requirement more burdensome, or (C) would violate any applicable legal or regulatory restriction, and PROVIDED, FURTHER, that any taxable income, gain, loss or deduction recognized by the Partnership in connection with the disposition of such property shall be allocated only to such Partner requesting to receive proceeds instead of property and PROVIDED, FINALLY, that such Partner shall be treated for all other purposes of this Agreement as if such property had been distributed as contemplated by the second sentence of this Section 4.3(a).

(b) MAKING OF DISTRIBUTIONS. Distributions received from the Fund shall be distributed promptly to the Partners but in any event within 120 days after receipt by the Partnership. Except as otherwise provided herein, distributions shall be made as follows:

(i) NON-CONSUMMATED INVESTMENTS AND EXTRA DRAWDOWN AMOUNTS. Amounts returned from the Fund pursuant to section 5.3 of the Fund Agreement (non-consummated investments and extra drawdown amounts) in respect of any Portfolio Investment or Bridge Financing (or proposed Portfolio Investment or Bridge Financing) shall be distributed to the Partners in proportion to the Capital Contributions of the Partners used (or intended to be used) to fund such Portfolio Investment or Bridge Financing.

(ii) PARTNERSHIP'S CAPITAL INVESTMENT. Distributions received from the Fund with respect to any Portfolio Investment that were apportioned and distributed to the Partnership based on the Partnership's Sharing Percentage (as defined in the Fund Agreement) for such Portfolio Investment pursuant to section 6.3 of the Fund Agreement (including distributions received from the Fund pursuant to section 6.5 of the Fund Agreement (tax distributions) or section 13.2(a) of the Fund Agreement (liquidating distributions) that are attributable to the Partnership's Sharing Percentage with respect to any Portfolio Investment) shall be distributed among the Partners in proportion to their Capital Contributions used to fund such Portfolio Investment. Distributions received from the Fund with respect to any Bridge Financing, or investment other than a Portfolio Investment, pursuant to section 6.4 (including distributions received from the Fund pursuant to section 13.2(a) of the Fund Agreement (liquidating distributions) that are attributable to any Bridge Financing or any investment other than a Portfolio Investment) of the Fund Agreement shall be distributed among the Partners in proportion to their Capital Contributions used to fund such Bridge Financing or investment.

(iii) PARTNERSHIP'S CARRIED INTEREST. Subject to Section 4.4, distributions received from the Fund with respect to a Portfolio Investment pursuant to section 6.3(c) or (d) of the Fund Agreement (the Partnership's carried interest with respect to such Portfolio Investment) (including distributions received from the Fund pursuant to section 6.5 of the Fund Agreement (tax distributions) or section 13.2(a) of the Fund Agreement (liquidating distributions) that are attributable to the Partnership's right to receive distributions pursuant to section 6.3(c) or (d) of the Fund Agreement with respect to such Portfolio Investment) shall be distributed (A) 1% to GP III, (B) 49% to M&M Vehicle, L.P. and (C) 50% to the Partners (other than GP III) with positive balances in their Memo Accounts (determined after giving effect to Section 3.2(b)(i) and 3.2(b)(ii)(A) with respect to such Portfolio Investment but before giving effect to Section 3.2(b)(ii)(B) with respect to such Portfolio Investment) PRO RATA in accordance with, and to the extent of, their respective positive balances in their Memo Accounts, PROVIDED that (1) the amount distributed to M&M Vehicle, L.P. pursuant to clause (C) shall be reduced, but not below zero, by the aggregate Preference Amounts of all Additional Partners indicated on the Partnership Register as being subject to the provision for Preference Amounts and (2) the amount distributed to each Additional Partner indicated on the Partnership Register as being subject to the provision for Preference Amounts shall be increased by an amount equal to the product of (X) the amount described in clause (1) and (Y) the quotient obtained by dividing such Additional Partner's Preference Amount by the aggregate Preference Amounts of all Additional Partners, PROVIDED, HOWEVER that the aggregate amount distributed to Additional Partners pursuant to clause (2) shall not exceed the aggregate amount previously distributed or currently distributable to M&M Vehicle, L.P. pursuant to clause (C) (determined without giving effect to the first proviso of this Section 4.3(b)(iii)).

(iv) OTHER DISTRIBUTIONS. Distributions of amounts not described in paragraphs (i) through (iii) above shall be distributed among the Partners as equitably determined by the General Partners.

The General Partners' good faith determination as to whether amounts are described in paragraph (i), (ii), (iii) or (iv) of this Section 4.3, shall, absent manifest error, be final and binding on all Partners.

4.4 HOLDBACK FOR TIER 2 PARTNERS PENDING DISSOLUTION OF THE PARTNERSHIP. Notwithstanding Section 4.3(b), the General Partners may, in their sole discretion, withhold from any distribution to a Tier 2 Partner pursuant to Section 4.3(b)(iii) an amount equal to the difference between (A) up to 50% of the amount that would otherwise be distributed and (B) an amount intended to enable such Tier 2 Partner to discharge its U.S. federal, state and local income tax liabilities arising from allocations attributable to the amount described in clause (a) as determined by the General Partners in their reasonable discretion. Any amount withheld from a Tier 2 Partner pursuant to this Section 4.4 shall be placed in a separate account (a "HOLDBACK ACCOUNT") maintained separately on the books of the Partnership until such time as (I) the Partnership is dissolved pursuant to Article X, at which time such amount shall be distributed to such Tier 2 Partner or (II) the General Partners determine in their sole discretion that the amount in such Holdback Account exceeds the amount that can reasonably be expected to be necessary to fund such Tier 2 Partner's share of any Clawback Amount, at which time the excess shall be distributed to such Tier 2 Partner. Any amount placed in a Holdback Account with respect to such Tier 2 Partner shall be invested by the General Partners in investments selected by such Tier 2 Partner within investment categories specified by the General Partners and the income earned thereon shall be distributed quarterly to such Tier 2 Partner. Any distribution to a Tier 2 Partner pursuant to this Section 4.4 shall also be treated as a distribution pursuant to Section 4.3(b)(iii) for all purposes of this Agreement, including without limitation Section 4.5.

4.5 RETURN OF DISTRIBUTIONS. If and to the extent that the Partnership is obligated under section 13.2(b) of the Fund Agreement to contribute to the Fund all or a portion of the distributions received by the Partnership from the Fund (the amount of such required contribution, the "CLAWBACK AMOUNT"), each Partner shall be required to fund a portion of the Clawback Amount in an amount equal to the excess, if any, of (A) the aggregate amount distributed or treated as distributed to such Partner pursuant to Section 4.3(b)(iii) over (B) the amount that would have been distributed to such Partner pursuant to Section 4.3(b)(iii) if all distributions pursuant to Section 4.3(b)(iii) were made in a single distribution pursuant to Section 4.3(b)(iii) on the date that the Partnership is obligated to contribute the Clawback Amount to the Fund. Each Tier 2 Partner's obligation under this Section 4.5 shall first be satisfied from such Tier 2 Partner's Holdback Account established pursuant to Section 4.4, if any. Each Partner shall make contributions to the Partnership in satisfaction of its obligation under this Section 4.5 (or in the case of a Tier 2 Partner, the remainder of such obligation). If any Tier 2 Partner fails to contribute when due any portion of such Tier 2 Partner's obligation to contribute amounts in excess of amounts in such Tier 2 Partner's Holdback Account or Accounts under this Section 4.5, GP III shall make a contribution to the Partnership equal to such unpaid contribution; if GP III has made any such contribution, any amounts recovered from such Tier 2 Partner pursuant to the next succeeding sentence shall be distributed entirely to GP III. Notwithstanding the foregoing, a Partner's obligation to make contributions to the Partnership under this Section 4.5 shall survive the dissolution, liquidation, winding up and termination of the Partnership, and for purposes of this Section 4.5, the Partnership and the General Partners may pursue and enforce all rights and remedies it and they may have against each Partner under this Section 4.5, including instituting a lawsuit to collect such contribution with interest from the

date such contribution was required to be paid under this Section 4.5 calculated at a rate equal to the Prime Rate plus two percentage points per annum (but not in excess of the highest rate per annum permitted by law). Notwithstanding anything in this Section 4.5 to the contrary, a Partner's liability to make contributions to the Partnership under this Section 4.5 shall not exceed the aggregate amount of all distributions received or deemed to have been received by such Partner pursuant to Section 4.3(b)(iii) (excluding distributions received or deemed to have been received pursuant to Section 4.3(b)(iii) that are attributable to such Partner's share of distributions received from the Fund pursuant to section 6.5 of the Fund Agreement (tax distributions)). If the Clawback Amount exceeds the aggregate amount of contributions to be made by the Partners pursuant to this Section 4.5, as limited by the preceding sentence, the Partners (excluding GP III but including M&M Vehicle, L.P. only to the extent its obligation under this Section 4.5 is attributable to distributions in respect of Points held by it) who are not limited by the preceding sentence shall be required to fund such excess PRO RATA in proportion to their obligations as determined pursuant to the first sentence of this Section 4.5, but subject always to the preceding sentence and with reapplication of this sentence as necessary. The provisions of this Section 4.5 are intended solely to benefit the Partnership and, to the fullest extent permitted by applicable law, shall not be construed as conferring any benefit upon any creditor of the Partnership (and no such creditor shall be a third party beneficiary of this Agreement), and no Partner shall have any duty or obligation to any creditor of the Partnership to make any contributions to the Partnership.

4.6 LIMITATIONS ON DISTRIBUTIONS. Notwithstanding any provisions to the contrary contained in this Agreement, (A) the Partnership shall not make a distribution to any Partner on account of such Partner's interest in the Partnership if such distribution would violate the Partnership Law or other applicable law and (b) holdings of Points by, and Distributions made to, any Partner and its Estate Partner shall be apportioned between such Partner and such Estate Partner in proportion to their Capital Commitments.

4.7 WITHHOLDING. Notwithstanding any other provision of this Agreement, each Partner hereby authorizes the Partnership to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by the Partnership (pursuant to the Code or any provision of United States federal, state or local or non-U.S. tax law) with respect to such Partner or as a result of such Partner's status as a Partner hereunder. If and to the extent that the Partnership shall be required to withhold or pay any such withholding or other taxes, such Partner shall be deemed for all purposes of this Agreement (including without limitation Section 4.3(b)(iii)) to have received a payment from the Partnership as of the time such withholding or other tax is required to be paid, which payment shall be deemed to be a distribution with respect to such Partner's interest in the Partnership to the extent that such Partner (or any successor to such Partner's interest in the Partnership) would have received a distribution but for such withholding. In addition, if and to the extent that the Partnership or the Fund receives a distribution or payment from or in respect of which tax was withheld, as a result of (or attributable to) such Partner's status as a Partner hereunder, as determined by the General Partners, such Partner shall be deemed for all purposes of this Agreement (including without limitation Section 4.3(b)(iii)) to have received a distribution from the Partnership as of the time such withholding was paid. To the extent that any such deemed payment under the preceding two sentences exceeds the cash distribution that such Partner would have received but for such withholding, the General Partners shall notify such Partner as to the amount of such excess and such Partner shall make a prompt

payment to the Partnership of such amount by wire transfer. The Partnership may hold back from any distribution in kind property having a Value equal to the amount of the taxes withheld or otherwise paid until the Partnership has received such payment. If, pursuant to a separate indemnification agreement or otherwise, the Partnership shall indemnify or be required to indemnify any Covered Person against any claims, liabilities or expenses of whatever nature relating to such Covered Person's obligation to withhold and to pay over, or otherwise pay, any withholding or other taxes payable by such Covered Person as a result of any Partner's participation in the Partnership, such Partner shall pay to the Partnership the amount of the indemnity paid or required to be paid, except, in the case of claims, liabilities or expenses that are penalties, to the extent that it shall have been finally judicially determined that such penalties arose primarily from the fraud, gross negligence or willful misfeasance of such Covered Person. Unless the General Partners determine otherwise, the withholdings by the Partnership referred to in this Section 4.7 shall be made at the maximum applicable statutory rate under the applicable tax law.

ARTICLE V

MANAGEMENT; VOTING

5.1 PARTNERS. Subject to Section 8.1, the Partnership shall consist of the General Partners and the Limited Partners. Pursuant to Section 8.1, the General Partners may admit additional Partners from time to time.

5.2 THE GENERAL PARTNERS.

(a) GENERAL. The business and affairs of the Partnership shall be managed by the General Partners of the Partnership from time to time. Except as otherwise expressly provided herein, no Limited Partner shall take part in the management or control of the Partnership's affairs, vote with respect to any action taken or to be taken by the Partnership (including, but not limited to, merger or dissolution of the Partnership or any amendment to this Agreement), transact any business in the Partnership's name or have the power to sign documents for or otherwise bind the Partnership.

(b) RESTRICTIONS ON THE PARTNERS. The Partners shall not: (I) do any act in contravention of any applicable law, regulation or provision of this Agreement or (II) possess Partnership property for other than a Partnership purpose. In addition, the General Partners shall not admit any Person as a Partner except as permitted in this Agreement and the Partnership Law.

(c) ACTS OF THE GENERAL PARTNERS. (i) The act of a majority of the General Partners shall be the act of the General Partners, except as otherwise specifically provided by this Agreement, (II) in the event that one or more of the General Partners determine that participation in a vote could constitute a conflict of interest and therefore abstain from participating in such vote, the act of a majority of the General Partners voting on such matter shall be the act of the General Partners, whether or not all or a majority of the voting General Partners constitute a majority of the General Partners, and (III) in the event that a vote taken by the General

Partners or the Tier 1 General Partners, as the case may be, has resulted in a tie vote among the General Partners or the Tier 1 General Partners, as the case may be, GP III shall be entitled to cast the deciding vote that shall determine the act of the General Partners, whether or not all or a majority of the voting General Partners (including GP III) constitute a majority of the General Partners.

(d) ACTIONS WITH RESPECT TO THE MANAGER. The removal or replacement of MMC Capital as the manager of the Fund shall occur only upon the majority vote of the General Partners, which majority shall include, in any case, GP III.

(e) ACTIONS WITH RESPECT TO PORTFOLIO INVESTMENTS. Any determination or action required to be made or taken by the Partnership with respect to the acquisition, holding, disposition or valuation of Portfolio Investments, in connection therewith or to give effect thereto, shall require the vote of a majority of the members of the Investment Committee.

(f) ACTION BY UNANIMOUS CONSENT OF THE GENERAL PARTNERS. The unanimous vote of the General Partners shall be required to (I) dissolve the Partnership pursuant to Section 10.1(b), or (II) approve the merger or sale of substantially all of the assets of the Partnership.

(g) APPOINTMENT OF GP III AGENTS. GP III hereby designates and appoints each of: the Chairman and President of GP III, the members of the Board of Directors of GP III, and the Secretary of GP III as agents of GP III (the "CORPORATE AGENTS") to perform all of the duties and functions of GP III under this Agreement and as authorized persons within the meaning of the Partnership Law, PROVIDED that GP III has the sole discretion to remove one or more of the Corporate Agents with or without cause at any time and to designate and appoint one or more replacement Corporate Agents. Any action undertaken by any of the Corporate Agents in accordance with this Agreement shall bind GP III.

5.3 ABILITY TO BIND THE PARTNERSHIP. Unless otherwise expressly provided herein, each General Partner shall have the authority to sign, in the name and on behalf of the Partnership, checks, orders, contracts, leases, notes, drafts and other documents and instruments in connection with the ordinary course of the business of the Partnership, commitments regarding the acquisition or disposition of Portfolio Investments of the Fund, conveyances of real estate, documents evidencing the lending or borrowing by the Partnership, and other documents and instruments otherwise arising outside the ordinary course of business of the Partnership, PROVIDED that any action that would bind the Partnership with respect to amounts in excess of \$500,000 shall require the consent of a majority of the General Partners.

5.4 ACTIONS AND DETERMINATIONS OF THE PARTNERSHIP. Subject to the other provisions of this Agreement, whenever this Agreement provides that a determination shall be made or an action shall be taken by the Partnership, such determination or act may be made or taken by the General Partners.

5.5 VOTING.

(a) Any action of the Partnership requiring the vote or assent of more than one of the General Partners under this Agreement may be taken only upon notice to each General Partner entitled to vote thereon either personally, by telephone, by mail, by facsimile, or by any other means of communication reasonably calculated to give notice; and reasonable efforts shall be

made to allow each General Partner entitled to vote thereon to participate in a vote on such matter.

(b) Except as expressly provided herein, on any matter that is to be voted on by the General Partners or all Partners, as the case may be, the General Partners or the Partners, as the case may be, may take such action without a meeting and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed and/or ratified by the General Partners or the Partners, as the case may be, having not less than the minimum voting percentage or the requisite number of the General Partners or the Partners, as the case may be, that would be necessary to authorize or take such action at a meeting, PROVIDED, however, that prior notice of the matter to be voted on is given to all the General Partners and all the Partners entitled to vote thereon (provided that a consent in writing at any time to such action shall constitute a waiver of such prior notice), and PROVIDED, FURTHER, that the Partnership shall promptly provide copies to all General Partners (and, for matters on which all Partners were entitled to vote, to all Partners) of any consents or written actions taken by any General Partners or the Partners, as the case may be.

5.6 DISCRETION. Whenever in this Agreement the General Partners are permitted or required to make a decision (I) in their "sole discretion" or "discretion" or under a grant of similar authority or latitude, the General Partners may consider any interests they desire, including their own interests, or (II) in their "good faith" or under another expressed standard, the General Partners shall act under such express standard and shall not be subject to any other or different standard imposed by this Agreement or any other agreement contemplated herein or by relevant provisions of law or in equity or otherwise. If any questions should arise with respect to the operation of the Partnership, which are not otherwise specifically provided for in this Agreement or the Partnership Law, or with respect to the interpretation of this Agreement, the General Partners are hereby authorized to make a final determination with respect to any such question and to interpret this Agreement in their sole discretion, and their determination and interpretation so made shall be final and binding on all parties.

ARTICLE VI

LIABILITY, EXCULPATION AND INDEMNIFICATION

6.1 LIABILITY. Except as otherwise provided by the Partnership Law, the debts, obligations and liabilities of the Partnership, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities of the Partnership, and no Covered Person shall be obligated personally for any such debt, obligation or liability of the Partnership solely by reason of being a Covered Person.

6.2 EXCULPATION.

(a) GENERALLY. No Covered Person shall be liable to the Partnership or any Partner for any act or omission taken or suffered by such Covered Person in good faith, except to the extent that it shall be finally judicially determined that such act or omission constitutes fraud, gross negligence or willful misfeasance of the Covered Person. No Partner shall be liable to the Partnership or any Partner for any action taken by any other Partner.

(b) RELIANCE GENERALLY. A Covered Person shall incur no liability in acting upon any signature or writing reasonably believed by it to be genuine, and may rely on a certificate signed by an officer of any Person in order to ascertain any fact with respect to such Person or within such Person's knowledge and may rely on an opinion of counsel selected by such Covered Person with respect to legal matters. Each Covered Person may act directly or through its agents or attorneys. Each Covered Person may consult with counsel, appraisers, engineers, accountants and other skilled Persons of its choosing, and shall not be liable for anything done, suffered or omitted in good faith and within the scope of this Agreement in reasonable reliance upon the advice of any of such Persons. No Covered Person shall be liable to the Partnership or any Partner for any error of judgment made in good faith by a responsible officer or employee of such Covered Person or its or his Affiliate. Except as otherwise provided in this Section 6.2, no Covered Person shall be liable to the Partnership or any Partner for any mistake of fact or judgment by such Covered Person in conducting the affairs of the Partnership or otherwise acting in respect of and within the scope of this Agreement.

(c) RELIANCE ON THIS AGREEMENT. To the extent that, at law or in equity, a Covered Person has duties (including fiduciary duties) and liabilities relating thereto to the Partnership or to the Partners, any Covered Person acting under this Agreement or otherwise shall not be liable to the Partnership or to any Partner for its good faith reliance on the provisions of this Agreement. The provisions of this Agreement, to the extent that they restrict the duties and liabilities of a Covered Person otherwise existing at law or in equity, are agreed by the Partners to replace such other duties and liabilities of such Covered Person.

(d) NOT LIABLE FOR RETURN OF CAPITAL CONTRIBUTIONS. No Covered Person shall be liable for the return of the Capital Contributions or Capital Account of any Partner, and such return shall be made solely from available Partnership assets, if any, and each Partner hereby waives any and all claims it may have against each Covered Person in this regard.

6.3 INDEMNIFICATION.

(a) INDEMNIFICATION GENERALLY. The Partnership shall and hereby does, to the fullest extent permitted by applicable law, indemnify, hold harmless and release each Covered Person from and against all claims, demands, liabilities, costs, expenses, damages, losses, suits, proceedings and actions, whether judicial, administrative, investigative or otherwise, of whatever nature, known or unknown, liquidated or unliquidated ("CLAIMS"), that may accrue to or be incurred by any Covered Person, or in which any Covered Person may become involved, as a party or otherwise, or with which any Covered Person may be threatened, relating to or arising out of the business and affairs of, or activities undertaken in connection with, the Partnership, or otherwise relating to or arising out of this Agreement, including, but not limited to, amounts paid in satisfaction of judgments, in compromise or as fines or penalties, and counsel fees and expenses incurred in connection with the preparation for or defense or disposition of any investigation, action, suit, arbitration or other proceeding (a "PROCEEDING"), whether civil or criminal (all of such Claims and amounts covered by this Section 6.3, and all expenses referred to in Section 6.3(d), are referred to as "DAMAGES"), except to the extent that it shall have been finally judicially determined that such Damages arose primarily from the fraud, gross negligence or willful misfeasance of such Covered Person. The termination of any Proceeding by settlement

shall not, of itself, create a presumption that any Damages relating to such settlement arose from a material violation of this Agreement by, or the gross negligence of, any Covered Person.

(b) CONTRIBUTION. At any time and from time to time prior to the second anniversary of the last day of the Term, the Partnership may require the Partners to make further capital contributions (in addition to Capital Commitments) to satisfy all or any portion of the indemnification obligations of the Partnership pursuant to Section 6.3(a) above or the Fund Agreement, whether such obligations arise before or after the last day of the Term or before or after such Partner's resignation from the Partnership, PROVIDED that each Partner's obligation to make such capital contributions in respect of such Partner's share of any such indemnification payment shall be limited to amounts distributed to such Partner pursuant to this Agreement.

(c) EXPENSES, ETC. To the fullest extent permitted by law, the reasonable expenses incurred by a Covered Person in defense or settlement of any Claim that may be subject to a right of indemnification hereunder shall be advanced by the Partnership prior to the final disposition thereof upon receipt of an undertaking by or on behalf of the Covered Person to repay such amount if it shall be determined ultimately that the Covered Person is not entitled to be indemnified hereunder. The right of any Covered Person to the indemnification provided herein shall be cumulative with, and in addition to, any and all rights to which such Covered Person may otherwise be entitled by contract or as a matter of law or equity and shall extend to such Covered Person's successors, assigns and legal representatives.

(d) NOTICES OF CLAIMS, ETC. Promptly after receipt by a Covered Person of notice of the commencement of any Proceeding, such Covered Person shall, if a claim for indemnification in respect thereof is to be made against the Partnership, give written notice to the Partnership of the commencement of such Proceeding, PROVIDED that the failure of any Covered Person to give notice as provided herein shall not relieve the Partnership of its obligations under this Section 6.3, except to the extent that the Partnership is actually prejudiced by such failure to give notice. In case any such Proceeding is brought against a Covered Person (other than a derivative suit in right of the Partnership), the Partnership will be entitled to participate in and to assume the defense thereof to the extent that the Partnership may wish, with counsel reasonably satisfactory to such Covered Person. After notice from the Partnership to such Covered Person of the Partnership's election to assume the defense thereof, the Partnership will not be liable for expenses subsequently incurred by such Covered Person in connection with the defense thereof. The Partnership will not consent to entry of any judgment or enter into any settlement that does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Covered Person of a release from all liability in respect to such Claim.

ARTICLE VII

BOOKS AND RECORDS; REPORTS TO PARTNERS

7.1 BOOKS AND RECORDS. The Partnership shall keep or cause to be kept full and accurate accounts of the transactions of the Partnership in proper books and records of account which shall set forth all information required by the Partnership Law. Such books and records shall be maintained on the basis utilized in preparing the Partnership's United States income tax returns. Such books and records shall be available for inspection and copying by the Partners or

their duly authorized representatives during normal business hours for any purpose reasonably related to such Partner's interest in the Partnership.

7.2 UNITED STATES FEDERAL, STATE AND LOCAL INCOME TAX INFORMATION. Within 120 days after the end of each Fiscal Year (or as soon as reasonably practicable thereafter), the Partnership shall send to each Person that was a Partner at any time during such Fiscal Year copies of (A) Schedule K-1, "Partner's Share of Income, Credits, Deductions, Etc." (or successor schedule) with respect to such Person, together with such additional information as may be necessary for such Person to file his United States federal income tax returns, and (B) such similar schedules as are required to be furnished by the Partnership for United States state and local income tax purposes.

7.3 REPORTS TO PARTNERS. The Partnership shall provide to each Partner and each Special Assignee on a timely basis, if such Partner or Special Assignee so requests in writing, (A) all reports sent to the limited partners of the Fund pursuant to the Fund Agreement, (B) the Partnership's unaudited financial statements for each fiscal quarter and (C) the Partnership's audited financial statements for each Fiscal Year. Except as otherwise provided in this Agreement or required by applicable law, the Partnership shall send to each Partner only such other financial reports as the General Partners shall deem appropriate.

ARTICLE VIII

ADMISSION OF ADDITIONAL PARTNERS; TRANSFERS

8.1 ADMISSION OF ADDITIONAL PARTNERS.

(a) GENERAL. One or more Persons may be admitted to the Partnership as a Limited Partner (each, an "ADDITIONAL PARTNER"). Each such Person shall be admitted as an Additional Partner at the time such Person (I) executes this Agreement or a counterpart of this Agreement and (II) is named as a Partner on the Partnership Register. In connection with the admission of any Additional Partner pursuant to this Section 8.1, a majority of the General Partners voting on such admission (in their sole discretion) shall determine the Minimum Points of, and Capital Commitment that will be accepted from, such Additional Partner.

(b) ADMISSION OF LIMITED PARTNERS. Upon the consent of a majority of the Tier 1 General Partners, a new Limited Partner may be admitted to the Partnership.

(c) ADMISSION OF GENERAL PARTNERS. Upon the consent both of GP III and of a majority of the Tier 1 General Partners, a new general partner may be admitted to the Partnership, PROVIDED that if (I) CD Trident III, LLC has become a Special Assignee pursuant to Section 9.1(a), then such party may be replaced by GP III with an entity controlled by the then chief executive officer of MMC Capital, (II) GM Trident III, LLC has become a Special Assignee pursuant to Section 9.1(a), then such party may be replaced by GP III with an entity controlled by the then president of MMC Capital, (III) MH Trident III, LLC has become a Special Assignee pursuant to Section 9.1(a), then such party may be replaced by GP III with an entity controlled by the then investment director of MMC Capital and (IV) subject to the

provisions of Article IX of this Agreement, there shall be no reduction or dilution of Points held by any Tier 1 Partner without the prior written consent of such Tier 1 Partner.

8.2 TRANSFER BY PARTNERS.

(a) GENERAL. No Partner may assign, sell, convey, pledge, mortgage, encumber, hypothecate or otherwise transfer in any manner whatsoever (a "TRANSFER") all or any part of his interest in the Partnership without the express prior written consent of a majority of the General Partners, PROVIDED that an Estate Partner may Transfer all or part of its interest without such consent to the Partner with whom such Estate Partner is affiliated after having first offered to the Partnership the opportunity to acquire the interest of such Estate Partner on terms at least as favorable as those of the proposed Transfer.

(b) CONDITIONS TO TRANSFER. No Transfer of an interest in the Partnership shall be permitted if (I) such Transfer would result in a violation of applicable law, including any securities laws, (II) as a result of such Transfer, either the Partnership or the Fund would be required to register as an investment company under the Investment Company Act of 1940, as amended, or (III) such Transfer would result in the Partnership at any time during its taxable year having more than 100 members, within the meaning of section 1.7704-1(h)(1)(ii) of the Treasury Regulations (taking into account section 1.7704-1(h)(3) of the Treasury Regulations). No attempted or purported Transfer in violation of this Section 8.2 shall be effective.

8.3 FURTHER ACTIONS. The Partnership shall cause this Agreement to be amended to reflect as appropriate the occurrence of any of the events referred to in this Article VIII, as promptly as is practicable after such occurrence.

ARTICLE IX

SPECIAL ASSIGNEES

9.1 BECOMING A SPECIAL ASSIGNEE.

(a) TIER 1 PARTNERS. A Tier 1 Partner shall cease to be a Partner and become a "SPECIAL ASSIGNEE" upon the occurrence of any of the following events:

(i) The death or Disability of such Tier 1 Partner or the Person with whom such Tier 1 Partner is Associated;

(ii) The status of such Tier 1 Partner as a Partner hereunder is involuntarily terminated, either with or without Cause, by GP III; or

(iii) Such Tier 1 Partner voluntarily terminates its status as a Partner hereunder.

(b) TIER 2 PARTNERS. A Tier 2 Partner shall cease to be a Partner and become a "SPECIAL ASSIGNEE" upon the occurrence of any of the following events:

(i) The death or Disability of such Tier 2 Partner;

(ii) The status of such Tier 2 Partner as a Partner hereunder is involuntarily terminated, either with or without an MMC Capital Cause Determination, by the Tier 1 General Partners;

(iii) Such Tier 2 Partner voluntarily terminates its status as a Partner hereunder; or

(iv) Such Tier 2 Partner shall fail to make any Capital Contribution when due and such failure shall not have been cured 30 days after the mailing or delivery of written notice of such failure.

9.2 CONSEQUENCES OF SPECIAL ASSIGNEE STATUS. On and after the date that a Partner becomes a Special Assignee, such Special Assignee shall be treated as a Partner for purposes of Articles III, IV, VI, VII and XII and shall continue to be bound by the terms of this Agreement (including, without limitation, Section 4.5) and, subject to Section 12.11, all amendments hereto, as if such Special Assignee were a Partner, such Partner's Remaining Capital Commitment shall be reduced to zero, and the Remaining Capital Commitments of M&M Vehicle, L.P. shall be increased by such reduction. Whenever the act, vote, consent or decision of the General Partners (or of representatives of the General Partners on the Investment Committee) is required or permitted pursuant to this Agreement, Special Assignees of General Partners (or their representatives) shall not be entitled to perform such act, to participate in such vote or consent, or to make such decision, and such act, vote, consent or decision shall be performed, tabulated or made as if such Special Assignee were not a General Partner.

9.3 ECONOMIC RIGHTS OF SPECIAL ASSIGNEES.

(a) TIER 1 PARTNERS.

(i) DEATH OR DISABILITY. Subject to Section 9.3(a)(v), if a Tier 1 Partner becomes a Special Assignee due to the death or Disability of such Tier 1 Partner or the Person with whom such Tier 1 Partner is Associated, (X) such Tier 1 Partner shall not forfeit any of the Points allocated to such Tier 1 Partner with respect to each Portfolio Investment then held by the Fund and (y) such Tier 1 Partner's Minimum Points with respect to any Portfolio Investment made after the date on which such Tier 1 Partner shall have become a Special Assignee shall be reduced by 50%.

(ii) INVOLUNTARY TERMINATION WITH CAUSE. If a Tier 1 Partner becomes a Special Assignee due to termination from the Partnership with Cause of such Tier 1 Partner or termination of a Tier 1 Partner because of the commission of any action constituting Cause by the Person with whom such Tier 1 Partner is Associated, (X) such Tier 1 Partner shall forfeit 100% of the Points allocated to such Tier 1 Partner with respect to each Portfolio Investment then held by the Fund and (Y) the Minimum Points for such Tier 1 Partner with respect to any Portfolio Investment made after the date on which such Tier 1 Partner shall have become a Special Assignee shall become zero unless GP III shall restore all or a portion of the Minimum Points.

A judicial determination of Cause may occur after the termination of a Tier 1 Partner. In addition, in the event of a termination for Cause, GP III shall have the right to purchase or direct

the purchase of such Tier 1 Partner's interest in the Partnership at fair market value. Fair market value (1) shall be as mutually agreed by the parties, provided that in the absence of such agreement, fair market value shall be determined by an independent appraiser mutually agreed to by GP III and by such Tier 1 Partner, which agreement shall not be unreasonably withheld by either party, and (2) shall be determined as if the Partnership and the Fund had been liquidated as of such date. Each of the Partnership, the Tier 1 Partners and GP III shall cooperate with the appraiser and furnish such information as is required for it to perform the valuation of such interest. Upon purchase by GP III or its designee of the interest of such Tier 1 Partner in the Partnership, such Tier 1 Partner shall have no further interest in the Partnership.

(iii) INVOLUNTARY TERMINATION WITHOUT CAUSE. Subject to Section 9.3(a)(v), if a Tier 1 Partner becomes a Special Assignee due to involuntary termination from the Partnership without Cause or voluntary termination from the Partnership for Good Reason of such Tier 1 Partner or the Person with whom such Tier 1 Partner is Associated, (X) such Tier 1 Partner shall not forfeit any of the Points allocated to such Tier 1 Partner with respect to each Portfolio Investment then held by the Fund and (y) such Tier 1 Partner's Minimum Points with respect to any Portfolio Investment made after the date on which such Tier 1 Partner shall have become a Special Assignee shall be reduced to zero.

(iv) VOLUNTARY TERMINATION. Subject to Section 9.3(a)(v), if a Tier 1 Partner becomes a Special Assignee due to the voluntary termination from the Partnership of such Tier 1 Partner, (X) such Tier 1 Partner shall not forfeit any of the Points allocated to such Tier 1 Partner with respect to each Portfolio Investment then held by the Fund and (y) such Tier 1 Partner's Minimum Points with respect to any Portfolio Investment made after the date on which such Tier 1 Partner shall have become a Special Assignee shall be reduced to zero.

(v) CHANGE IN CONTROL. Notwithstanding Sections 9.3(a)(i), (iii) and (iv), if a Change in Control has occurred prior to the time a Tier 1 Partner becomes a Special Assignee (other than as a result of involuntary termination with Cause), (X) such Tier 1 Partner shall not forfeit any of the Points allocated to such Tier 1 Partner with respect to each Portfolio Investment then held by the Fund and (y) such Tier 1 Partner's Minimum Points with respect to any Portfolio Investment made after the date on which such Tier 1 Partner shall have become a Special Assignee shall remain unchanged, and at no time will such Tier 1 Partner's Minimum Points change without such Tier 1 Partner's consent.

(b) TIER 2 PARTNERS. If a Tier 2 Partner becomes a Special Assignee, (I) with respect to each Portfolio Investment made on or after the date such Tier 2 Partner becomes a Special Assignee, such Tier 2 Partner shall be allocated zero Points and (II) with respect to each Portfolio Investment then held by the Fund that was made prior to the date such Tier 2 Partner becomes a Special Assignee, such Tier 2 Partner shall forfeit a percentage of the Points allocated to such Tier 2 Partner as specified below:

If the Tier 2 Partner
becomes a Special Assignee

Percentage of
Points that are Forfeited

During the 12 month period commencing on the later of December 4, 2003 and the date such Tier 2 Partner begins employment with MMC Capital.	100%
During the 12 month period commencing on the first anniversary of the later of December 4, 2003 and the date such Tier 2 Partner begins employment with MMC Capital.	80%
During the 12 month period commencing on the second anniversary of the later of December 4, 2003 and the date such Tier 2 Partner begins employment with MMC Capital.	60%
After the third anniversary of the later of December 4, 2003 and the date such Tier 2 Partner begins employment with MMC Capital.	40%
With respect to any Portfolio Investment, after the fourth anniversary of the date on which such Portfolio Investment was made.	0%

PROVIDED that (A) if such Tier 2 Partner becomes a Special Assignee due to termination with an MMC Capital Cause Determination, such Tier 2 Partner shall forfeit 100% of the Points allocated to such Tier 2 Partner with respect to each Portfolio Investment then held by the Fund that was made prior to the date such Tier 2 Partner becomes a Special Assignee, (B) if such Tier 2 Partner becomes a Special Assignee due to death or Disability, such Tier 2 Partner shall forfeit zero Points with respect to each Portfolio Investment then held by the Fund that was made prior to the date such Tier 2 Partner becomes a Special Assignee, and (C) if a Change of Control has occurred before a Tier 2 Partner becomes a Special Assignee (other than as a result of death, disability or involuntary termination with an MMC Capital Cause Determination), such Tier 2 Partner shall not forfeit any of the Points with respect to each Portfolio Investment then held by the Fund that was made prior to the date such Tier 2 Partner becomes a Special Assignee.

If a Tier 2 Partner becomes a Special Assignee other than by reason of death or Disability, the General Partners shall have the right to purchase or direct the purchase of such Tier 2 Partner's interest in the Partnership. The purchase price for such Tier 2 Partner's interest in the Partnership shall be the fair market value of such interest, which shall be mutually agreed upon by the parties, PROVIDED, that in the absence of such agreement, fair market value shall be determined by an independent appraiser selected by the General Partners and approved by such Tier 2 Partner, which approval shall not be unreasonably withheld by such Tier 2 Partner. The cost of such appraisal shall be shared equally by the Partnership and such Tier 2 Partner, and each of the Partnership, the General Partners and the Tier 2 Partners shall cooperate with the

appraiser and furnish such information as is required for it to perform the valuation of such interest. Fair market value as of any date shall be determined as if the Partnership and the Fund had been liquidated as of such date. Upon purchase by the General Partners or their designees of the interest of such Tier 2 Partner in the Partnership, such Tier 2 Partner shall have no further interest in the Partnership.

ARTICLE X

DURATION AND TERMINATION OF THE PARTNERSHIP

10.1 DURATION. There shall be a dissolution of the Partnership, and its affairs shall be wound up, upon the first to occur of any of the following events:

(a) the day after the second anniversary of the last day of the Term of the Fund;

(b) the decision, made by all of the General Partners, to dissolve the Partnership; or

(c) the entry of a decree of judicial dissolution of the Partnership pursuant to the Partnership Law.

10.2 WINDING UP. Upon the dissolution of the Partnership, the General Partners (or any duly elected liquidating trustee or other duly designated representative) shall use all commercially reasonable efforts to liquidate all of the Partnership assets in an orderly manner and apply the proceeds of such liquidation as set forth in Section 10.3, provided that if in the good faith judgment of the General Partners (or such liquidating trustee or other representative) a Partnership asset should not be liquidated, the General Partners (or such liquidating trustee or other representative) shall allocate, on the basis of the Value of any Partnership assets not sold or otherwise disposed of, any unrealized gain or loss based on such Value to the Partners' Capital Accounts as though the assets in question had been sold on the date of distribution and, after giving effect to any such adjustment, distribute said assets in accordance with Section 10.3, subject to the priorities set forth in Section 10.3, and provided, further, that the General Partners (or such liquidating trustee or other representative) will in good faith attempt to liquidate sufficient Partnership assets to satisfy in cash (or make reasonable provision for) the debts and liabilities referred to in Section 10.3.

10.3 FINAL DISTRIBUTION. After the application or distribution of the proceeds of the liquidation of the Partnership's assets in one or more installments to the satisfaction of the liabilities of the Partnership to creditors of the Partnership, including to the satisfaction of the expenses of the winding-up, liquidation and dissolution of the Partnership (whether by payment or the making of reasonable provision for payment thereof), the remaining proceeds, if any, plus any remaining assets of the Partnership shall, by the end of the taxable year of the Partnership in which the liquidation occurs (or, if later, within 90 days after the date of such liquidation), be distributed in accordance with the provisions of Section 4.3.

10.4 TIME FOR LIQUIDATION, ETC. A reasonable time period shall be allowed for the orderly winding up and liquidation of the assets of the Partnership and the discharge of liabilities

to creditors so as to enable the Partnership to seek to minimize potential losses upon such liquidation. The provisions of this Agreement shall remain in full force and effect during the period of winding up and until the filing of a certificate of cancellation of the Statement/notice of dissolution with the Registrar of Exempted Limited Partnerships of the Cayman Islands.

10.5 TERMINATION. Upon completion of the foregoing, any General Partner (or any duly elected liquidating trustee or other duly designated representative) shall execute, acknowledge and cause to be filed a certificate of cancellation of the Statement/notice of dissolution with the Registrar of Exempted Limited Partnerships of the Cayman Islands. Such notice of dissolution will not be filed by a General Partner (or such liquidating trustee or other representative) prior to the third anniversary of the last day of the Term unless otherwise required by law.

10.6 BANKRUPTCY OF A PARTNER. The bankruptcy (as defined in the Partnership Law) of a Partner shall not cause such Partner to cease to be a member of the Partnership, and upon the occurrence of such an event, the business of the Partnership shall continue without dissolution.

10.7 DEATH, LEGAL INCAPACITY, ETC. The death, bankruptcy, dissolution, insanity, incompetency, other legal incapacity, or retirement, expulsion or resignation from the Partnership of a Partner or the occurrence of any other event that causes a Partner to cease to be a member of the Partnership, or the status of any Partner as a Special Assignee, shall not cause the dissolution or termination of the Partnership, and the Partnership, notwithstanding such event, shall continue without dissolution upon the terms and conditions provided in this Agreement and in accordance with the Partnership Law, and each Partner, by executing this Agreement, agrees to such continuation of the Partnership without dissolution.

ARTICLE XI

DEFINITIONS

11.1 DEFINITIONS. As used in this Agreement, the following terms have the following meanings (each such meaning to be equally applicable to the singular and plural forms of the respective terms so defined):

"ADDITIONAL PARTNER": As defined in Section 8.1.

"ADJUSTMENT DATE": The last day of each fiscal year of the Partnership and any other date that the General Partners, in their sole discretion, deem appropriate for an interim closing of the Partnership's books.

"AFFILIATE": With respect to any specified Person, (A) a Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, the Person specified, (B) a trust or other estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in another similar fiduciary capacity, and (C) any relative or spouse of such Person, or any relative of such spouse, who has the same home as such Person, PROVIDED that, for purposes of this Agreement, none of the Portfolio Companies shall be deemed to be Affiliates of the Partnership.

"AGREEMENT": As defined in the preamble hereto.

"ASSOCIATED": CD Trident III, LLC is associated with Charles A. Davis; GM Trident III, LLC is associated with Garrett M. Moran; MH Trident III, LLC is associated with Meryl D. Hartzband.

"BRIDGE FINANCING": As defined in the Fund Agreement.

"BUSINESS DAY": Any day on which banks located in New York City are not required or authorized by law to remain closed.

"CAPITAL ACCOUNT": As defined in Section 3.2.

"CAPITAL COMMITMENT": With respect to any Partner, the amount set forth opposite the name of such Partner on the Partnership Register under the heading "Capital Commitment".

"CAPITAL CONTRIBUTION": With respect to any Partner, the amount of capital contributed by such Partner to the Partnership pursuant to Section 3.1.

"CAUSE": With respect to any Person or the Partner with which such Person is Associated shall mean (A) the conviction of such Person for any felony or (B) the final determination by a court of competent jurisdiction that such Person has engaged in (I) misconduct that causes actual material injury to MMC or one of its material Affiliates or (II) gross negligence or material willful misfeasance relating to such Person's work at MMC Capital.

"CERTIFICATE": As defined in Section 12.10.

"CHANGE IN CONTROL": the occurrence of any of the following events:

(a) any "person," as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than MMC, any trustee or other fiduciary holding securities under an employee benefit plan of MMC or any corporation owned, directly or indirectly, by the stockholders of MMC in substantially the same proportions as their ownership of stock of MMC), is or becomes the "beneficial owner" (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of MMC representing 50% or more of the combined voting power of MMC's then outstanding voting securities;

(b) during any period of not more than two consecutive years, individuals who at the beginning of such period constitute the MMC board, and any new director whose election by MMC board of directors or nomination for election by MMC's stockholders was approved by a vote of at least two-thirds of the directors of the MMC board then still in office who either were directors of the MMC board at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority thereof;

(c) the stockholders of MMC approve a merger or consolidation of MMC with any other corporation, other than (I) a merger or consolidation which would result in the voting securities of MMC outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving or parent entity) 50% or more of the combined voting power of the voting

securities of MMC or such surviving or parent entity outstanding immediately after such merger or consolidation, or (II) a merger or consolidation effected to implement a recapitalization of MMC (or similar transaction) in which no "person" (as herein above defined) acquired 50% or more of the combined voting power of the then outstanding securities of MMC;

(d) the stockholders of MMC approve a plan of complete liquidation of MMC or an agreement for the sale or disposition by MMC of all or substantially all of MMC's assets (or any transaction having a similar effect); or

(e) MMC no longer owns at least 50% of the value and voting power of MMC Capital.

"CLAIMS": As defined in Section 6.3(a).

"CLAWBACK AMOUNT": As defined in Section 4.5.

"CODE": The Internal Revenue Code of 1986, as amended.

"CORPORATE AGENTS": As defined in Section 5.2(g).

"COVERED PERSON": A Partner; any Person that, directly or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with the Partnership or any of the Partners or is Associated with any of the Partners; any officers, directors, shareholders, controlling Persons, partners, employees, representatives or agents (or any of their Affiliates) of a Partner or of the Partnership (including, without limitation, members of the Investment Committee), or of any of their respective Affiliates; and any Person who was, at the time of the act or omission in question, such a Person.

"DAMAGES": As defined in Section 6.3(a).

"DISABILITY": In the case of any Partner, as set forth in the Marsh & McLennan Companies Benefit Program, or, in the case of a Tier 1 Partner, if different, the employment agreement of such Tier 1 Partner or the Person with whom such Tier 1 Partner is Associated.

"ESTATE PARTNER": Any trust or family partnership formed for the purpose of estate planning by a Tier 1 Partner to which such Tier 1 Partner transfers all or any portion of its interest in the Partnership pursuant to Section 8.2 and which is designated on the Partnership Register as an Estate Partner.

"EXCHANGE ACT": The Securities Exchange Act of 1934, as amended.

"FISCAL YEAR": As defined in Section 1.3.

"FUND": Trident III, L.P., a Cayman Islands exempted limited partnership, and its successors and assigns.

"FUND AGREEMENT": The limited partnership agreements of the Fund, as amended and restated from time to time.

"GENERAL PARTNER": As defined in the preamble to this Agreement.

"GOOD REASON": With respect to any Person Associated with a Tier 1 Partner or with respect to the Tier 1 Partner with which such Person is Associated, shall mean the occurrence of one or more of the following events (unless in the case of clause (a), (b), (c) or (d) below, such occurrence is cured by MMC Capital within 30 days of receipt of notice by MMC Capital regarding such occurrence):

(a) a reduction in such Person's base salary or consulting fee; failure to pay to such Person, at the time such payments are required to be made, the bonus or performance payments, if any, described in such Person's employment or consulting agreement with MMC Capital; failure to award to such Person participation in future MMC Capital investments in accordance with such Person's employment or consulting agreement with MMC Capital, or make any required payments pursuant to such award; or the elimination of MMC equity opportunity referred to in such Person's employment or consulting agreement with MMC Capital.

(b) the failure to continue such Person in the position described in such Person's employment or consulting agreement with MMC Capital or a more senior position (unless MMC Capital has notified such Person in writing of the existence for the basis for Cause or as otherwise provided such Person's employment or consulting agreement with MMC Capital) or such Person's removal from such position;

(c) material diminution in such Person's duties, or assignment of duties materially inconsistent with such Person's position;

(d) relocation of such Person's principal office location other than as permitted pursuant to such Person's employment or consulting agreement with MMC Capital;

(e) a Change in Control of MMC or a Change in Control of MMC Capital. "GP III": As defined in the preamble to this Agreement.

"HOLDBACK ACCOUNT": As defined in Section 4.4.

"INITIAL AGREEMENT": As defined in the preamble to this Agreement.

"INITIAL LIMITED PARTNER" shall mean David J. Wermuth, Esq.

"INVESTMENT COMMITTEE": A committee of the Partnership formed to act pursuant to Section 5.2(e), consisting of one representative of each of the General Partners and one representative selected by unanimous vote of the General Partners. The members are initially: Charles A. Davis representing CD Trident III, LLC; Garrett M. Moran representing GM Trident III, LLC; Meryl D. Hartzband representing MH Trident III, LLC; Jeffrey W. Greenberg

representing GP III; and A.J.C. Smith selected by unanimous vote of the General Partners. The members will include: (A) upon the death or resignation of any member or the removal of such member by the General Partner such member represents, the successor to such member (I) selected by the General Partner that such member represented and (II) other than in the case of GP III, approved by a majority of the other General Partners; and (B) upon the admission of a General Partner pursuant to Section 8.1(c), a representative of such General Partner (I) selected by such General Partner and (II) approved by a majority of the other General Partners.

"LIMITED PARTNER": As defined in the preamble to this Agreement.

"MEMO ACCOUNT": As defined in Section 3.2(b).

"MMC CAPITAL": MMC Capital, Inc., a Delaware corporation, and any successors and assigns thereof.

"MMC CAPITAL CAUSE DETERMINATION" shall mean, with respect to any Tier 2 Limited Partner, (A) the conviction of such Tier 2 Limited Partner for any felony and (B) a determination (made in a reasonable manner) by the Tier 1 General Partners that such Tier 2 Limited Partner has committed one or more acts involving gross negligence or willful misconduct.

"MMC": Marsh & McLennan Companies, Inc., a Delaware corporation, and any successors and assigns thereof.

"MINIMUM POINTS": With respect to each Partner and as of any date, the minimum number of Points that may be allocated to such Partner with respect to any Portfolio Investment to be made on or after such date.

"PARTNER": As defined in the preamble to this Agreement.

"PARTNERSHIP": As defined in the preamble to this Agreement.

"PARTNERSHIP EXPENSES": The costs and expenses that, in the good faith judgment of the General Partners, arise out of or are incurred in connection with the organization and operation of the Partnership, including, without limitation, legal, and accounting expenses, extraordinary expenses and indemnification obligations.

"PARTNERSHIP LAW": The Exempted Limited Partnership Law (2003 Revision) of the Cayman Islands, as amended, and any successor to such statute.

"PARTNERSHIP REGISTER": As defined in Section 1.1(c).

"PERIOD": For the first Period, the period commencing on the date of this Agreement and ending on the next Adjustment Date, and for all succeeding Periods, the period commencing on the day after an Adjustment Date and ending on the next Adjustment Date.

"PERSON": Any individual, entity, corporation, company, partnership, association, limited liability company, joint-stock company, trust or unincorporated organization.

"POINTS": As defined in Section 4.2(a).

"PORTFOLIO COMPANY": As defined in the Fund Agreement.

"PORTFOLIO INVESTMENT": As defined in the Fund Agreement.

"PREFERENCE AMOUNT": With respect to each Additional Partner indicated on the Partnership Register as being subject to the provision for Preference Amounts, determined only as of the date of a distribution made pursuant to Section 4.3(b)(iii) and only with respect to Portfolio Investments made on or after the date of admission of such Additional Partner, an amount equal to the difference between (A) solely with respect to Portfolio Investments made prior to, and disposed of after, the date of admission of such Additional Partner, the sum of the amounts that would have previously been distributed to such Additional Partner pursuant to Section 4.3(b)(iii) if such Additional Partner had been allocated with respect to all such Portfolio Investments (subject to Section 9.3(b)) the Minimum Points listed with respect to such Additional Partner on the Partnership Register as of the date of admission of such Additional Partner and (B) the sum of all amounts previously distributed to such Additional Partner pursuant to Section 4.3(b)(iii)(2), PROVIDED that Section 4.4 shall be disregarded solely for purposes of determining the amounts described in clauses (a) and (b). For the avoidance of doubt, Section 4.4 shall apply to distributions of amounts described in Section 4.3(b)(iii)(2).

"PRIME RATE": As defined in the Fund Agreement.

"PROCEEDING": As defined in Section 6.3(a).

"REMAINING CAPITAL COMMITMENT": For any Partner, the excess of (A) such Partner's Capital Commitment over (B) the aggregate amount of such Partner's Capital Contributions, as adjusted pursuant to Section 9.2.

"SECURITIES": Shares of capital stock, limited partner interests, limited liability company interests, warrants, options, bonds, notes, debentures and other securities and equity and debt interests of whatever kind of any Person, whether or not publicly traded or readily marketable.

"SHORTFALL": For any Portfolio Investment, the amount equal to 10% of the additional amount that would be required to be distributed in respect of such Portfolio Investment pursuant to section 6.3 of the Fund Agreement so that no further amount would be distributable pursuant to section 6.3(a) of the Fund Agreement in respect of such Portfolio Investment, including all capital contributions to the Fund by the partners of the Fund used to fund Partnership Expenses and Organizational Expenses (as such terms are defined in the Fund Agreement) apportioned to such Portfolio Investments pursuant to section 6.6(c) of the Fund Agreement.

"SPECIAL ASSIGNEE": As defined in Section 9.1.

"STATEMENT": As defined in the Fund Agreement.

"SUBSCRIPTION AGREEMENTS": The subscription agreements between the Fund and each of its limited partners.

"TARGET AMOUNT": For any Portfolio Investment, the amount equal to the amount that would have been distributable pursuant to Section 4.3(b)(iii) in respect of such Portfolio Investment if such Portfolio Investment were the sole Portfolio Investment made by the Fund and if the sole Partnership Expenses and Organizational Expenses (as such terms are defined in the Fund Agreement) incurred were the portion of the Partnership Expenses and Organizational Expenses apportioned to such Portfolio Investment pursuant to section 6.6(c) of the Fund Agreement.

"TEMPORARY INVESTMENT": As defined in the Fund Agreement.

"TERM": As such term will be defined in the Fund Agreement.

"TIER 1 GENERAL PARTNER": Each of CD Trident III, LLC, GM Trident III, LLC and MH Trident II, LLC or any other General Partner admitted in accordance with Section 8.1(b) and listed on the Partnership Register as a Tier 1 General Partner.

"TIER 1 PARTNER": Each of the Tier 1 General Partners, Charles A. Davis, Garrett M. Moran and Meryl D. Hartzband, each of their respective Estate Partners, if any, and any other Partner admitted in accordance with Section 8.1(a) and listed on the Partnership Register as a Tier 1 Partner.

"TIER 2 PARTNER": Any Partner admitted in accordance with Section 8.1(a) and listed on the Partnership Register as a Tier 2 Partner.

"TRANSFER": As defined in Section 8.2(a).

"TREASURY REGULATIONS": The Regulations of the Treasury Department of the United States issued pursuant to the Code.

"VALUE": As defined in the Fund Agreement, PROVIDED that the provisions in the Fund Agreement regarding the board of advisors of the Fund shall not apply to assets or Securities not held by the Fund.

ARTICLE XII

MISCELLANEOUS

12.1 NOTICES. All notices, requests, demands and other communications relating to this Agreement shall be in writing and shall be deemed to have been duly given if (A) delivered in person, (B) mailed by registered or certified mail, return receipt requested and first-class postage paid, or (C) mailed by overnight or next day express mail, as follows: (1) if to one or more of the Partners, at the addresses set forth on the Partnership's books and records, (2) if to the Partnership, at the address referred to in Section 1.4, or (3) to such other address as any Partner (or a General Partner on behalf of the Partnership) shall have last designated by notice to the Partnership and the other Partners, as the case may be. Notices given in person, or by facsimile transmission followed by a confirmation by an officer of a General Partner, shall be deemed to have been made when given (and, in the case of facsimile, confirmed). Notices mailed in

accordance with the first sentence of this Section 12.1 shall be deemed to have been given and made three days following the date so mailed.

12.2 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute a single agreement.

12.3 TABLE OF CONTENTS AND HEADINGS. The table of contents and the headings of the articles and sections of this Agreement are inserted for convenience only and shall not be deemed to constitute a part hereof.

12.4 SUCCESSORS AND ASSIGNS. Except as otherwise specifically provided herein, this Agreement shall be binding upon and inure to the benefit of the Partners and the Initial Limited Partner and their respective legal representatives, heirs, administrators, executors, successors, and permitted assigns.

12.5 SEVERABILITY. Every term and provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, such term or provision will be enforced to the maximum extent permitted by law and, in any event, such illegality or invalidity shall not affect the validity of the remainder of this Agreement.

12.6 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND ENFORCED IN ACCORDANCE WITH THE LAWS OF THE CAYMAN ISLANDS, ALL RIGHTS AND REMEDIES BEING GOVERNED BY CAYMAN ISLANDS LAW, WITHOUT REGARD TO CONFLICTS OF LAWS RULES.

12.7 CONFIDENTIALITY. Each Partner agrees that he, she or it shall keep confidential and not disclose to any third Person or use for his own benefit, without the written consent of the General Partners, any trade secrets or confidential or proprietary information with respect to the Partnership, the Fund or any Portfolio Company, or any of its or their Affiliates, PROVIDED that a Partner may disclose any such information (A) as has become generally available to the public other than as a result of a disclosure by a Partner or his or her representative, (B) as may be required or appropriate in any report, statement or testimony submitted to any municipal, state or national (including foreign) regulatory body having or claiming to have jurisdiction over such Partner, (c) as may be required in response to any summons or subpoena or in connection with any litigation, (D) to the extent necessary in order to comply with any law, order, regulation or ruling applicable to such Partner, and (E) that constitutes U.S. federal income tax treatment or tax structure of the Partnership (including transactions undertaken by the Partnership) and all materials of any kind (including opinions or other tax analyses) that are provided to such Limited Partner relating to such tax treatment and tax structure; and PROVIDED FURTHER that, to the extent permitted by applicable law and not restricted by confidentiality or other agreements, arrangements or requirements to which the Partnership, any Portfolio Company, the Fund or any of their Affiliates are bound, such Partner may, after becoming a Special Assignee, disclose to third persons the performance of investments made by the Fund while, he, she or it was a Partner solely for the purpose of providing information relating to such Special Assignee's track record, but nothing in this proviso shall authorize any Partner or Special Assignee to retain or to disclose to any third Person any books, records, documents or other written materials held by such

Partner or available to such Partner before becoming a Special Assignee containing information of the kind described in this sentence before the first proviso.

12.8 SURVIVAL OF CERTAIN PROVISIONS. The obligations of each Partner pursuant to Section 4.5, Article VI and Section 12.7 shall survive the termination or expiration of this Agreement and the dissolution, winding up and termination of the Partnership.

12.9 WAIVER OF PARTITION. Except as may be otherwise provided by law in connection with the dissolution, winding up and liquidation of the Partnership, each Partner hereby irrevocably waives any and all rights that he, she or it may have to maintain an action for partition of any of the Partnership's property.

12.10 POWER OF ATTORNEY. Subject to Section 12.11, each Limited Partner does hereby irrevocably constitute and appoint each General Partner, with full power of substitution, the true and lawful attorney-in-fact and agent of such Partner, to execute, acknowledge, verify, swear to, deliver, record and file, in his or her name, place and stead, all instruments, documents and certificates which may from time to time be required by the laws of the Cayman Islands, the United States of America, the State of Connecticut, the State of New York, and any other jurisdiction in which the Partnership conducts or plans to conduct business, or any political subdivision or agency thereof, to effectuate, implement and continue the valid existence and business of the Partnership, including, without limitation, the power and authority to execute, verify, swear to, acknowledge, deliver, record and file:

(a) all certificates and other instruments, including, without limitation, any amendments to this Agreement or to the Certificate of Formation of the Partnership (the "CERTIFICATE"), that the General Partners deem appropriate to form, qualify or continue the Partnership as an exempted limited partnership in the Cayman Islands and all other jurisdictions in which the Partnership conducts or plans to conduct business;

(b) all instruments that the General Partners deem appropriate to reflect any amendment to this Agreement or the Certificate (i) to satisfy any requirements, conditions, guidelines or opinions contained in any opinion, directive, order, ruling or regulation of the Securities and Exchange Commission, the Internal Revenue Service, or any other United States federal or state agency, or in any United States federal or state statute, compliance with which the General Partners deem to be in the best interests of the Partnership, (II) to change the name of the Partnership or (III) to cure any ambiguity or correct or supplement any provision herein or therein contained that may be incomplete or inconsistent with any other provision herein or therein contained;

(c) all conveyances and other instruments that the General Partners deem appropriate to reflect and effect the dissolution and termination of the Partnership pursuant to the terms of this Agreement, including without limitation the filing of a notice of dissolution as provided for in Article X;

(d) all instruments relating to duly authorized (I) Transfers of interests of Partners, (II) admissions of Additional Partners, (III) changes in the Capital Commitment,

Minimum Points or Points of any Partner or (IV) duly adopted amendments to this Agreement, all in accordance with the terms of this Agreement;

(e) certificates of assumed name and such other certificates and instruments as may be necessary under the fictitious or assumed name statutes from time to time in effect in the Cayman Islands and any other jurisdiction in which the Partnership conducts or plans to conduct business; and

(f) any other instruments determined by the General Partners to be necessary or appropriate in connection with the proper conduct of the business of the Partnership and that do not adversely affect the interests of the Partners.

Such attorney-in-fact and agent shall not, however, have the right, power or authority to amend or modify this Agreement when acting in such capacities, except to the extent authorized herein. This power of attorney shall not be affected by the subsequent disability or incompetence of the principal.

The power of attorney granted herein shall be deemed to be coupled with an interest, shall be irrevocable, shall survive the death, dissolution, bankruptcy or legal disability of each of the Partners and shall extend to their successors and assigns. The power of attorney granted herein may be exercised by such attorney-in-fact and agent for all Partners of the Partnership (or any of them) by listing all (or any) of such Partners required to execute any such instrument on the signature page of such instrument, and signing such instrument at the end of such list, acting as attorney-in-fact. Any person dealing with the Partnership may conclusively presume and rely upon the fact that any instrument referred to above, executed by such attorney-in-fact and agent, is authorized, regular and binding, without further inquiry. If required, the Partners shall execute and deliver to the Partnership, within five Business Days after receipt of a request therefor, such further designations, powers of attorney or other instruments as the General Partners shall reasonably deem necessary for the purposes hereof.

12.11 MODIFICATIONS. Except as otherwise expressly provided herein, this Agreement may be modified or amended, and any provision hereof may be waived only upon the written consent of each of the General Partners, PROVIDED that, except for modifications in the nature of technical corrections to Section 3.2(b) or the definitions referred to therein or Section 4.3(b)(iii) designed to carry out the intent described in Section 3.2(b), no such modification, amendment or waiver that would (A) adversely alter (I) any Partner's economic interest in the Partnership (including, without limitation, such Partner's Capital Commitment, Minimum Points, Points allocated with respect to any Portfolio Investment, Capital Contribution, obligations pursuant to Section 4.5, or right to or timing of distributions), voting rights contained in Article V hereof (solely with respect to General Partners), rights under the liability, exculpation and indemnification provisions in Article VI hereof, right to receive information, or the definition of Partnership Expenses or (II) the tax consequences to such Partner relating to the Partnership which would discriminate against such Partner vis-a-vis the other Partners, as applicable, or (B) extend or increase any financial obligation or liability of such Partner, shall be effective without the consent, in each case, of such Partner, as applicable.

12.12 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement among the Partners and between the Partners and the Initial Limited Partner with respect to the subject matter hereof and supersedes any prior agreement or understanding, both written and oral, among them with respect to such subject matter.

12.13 FURTHER ACTIONS. Each Partner shall execute and deliver such other certificates, agreements and documents, and take such other actions, as may reasonably be requested by the Partnership in connection with the formation of the Partnership and the achievement of its purposes, including, without limitation, (A) any documents that the General Partners deem necessary or appropriate to form, qualify or continue the Partnership as a limited partnership in all jurisdictions in which the Partnership conducts or plans to conduct business and (B) all such agreements, certificates, tax statements and other documents as may be required to be filed in respect of the Partnership.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written, and have indicated, where appropriate, their Capital Commitments in the spaces below provided next to their names.

INITIAL LIMITED PARTNER:

SOLELY TO REFLECT THE WITHDRAWAL OF
THE INITIAL LIMITED PARTNER FOR
PURPOSES OF SECTION 1.1(B):

GENERAL PARTNERS:

MMC GP III, INC.

\$	By: _____

Capital Commitment	Name: _____
	Title: _____

CD TRIDENT III, LLC

\$	By: _____

Capital Commitment	Name: _____
	Title: _____

GM TRIDENT III, LLC

\$	By: _____

Capital Commitment	Name: _____
	Title: _____

MH TRIDENT III, LLC

\$	By: _____

Capital Commitment	Name: _____
	Title: _____

LIMITED PARTNERS OF TRIDENT CAPITAL III, L.P.:

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Schedule A

	Years Ended December 31,				
	2003	2002	2001	2000	1999
EARNINGS					
Income before income taxes and minority interest*	\$ 2,335	\$ 2,133	\$ 1,590	\$ 1,955	\$ 1,255
Interest expense	185	160	196	247	233
Portion of rents representative of the interest factor	156	132	122	120	121
Amortization of capitalized interest	--	--	--	--	1
	\$ 2,676	\$ 2,425	\$ 1,908	\$ 2,322	\$ 1,610
FIXED CHARGES					
Interest expense	\$ 185	\$ 160	\$ 196	\$ 247	\$ 233
Portion of rents representative of the interest factor	156	132	122	120	121
	\$ 341	\$ 292	\$ 318	\$ 367	\$ 354
Ratio of Earnings to Fixed Charges	7.8	8.3	6.0	6.3	4.5

* Minority interest has been reclassified in 1999 to conform to the current year presentation.

MMC [LOGO]
MARSH o PUTNAM o MERCER
MARSH & MCLENNAN COMPANIES

ANNUAL REPORT 2003

COVER GRAPHIC OMITTED: ILLUSTRATION

Mozart's Fantasia and Sonata for piano in C minor, 1785

MMC IS A GLOBAL PROFESSIONAL SERVICES FIRM WITH ANNUAL REVENUES EXCEEDING \$11 BILLION. IT IS THE PARENT COMPANY OF MARSH INC., THE WORLD'S LEADING RISK AND INSURANCE SERVICES FIRM; PUTNAM INVESTMENTS, ONE OF THE LARGEST INVESTMENT MANAGEMENT COMPANIES IN THE UNITED STATES; AND MERCER INC., A MAJOR GLOBAL PROVIDER OF CONSULTING SERVICES. APPROXIMATELY 60,000 EMPLOYEES PROVIDE ANALYSIS, ADVICE, AND TRANSACTIONAL CAPABILITIES TO CLIENTS IN OVER 100 COUNTRIES.

Financial Highlights

For the Years Ended December 31, (IN MILLIONS, EXCEPT PER SHARE FIGURES)	2003	2002	2001
Revenue	\$11,588	\$10,440	\$9,869
Income Before Income Taxes and Minority Interest	\$ 2,335	\$ 2,133	\$1,590
Net Income	\$ 1,540	\$ 1,365	\$ 974
Stockholders' Equity	\$ 5,451	\$ 5,018	\$5,173
Diluted Net Income Per Share	\$ 2.81	\$ 2.45	\$ 1.70
Dividends Paid Per Share	\$ 1.18	\$ 1.09	\$ 1.03
Year-end Stock Price	\$ 47.89	\$ 46.21	\$53.75

[GRAPHIC OMITTED]

TOTAL RETURN OF MMC STOCK AND S&P 500 1983-2003
20-YEAR COMPOUND ANNUAL GROWTH: MMC 16.6% S&P 500 13.0%

[BAR CHART OMITTED]

YR.	MMC	S&P
1983	\$100	\$100
1984	124	106
1985	178	140
1986	272	166
1987	230	174
1988	273	203
1989	392	267
1990	406	259
1991	438	338
1992	507	363
1993	465	400
1994	469	405
1995	544	558
1996	660	686
1997	973	914
1998	1175	1176
1999	1969	1423
2000	2450	1294
2001	2295	1140
2002	2018	888
2003	2156	1143

Dear Shareholder

MMC had a mixed year in 2003. The company produced strong results, with our risk and insurance services having another excellent year and our consulting business performing well in a difficult environment for the industry. But we also confronted a major problem in our investment management subsidiary--the discovery of inappropriate market timing in certain Putnam mutual funds by a number of investment professionals who have now left the firm. Market timing was also found in a small number of shareholders' 401(k) accounts. We acted decisively, installing new leadership, instituting new policies and procedures to strengthen compliance, and pledging restitution to the shareholders of Putnam funds.

Each of our principal subsidiaries--Marsh Inc., Mercer Inc., and Putnam Investments--has experienced good and bad operating conditions in the past decade, but overall the company has delivered consistently strong results. Over the last three years, MMC's compound annual growth for earnings per share was 11 percent. During that same period, EPS for the S&P 500 declined 1 percent annually. In 2003 MMC's consolidated revenues rose 11 percent to \$11.6 billion. Net income grew 13 percent to \$1.5 billion, and earnings per share increased 15 percent to \$2.81.

MMC's cash flow is a great strength and provides financial flexibility for the company. In 2003 we repurchased 26.1 million shares of common stock for approximately \$1.2 billion, made discretionary contributions to our pension plan totaling \$300 million, and paid out \$631 million in dividends. Standard & Poor's calls the 50 or so public companies with 25 consecutive years of increasing cash payments to shareholders "dividend aristocrats." MMC's dividend has increased for 41 consecutive years, a record matched by only 12 other companies traded publicly in the United States.

MMC has a long record of successfully managing its professional services businesses. Our management model has been the most important factor in creating long-term shareholder value at MMC. It encourages each operating subsidiary to be managed for success in its own market, and it calls for the parent company to set standards, lead strategic planning, select leadership, allocate resources, foster collaboration, and provide continuous oversight. And when needed, we help stabilize a business.

Each of MMC's operating subsidiaries is a valuable professional services organization. Yet thinking about the company as the sum of its legal entities provides only a partial understanding of the firm. We also think about MMC in terms of the markets we serve. Although MMC is well known to clients and investors for risk-related advice and services, we have been building capabilities--particularly in Mercer and Putnam, but also in Marsh--to serve people's retirement and other benefits needs. For five of the last ten years, benefits services, including savings and retirement, have contributed the largest share of our revenues.

MMC's professionals must strive to provide clients with the best thinking, which may come from any of our businesses and from anywhere around the world. We have been systematically fostering collaboration and the use of all the strengths of our operating subsidiaries to serve clients more comprehensively. For example, in recent years the understanding and management of business risks have become central to corporate strategy and governance. Acceptance of some risks to an organization is necessary to creating shareholder value, while others need to be reduced or avoided. The acquisition in 2003 of Oliver, Wyman & Company, the leader in strategy consulting and risk management for the financial services sector, adds to MMC's capabilities for serving clients across a broad spectrum of risks in many industries.

Marsh had another great year in 2003, extending to seven years its record of double-digit earnings growth, the longest in MMC's history as a public company. Revenues rose 16 percent to \$6.9 billion, and operating income increased 18 percent to \$1.8 billion.

Marsh chairman John T. Sinnott retired in July, and I am grateful that he will continue to serve the company in an advisory capacity. Ray J. Groves and Roger E. Egan were appointed chairman and president, respectively, to lead Marsh's 38,000 colleagues worldwide.

Marsh serves clients--and creates value for MMC shareholders--through its global presence, specialized expertise, and market knowledge and access. Around the world, clients have a growing appreciation of the value of the insurance broker, as exemplified by Marsh. Its services do not simply lower the cost of premiums and effect the transfer of risk in a time of turmoil in insurance markets. They help manage and reduce risk, thereby lowering its total cost.

Our reinsurance subsidiary, Guy Carpenter, increased its revenues 23 percent in 2003. The company's clients, insurance companies, are the most sophisticated buyers of risk advice and services. Guy Carpenter's value to clients reflects both the quality of its services and the challenges in today's risk environment.

MMC Capital, our private equity business, had another good year. In December 2003 MMC Capital sponsored its third Trident investment fund to continue making investments in sectors where MMC possesses specialized knowledge. In addition, AXIS Capital Holdings Limited, a global insurance company that MMC Capital helped establish to increase underwriting capacity after September 11, completed a successful initial public offering in July 2003. AXIS is the 12th insurance company sponsored by MMC since 1986.

Mercer's revenues increased 15 percent to \$2.7 billion in 2003, and underlying revenues, which exclude the effect of foreign exchange, acquisitions, and dispositions, grew 3 percent. Operating income rose 11 percent to \$363 million. Revenues from retirement and other employee benefits grew modestly. Mercer's other consulting practices showed stronger growth. Economic consulting increased 12 percent, and management and organizational change consulting grew 3 percent. In the United States, improving economic conditions and a revival in business expenditures created a more favorable operating environment for Mercer late in the year.

In countries around the world, aging populations will have a profound impact on governments, businesses, and individuals. Over the long term, "pay as you go" public pension plans and health care systems will continue to face ever greater strains. A growing emphasis on private retirement plans and individual responsibility for all benefits will increase the need for retirement and benefits consulting and advice, benefits plan administration, and asset management. The recently completed acquisition of Synhrgy HR Technologies brings Mercer a new platform for employee benefits outsourcing in the United States.

Putnam's revenues declined 8 percent to \$2 billion, and operating income fell 11 percent to \$497 million. Putnam's total assets under management on December 31, 2003 were \$240 billion, compared with \$251 billion at the end of 2002.

In response to the crisis at Putnam, MMC promptly took a number of forceful steps, including the appointment of new leadership. Charles E. Haldeman, co-head of Investments, was named president and chief executive officer; Steven Spiegel, chief of Global Distribution, was appointed Putnam's vice chairman; and A.J.C. Smith, former chairman and chief executive officer at MMC, was named chairman at Putnam. Lawrence J. Lasser, Putnam's president and chief executive officer since 1986 and a director of MMC since 1987, left the company.

As discussed in the Putnam section of this report, there have been exhaustive reviews of employee trading. The review of trading activity of more than 12,000 former and current employees at Putnam led to the termination of 15 employees. Putnam has taken action to adopt new compliance structures and procedures, to make restitution to shareholders, and to reduce costs and improve disclosure to investors. MMC and Putnam are committed to making the firm a successful model of reform for the investment management industry.

Despite the upheaval in the industry and at Putnam, people still need to save for their retirement and other important goals in life. The combination of professional portfolio management, asset diversification, and liquidity continues to provide compelling benefits for millions of mutual fund investors. Putnam's new initiatives and its time-tested business model--a broad array of investment products, distribution through intermediaries to individual investors and directly to institutional investors, and industry-leading client service--form the basis for a strong business going forward.

Ultimately, the value of MMC is based on the talent, expertise, and skill of our professional staff. This has been our heritage for 132 years, and this is what benefits our clients and our shareholders. I am grateful for the efforts of our 60,000 employees around the world and for the counsel and advice of our directors.

The loss of friends and colleagues on September 11, 2001 affected our company profoundly. On July 16, 2003, we dedicated a permanent memorial to their memory in the plaza adjacent to our New York headquarters. The park has been transformed by the stone, glass, and bronze memorial created by Richard Fleischner in memory of our lost colleagues. I invite you to visit it.

In a world where geopolitical and economic uncertainty are key features of the business environment, MMC and its shareholders have many reasons for facing the future with confidence. We serve large, global markets, where demand for our services is increasing. We have the financial resources to take advantage of opportunities for growth. And we have the management strength and professional culture to achieve our goals.

Jeffrey W. Greenberg
CHAIRMAN AND CHIEF EXECUTIVE OFFICER

March 5, 2004

[GRAPHIC OMITTED]

Page 5 Illustration: Theorbo-lute by Tieffenbrucker, 1610.
Score: Song of the Pilgrims of Compostella, 12th century.

A conversation with Ray J. Groves, chairman and chief executive officer, and
Roger E. Egan, president, of Marsh Inc.

TELL US ABOUT MR. EGAN'S APPOINTMENT AS PRESIDENT.

During 2003 we began working in a close partnership to share responsibilities for the quality of Marsh's work for clients and for driving future growth. Roger's experience of more than 30 years with Marsh and record of accomplishment are an excellent foundation for his expanded role. Most recently, Roger was vice chairman of Marsh. He had also been president and chief executive of Marsh's North American operations.

WHAT WERE THE HIGHLIGHTS OF MARSH'S RESULTS?

Our financial performance in 2003 was excellent. Revenues rose 16 percent to \$6.9 billion, a 13 percent increase on an underlying basis. Operating income increased 18 percent to \$1.8 billion. The growth was broadly based across client segments, geographic regions, and risk specialties. We continued to extend our geographic reach, expertise, and service offerings.

HOW HAVE RISKS BEEN EVOLVING?

Changes in world economies, the increased pace of globalization, the emergence of new liabilities and the intensification of old ones, new technologies, product innovation, changing social and legal standards--all of these

[GRAPHIC OMITTED]

Page 6 Illustration: Detail of a millefleurs tapestry.

developments are transforming risks and creating complex, interrelated exposures for our commercial clients. Risk awareness is high, particularly in a business climate affected by recent governance issues, regulatory scrutiny, professional liabilities, natural disasters, and the specter of terrorism. Clients are asking critical questions about their exposures.

One consequence of a business environment concerned about complex exposures is the tendency of business leaders to become tentative about taking calculated risks on research and development, new products, or expanded production capabilities. The progress in risk management expertise over the last decade and new quantitative techniques for assessing risk have led to innovative risk products and solutions. This gives our clients confidence to assume risks that will make their businesses successful.

WHAT ARE THE KEY ADVANTAGES TO CLIENTS IN CHOOSING MARSH AS THEIR RISK SPECIALIST?

With the change in the nature and perception of risk, Marsh's thinking about risk has broadened, and our organization and capabilities reflect this. Clients benefit from access to our staff of risk consultants, whose skills are even more critical now as businesses are retaining more risk, which must be managed, and as underwriters give intense scrutiny to loss histories and risk mitigation. This puts increased emphasis on the financial modeling of risk and other risk consulting services in which both Marsh and Guy Carpenter, our reinsurance organization, excel. We are also working with our colleagues at Mercer Oliver Wyman who use their risk-adjusted return methodology to help clients decide whether to retain or transfer risk.

Marsh's experience in the global insurance and reinsurance markets gives us the ability to arrange and place the complex insurance coverages clients need. We reach across markets to tap into risk capital wherever it exists, seeking the best terms, conditions, and prices. Our brokers' knowledge of the interests of insurers for different types of risk and their relationships with senior underwriters are an advantage for clients as well as underwriters.

Marsh's global specialty practices are organized by the size of the client organization, by industry, and by risk category. Our offices--over 400 worldwide, staffed by more than 38,000 colleagues--connect to our specialized expertise, wherever it is located, to bring that knowledge and skill to clients, regardless of their size or location.

PLEASE UPDATE US ON INSURANCE MARKETPLACE CONDITIONS.

Over the last three years, clients have faced price increases in virtually all lines of commercial property and casualty insurance. Premium rate increases moderated throughout 2003. The property market stabilized, while rate increases continued in the casualty market, particularly in insurance lines that are more difficult to underwrite, including directors and officers and workers compensation. The moderation in premium rates continued through the first part of 2004.

WHAT WILL DRIVE MARSH'S GROWTH?

Marsh's ability to identify, analyze, mitigate, and transfer risk will be a critical factor in driving revenue growth, particularly as businesses develop globally and risks grow more complex. Evidence of expanding risks is visible in the demand for worldwide property and casualty insurance, which produced over \$1 trillion in premiums in 2003. The insurance broker offers the most efficient distribution system through which clients purchase commercial insurance. Brokers provide increased access to the global insurance marketplace, more and better insurance products at competitive prices, and greater knowledge and professional risk management expertise.

As insurance markets open globally and the value of the insurance broker's role becomes better understood and utilized throughout the world, Marsh's business will expand. In many countries, regulatory restrictions previously in place have been relaxed or are easing, which allows Marsh to establish operations in new markets.

2003 REVENUE
\$6.9 BILLION

[PIE CHART OMITTED]

Risk Management & Insurance Broking 76%		
United States	40%	
Europe	25%	
Asia Pacific	5%	
Latin America	3%	
Canada	3%	
Related Insurance Services	13%	
Reinsurance Broking & Services	11%	

We see increasing opportunities to serve the needs of midsize companies and small enterprises. No one insurance services firm has a large share of either market. These businesses have different requirements and buying styles. Marsh is now organized to deliver the specific services these clients need in the way they want them delivered.

PLEASE ELABORATE ON OPPORTUNITIES IN SOME OF THE MAJOR GEOGRAPHIC REGIONS OUTSIDE NORTH AMERICA.

Across Europe, privatization of formerly state-owned enterprises, the migration of U.S. liability concepts, environmental concerns, and the increased emphasis on governance issues create greater need for risk management. At the same time, the cross-border regulatory landscape is changing with the introduction of new directives, standards, and codes. Firms of all sizes and types are facing proposed employment legislation and social charters. The need for mitigating the resulting risks creates opportunities for Marsh.

Asian insurance markets are opening to foreign insurers and brokers, although some barriers restricting the ability to operate remain. Still, opportunity abounds as multinational companies establish operations throughout the region and local businesses expand. Marsh is established in all the major countries of Asia, either through wholly owned companies or equity interests in affiliates where required by local law. Particularly promising markets are Japan, China, and India.

Marsh is the market leader across Latin America, with its largest operations in Mexico, Brazil, and Colombia. Economic growth and foreign investment should continue to be a driving force of the economies in the region and of Marsh's and Guy Carpenter's businesses.

WHAT ARE SOME OF THE RECENT INNOVATIONS AT MARSH?

Some of our most innovative work during the difficult insurance market of recent years has been in helping clients manage day-to-day risk programs and issues more effectively. For example, recent corporate governance issues have contributed to the rising cost of directors and officers insurance coverage. Marsh's specialists are working with Mercer Delta's consultants to provide clients with expertise to strengthen their governance practices and help them reduce the cost of insurance. We also work with clients to improve their benchmarking of risks, enabling them to adopt higher retentions and take other actions to contain costs while maintaining sufficient insurance protection.

The insurance industry is withdrawing capacity from the underwriting of excess protection for U.S. institutional and individual securities brokerage accounts. Since such protection is vital to investor confidence, Marsh worked with 14 leading U.S. brokerage firms to form a captive insurance company that makes available brokerage account protection above the level provided by the Securities Investor Protection Corporation (SIPC).

In California, firms that self-insure their workers compensation programs faced limited availability and higher prices in surety bonds and other forms of acceptable collateral traditionally used in self-insurance programs. In response, Marsh worked with clients and the state to develop an innovative financial approach that solved the problem with a significant reduction in cost to employers.

PLEASE COMMENT ON MMC'S ROLE IN CREATING NEW RISK CAPITAL TO MEET THE NEEDS OF CLIENTS.

Thinking creatively about how to supply market capacity to alleviate severe shortages has a long and successful history at MMC. Best-known examples include the formation of ACE, XL, Mid Ocean, and, most recently, AXIS. MMC Capital, our private equity business, worked closely with Marsh and Guy Carpenter to form AXIS in late 2001, immediately following the events of September 11. AXIS successfully completed its initial public offering in 2003 and had a market value of approximately \$4.5 billion at the end of the year.

MMC Capital continues to target investments in the insurance and related industries, forming its third Trident investment fund in December 2003. For ten years, these funds have benefited from MMC's track record in insurance investing and its knowledge of and contacts in the insurance industry, which help create proprietary deal flow.

Marsh has assisted the North American trucking industry in forming and capitalizing a number of insurance companies because transportation firms faced severe capacity shortages. Marsh also helped create a similar facility for the construction industry.

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Page 9 Illustration: Painting: "Three Musicians" by Master of the Half Figures (fl.c. 1500-33)
Hermitage, St. Petersburg, Russia/Giradon/Bridgeman Art Library

WHAT IS MARSH DOING TO DEVELOP ITS GREATEST ASSETS --
ITS PEOPLE AND INTELLECTUAL CAPITAL?

Marsh is investing in its people for the long term, not just for today. We continually provide colleagues with the knowledge, tools, and technology to respond to the changing needs of clients. We believe that a disciplined approach to setting goals, and coaching and developing people is key to increasing the firm's talent. We are providing special training for new graduates as well as management and leadership development. Our focus on building a diverse, global workforce should increase productivity and our competitive advantage.

WHAT ARE THE PROSPECTS FOR MARSH?

As risks continue to change in nature and grow larger and more complex, we continue to broaden the ways we approach risk and provide solutions for our clients. Marsh's services have never been in greater demand or of greater value. Our professionals are prepared to handle the expanded needs of clients because of Marsh's geographic breadth, specialized capabilities, collaborative culture, and the outstanding abilities of colleagues. We are confident about the future and Marsh's leading position in risk and insurance services.

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Page 10 Illustration: Clavichord by J. Ch. Ditty, Paris, 1821.
Score: Beethoven

A Conversation with Charles E. Haldeman, Steven Spiegel, and A.J.C. Smith,
president and chief executive officer, vice chairman, and chairman,
respectively, of Putnam Investments

PLEASE DISCUSS PUTNAM'S BUSINESS PERFORMANCE IN 2003.

For the year, Putnam's revenues declined 8 percent to \$2 billion, and operating income declined 11 percent to \$497 million. We entered 2003 with \$251 billion in assets under management and ended the year at \$240 billion. Average assets under management in 2003 were \$258 billion, compared with \$279 billion the prior year. Net redemptions of \$61 billion related largely to the discovery of market timing that we faced late in 2003. However, the rate of redemptions slowed significantly during the first quarter of 2004.

Our financial results were affected by the extended bear market for equities that continued until the spring of 2003, after which equity market conditions improved significantly.

GIVE US AN OVERVIEW OF THE MARKET TIMING ISSUES PUTNAM FACED AT THE END OF THE YEAR.

We discovered inappropriate market timing by a few investment professionals who have now left the firm. This activity had largely occurred several years earlier in certain Putnam funds. Market timing was also

found in a small number of shareholders' 401(k) accounts. With MMC's support, we acted decisively to correct the situation. New leadership was put in place, we reached a partial agreement with the Securities and Exchange Commission in which we agreed to pay civil penalties, and we pledged full restitution to the funds for losses resulting from market timing. We reviewed the trading records of more than 12,000 former and current employees going back to 1998 and terminated employees identified as engaging in improper trading. We have taken many steps to implement new policies and compliance procedures and rebuild the trust of investors, employees, and the marketplace.

WHAT REFORMS HAS PUTNAM MADE TO PROTECT AND BETTER SERVE THE INTERESTS OF SHAREHOLDERS?

We believe we have established the most rigorous governance, oversight, trading, and compliance standards and controls in the mutual fund industry. We have also initiated changes that will reduce our shareholders' costs and make our mutual fund disclosure more transparent. We will mention just a few of the many changes we have implemented:

We believe short-term trading is not in the best interests of all Putnam investors. As a result, we broadened redemption fees in order to discourage harmful short-term trading by any investors in Putnam funds.

We increased the investment holding periods for our employees to eliminate the possibility of short-term trading. Specifically, all Putnam employees are required to hold investments in most Putnam funds for a minimum of 90 days. Our investment professionals must hold their investments in Putnam funds they oversee for at least one year.

The high standards of oversight and independence already in place for the Board of Trustees of the Putnam Funds have been strengthened by new measures, including the election of trustees by shareholder vote once every five years and the appointment of a full-time senior-level compliance executive.

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Page 11 Illustration: La Boheme Poster (c) Archivio Storico Ricordi. All rights reserved. Reproduced by permission.

We made changes to lower shareholder costs. The reductions we made to Putnam's fund expenses, which were already low by industry standards, have put 100 percent of Putnam's funds below industry-average expense ratios for their Lipper peer groups. Our funds will hold to this standard going forward. Reduced front-end sales charges--accomplished by limiting the portion of sales charges retained by Putnam to a maximum of 0.25 percent--are providing additional savings to investors. For the six Putnam international and global funds that had short-term trading issues, we capped expense ratios at September 30, 2003 levels. This prevents shareholders in these funds from paying higher expenses as a result of reduced asset levels after that date.

In addition, we have increased our fund information disclosure. We are providing investors with greater information about fund fees, fund risk, portfolio manager compensation, employee ownership of Putnam funds, and sales charge discounts.

We believe these reforms, and many other steps we have taken, demonstrate the seriousness with which we are approaching change and the standards to which we hold ourselves as a firm. We are committed to winning back the trust of investors, acknowledging that it will take time, through good performance and service, to do so.

YEAR-END 2003
ASSETS UNDER MANAGEMENT
\$240 BILLION

[PIE CHART OMITTED]

Mutual Fund Value Equity	18%
Mutual Fund Blend Equity	13%
Mutual Fund Growth Equity	19%
Mutual Fund Fixed Income	18%
Institutional Equity	21%
Institutional Fixed Income	11%

TELL US ABOUT MORALE AT PUTNAM.

We have been as committed to rebuilding the confidence of our employees as we have to restoring the trust of investors and the marketplace. Our employees are the most critical element in providing excellent investment performance and service to investors, and we have sought to reassure them in many ways. Their attitude overall has been positive and their feedback has been encouraging. They are determined to be part of righting Putnam, and we appreciate their efforts greatly.

Over the longer term, we want to establish an environment at Putnam that finds employees enjoying their professional responsibilities, developing their skills and talents, rewarded for their work. With the right framework in place--one that eliminates bureaucracy and is free of impediments to good professional work being done every single day--we believe we will achieve our goal of superior investment performance and service to investors.

PLEASE COMMENT ON PUTNAM'S INVESTMENT PERFORMANCE AND STEPS YOU ARE TAKING TO IMPROVE ITS RECORD.

We made certain cultural changes in our investment division to clarify our common investment principles and empower our investment teams to act in an entrepreneurial fashion, consistent with both our investment principles and the teams' distinct investment philosophies. The mandate is to produce above average investment performance year after year. Our investment professionals' compensation and rewards are tied directly to this goal.

We have aligned research more closely with portfolio management, working to incorporate the best research ideas into Putnam's portfolios.

The equity markets in 2003 were unusual in that they rewarded speculative, riskier investments over investments in larger companies with better earnings, stronger cash flow, and a record of paying dividends. The larger, more stable companies were the core of our equity portfolios, and we increased our positions as the year progressed. This caused Putnam's near-term performance not to be as strong as we would have liked, but we

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Page 13 Illustration: Painting: "Lady Seated at the Virginals" by Jan Vermeer, 1632-1675.

are sure that our portfolio strategy will reward investors in the future. Fixed income and value product lines enjoyed strong competitive performance results in 2003. Furthermore, Putnam's longer-term performance has been good. For the three-year period ending 2003, nearly 60 percent of Putnam assets performed above the Lipper industry median, giving us a strong foundation to build upon.

WHAT DO YOU WANT TO EMPHASIZE ABOUT PUTNAM'S INVESTMENT PHILOSOPHY?

Putnam continues to have strong investment leadership in place with a common goal of providing our clients with consistent, dependable, and superior investment performance over time. We remain a firm of extraordinary breadth and depth with over 300 investment professionals and capabilities across all major asset classes. We have experts in macroeconomic, fundamental, and quantitative analysis because we believe this provides us with a unique perspective in uncovering and capitalizing on opportunities for our investors.

Many of our long-held principles of investment management endure. We continue to manage assets in teams, believing that teams provide multiple perspectives on investment opportunities and, therefore, greater opportunities to better manage risk and pursue positive returns for our investors.

TELL US ABOUT DEVELOPMENTS IN DISTRIBUTION OF PUTNAM PRODUCTS.

We are focusing on client relationships and service in our retail, institutional, and international businesses as we work to rebuild Putnam's brand and restore investor confidence.

For retail mutual funds, we have increased marketing support centered on client relationships and the development of distribution channels. A strong and active communications program, including a new advertising campaign, as well as other investor initiatives will reinforce our message and efforts. In the institutional area, our priority is retaining clients, establishing a new institutional product platform, and increasing sales momentum in both the defined benefit and defined contribution plan areas. For our international business, both retail and institutional, we plan to expand our presence in marketplaces where we already have strong businesses, including Japan and Europe; diversify our institutional product lines as we work to regain the trust of consultants; and expand our distribution relationships.

We continue our record for customer service excellence, again earning top honors from Dalbar for service to intermediaries and annuity contract holders and honorable mention for service to our mutual fund shareholders in 2003. We were also pleased to receive a new award for sales support excellence to our intermediaries.

WHAT IS THE LONG-TERM OUTLOOK FOR PUTNAM?

We have begun a new chapter in Putnam's history. There are many positive factors supporting the long-term outlook for Putnam. We operate in a growing, global business. We have capable management and strong relationships in our distribution channels, a growing international business, talented and dedicated professionals, as well as the support of the trustees of the Putnam funds and MMC.

More than 11 million investors and 500 institutional clients invest through Putnam. Our products are used to save for retirement, education, and to transfer wealth to the next generation. We take this responsibility with the utmost seriousness and know that every action we take must serve the best interests of our investors. We will do whatever is necessary to make sure Putnam's integrity is never again compromised. We are committed to restoring our position in the marketplace.

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Page 15 Illustration: Alto saxophone; Score: Duke Ellington.

CONSULTING

A conversation with Peter Coster, president of Mercer Inc.

WHAT WERE THE HIGHLIGHTS OF 2003?

We continued to grow our revenues and sustain good profit margins in a year that was difficult for much of the consulting industry.

We completed several important acquisitions, including Oliver, Wyman & Company, which became Mercer Oliver Wyman. We also used acquisitions to strengthen our actuarial and employee benefits consulting resources in Europe, and in January 2004 we acquired Synhrgr HR Technologies, a provider of human resource-related outsourcing services in the United States.

Most important, we continued to build our reputation for thought leadership, and we delivered high-quality advice and service to clients on a broad range of issues.

TELL US MORE ABOUT THE MARKET CONDITIONS FOR CONSULTING IN 2003 AND HOW MERCER RESPONDED.

While demand was strong in a number of our service areas, the global economic climate caused many clients to defer some consulting spending. We responded by tailoring our offerings to clients' evolving needs and paying close attention to our cost base.

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Page 16 Illustration: Painting: "Uptown Sunday Night Session" by Romare Bearden, 1981.

In managing the business, we aim to respond quickly to changing demand and to strike the right balance between managing expenses and continuing to invest to strengthen our franchise. Even as we cut discretionary spending and selectively trimmed capacity, we continued to invest in intellectual capital, acquisitions, geographic expansion, and new capabilities to support growth.

PLEASE ELABORATE ON THE DEMAND FOR MERCER'S SERVICES.

Clients of Mercer Human Resource Consulting sought advice on rewards strategy, health care costs, and retirement plan financing, among other issues. Corporate boards have been pressured to set executive pay responsibly in light of widely reported excesses in a few companies. This has increased demand for our services in this area. With health care cost increases averaging 10 percent over the past five to six years, U.S. employers must evaluate the benefits they offer and consider ways to enlist employees and service providers in containing costs. In the pension area, recent volatility in equities prices and record low interest rates have employers thinking about how retirement benefits should be structured and funded, and this creates opportunities for retirement and investment consulting. Increasingly, multinationals are taking a globally coordinated view of their retirement and other employee benefits. As the world's leading global human resource consulting firm, Mercer is positioned to help them manage their plans in a way that supports their business objectives.

NERA Economic Consulting is benefiting from robust demand across a number of service areas. Litigation and regulation in areas such as securities law and competition policy drive most of NERA's revenue growth, but business advice to corporations is increasingly important. Assistance to companies on complex transfer pricing issues is one successful new offering. NERA recently added offices in Japan and Western Europe to its existing locations in Australia, Spain, the United Kingdom, and the United States.

Mercer Management Consulting benefited from recovering demand for strategy and operations advice in North America. Financial services, aviation, and retail have been particular areas of demand.

Mercer Delta Organizational Consulting, which consults on the leadership of large-scale change, grew strongly in Europe and Canada. The Mercer Delta brand is getting to be known internationally. Companies increasingly understand and value the advantages of Mercer Delta's one-on-one and small team approaches for advising CEOs.

TELL US ABOUT MERCER'S RECENT ACQUISITIONS.

Acquisitions have always played an important role in Mercer's growth strategy. We acquire companies to fill service area and geographic gaps, expand our practices, and strengthen our market position. We look for acquisition candidates that can link existing Mercer and MMC services in new and important ways. We aim to acquire outstanding businesses with outstanding people who share our vision and values.

Oliver, Wyman & Company is a case in point. We saw its analytical approach to risk management and strategy formulation in the financial services industry as a natural extension of the strategy and operations consulting provided by Mercer Management Consulting to financial companies. In forming Mercer Oliver Wyman, we combined these two businesses with another Mercer business unit that provides actuarial advice on insurance risks, thereby creating a firm qualified to advise the financial services industry on business strategy and risk management. There is a growing demand for more comprehensive and sophisticated risk management, stimulated in part by the Basel II regulatory change in banking and the similar Solvency II initiative in insurance. We see excellent opportunities for collaboration between Mercer Oliver Wyman and other business units of Mercer, and in partnership with Marsh on risk management.

2003 REVENUE
BY CONSULTING PRACTICE
\$2.7 BILLION

[PIE CHART OMITTED]

Management & Organizational Change	17%
Health Care & Group Benefits	15%
Economic	6%
Human Capital	15%
Retirement Services	47%

Mercer made several European acquisitions to strengthen its retirement and group benefits businesses. Decisions by public accounting firms to divest businesses that created conflicts of interest for their audit services provided opportunities for us to acquire actuarial consulting units in Germany and Switzerland--important markets where seasoned actuarial consulting talent tends to be especially difficult to find. We also acquired Benefit Network, a leading provider of benefits-related brokerage, consulting, and administration in the Nordic region. Taken together, these acquisitions doubled our benefits consulting resources in central Europe, Norway, and Sweden.

The Synhrgy acquisition strengthened our human resource-related outsourcing business. We are committed to helping clients across a broad spectrum of their critical people-related business needs, from strategy-setting to implementation. As part of this commitment, benefits administration outsourcing has long been important to Mercer, mainly in the form of retirement plan administration. The Synhrgy acquisition allows us to expand our outsourcing offerings to other areas including health care, compensation/performance management, and human resource strategy. We see this as an important area of opportunity and growth.

WHAT OTHER INVESTMENTS IS MERCER MAKING IN SOURCES OF FUTURE GROWTH?

Together, great people and leading-edge thinking are the lifeblood of consulting, and every year Mercer invests considerable resources to develop fresh insights on our clients' vital business issues. Sometimes this investment results in a book, as was the case twice in 2003.

One of these books, *PLAY TO YOUR STRENGTHS*, presents the ground-breaking human capital management techniques of the HR Strategy and Metrics practice of Mercer Human Resource Consulting. The entirely new, yet proven, approaches discussed in this book allow an enterprise to measure and manage the impact of its workforce practices on its business results and then to deploy the right mix of workforce practices to support its mission and strategy. Since the best mix of workforce practices for any given enterprise tends to be unlike any other company's, this type of analysis gives businesses an important tool for creating competitive advantage through their people.

Also in 2003, Mercer Management Consulting published HOW TO GROW WHEN MARKETS DON'T, its latest book in a series that began with GROW TO BE GREAT and THE PROFIT ZONE. The current book identifies strategies for building new sources of customer value by surrounding existing products with services derived from the "hidden assets" a company already possesses. These ideas are just some of the ways Mercer Management Consulting is helping its clients uncover sources of sustained value growth.

Mercer is leading a consortium of large U.S. employers to implement a program of health care purchasing for participating employers that we believe will yield significant reductions in cost inflation as well as improvements in quality of care and patient safety. Supported by consistent health care performance measures, this approach holds great promise for employers and health care consumers frustrated by spiraling costs and uncertain quality.

In the wake of increasing interest in how employee stock options and other compensation arrangements are accounted for, NERA has developed a new approach for valuing employee stock options that avoids several problems associated with generally accepted methods, including Black-Scholes. As a member of the Financial Accounting Standards Board's (FASB) Options Valuation Group, NERA is playing a critical role in determining how equity-based compensation will be valued by companies in the future. We expect consulting opportunities to arise from this work once the FASB releases its guidance on acceptable approaches.

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Page 19 Illustration: Painting: "L'homme a la Guitare" by Pablo Picasso, 1918.
Hamburg Kunsthalle, Hamburg, Germany/Bridgeman Art Library
(c)2004 Estate of Pablo Picasso/Artists Rights Society (ARS), New York

We also invested in new consulting approaches that combine the experience and intellectual capital of two or more Mercer business units. One example is a sales force effectiveness offering that we are calling "Selling for Profit." Selling for Profit combines, at the client's option, the business design, customer science, and sales strategy capabilities of Mercer Management Consulting with the sales force performance measurement and rewards capabilities of Mercer Human Resource Consulting. Selling for Profit helps clients address the full range of issues connected with sales, from diagnosing the problems to winning the sales force over to the new strategy. Clients who have used this approach are seeing impressive results.

WHAT IS THE OUTLOOK FOR MERCER?

The practice areas that did well in 2003 continue to see good opportunities, and economic indicators suggest a broad recovery has begun. Many clients, however, are taking a wait-and-see position and continue to hold the line on consulting spending. We will be managing our capacity and discretionary spending conservatively until we are confident that demand is on an upward trajectory.

Looking beyond the immediate future, Mercer is well positioned in an industry that has excellent growth prospects based on long-term economic, business, and demographic trends.

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Page 20 Illustration: Score: Beethoven.

MMC WORLDWIDE

RISK AND INSURANCE SERVICES: MARSH INC. is the world leader in delivering risk and insurance services and solutions to clients. Global risk management, risk consulting, insurance broking, financial solutions, and insurance program management services are provided for businesses, public entities, associations, professional services organizations, and private clients under the MARSH name. Reinsurance broking, financial modeling services, and related advisory functions are conducted worldwide for insurance and reinsurance companies, principally under the GUY CARPENTER name. Underwriting management and wholesale broking services are performed for a wide range of clients.

MMC CAPITAL is a global private equity firm with over \$2 billion of committed capital under management. MMC Capital invests in industries where MMC possesses specialized knowledge and proprietary deal flow.

INVESTMENT MANAGEMENT: PUTNAM INVESTMENTS, one of the oldest and largest money management organizations in the United States, offers a full range of both equity and fixed income products, invested domestically and globally, for individual and institutional investors. Putnam, which manages over 100 mutual funds, has about 500 institutional clients and more than 11 million individual shareholder accounts. It had \$240 billion in assets under management at year-end 2003.

CONSULTING: MERCER INC., one of the world's largest consulting firms, provides services on issues that face the managements of enterprises in major global markets. The company operates as a family of specialist firms, each a leader in its field.

MERCER HUMAN RESOURCE CONSULTING helps employers understand, develop, implement, and measure the effectiveness of their retirement, benefits, rewards, and other human resource programs with the goal of creating measurable business results through their people. MERCER INVESTMENT CONSULTING provides advice and solutions to institutional investors. MERCER MANAGEMENT CONSULTING helps leading enterprises develop, build, and operate strong businesses that deliver sustained shareholder value growth. MERCER OLIVER WYMAN is a leader in financial services strategy and risk management consulting. MERCER DELTA ORGANIZATIONAL CONSULTING works with CEOs, executive teams, and boards of directors on issues of leadership, organization, and change. NERA ECONOMIC CONSULTING advises corporations, law firms, courts and other government entities on the economics of competition, regulation, and finance. LIPPINCOTT MERCER helps clients create, develop, and manage their corporate identity and brands.

The Mercer companies provide services on an individual basis to clients and, where it adds value, in combination with each other and with other MMC organizations.

Marsh & McLennan Companies, Inc. and Subsidiaries
MANAGEMENT'S DISCUSSION AND ANALYSIS
OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GENERAL

Marsh & McLennan Companies, Inc. and Subsidiaries ("MMC") is a professional services firm. MMC subsidiaries include Marsh Inc. ("Marsh"), the world's leading risk and insurance services firm; Putnam Investments ("Putnam"), one of the largest investment management companies in the United States; and Mercer Inc. ("Mercer"), a major global provider of consulting services. Over 60,000 employees worldwide provide analysis, advice and transactional capabilities to clients in over 100 countries.

MMC operates in three principal business segments based on the services provided. Segment performance is evaluated based on segment operating income, which is after deductions for directly related expenses and minority interest but before corporate expenses, charges related to September 11, 2001, and charges or credits related to integration and restructuring reserves. A reconciliation of segment operating income to total operating income is included in Note 16 to the Consolidated Financial Statements. The accounting policies of the segments are identical to those used for the consolidated financial statements. A complete description of each of MMC's business segments is included in Part 1, Item 1 in MMC's 2003 Annual Report on Form 10-K ("2003 10-K"). As discussed in Note 15 to the Consolidated Financial Statements, the results of operations for the year ended December 31, 2003 include adjustments for restitution and costs identified subsequent to the release of MMC's annual earnings, which decreased diluted earnings per share by \$0.01 from the amount reported in Form 8-K.

The consolidated results of operations follow:

(IN MILLIONS, EXCEPT PER SHARE FIGURES)	2003	2002	2001
REVENUE:			
Service Revenue	\$11,488	\$10,373	\$ 10,011
Investment Income (Loss)	100	67	(142)
Operating Revenue	11,588	10,440	9,869
EXPENSE:			
Compensation and Benefits	5,926	5,199	4,877
Other Operating Expenses	3,166	2,967	3,229
Operating Expenses	9,092	8,166	8,106
OPERATING INCOME	\$ 2,496	\$ 2,274	\$ 1,763
NET INCOME	\$ 1,540	\$ 1,365	\$ 974
NET INCOME PER SHARE:			
BASIC	\$ 2.89	\$ 2.52	\$ 1.77
DILUTED	\$ 2.81	\$ 2.45	\$ 1.70
AVERAGE NUMBER OF SHARES OUTSTANDING:			
BASIC	533	541	550
DILUTED	548	557	572

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") 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. See "Information Concerning Forward-looking Statements" in MMC's 2003 10-K.

Revenue, derived mainly from commissions and fees, increased 11% from 2002. Revenue increases in the risk and insurance services and consulting segments were partially offset by a revenue decline in the investment management segment. Investment impairment charges recorded in 2002, primarily in the investment management segment, result in a favorable variance for investment income in the current year compared to 2002. Revenue increased 6% on an underlying basis, which measures the change in revenue, before the impact of acquisitions and dispositions, using consistent currency exchange rates.

The impact of foreign currency translation, acquisitions and dispositions on MMC's operating revenues by segment in the year ended December 31, 2003, compared to the year ended December 31, 2002, is as follows:

(IN MILLIONS, EXCEPT PERCENTAGE FIGURES)	Twelve Months Ended December 31,		% Change		Currency/ Acquisitions Impact
	2003	2002	GAAP Revenue	Underlying Basis(b)	
RISK AND INSURANCE SERVICES					
Risk Management and Insurance Broking	\$ 5,179	\$ 4,411	17%	13%	4%
Reinsurance Broking and Services	775	632	23%	21%	2%
Related Insurance Services(a)	914	867	5%	5%	--
Total Risk and Insurance Services	6,868	5,910	16%	13%	3%

INVESTMENT MANAGEMENT	2,001	2,166	(8)%	(8)%	--
CONSULTING					
Retirement Services	1,208	1,115	8%	1%	7%
Management and Organizational Change	449	280	60%	3%	57%
Health Care and Group Benefits	388	358	9%	4%	5%
Human Capital	379	340	11%	2%	9%
Economic	150	130	14%	12%	2%
	2,574	2,223	16%	3%	13%
Reimbursed Expenses	145	141	3%	3%	--
	2,719	2,364	15%	3%	12%
Total Consulting	2,719	2,364	15%	3%	12%
Total Operating Revenue	\$11,588	\$10,440	11%	6%	5%

(a) Includes U.S. affinity, claims management, underwriting management, and MMC Capital businesses.

(b) Underlying basis measures the change in revenue before the impact of acquisitions and dispositions, using consistent currency exchange rates.

The 6% growth in underlying revenue over 2002 was primarily driven by higher renewal revenue and market service revenue and the impact of higher premiums in the risk and insurance services segment combined with growth in each of the practices of the consulting segment. Offsetting this growth was an 8% decrease in the investment management segment due to a decline in the amount of assets under management on which fees are earned and a decline in underwriting and distribution fees.

Operating expenses increased 11% over 2002, 5% on an underlying basis. The increase in underlying expenses was driven by higher compensation and benefit costs in risk and insurance services as well as higher facility and insurance costs, partially offset by a decrease in amortization expense for prepaid dealer commissions.

The impact of foreign currency translation, acquisitions and dispositions on MMC's operating revenues by segment in the year ended December 31, 2002, compared to the year ended December 31, 2001, is as follows:

(IN MILLIONS, EXCEPT PERCENTAGE FIGURES)	Twelve Months Ended December 31,		% Change		Currency/ Acquisitions Impact
			GAAP	Underlying	
	2002	2001	Revenue	Basis(b)	
RISK AND INSURANCE SERVICES					
Risk Management and Insurance Broking	\$ 4,411	\$3,829	15%	15%	--
Reinsurance Broking and Services	632	523	21%	20%	1%
Related Insurance Services(a)	867	800	8%	8%	--
Total Risk and Insurance Services	5,910	5,152	15%	15%	--
INVESTMENT MANAGEMENT	2,166	2,409	(10)%	(10)%	--
CONSULTING					
Retirement Services	1,115	1,022	9%	7%	2%
Management and Organizational Change	280	322	(13)%	(17)%	4%
Health Care and Group Benefits	358	343	4%	4%	--
Human Capital	340	361	(6)%	(9)%	3%
Economic	130	112	16%	15%	1%
Reimbursed Expenses	2,223	2,160	3%	1%	2%
	141	148	(5)%	(5)%	--
Total Consulting	2,364	2,308	2%	--	2%
Total Operating Revenue	\$10,440	\$9,869	6%	5%	1%

(a) Includes U.S. affinity, claims management, underwriting management, and MMC Capital businesses.

(b) Underlying basis measures the change in revenue before the impact of acquisitions and dispositions, using consistent currency exchange rates.

In 2002, operating revenue rose 6% resulting from a higher volume of business in the risk and insurance services segment, partially offset by a decline in revenue in the investment management segment due to lower assets under management on which fees are earned. In addition, an investment impairment charge recorded in 2001 related to Gruppo Bipop-Carire S.p.A. ("Bipop") resulted in a favorable variance for investment income in 2002 compared to 2001. Underlying revenue, which measures the change in revenue before the impact of acquisitions and dispositions, using consistent currency exchange rates, increased 5%. The risk and insurance services segment experienced underlying revenue growth of 15% primarily due to net new business and the effect of higher commercial insurance premiums, partially offset by lower fiduciary interest income. Underlying consulting revenue was flat as a higher volume of business in retirement services was offset by a decline in management consulting. Underlying revenue declined 10% in the investment management segment primarily due to a reduction in average assets under management, which declined 15% from 2001.

Operating expenses increased 1% in 2002 compared to 2001, which included charges related to September 11 and amortization of goodwill. Underlying expense growth was flat between 2002 and 2001. Increased compensation and benefits costs in the risk and insurance services segment were offset by reduced incentive compensation and lower volume related expenses in the investment management segment.

In 2001, MMC recorded pretax charges of \$187 million, net of insurance recoveries, related to the events of September 11 and the subsequent impact on business conditions.

RISK AND INSURANCE SERVICES

The operations within this segment consist of risk and insurance services as broker, agent or consultant for insureds, insurance underwriters, and other brokers on a worldwide basis. These services are provided by Marsh, which delivers risk and insurance services and solutions to clients through its various subsidiaries and affiliates. Risk management, insurance broking, financial solutions, and insurance program management services are provided for businesses, public entities, associations, professional services organizations, and private clients under the Marsh name. Reinsurance broking, catastrophe and financial modeling services, and related advisory functions are conducted for insurance and reinsurance companies, principally under the

Guy Carpenter name. Underwriting management and wholesale broking services are performed for a wide range of clients under various names. Claims and associated productivity services are provided by Sedgwick Claims Management Services. In addition, MMC Capital provides services principally in connection with originating, structuring and managing insurance, financial services, and other industry-focused investments.

Revenue attributable to the risk and insurance services segment consists primarily of fees paid by clients; commissions and fees paid by insurance and reinsurance companies; compensation for billing and related services, in the form of interest income on funds held in a fiduciary capacity for others, such as premiums and claims proceeds; and market service revenue from insurers. Revenue also includes compensation for services provided in connection with the organization, structuring and management of insurance, financial services, and other industry-focused investments, including fees and dividends, as well as appreciation or depreciation that has been recognized on holdings in such entities.

Revenue generated by the risk and insurance services segment is fundamentally derived from the value of the services provided to clients and insurance markets. These revenues are affected by premium rate levels in the property and casualty and employee benefits insurance markets and

available insurance capacity, since compensation is frequently related to the premiums paid by insureds. In many cases, compensation may be negotiated in advance based upon the estimated value of the services to be performed. Revenue is also affected by fluctuations in the amount of risk retained by insurance and reinsurance clients and by insured values, the development of new products, markets and services, new and lost business, merging of clients and the volume of business from new and existing clients, as well as by the level of interest realized on the investment of fiduciary funds and foreign exchange rate fluctuations. Revenue and fees also may be received from originating, structuring and managing insurance, financial services and other industry-focused investments, as well as income derived from investments made by MMC. Market services revenue is derived from agreements that Marsh has with most of its principal insurance markets. Under these agreements, Marsh is paid for services provided to the markets including: access to a global distribution network that fosters revenue generation and operating efficiencies; intellectual capital in the form of new products, solutions, and general information on emerging developments in the insurance marketplace; the development and provision of technology systems and services that create efficiencies in doing business; and a wide range of administrative services. Payments under market service agreements are based upon such factors as the overall volume, growth, and in limited cases profitability, of the total business placed by Marsh with a given insurer.

The results of operations for the risk and insurance services segment are presented below:

=====			
(IN MILLIONS OF DOLLARS)	2003	2002	2001

REVENUE	\$6,868	\$5,910	\$5,152
EXPENSE	5,117	4,420	4,013

OPERATING INCOME	\$1,751	\$1,490	\$1,139
=====			
OPERATING INCOME MARGIN	25.5%	25.2%	22.1%
=====			

REVENUE

Revenue for the risk and insurance services segment grew 16% in 2003 over 2002, 13% on an underlying basis, reflecting an increase in renewal business, higher market services revenues, and the effect of higher premiums. Fiduciary interest income in 2003 declined 3% compared to 2002. Demand for Marsh's services remains strong as clients face risks that have grown in number, complexity and severity. Although premium rates increased during 2003 in most casualty lines, the rate of premium increases moderated during the year and some property coverage rates showed declines. In 2003, the underlying revenue in risk management and insurance broking, which is approximately 75% of this segment's revenues, grew 13%. Within risk management and insurance broking, underlying revenue grew 15% in the United States, 10% in Europe, and 15% in other geographies. Reinsurance broking and services grew 21% on an underlying basis as the result of increased new business and renewals. Related insurance services grew 5% as increases in the underwriting management and claims management businesses were partially offset by a decrease in affinity business and lower investment income at MMC Capital.

Revenue for the risk and insurance services segment grew 15% over 2001. Underlying revenue grew 15% primarily reflecting net new business and higher premiums, offset by lower fiduciary interest income. In 2002, underlying revenue grew 15% in risk management and insurance broking, which represents approximately three quarters of risk and insurance services segment revenue, 20% in reinsurance broking and services, and 8% in related insurance services. Within risk management and insurance broking, underlying revenue increased 17% in the United States, 15% in Europe, and 19% in other geographies resulting from net new business and the effect of higher premium rates, partially offset by lower fiduciary interest income. The underlying revenue growth in related insurance services resulted from increases in underwriting management and claims management and increased investment income at MMC Capital, partially offset by a decline in affinity business.

EXPENSE

In 2003, risk and insurance services expenses increased 16% over 2002, 11% on an underlying basis. Expense growth results primarily from higher compensation and benefit costs reflecting increased headcount and higher incentive compensation expenses, along with an increase in costs for facilities and insurance.

In 2002, risk and insurance services expenses increased 10% over prior year. Underlying expenses increased 9% from 2001 primarily reflecting increased incentive compensation, higher benefit costs and increased costs due to a higher volume of business, partially offset by the elimination of goodwill amortization expense resulting from implementation of a new accounting standard.

In 2001, compensation and benefit costs of \$15 million related to employees who were unable to report to work or were involved directly in the recovery efforts from the September 11, 2001 attacks, were reported as charges related to September 11 and are not included in the segment's operating expenses.

INVESTMENT MANAGEMENT

The operations within the investment management segment consist of services primarily under the Putnam name. The services, which are performed principally in the United States, include securities investment advisory and management services consisting of investment research and management, and accounting and related services for a group of publicly held investment companies (the "Putnam Funds"). A number of the open-end funds serve as funding vehicles for variable insurance contracts. Investment management

services are also provided on a separately managed or commingled basis to individuals, corporate profit-sharing and pension funds, state and other governmental and public employee retirement funds, university endowment funds, charitable foundations, collective investment vehicles (both U.S. and non-U.S.), and other domestic and foreign institutional accounts. Putnam serves as transfer agent, dividend disbursing agent, registrar and custodian for the Putnam Funds and provides custody services to several external clients. In addition, Putnam provides administrative and trustee (or custodial) services including participant accounting, plan administration, and transfer agent services for employee benefit plans (in particular defined contribution 401(k) plans), IRAs and other clients for which it receives compensation pursuant to service and trust or custodian contracts with plan sponsors and the Putnam Funds. Putnam also acts as principal underwriter of the shares of the open-end Putnam Funds, selling primarily through independent broker/dealers, financial planners and financial institutions, including banks, and directly to certain large 401(k) plans and other institutional accounts. Shares of open-end funds are generally sold at their respective net asset value per share plus a sales charge, which varies depending on the individual fund and the amount and class of shares purchased. Essentially all Putnam Funds are available with a contingent deferred sales charge in lieu of a front-end load. The related prepaid dealer commissions initially paid by Putnam to broker/dealers for distributing such funds can be recovered through charges and fees received over a number of years.

Putnam's revenue is derived primarily from investment management and 12b-1 fees received from the Putnam Funds and investment management fees for institutional accounts. The investment management services provided by Putnam are performed pursuant to advisory contracts. The amount of the fees varies depending on the individual mutual fund or account and is usually based upon a sliding scale in relation to the level of assets under management and, in certain instances, is also based on investment performance. The management of Putnam and the trustees of the Putnam Funds regularly review the fund fee structure in light of fund performance, the level and range of services provided, industry conditions, and other relevant factors. Contracts with the Putnam Funds continue in effect only so long as approved, at least annually, by their shareholders or by the Putnam Funds' trustees. A reduction in management fees payable under these contracts and/or the termination of one or more of these contracts, or other advisory contracts, could have a material adverse

effect on Putnam's results of operations. Putnam also receives compensation for providing certain shareholder and custody services.

Putnam has a minority interest in Thomas H. Lee Partners ("THL"), a private equity investment firm. In addition, Putnam and THL formed a joint venture entity, TH Lee, Putnam Capital ("THLPC") of which Putnam owns 25%. THL and THLPC offer private equity and alternative investment funds for institutional and high net worth investors.

The results of operations for the investment management segment are presented below:

(IN MILLIONS OF DOLLARS)	2003	2002	2001
REVENUE	\$2,001	\$2,166	\$2,409
EXPENSE	1,504	1,606	1,825
OPERATING INCOME	\$ 497	\$ 560	\$ 584
OPERATING INCOME MARGIN	24.8%	25.9%	24.2%

REVENUE

Putnam's revenue decreased 8% in 2003, which reflects the effect of decreased assets under management and a decline in underwriting and distribution fees partially offset by higher investment income driven by investment gains from trading securities in 2003 and a favorable comparison to 2002, which included a charge for the decline in value of an available for sale security. Assets under management averaged \$258 billion in the year ended December 31, 2003, an 8% decrease from the \$279 billion managed during the year ended December 31, 2002. Assets under management aggregated \$240 billion at December 31, 2003 compared with \$251 billion at December 31, 2002. The change from December 31, 2002 results primarily from net redemptions of \$60.7 billion partially offset by an increase in equity market levels. The majority of the net redemptions occurred in the fourth quarter in reaction to the administrative proceedings by the Securities and Exchange Commission ("SEC") and other regulatory bodies. Putnam's future revenue and results of operations may be adversely affected by continued net redemptions and by the impact on revenue of limits on fund expense ratios and on front end sales charges announced by Putnam in late January 2004. Assets under management at February 29, 2004 were \$233 billion.

In 2002, Putnam's revenue decreased 10% compared with prior year. The revenue decrease resulted primarily from a decrease in assets under management, partially offset by a contractual payment from Putnam's Italian joint venture partner and a reduction of investment impairment charges. Assets under management averaged \$279 billion in 2002, a 15% decrease compared with \$328 billion managed in 2001. Assets under management aggregated \$251 billion at December 31, 2002 compared with \$315 billion at December 31, 2001. The decline in assets under management during 2002 resulted from market declines as well as net redemptions of \$10.3 billion, which includes reinvested dividends.

EXPENSE

In 2003, Putnam's expenses declined 6% compared to 2002 primarily due to lower amortization expense for prepaid dealer commissions and lower impairment charges related to intangible assets. These reductions are partially offset by net costs of approximately \$24 million related to the investigation of market timing in certain Putnam funds, including compliance, legal, and communication expenses as well as estimated potential restitution to the Putnam funds. Putnam's partial settlement with the SEC includes civil penalties not yet determined, and therefore, no provision has been made. Putnam's future expenses may be impacted by the reduction in use of fund brokerage commissions to pay for third party investment research and services, and the elimination of direct fund brokerage commissions to brokerage firms for the sale of Putnam funds.

Putnam's expenses declined 12% in 2002 primarily due to lower incentive compensation, partially offset by the write-down of certain assets from Putnam's acquisition of a minority interest in Thomas H. Lee Partners, L.P. ("TH Lee"), a private equity business. TH Lee is the general partner of Thomas H. Lee Private Equity Fund IV, L.P. ("Fund IV"). In 2002, Putnam determined that the acquired performance fee assets related to Fund IV may not be fully recoverable based on expected cash flows from Fund IV. The net impact of the write-down on Putnam's expenses was \$32 million.

In 2001, compensation and benefit costs of \$6 million related to recovery efforts were recorded as part of the charges related to September 11 and are not included in the segment's operating expenses.

Year-end and average assets under management are presented below:

(IN BILLIONS OF DOLLARS)	2003	2002	2001
MUTUAL FUNDS:			
Growth Equity	\$ 46	\$ 45	\$ 77
Blend Equity	32	33	45
Value Equity	43	40	54
Fixed Income	42	46	43
	163	164	219
INSTITUTIONAL:			
Equity	51	66	79
Fixed Income	26	21	17

	77	87	96
YEAR-END ASSETS	\$240	\$251	\$315
YEAR-END ASSETS FROM NON-U.S. INVESTORS	\$ 39	\$ 33	\$ 30
AVERAGE ASSETS	\$258	\$279	\$328

The categories of mutual fund assets reflect style designations aligned with each fund's prospectus.

The assets under management and revenue levels are particularly affected by fluctuations in domestic and international stock and bond market prices, the composition of assets under management, and by the level of investments and withdrawals for current and new fund shareholders and clients. U.S. equity markets rose in 2003 after three consecutive years of declines. Assets under management have also been, and may in the future continue to be, adversely affected by increased redemptions in response to the administrative proceedings by the SEC and other regulatory bodies. Items affecting revenue also include, but are not limited to, actual and relative investment performance, service to clients, the development and marketing of new investment products, the relative attractiveness of the investment style under prevailing market conditions, changes in the investment patterns of clients, and the ability to maintain investment management and administrative fees at historical levels. Revenue levels are sensitive to all of the factors above, but in particular, to significant changes in bond and stock market valuations and net flows into or out of Putnam's funds.

Putnam provides individual and institutional investors with a broad range of both equity and fixed income investment products and services, invested domestically and globally, designed to meet varying investment objectives and which afford its clients the opportunity to allocate their investment resources among various investment products as changing worldwide economic and market conditions warrant.

At the end of 2003, assets held in equity securities represented 72% of assets under management, compared with 73% in 2002 and 81% in 2001, while investments in fixed income products represented 28%, compared with 27% in 2002 and 19% in 2001.

CONSULTING

Through Mercer, the operations within this segment provide consulting and related services from locations around the world, primarily to business organizations, in the areas of:

Retirement Services including retirement consulting, administration, and investment consulting;
Health Care & Group Benefits consulting;
Human Capital consulting including performance, measurement and rewards, communication and HR Technology & Operations consulting;
Management and Organizational Change consulting comprising strategy, operations, organizational change, leadership and organizational design;
and
Economic consulting.

The major component of Mercer revenue is fees paid by clients for advice and services. In addition, commission revenue is received from insurance companies for the placement of individual and group insurance contracts, primarily life, health and accident coverages. The investment consulting practice receives compensation based on fees for service and sometimes is compensated based on assets under management. A relatively small amount of revenue is derived from brokerage commissions in connection with a registered securities broker/dealer.

Revenue in the consulting business is affected by, among other things, economic conditions around the world, including changes in clients' industries and markets. Furthermore, revenue is subject to the introduction of new products and services, broad trends in employee demographics, the effect of government policies and regulations, market valuations, and interest and foreign exchange rate fluctuations.

The results of operations for the consulting segment are presented below:

=====			
(IN MILLIONS OF DOLLARS)	2003	2002	2001

REVENUE	\$2,719	\$2,364	\$2,308
EXPENSE	2,356	2,038	1,995

OPERATING INCOME	\$ 363	\$ 326	\$ 313
=====			
OPERATING INCOME MARGIN	13.4%	13.8%	13.6%
=====			

REVENUE

Consulting revenue increased 15% over 2002 primarily due to the impact of foreign exchange and acquisitions. Acquisitions included Oliver, Wyman & Company ("OWC"), which was successfully integrated with Mercer Management consulting, as well as several smaller acquisitions in Mercer's retirement and benefits consulting businesses. On an underlying basis, Mercer's revenue increased 3%, with all practices reporting underlying revenue growth. Economic Consulting underlying revenue increased by 12%. In Mercer's largest practice, Retirement Services, underlying revenue increased modestly, while other practices had growth between 2% and 4% in a difficult operating environment.

Consulting services revenue increased 2% in 2002 compared to 2001. Underlying consulting revenue was essentially flat between 2001 and 2002. Underlying revenue from retirement services, Mercer's largest practice, grew by 7% over 2001 primarily due to an increased provision of advice on retirement issues and greater interest by clients in managing retirement programs on a global basis. Underlying revenue also grew 4% in Health Care and Group Benefits consulting, and 15% in Economic consulting. These increases were offset by decreases of 17% in Management consulting and 9% in Human Capital consulting.

EXPENSE

Consulting services expenses increased 16% in 2003 compared to 2002 primarily due to the impact of foreign exchange, costs related to increased headcount resulting from acquisitions, and increased amortization expense for acquired intangible assets. As described in Note 4 to the Consolidated Financial Statements, a portion of the OWC purchase consideration is contingent upon future employment. This amount has been accounted for as prepaid compensation and is being recognized as compensation expense over four years. Consulting services expenses increased 3% on an underlying basis, primarily reflecting higher facilities and insurance costs.

Consulting services expenses increased 2% in 2002 primarily due to increased compensation costs.

In 2001, compensation and benefit costs of \$3 million related to the recovery efforts were recorded as part of the charges related to September 11 and are not included in the segment's operating expenses.

CORPORATE EXPENSES

Corporate expenses increased to \$140 million in 2003 from \$123 million in 2002 due to increased compensation costs, an increase in headcount, and increased costs for facilities and insurance. Corporate expenses increased in 2002 to \$123 million from \$116 million in 2001. The increase in 2002 was due to increased compensation costs and an increase in headcount.

INTEGRATION AND RESTRUCTURING CHARGES AND CREDITS AND CHARGES RELATED TO SEPTEMBER 11

Note 12 to the Consolidated Financial Statements discusses integration and restructuring costs related to MMC's acquisition of Sedgwick in 1998 as well as a restructuring in 2001. During 2003, MMC recorded the following charges and credits related to changes in the estimated costs of integration and

restructuring plans: A credit of \$2 million for a reduction in the estimated cost of the 1999 MMC plan related to the Sedgwick acquisition; a charge of \$1 million for increased costs for vacated leased properties related to the 2001 plan; and a charge of \$1 million related to vacated leased properties acquired as part of the Johnson & Higgins ("J&H") acquisition. The impact of the net charges and credits to integration and restructuring reserves had no impact on MMC's earnings per share in 2003. MMC also recorded a credit of \$5 million for the reversal of an accrual for stock units related to the Sedgwick acquisition which is included in the results of risk and insurance services.

In 2001, as a result of the events of September 11 and the subsequent business environment, MMC recorded pretax charges totaling \$187 million. MMC also recorded a credit of \$13 million attributable to changes in estimates in connection with integration and restructuring plans provided for in prior years. Changes in estimated costs resulted in a reversal of reserves of \$5 million for employee termination costs and \$2 million related to office consolidations associated with the Sedgwick transaction and a \$6 million reversal of reserves related to office consolidation costs associated with the J&H combination.

The combined impact of the charges related to September 11 and the credit related to the integration and restructuring plans, which reduced diluted net income per share by \$.19 for the year ended December 31, 2001, is not included in segment operating results.

INTEREST

Interest income earned on corporate funds was \$24 million in 2003 compared to \$19 million in 2002. Interest expense increased from \$160 million in 2002 to \$185 million in 2003. The increase in interest income was due to a higher level of invested balances during 2003, partially offset by a decline in the average interest rate earned. The increase in interest expense is primarily due to an increase in the average interest rates on outstanding debt. The increase in the average interest rate results from the conversion of a significant portion of the company's debt from floating to fixed rates, as discussed in more detail under the Financing Cash Flows section of this MD&A.

Interest income earned on corporate funds was \$19 million in 2002 compared with \$23 million in 2001. Interest expense decreased to \$160 million in 2002 from \$196 million in 2001. The decrease in interest income was primarily due to lower average interest rates in 2002 compared with 2001. The decrease in interest expense was primarily due to lower average interest rates, partially offset by an increase in the average debt outstanding.

INCOME TAXES

MMC's consolidated effective tax rate was 33% in 2003, a decrease from the rate of 35% in 2002. The decrease in the rate was due to the change in the geographic mix of MMC's businesses and tax planning with respect to international operations. In 2001, the effective tax rate was 37.7%. The decrease in the effective rate in 2002 compared to 2001 results from a combination of the change in accounting for goodwill and the geographic mix of MMC's businesses.

LIQUIDITY AND CAPITAL RESOURCES

MMC anticipates that funds generated from operations will be sufficient to meet its foreseeable working capital needs as well as to fund dividends and capital expenditures. MMC's ability to generate cash flow from operations is subject to the business risks inherent in each operating segment. These risks are discussed in the operating segment sections of this MD&A and the business section of Part I of Form 10-K. MMC continually monitors its expected and actual cash flows to determine the most advantageous use of its near term cash flows among alternatives including dividends, investments, acquisitions, funding alternatives for its pension plans, and share repurchases.

OPERATING CASH FLOWS

MMC generated \$1.9 billion of cash from operations in 2003 compared with \$1.3 billion in 2002. MMC's operating cash flows are impacted by the timing of payments or receipts of such items as accounts receivable, incentive compensation, other operating expenses, and income taxes. Cash flow from operations includes the impact of contributions to retirement plans of \$387 million and \$460 million in 2003 and 2002, respectively, which include discretionary contributions beyond MMC's legal requirements of approximately \$300 million and \$350 million in the respective years. Factors that may impact future pension expense or contributions are discussed below. In 2003, MMC's tax payments decreased compared to 2002. MMC's estimated tax payments related to the third quarter of 2001 were paid in the first quarter of 2002 due to the events of September 11, 2001 and the government's subsequent directives. In addition, tax payments in 2003 reflect a refund of overpayments of the prior year's taxes. The increase in Other liabilities reflects the deferred purchase consideration related to the OWC acquisition as well as reserves for claim payments related to errors and omissions claims. The increase in Other assets primarily reflects expected insurance recoveries on errors and omissions claims. MMC's cash flow from operations also includes the impact of net rental payments under operating leases of \$469 million and \$397 million in 2003 and 2002, respectively. MMC's commitment for future payments under operating leases is disclosed in Note 9 to the Consolidated Financial Statements.

As a result of the events of September 11, 2001 and the subsequent business environment, MMC recorded pretax charges in 2001 totaling \$187 million. The net charges included asset impairments of approximately \$32 million and restructuring costs of \$61 million. The impact of the events of September 11 on MMC's cash flow after the effect of insurance recoveries and tax benefits was not significant.

During 2003, MMC contributed approximately \$21 million to the U.S. pension plans and \$366 million to the significant non-U.S. pension plans, compared with \$144 million for U.S. plans and \$316 million for significant non-U.S. plans in 2002. These contributions resulted in an increase in prepaid pension expense for certain plans. The minimum pension liability related to any plan is recorded in Other liabilities in the Consolidated Balance Sheets.

During 2003, the net funded status of the U.S. and significant non-U.S. pension plans increased by \$120 million and \$10 million, respectively, due primarily to positive returns on plan assets. Benefit obligations of the U.S. and significant non-U.S. pension plans exceeded the fair value of plan assets by \$144 million and \$732 million, respectively, at December 31, 2003. The funded status at December 31, 2003 includes the effects of contributions made during the year. There currently is no ERISA funding requirement for the U.S. plan in 2003 or in 2004. Funding requirements for non-U.S. plans vary country by country. Contribution rates are determined by the local foreign actuaries based on local funding practices and requirements. Funding amounts may be influenced by future asset performance, 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 required under regulatory requirements, may be affected by alternative uses of MMC's cash flows, including dividends, investments, and share repurchases.

FINANCING CASH FLOWS

Net cash used for financing activities amounted to \$1.3 billion in 2003, compared with \$1.0 billion in 2002. The primary use of cash for financing activities in 2003 was for net share repurchases and the payment of dividends

to shareholders.

In 2003, MMC repurchased shares of its common stock for treasury as well as to meet requirements for issuance of shares for its various stock compensation and benefit programs. During 2003, MMC repurchased 26.1 million shares for total consideration of \$1.2 billion, compared with 24.2 million shares for total consideration of \$1.2 billion in 2002. Share repurchases are recorded on a trade date basis. MMC currently plans to continue to repurchase shares in 2004, subject to market conditions.

Dividends paid by MMC amounted to \$631 million in 2003 (\$1.18 per share) and \$593 million in 2002 (\$1.09 per share).

MMC's debt outstanding at December 31, 2003 remained essentially unchanged from the prior year end at \$3.4 billion. Over the past two years, MMC has extended the maturity of over half of its debt, increasing its liquidity and financial flexibility. During July 2003, MMC issued \$300 million of 5.875% Senior Notes due in 2033. In February 2003, MMC issued \$250 million of 3.625% Senior Notes due in 2008 and \$250 million of 4.85% Senior Notes due in 2013 (collectively, the "2003 Notes"). The net proceeds from the 2003 Notes were used to pay down commercial paper borrowings.

MMC uses commercial paper borrowing to manage its short-term liquidity. MMC currently maintains revolving credit facilities in excess of \$2.4 billion to ensure liquidity is maintained in the event of disruptions in the commercial paper markets. At December 31, 2003 commercial paper outstanding was approximately \$440 million, a decrease of approximately \$800 million from December 31, 2002, resulting primarily from the issuance of long-term debt discussed above. At December 31, 2003, scheduled debt repayments of \$600 million due in June 2004, and at December 31, 2002 commercial paper borrowings of \$750 million, were classified as Long-term debt in the Consolidated Balance Sheets based on MMC's intent and ability to refinance these obligations on a long-term basis.

In June 2003, MMC arranged a \$1.4 billion revolving credit facility. The facility, which will expire in June 2004, amends a similar facility that expired in 2003. In addition, MMC maintains a \$1.0 billion revolving credit facility established in June 2002 which expires in June 2007. Borrowings under these noncancellable facilities are at market rates of interest and support MMC's commercial paper borrowings. No amounts were outstanding under these facilities as of December 31, 2003.

MMC also maintains other credit facilities with various banks, primarily related to operations located outside the United States, aggregating \$209 million at December 31, 2003 and \$274 million at December 31, 2002. There were no amounts outstanding under these facilities at December 31, 2003.

MMC's revolving credit and other debt agreements contain covenants which include, in some cases, restrictions on consolidations or mergers, the sale or pledging of assets, and minimum net worth requirements. MMC must maintain a consolidated net worth of at least \$3.5 billion under the most restrictive of its net worth covenants.

In January 2003, MMC terminated and settled interest rate swaps that had hedged the fair value of Senior Notes issued in 2002. The cumulative amount of previously recognized adjustments of the fair value of the hedged notes is being amortized over the remaining life of those notes in accordance with SFAS No. 133. As a result, the effective interest rate over the remaining life of the notes, including the amortization of the fair value adjustments, is 4.0% for the \$500 million Senior Notes due in 2007 (5.375% coupon rate) and 5.1% for the \$250 million Senior Notes due in 2012 (6.25% coupon rate).

INVESTING CASH FLOWS

Cash used for investing activities amounted to \$470 million in 2003 and \$330 million in 2002. Cash used for acquisitions amounted to \$178 million in 2003, primarily related to the acquisition of OWC and several smaller consulting businesses designed to broaden MMC's global retirement and benefits consulting services. Cash used for acquisitions in 2002 totaled \$92 million, primarily related to several consulting businesses. MMC's additions to fixed assets and capitalized software, which amounted to \$436 million in 2003 and \$423 million in 2002, primarily related to leasehold improvements, computer equipment purchases, and software development costs.

MMC has committed to potential future investments of approximately \$625 million in connection with various MMC Capital funds and other MMC investments. Approximately \$32 million was invested in 2003 and approximately \$40 million was invested in 2002. MMC expects to fund its future investment commitments, in part, with sales proceeds from existing investments.

COMMITMENTS AND OBLIGATIONS

MMC's commitments and obligations consist of future rent payments under operating leases (discussed in Note 9) and repayments of long-term debt (discussed in Note 10) as well as the commitments discussed above.

MARKET RISK

Certain of MMC's revenues, expenses, assets and liabilities are exposed to the impact of interest rate changes and fluctuations in foreign currency exchange rates and equity markets.

INTEREST RATE RISK

MMC manages its net exposure to interest rate changes by utilizing a mixture of variable and fixed rate borrowings to finance MMC's asset base. Interest rate swaps are used on a limited basis to manage MMC's exposure to interest rate movements on its cash and investments as well as interest expense on borrowings and are only executed with counterparties of high creditworthiness.

MMC had the following investments and debt instruments subject to variable interest rates:

Year Ended December 31, (IN MILLIONS OF DOLLARS)		2003

Cash and cash equivalents invested in certificates of deposit and time deposits (Note 1)		\$ 564
Fiduciary cash and investments (Note 1)		\$4,086
Variable rate debt outstanding (Note 10)		\$ 440
=====		

These investments and debt instruments are discussed more fully in the above-indicated notes to the Consolidated Financial Statements.

Based on the above balances, if short-term interest rates increase by 10%, or 11 basis points, annual interest income would increase by approximately \$5 million; however, this would be partially offset by a \$1 million increase in interest expense resulting in a net increase to income before income taxes and minority interest of \$4 million.

FOREIGN CURRENCY RISK

The translated values of revenue and expense from MMC's international risk and insurance services and consulting operations are subject to fluctuations due to changes in currency exchange rates.

Forward contracts and options are periodically utilized by MMC to limit foreign currency exchange rate exposure on net income and cash flows for specific, clearly defined transactions arising in the ordinary course of its business.

EQUITY PRICE RISK

MMC holds investments in both public and private companies as well as certain

private equity funds managed by MMC Capital, including Trident II. Publicly traded investments of \$473 million are classified as available for sale under SFAS No. 115. Non-publicly traded investments of \$100 million and \$381 million are accounted for under APB Opinion No. 18, "The Equity Method of Accounting for Investments in Common Stock", using the cost method and the equity method, respectively. Changes in value of trading securities are recognized in income when they occur. The investments that are classified as available for sale or that are not publicly traded are subject to risk of changes in market value, which if determined to be other than temporary, could result in realized impairment losses. MMC periodically reviews the carrying value of such investments to determine if any valuation adjustments are appropriate under the applicable accounting pronouncements.

MMC Capital has both direct and indirect investments in AXIS Capital Holdings Ltd. ("AXIS"), a Bermuda-domiciled insurance company. AXIS had an initial capitalization of \$1.6 billion, which included a \$250 million investment by Trident II and a \$100 million direct investment by MMC. AXIS completed an initial public offering on July 1, 2003. The sale of AXIS shares held by MMC and by Trident II is temporarily restricted by standard lock-up agreements and may be restricted by rule 144 of the SEC. As MMC's directly held shares are no longer subject to restrictions (as defined by SFAS No. 115), MMC will classify the investment as an available for sale security, carried at fair value, with changes in fair value recorded in other

comprehensive income until realized. The shares subject to restrictions are carried at cost. At December 31, 2003, approximately 63% of MMC's direct investment was considered unrestricted under SFAS No. 115. Trident II's investments are carried at fair value, in accordance with investment company accounting. MMC's proportionate share of the change in value of its investment in Trident II is recorded as part of Investment income (loss) in the Consolidated Income Statements. Future changes in the fair value of Trident II, which includes an investment in AXIS, may result in quarterly fluctuations in MMC's investment income or loss.

In 2001, MMC entered into a series of option contracts to hedge the variability of cash flows from forecasted sales of certain available for sale investments. The remaining sales are forecasted to occur over the next four quarters. The hedge is achieved through the use of European style put and call options, which mature on the dates of the forecasted sales. Gains or losses on the option contracts are deferred in other comprehensive loss until the related forecasted sales occur. At December 31, 2003, the net increase in fair value of the option contracts of \$2 million was recorded as an asset and a reduction of Accumulated other comprehensive loss in the Consolidated Balance Sheets.

OTHER

As further discussed in Note 15 to the Consolidated Financial Statements and in Form 10-K, administrative proceedings and a number of lawsuits have commenced against Putnam and MMC. They seek, among other things, that Putnam pay restitution to the Putnam funds and administrative fines in an undetermined amount. In the fourth quarter of 2003, Putnam recorded net costs of \$24 million related to these proceedings, which include estimated potential restitution to the Putnam funds as well as compliance, legal, and communication expense. Putnam's partial settlement with the SEC includes civil penalties not yet determined; therefore, no provision has been made for such penalties. At the present time, MMC's management is unable to estimate the impact that the outcome of these litigations may have on MMC's consolidated results of operations, financial position or cash flows.

In addition to the direct costs discussed in the preceding paragraph, the level of assets under management may also be adversely affected by increased redemptions in response to these proceedings, which may result in reduced revenue levels in the future.

The insurance coverage for potential liability, resulting from alleged errors and omissions in the professional services provided by MMC, includes elements of both risk retention and risk transfer. MMC believes it has adequately reserved for the self-insurance portion of the contingencies. Payments related to the respective self-insured layers are made as legal fees are incurred and claims are resolved and generally extend over a considerable number of years. The amounts paid in that regard vary in relation to the severity of the claims and the number of claims active in any particular year. The long-term portion of this liability is included in Other liabilities in the Consolidated Balance Sheets.

Although the ultimate outcome of matters related to alleged errors and omissions cannot be ascertained and liabilities in indeterminate amounts may be imposed on MMC and its subsidiaries, on the basis of present information, it is the opinion of MMC's management that the disposition or ultimate determination of such claims, lawsuits or proceedings should not have a material adverse effect on MMC's consolidated financial position or cash flows, but may be material to MMC's operating results in any particular period.

MANAGEMENT'S DISCUSSION OF CRITICAL ACCOUNTING POLICIES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("GAAP") requires management to make estimates and judgments that affect reported amounts of assets, liabilities, revenue and expenses, and disclosure of contingent assets and liabilities. Management considers the policies discussed below to be critical to understanding MMC's financial statements because their application places the most significant demands on management's judgment, and estimation about the effect of matters that are inherently uncertain. Actual results may differ from those estimates.

LEGAL AND OTHER LOSS CONTINGENCIES

MMC and its subsidiaries are subject to various claims, lawsuits and proceedings consisting principally of alleged errors and omissions in connection with the placement of insurance or reinsurance and in rendering investment and consulting services. GAAP requires that liabilities for contingencies be recorded when it is probable that a liability has been incurred before the balance sheet date and the amount can be reasonably estimated. Significant management judgment is required to comply with this guidance. MMC analyzes its litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters, to assess its potential liability.

RETIREMENT BENEFITS

MMC maintains qualified and non-qualified defined benefit pension plans for its U.S. and non-U.S. eligible employees. MMC's policy for funding its tax qualified defined benefit retirement plans is to contribute amounts at least sufficient to meet the funding requirements set forth in U.S. and international laws.

The determination of net periodic pension cost is based on a number of actuarial assumptions, including an expected long-term rate of return on plan assets, the discount rate and assumed rate of salary increase. Significant assumptions used in the calculation of net periodic pension costs and pension liabilities are disclosed in Note 7 to the Consolidated Financial Statements. MMC believes the assumptions for each plan are reasonable and appropriate and

will continue to evaluate actuarial assumptions at least annually and adjust as appropriate. Pension expense in 2003 increased by \$17 million compared with 2002. Based on its current assumptions, MMC expects pension expense to increase by approximately \$70 million in 2004 and currently expects to contribute approximately \$180 million to the plans during the year.

Future pension expense or credits will depend on plan provisions, future investment performance, future assumptions, and various other factors related to the populations participating in the pension plans. Holding all other assumptions constant, a half-percentage point change in the rate of return and discount rate assumptions would affect net periodic pension cost for the U.S. and U.K. plans, which comprise approximately 90% of total pension plan liabilities, as follows:

	0.5 Percentage Point Increase		0.5 Percentage Point Decrease	
(IN MILLIONS OF DOLLARS)	U.S.	U.K.	U.S.	U.K.
Assumed Rate of Return	\$(13)	\$(16)	\$13	\$16
Discount Rate	\$ (7)	\$(18)	\$17	\$38

Changing the discount rate and leaving the other assumptions constant, may not be representative of the impact on expense because the long-term rates of inflation and salary increases are correlated with the discount rate.

MMC contributes to certain health care and life insurance benefits provided to its retired employees. The cost of these postretirement benefits for employees in the United States is accrued during the period up to the date employees are eligible to retire, but is funded by MMC as incurred. This postretirement liability is included in Other liabilities in the Consolidated Balance Sheets. The key assumptions and sensitivity to changes in the assumed health care cost trend rate are discussed in Note 7 to the Consolidated Financial Statements.

INCOME TAXES

MMC records the estimated future tax effects of temporary differences between the tax basis of assets and liabilities and amounts recorded in the Consolidated Balance Sheets, as well as operating losses and tax credit carryforwards. MMC bases its estimate of deferred tax assets and liabilities on current laws and rates and in certain cases, business plans and other expectations about future outcomes. Changes in existing tax laws and rates and future business results may affect the amount of deferred tax liabilities or the valuation of deferred tax assets over time.

INVESTMENT VALUATION

MMC holds investments in both public and private companies, as well as certain private equity funds managed by MMC Capital. The majority of these investments are accounted for as available for sale securities under SFAS No. 115. Where applicable, certain investments are accounted for under APB Opinion No. 18. MMC periodically reviews the carrying value of its investments to determine if any valuation adjustments are appropriate under the applicable accounting pronouncements. MMC bases its review on the facts and circumstances as they relate to each investment. Factors considered in determining the fair value of private equity investments include: implied valuation of recently completed financing rounds that included sophisticated outside investors; performance multiples of comparable public companies; restrictions on the sale or disposal of the investments; trading characteristics of the securities; and the relative size of MMC's holdings in comparison to other private investors and the public market float. In those instances where quoted market prices are not available, particularly for equity holdings in private companies, or formal restrictions limit the sale of securities, significant management judgment is required to determine the appropriate value of MMC's investments.

PREPAID DEALER COMMISSIONS

Sales commissions paid by MMC to selling brokers at the time of sale of back-end load mutual funds (Class B shares) are capitalized and amortized over the period that the shareholder is subject to contingent deferred sales charge (typically over six years). Distribution fees (12b-1) and contingent deferred sales charges are recorded as revenue as earned. Should MMC lose its ability to recover prepaid dealer commissions through distribution fees and contingent deferred sales charges, the value of the prepaid dealer commission asset would immediately decline. MMC periodically reviews the expected undiscounted cash flows against the carrying value of the prepaid dealer commission balance. If the cash flows are not sufficient to recover the carrying value of the asset, the asset is adjusted to fair value. No such impairments were recorded in the periods presented and none are expected in 2004.

NEW ACCOUNTING PRONOUNCEMENTS

New accounting pronouncements are discussed in Note 1 to the Consolidated Financial Statements.

Marsh & McLennan Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, (IN MILLIONS OF DOLLARS, EXCEPT PER SHARE FIGURES)	2003	2002	2001
Revenue:			
Service revenue	\$ 11,488	\$ 10,373	\$ 10,011
Investment income (loss)	100	67	(142)
Operating revenue	11,588	10,440	9,869
Expense:			
Compensation and benefits	5,926	5,199	4,877
Other operating expenses	3,166	2,967	3,229
Operating expenses	9,092	8,166	8,106
Operating income	2,496	2,274	1,763
Interest income	24	19	23
Interest expense	(185)	(160)	(196)
Income before income taxes and minority interest	2,335	2,133	1,590
Income taxes	770	747	599
Minority interest, net of tax	25	21	17
Net income	\$ 1,540	\$ 1,365	\$ 974
Basic net income per share	\$ 2.89	\$ 2.52	\$ 1.77
Diluted net income per share	\$ 2.81	\$ 2.45	\$ 1.70
Average number of shares outstanding--Basic	533	541	550
Average number of shares outstanding--Diluted	548	557	572

The accompanying notes are an integral part of these consolidated statements.

Marsh & McLennan Companies, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS

December 31, (IN MILLIONS OF DOLLARS)	2003	2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 665	\$ 546
Receivables		
Commissions and fees	2,388	2,178
Advanced premiums and claims	89	119
Other	342	305
	2,819	2,602
Less--allowance for doubtful accounts and cancellations	(116)	(124)
Net receivables	2,703	2,478
Prepaid dealer commissions--current portion	150	226
Other current assets	383	414
Total current assets	3,901	3,664
Goodwill and intangible assets	5,797	5,404
Fixed assets, net	1,389	1,308
Long-term investments	648	578
Prepaid dealer commissions	114	292
Prepaid pension	1,199	1,071
Other assets	2,005	1,538
	\$ 15,053	\$ 13,855
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Short-term debt	\$ 447	\$ 543
Accounts payable and accrued liabilities	1,511	1,406
Accrued compensation and employee benefits	1,693	1,568
Accrued income taxes	272	194
Dividends payable	166	152
Total current liabilities	4,089	3,863
Fiduciary liabilities	4,228	4,010
Less--cash and investments held in a fiduciary capacity	(4,228)	(4,010)
	--	--
Long-term debt	2,910	2,891
Other liabilities	2,603	2,083
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$1 par value, authorized 6,000,000 shares, none issued	--	--
Common stock, \$1 par value, authorized 1,600,000,000 shares, issued 560,641,640 shares in 2003 and 2002	561	561
Additional paid-in capital	1,301	1,426
Retained earnings	5,386	4,490
Accumulated other comprehensive loss	(279)	(452)
	6,969	6,025
Less--treasury shares at cost, 33,905,497 shares in 2003 and 22,441,817 shares in 2002	(1,518)	(1,007)
Total stockholders' equity	5,451	5,018
	\$ 15,053	\$ 13,855

The accompanying notes are an integral part of these consolidated statements.

Marsh & McLennan Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	2003	2002	2001
Operating cash flows:			
Net income	\$ 1,540	\$ 1,365	\$ 974
Adjustments to reconcile net income to cash generated from operations:			
Depreciation of fixed assets and capitalized software	349	324	325
Amortization of intangible assets	42	35	195
Provision for deferred income taxes	90	176	(67)
(Gains) losses on investments	(100)	(67)	142
Changes in assets and liabilities:			
Net receivables	(199)	215	122
Prepaid dealer commissions	254	317	289
Other current assets	(110)	(96)	9
Other assets	(467)	(554)	(283)
Accounts payable and accrued liabilities	23	135	(190)
Accrued compensation and employee benefits	125	4	(199)
Accrued income taxes	85	(445)	394
Other liabilities	135	(123)	(248)
Effect of exchange rate changes	100	51	(3)
Net cash generated from operations	1,867	1,337	1,460
Financing cash flows:			
Net (decrease) increase in commercial paper	(817)	(484)	410
Proceeds from issuance of debt	800	791	23
Other repayments of debt	(55)	(25)	(26)
Purchase of treasury shares	(1,195)	(1,184)	(763)
Issuance of common stock	573	490	387
Dividends paid	(631)	(593)	(567)
Net cash used for financing activities	(1,325)	(1,005)	(536)
Investing cash flows:			
Additions to fixed assets and capitalized software	(436)	(423)	(433)
Proceeds from sales and insurance recoveries related to fixed assets	8	18	182
Acquisitions	(178)	(92)	(53)
Other, net	136	167	(312)
Net cash used for investing activities	(470)	(330)	(616)
Effect of exchange rate changes on cash and cash equivalents	47	7	(11)
Increase in cash and cash equivalents	119	9	297
Cash and cash equivalents at beginning of year	546	537	240
Cash and cash equivalents at end of year	\$ 665	\$ 546	\$ 537

The accompanying notes are an integral part of these consolidated statements.

Marsh & McLennan Companies, Inc. and Subsidiaries
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
AND COMPREHENSIVE INCOME

For the Years Ended December 31, (IN MILLIONS OF DOLLARS, EXCEPT PER SHARE FIGURES)	2003	2002	2001
COMMON STOCK			
Balance, beginning of year	\$ 561	\$ 561	\$ 559
Issuance of shares under stock compensation plans and employee stock purchase plans	--	--	2
Balance, end of year	\$ 561	\$ 561	\$ 561
ADDITIONAL PAID-IN CAPITAL			
Balance, beginning of year	\$ 1,426	\$ 1,620	\$ 1,637
Acquisitions	2	--	5
Issuance of shares under stock compensation plans and employee stock purchase plans and related tax benefits	(127)	(194)	(22)
Balance, end of year	\$ 1,301	\$ 1,426	\$ 1,620
RETAINED EARNINGS			
Balance, beginning of year	\$ 4,490	\$ 3,723	\$ 3,323
Net income(a)	1,540	1,365	974
Dividends declared--(per share amounts: \$1.21 in 2003, \$1.11 in 2002 and \$1.05 in 2001)	(644)	(598)	(574)
Balance, end of year	\$ 5,386	\$ 4,490	\$ 3,723
ACCUMULATED OTHER COMPREHENSIVE LOSS			
Balance, beginning of year	\$ (452)	\$ (227)	\$ (149)
Foreign currency translation adjustments(b)	302	131	(34)
Unrealized investment holding gains (losses), net of reclassification adjustments(c)	76	(106)	(44)
Minimum pension liability adjustment(d)	(201)	(257)	2
Net deferred (loss) gain on cash flow hedges(e)	(4)	7	(2)
Balance, end of year	\$ (279)	\$ (452)	\$ (227)
TREASURY SHARES			
Balance, beginning of year	\$(1,007)	\$ (504)	\$ (142)
Purchase of treasury shares	(1,209)	(1,184)	(763)
Acquisitions	16	10	10
Issuance of shares under stock compensation plans and employee stock purchase plans	682	671	391
Balance, end of year	\$(1,518)	\$(1,007)	\$ (504)
TOTAL STOCKHOLDERS' EQUITY	\$ 5,451	\$ 5,018	\$ 5,173
TOTAL COMPREHENSIVE INCOME (a+b+c+d+e)	\$ 1,713	\$ 1,140	\$ 896

The accompanying notes are an integral part of these consolidated statements.

1 Summary of Significant Accounting Policies

NATURE OF OPERATIONS: Marsh & McLennan Companies, Inc. ("MMC"), a professional services firm, is organized based on the different services that it offers. Under this organizational structure, MMC operates in three principal business segments: risk and insurance services, investment management and consulting. The risk and insurance services segment provides risk management and insurance broking, reinsurance broking and insurance program management services for businesses, public entities, insurance companies, associations, professional services organizations, and private clients. It also provides services principally in connection with originating, structuring and managing investments, primarily in the insurance and financial services industries. The investment management segment primarily provides securities investment advisory and management services and administrative services for a group of publicly held investment companies and institutional accounts. The consulting segment provides advice and services to the managements of organizations primarily in the areas of retirement services, human capital, health care and group benefit programs, management consulting, organizational change and organizational design, economic consulting, and corporate identity.

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include all wholly-owned and majority-owned subsidiaries. All significant intercompany transactions and balances have been eliminated.

FIDUCIARY ASSETS AND LIABILITIES: In its capacity as an insurance broker or agent, MMC collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurance underwriters. MMC also collects claims or refunds from underwriters on behalf of insureds. Unremitted insurance premiums and claims are held in a fiduciary capacity. Interest income on these fiduciary funds, included in service revenue, amounted to \$114 million in 2003, \$118 million in 2002, and \$165 million in 2001. Since fiduciary assets are not available for corporate use, they are shown in the balance sheet as an offset to fiduciary liabilities.

Net uncollected premiums and claims and the related payables were \$11.5 billion and \$11.7 billion at December 31, 2003 and 2002, respectively. MMC is not a principal to the contracts under which the right to receive premiums or the right to receive reimbursement of insured losses arises. Net uncollected premiums and claims and the related payables are, therefore, not assets and liabilities of MMC and are not included in the accompanying Consolidated Balance Sheets.

In certain instances, MMC advances premiums, refunds or claims to insurance underwriters or insureds prior to collection. These advances are made from corporate funds and are reflected in the accompanying Consolidated Balance Sheets as receivables.

REVENUE: Risk and Insurance Services revenue includes insurance commissions, fees for services rendered, market service revenue from insurance carriers, and interest income on fiduciary funds. Revenue also includes compensation for services provided in connection with the organization, structuring and management of insurance, financial and other industry-focused investments, as well as appreciation or depreciation that has been recognized on holdings in such investments. Insurance commissions and fees for risk transfer services generally are recorded as of the effective date of the applicable policies or, in certain cases (primarily in MMC's reinsurance and London market operations), as of the effective date or billing date, whichever is later. Commissions are net of policy cancellation reserves, which are estimated based on historic and current data on cancellations. Fees for non-risk transfer services provided to clients are recognized over the period in which the services are provided or on a percentage of completion basis. Fees resulting from achievement of certain performance thresholds are recorded when such levels are attained and such fees are not subject to forfeiture.

Investment Management revenue is derived primarily from investment management fees and 12b-1 fees. Investment management fees are recognized as services are provided. Mutual fund distribution fees are recognized over the period in which the fees can be collected from the related funds, or when a contingent deferred sales charge is triggered by a redemption. Sales of mutual fund shares are recorded on a settlement date basis and commissions thereon are recorded on a trade date basis. Fees resulting from achievement of specified performance thresholds are recorded when such levels are attained and such fees are not subject to forfeiture.

Consulting revenue includes fees paid by clients for advice and services and commissions from insurance companies for the placement of individual and group contracts. Fee revenue is recognized as services are provided based on the amount of time consulting professionals expend on the engagement plus out-of-pocket expenses, or on a percentage of completion basis for engagements with contractual fixed fees. Insurance commissions are recorded as of the effective date of the applicable policies.

CASH AND CASH EQUIVALENTS: Cash and cash equivalents primarily consist of certificates of deposit and time deposits, generally with original maturities of three months or less.

FIXED ASSETS: Fixed assets are stated at cost less accumulated depreciation and amortization. Expenditures for improvements are capitalized. Upon sale or retirement, the cost and related accumulated depreciation and amortization are removed from the accounts and any gain or loss is reflected in income. Expenditures for maintenance and repairs are charged to operations as incurred.

Depreciation of buildings, building improvements, furniture, and equipment is provided on a straight-line basis over the estimated useful lives of these assets. Leasehold improvements are amortized on a straight-line basis over the periods covered by the applicable leases or the estimated useful life of the improvement, whichever is less. MMC periodically reviews long-lived assets for impairment whenever events or changes indicate that the carrying value of assets may not be recoverable.

The components of fixed assets are as follows:

December 31, (IN MILLIONS OF DOLLARS)	2003	2002
Furniture and equipment	\$ 1,510	\$ 1,323
Land and buildings	445	466
Leasehold and building improvements	882	794
	2,837	2,583
Less--accumulated depreciation and amortization	(1,448)	(1,275)
	\$ 1,389	\$ 1,308

INVESTMENT SECURITIES: MMC holds investments in both public and private companies, as well as certain private equity funds (managed by MMC Capital and T.H. Lee) and seed shares for mutual funds. Publicly traded investments are classified as available for sale or trading securities in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" ("SFAS 115"), and carried at market value. Non-publicly traded investments are carried at cost in accordance with APB Opinion No. 18 ("APB 18"). Changes in the fair value of trading securities are recorded in earnings when they occur. Changes in the fair value of available for sale securities are recorded in shareholders' equity, net of applicable taxes, until realized. Securities classified as trading or available for sale under SFAS 115, or carried at cost under APB 18, are included in Long-term investments in the Consolidated Balance Sheets.

Certain investments, primarily investments in private equity funds, are accounted for using the equity method under APB 18. The underlying private equity funds follow investment company accounting, where securities within the fund are carried at fair value. MMC records its proportionate share of the change in fair value of the funds in earnings when they occur. Securities recorded using the equity method are included in Other assets in the Consolidated Balance Sheets.

Gains or losses recognized in earnings from the investment securities described above are included in Investment income (loss) in the Consolidated Statements of Income. Costs related to management of MMC's investments, including incentive compensation partially derived from investment income and loss, are recorded in operating expenses.

GOODWILL AND OTHER INTANGIBLE ASSETS: Goodwill represents acquisition costs in excess of the fair value of net assets acquired. Goodwill is reviewed at least annually for impairment. Other intangible assets that are not deemed to have an indefinite life are amortized over their estimated lives and reviewed for impairment upon the occurrence of certain triggering events in accordance with applicable accounting literature.

PREPAID DEALER COMMISSIONS: Essentially all of the mutual funds marketed by MMC's investment management segment are made available with a contingent deferred sales charge in lieu of a front-end load. The related prepaid dealer commissions, initially paid by MMC to broker/dealers for distributing such funds, can be recovered through charges and fees received over a number of years. The prepaid dealer commissions are amortized on a straight-line basis over a period not to exceed six years. If early terminations result in the recognition of contingent deferred sales charges, the amortization of prepaid dealer commissions is accelerated accordingly. MMC assesses the recoverability of prepaid dealer commissions by comparing the expected future cash flows with recorded balances.

CAPITALIZED SOFTWARE COSTS: MMC capitalizes certain costs to develop, purchase, or modify software for the internal use of MMC. These costs are amortized on a straight-line basis over periods ranging from three to ten years. Computer software costs of \$255 million and \$237 million, net of accumulated amortization of \$372 million and \$275 million at December 31, 2003 and 2002, respectively, are included in Other assets in the Consolidated Balance Sheets.

INCOME TAXES: Income taxes provided reflect the current and deferred tax consequences of events that have been recognized in MMC's financial statements or tax returns. U.S. Federal income taxes are provided on unremitted foreign earnings except those that are considered permanently reinvested, which at December 31, 2003 amounted to approximately \$1.6 billion. However, if these earnings were not considered permanently reinvested, the incremental tax liability which otherwise might be due upon distribution, net of foreign tax credits, would be approximately \$150 million.

DERIVATIVE INSTRUMENTS: All derivatives, whether designated in hedging relationships or not, are recorded on the balance sheet at fair value. If the derivative is designated as a fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. If the derivative is designated as a cash flow hedge, the effective portions of changes in the fair value of the derivative are recorded in other comprehensive income and are recognized in the income statement when the hedged item affects earnings. Ineffective portions of changes in the fair value of cash flow hedges are recognized in earnings.

CONCENTRATIONS OF CREDIT RISK: Financial instruments which potentially subject MMC to concentrations of credit risk consist primarily of cash and cash equivalents and commissions and fees receivable. MMC maintains a policy providing for the diversification of cash and cash equivalent investments and places its investments in an extensive number of high quality financial institutions to limit the amount of credit risk exposure. Concentrations of credit risk with respect to receivables are generally limited due to the large number of clients and markets in which MMC does business, as well as the dispersion across many geographic areas.

PER SHARE DATA: Basic net income per share is calculated by dividing net income by the weighted average number of shares of MMC's common stock outstanding. Diluted net income per share is calculated by reducing net income for the potential minority interest expense associated with unvested shares under the Putnam Equity Partnership Plan, discussed further in Note 8, and adding back dividend equivalent expense related to common stock equivalents. This result is then divided by the weighted average common shares outstanding, which have been adjusted for the dilutive effect of potentially issuable common shares. The following reconciles net income to net income for diluted earnings per share and basic weighted average common shares outstanding to diluted weighted average common shares outstanding:

For the Years Ended December 31, (IN MILLIONS)	2003	2002	2001
Net income	\$ 1,540	\$ 1,365	\$ 974
Less: Potential minority interest expense associated with Putnam Class B Common Shares	(1)	(2)	(6)
Add: Dividend equivalent expense related to common stock equivalents	2	2	2
Net income for diluted earnings per share	\$ 1,541	\$ 1,365	\$ 970
Basic weighted average common shares outstanding	533	541	550
Dilutive effect of potentially issuable common shares	15	16	22
Diluted weighted average common shares outstanding	548	557	572
Average stock price used to calculate common stock equivalents	\$ 46.99	\$ 48.95	\$50.48

ESTIMATES: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may vary from those estimates.

NEW ACCOUNTING PRONOUNCEMENTS: FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities", ("FIN 46") was issued on December 24, 2003 and is effective for the first interim or annual period ending after December 15, 2003. FIN 46 interprets Accounting Research Bulletin No. 51, "Consolidated Financial Statements" and addresses consolidation by business enterprises qualifying as variable interest entities ("VIE"). FIN 46 defines a VIE as a corporation, partnership, trust, or other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. The implementation of FIN 46 did not have material impact on MMC's consolidated results of operations, financial position or cash flows.

MMC through Putnam, manages \$3.3 billion in the form of Collateralized Debt Obligations ("CDO") and Collateralized Bond Obligations ("CBO"). The CDOs and CBOs were created prior to January 31, 2003. Separate limited liability companies were established to issue the notes and to hold the underlying collateral, which consists of high-yield bonds and other securities. Putnam serves as the collateral manager for the CDOs and CBOs. The maximum loss exposure related to the CDOs and CBOs is limited to Putnam's investment totaling \$5.5 million, reflected in Long-term investments in the Consolidated Balance Sheets at December 31, 2003. MMC has concluded it is not the primary beneficiary of these structures under FIN 46.

RECLASSIFICATIONS: Certain reclassifications have been made to the prior year amounts to conform with current year presentation.

2 Supplemental Disclosure to the Consolidated Statements of Cash Flows

The following schedule provides additional information concerning acquisitions, interest and income taxes paid:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	2003	2002	2001
Purchase acquisitions:			
Assets acquired, excluding cash	\$ 408	\$ 99	\$ 79
Liabilities assumed	(9)	(2)	--
Issuance of debt and other obligations	(115)	(5)	(10)
Shares issuable	(106)	--	(16)
Net cash outflow for acquisitions	\$ 178	\$ 92	\$ 53
Interest paid	\$ 172	\$ 154	\$ 192
Income taxes paid	\$ 542	\$ 931	\$ 175

3 Other Comprehensive Income (Loss)

The components of other comprehensive income (loss) are as follows:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	2003	2002	2001
Foreign currency translation adjustments	\$ 302	\$ 131	\$ (34)
Unrealized investment holding gains (losses), net of income tax liability (benefit) of \$54, \$(35) and \$(60) in 2003, 2002 and 2001, respectively	98	(70)	(116)
Less: Reclassification adjustment for realized (gains) losses included in net income, net of income tax (liability) benefit of \$(12), \$(21) and \$39 in 2003, 2002 and 2001, respectively	(22)	(36)	72
Minimum pension liability adjustment, net of income tax (benefit) liability of \$(77) in 2003, \$(110) in 2002, and \$3 in 2001	(201)	(257)	2
Deferred (loss) gain on cash flow hedges, net of income tax (benefit) liability of \$(2), \$3 and \$(1) in 2003, 2002 and 2001, respectively	(4)	7	(2)
	\$ 173	\$ (225)	\$ (78)

The components of accumulated other comprehensive loss, net of taxes, are as follows:

December 31, (IN MILLIONS OF DOLLARS)	2003	2002
--	------	------

Foreign currency translation adjustments	\$ 10	\$(292)
Net unrealized investment gains	196	120
Minimum pension liability adjustment	(486)	(285)
Net deferred gain on cash flow hedges	1	5

	\$(279)	\$(452)
=====		

4 Acquisitions

In April 2003, MMC acquired Oliver, Wyman & Company ("OWC") for \$265 million comprising \$159 million in cash, which will be paid over 4 years, and \$106 million in MMC stock. Substantially all former employees of OWC became employees of MMC. Approximately \$35 million of the purchase consideration is subject to continued employment of the selling shareholders and is recorded as prepaid compensation. This asset is being amortized as compensation expense over four years.

During 2003, MMC also acquired several insurance and consulting businesses in transactions accounted for as purchases for a total cost of \$135 million. The cost of 2003 acquisitions exceeded the fair value of assets acquired by \$307 million.

During 2002, MMC acquired several insurance and reinsurance broking, consulting and investment management businesses. The transactions were accounted for as purchases for a total cost of \$99 million. The cost of the transactions exceeded the fair value of assets acquired by \$42 million.

5 Goodwill and Other Intangibles

In accordance with SFAS No. 142, MMC discontinued the amortization of goodwill effective January 1, 2002. A reconciliation of previously reported net income and net income per share to the amounts adjusted for the exclusion of goodwill amortization net of the pro forma effect of directly related expenses and income taxes is as follows:

For the Years Ended December 31, (IN MILLIONS, EXCEPT PER SHARE FIGURES)	2003	2002	2001
Reported net income	\$1,540	\$1,365	\$ 974
Net amortization adjustment	--	--	131
Adjusted net income	\$1,540	\$1,365	\$1,105
Reported net income per share--Basic	\$ 2.89	\$ 2.52	\$ 1.77
Adjusted net income per share--Basic	\$ 2.89	\$ 2.52	\$ 2.00
Reported net income per share--Diluted	\$ 2.81	\$ 2.45	\$ 1.70
Adjusted net income per share--Diluted	\$ 2.81	\$ 2.45	\$ 1.93

Changes in the carrying amount of goodwill are as follows:

(IN MILLIONS OF DOLLARS)	
Balance as of January 1, 2003	\$5,151
Goodwill acquired	307
Other adjustments (primarily foreign exchange)	75
Balance as of December 31, 2003	\$5,533

The goodwill balance at December 31, 2003 and 2002 includes approximately \$121 million of equity method goodwill.

Amortized intangible assets consist of the cost of client lists, client relationships and tradenames acquired, and the rights to future revenue streams from certain existing private equity funds. MMC has no intangible assets with indefinite lives. The gross cost and accumulated amortization by major intangible asset class is as follows:

	2003			2002		
December 31, (IN MILLIONS OF DOLLARS)	GROSS COST	ACCUMULATED AMORTIZATION	NET CARRYING AMOUNT	Gross Cost	Accumulated Amortization	Net Carrying Amount
Customer and marketing related	\$222	\$ 74	\$148	\$148	\$ 50	\$ 98
Future revenue streams related to existing private equity funds	199	92	107	216	70	146
Total amortized intangibles	\$421	\$166	\$255	\$364	\$120	\$244

Aggregate amortization expense for the years ended December 31, 2003 and 2002, was \$42 million and \$35 million, respectively, and the estimated future aggregate amortization expense is as follows:

For the Years Ending December 31, (IN MILLIONS OF DOLLARS)	Estimated Expense
2004	\$37

2005	\$36
2006	\$33
2007	\$31
2008	\$29

6 Income Taxes

Income before income taxes and minority interest shown below is based on the geographic location to which such income is attributable. Although income taxes related to such income may be assessed in more than one jurisdiction, the income tax provision corresponds to the geographic location of the income.

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	2003	2002	2001
Income before income taxes and minority interest:			
U.S.	\$ 1,434	\$ 1,346	\$ 1,070
Other	901	787	520
	\$ 2,335	\$ 2,133	\$ 1,590
Income taxes:			
Current--			
U.S. Federal	\$ 433	\$ 424	\$ 490
Other national governments	159	111	131
U.S. state and local	88	36	45
	680	571	666
Deferred--			
U.S. Federal	45	17	(128)
Other national governments	60	130	52
U.S. state and local	(15)	29	9
	90	176	(67)
Total income taxes	\$ 770	\$ 747	\$ 599

The significant components of deferred income tax assets and liabilities and their balance sheet classifications are as follows:

December 31, (IN MILLIONS OF DOLLARS)	2003	2002
DEFERRED TAX ASSETS:		
Accrued expenses not currently deductible	\$502	\$595
Differences related to non-U.S. operations	254	206
Other	29	27
	\$785	\$828
DEFERRED TAX LIABILITIES:		
Prepaid dealer commissions	\$ 22	\$ 96
Unrealized investment holding gains	107	67
Differences related to non-U.S. operations	121	87
Depreciation and amortization	83	99
Accrued retirement benefits	48	26
Other	15	5
	\$396	\$380
BALANCE SHEET CLASSIFICATIONS:		
Current assets	\$ 35	\$105
Other assets	\$354	\$343

A reconciliation from the U.S. Federal statutory income tax rate to MMC's effective income tax rate is as follows:

For the Years Ended December 31,	2003	2002	2001
U.S. Federal statutory rate	35.0%	35.0%	35.0%
U.S. state and local income taxes--net of U.S. Federal income tax benefit	2.0	2.0	2.2
Differences related to non-U.S. operations	(4.1)	(1.6)	(1.1)
Other	.1	(.4)	1.6
Effective tax rate	33.0%	35.0%	37.7%

Taxing authorities periodically challenge positions taken by MMC on its tax returns. On the basis of present information, it is the opinion of MMC's management that any assessments resulting from current tax audits will not have a material adverse effect on MMC's consolidated results of operations or its consolidated financial position.

7 Retirement Benefits

MMC maintains qualified and non-qualified defined benefit pension plans for its U.S. and non-U.S. eligible employees. MMC's policy for funding its tax qualified defined benefit retirement plans is to contribute amounts at least sufficient to meet the funding requirements set forth in the U.S. and international law.

The weighted average actuarial assumptions utilized for the U.S. and significant non-U.S. defined benefit plans as of the end of the year are as follows:

	Pension Benefits		Postretirement Benefits	
	2003	2002	2003	2002
Weighted average assumptions:				
Discount rate (for expense)	6.1%	6.4%	6.6%	7.1%
Expected return on plan assets	8.5%	8.5%	--	--
Rate of compensation increase (for expense)	3.8%	4.1%	--	--
Discount rate (for benefit obligation)	5.8%	6.1%	6.3%	6.6%
Rate of compensation increase (for benefit obligation)	3.7%	3.8%	--	--

The long-term rate of return assumption is selected for each plan based on the facts and circumstances that exist as of the measurement date, and the specific portfolio mix of each plan's assets. MMC utilizes a model developed by its actuaries to assist in the setting of this assumption. The model takes into account several factors including: actual and target portfolio allocation; investment, administrative and trading expenses incurred directly by the plan trust; historical portfolio performance; relevant forward-looking economic analysis; and expected returns, variances, and correlations for different asset classes. All returns utilized and produced by the model are geometric averages. These measures are used to determine probabilities using standard statistical techniques to calculate a range of expected returns on the portfolio. MMC generally does not adjust the rate of return assumption from year to year if, at the measurement date, it is within the best estimate range, defined as between the 25th and 75th percentile of the expected long-term annual returns in accordance with the "American Academy of Actuaries Pension Practice Council Note May 2001 Selecting and Documenting Investment Return Assumptions" and consistent with Actuarial Standards of Practice No. 27. The historical five and ten-year average asset returns of each plan are also reviewed to ensure they are consistent and reasonable compared with the best estimate range. The expected return on plan assets is determined by applying the assumed long-term rate of return to the market-related value of plan assets as defined by SFAS No. 87. This market-related value recognizes investment gains or losses over a five-year period from the year in which they occur. Investment gains or losses for this purpose are the difference between the expected return calculated using the market-related value of assets and the actual return based on the market value of assets.

Since the market-related value of assets recognizes gains or losses over a five-year period, the future market-related value of the assets will be impacted as previously deferred gains or losses are recorded.

The target asset allocation for the U.S. plans is 70% equities and 30% bonds, and for the U.K. plans, which comprise approximately 85% of non-U.S. plan assets, is 58% equities and 42% bonds. As of the measurement date, the actual allocation of assets for the U.S. plan was 74% to equities and 26% to bonds. The plan assets for the U.K. plans were allocated approximately 55% to equities, 36% to bonds, and 9% to cash. The allocation to cash reflects the company's contribution to the plan in December 2003 that had not yet been invested in equity or bond securities. Actual portfolio allocations in 2002 approximated the target allocations. The assets of the company's defined benefit plans are well-diversified and are managed in accordance with applicable laws and with the goal of maximizing the plans' real return within acceptable risk parameters. MMC uses threshold based portfolio rebalancing to ensure the actual portfolio remains consistent with target allocations.

The discount rate selected for each U.S. plan is based on a model bond portfolio with durations that match the expected payment patterns of the plan. Discount rates for non-U.S. plans are based on appropriate bond indices such as the IBoxx (pound) Corporates 15-year index in the U.K. Projected compensation increases reflect current expectations as to future levels of inflation.

The components of the net periodic benefit cost (income) for combined U.S. and significant non-U.S. defined benefit and other postretirement plans are as follows:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	Pension Benefits			Postretirement Benefits		
	2003	2002	2001	2003	2002	2001
Service cost	\$ 192	\$ 171	\$ 156	\$ 9	\$ 7	\$ 6

Interest cost	365	337	310	20	19	17
Expected return on plan assets	(546)	(519)	(492)	--	--	--
Amortization of prior service (credit) cost	(38)	(17)	1	(2)	(2)	(1)
Amortization of transition asset	(4)	(5)	(4)	--	--	--
Recognized actuarial loss (gain)	26	11	(20)	5	3	--

Net Periodic Benefit Cost (Income)	\$ (5)	\$ (22)	\$ (49)	\$ 32	\$ 27	\$ 22
=====						

The following schedules provide information concerning MMC's U.S. defined benefit pension plans and postretirement benefit plans:

December 31, (IN MILLIONS OF DOLLARS)	U.S. Pension Benefits		U.S. Postretirement Benefits	
	2003	2002	2003	2002
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 2,309	\$ 2,307	\$ 250	\$ 209
Service cost	68	67	8	6
Interest cost	155	160	17	16
Actuarial loss	139	167	23	24
Benefits paid	(108)	(119)	(8)	(5)
Plan amendments	--	(273)	--	--
Benefit obligation at end of year	\$ 2,563	\$ 2,309	\$ 29	\$ 250
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 2,045	\$ 2,316	\$ --	\$ --
Actual return on plan assets	461	(216)	--	--
Non-qualified plan assets held in segregated trusts	--	(80)	--	--
Employer contributions	21	144	8	5
Benefits paid	(108)	(119)	(8)	(5)
Fair value of plan assets at end of year	\$ 2,419	\$ 2,045	\$ --	\$ --
Funded status	\$ (144)	\$ (264)	\$(290)	\$(250)
Unrecognized net actuarial loss	674	784	65	47
Unrecognized prior service credit	(222)	(259)	(7)	(9)
Unrecognized transition asset	(5)	(10)	--	--
Net asset (liability) recognized	\$ 303	\$ 251	\$(232)	\$(212)
Amounts recognized in the Consolidated Balance Sheets consist of:				
Prepaid benefit cost	\$ 538	\$ 475	\$ --	\$ --
Accrued benefit liability	(270)	(235)	(232)	(212)
Accumulated other comprehensive loss	35	11	--	--
Net asset (liability) recognized	\$ 303	\$ 251	\$(232)	\$(212)
Accumulated benefit obligation at December 31	\$ 2,399	\$ 2,154	\$ --	\$ --

The weighted average actuarial assumptions utilized in determining the above amounts for the U.S. defined benefit and other U.S. postretirement plans as of the end of the year are as follows:

	U.S. Pension Benefits		U.S. Postretirement Benefits	
	2003	2002	2003	2002
Weighted average assumptions:				
Discount rate (for expense)	6.75%	7.25%	6.75%	7.25%
Expected return on plan assets	8.75%	8.75%	--	--
Rate of compensation increase (for expense)	3.5%	4.0%	--	--
Discount rate (for benefit obligation)	6.4%	6.75%	6.4%	6.75%
Rate of compensation increase (for benefit obligation)	3.15%	3.5%	--	--

The U.S. defined benefit pension plans do not have any direct or indirect ownership of MMC stock. Plan assets of approximately \$1.8 billion and \$1.5 billion at December 31, 2003 and 2002, respectively, were managed by Putnam, which includes both separately managed and publicly available investment funds.

The assets and liabilities of the U.S. defined benefit pension plans were re-measured at July 1, 2002 to reflect a change in substantive plans as defined by SFAS No. 87, "Employers' Accounting for Pensions" and a reduction of the expected rate of return on plan assets to 9.25% from 10%. Discretionary cost of living increases have been excluded from the substantive plans for accounting purposes because MMC no longer has the intention of granting such increases. The change in the substantive plans reduced the projected benefit obligation by approximately \$273 million.

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for the U.S. pension plans with accumulated benefit obligations in excess of plan assets were \$290 million, \$266 million and \$0, respectively, as of December 31, 2003 and \$261 million, \$231 million and \$0 million, respectively, as of December 31, 2002.

The components of the net periodic benefit cost (income) for the U.S. defined benefit and other postretirement benefit plans are as follows:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	U.S. Pension Benefits			U.S. Postretirement Benefits		
	2003	2002	2001	2003	2002	2001
Service cost	\$ 68	\$ 67	\$ 63	\$ 8	\$ 6	\$ 5
Interest cost	155	160	154	17	16	15
Expected return on plan assets	(229)	(241)	(238)	--	--	--
Amortization of prior service (credit) cost	(38)	(17)	1	(2)	(2)	(1)
Amortization of transition asset	(4)	(5)	(4)	--	--	--
Recognized actuarial loss (gain)	18	9	(18)	5	3	--
Net Periodic Benefit Cost (Income)	\$ (30)	\$ (27)	\$ (42)	\$ 28	\$ 23	\$ 19

The assumed health care cost trend rate was approximately 12% in 2003 gradually declining to 5% in the year 2019. Assumed health care cost trend rates have a significant effect on the amounts reported for the U.S. health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

(IN MILLIONS OF DOLLARS)	1 Percentage Point Increase	1 Percentage Point Decrease
Effect on total of service and interest cost components	\$ 4	\$ (3)
Effect on postretirement benefit obligation	\$44	\$(36)

In December 2003, the Medicare Prescription Drug, Improvement and Modernization Act of 2003 ("Act") became law. MMC has elected to defer the effects of this Act, therefore the measures of accumulated postretirement benefit obligation and net periodic postretirement benefit cost do not reflect the effects of the Act. Specific authoritative guidance for the federal subsidy is pending, and the issued guidance could require MMC to change previously reported information.

The following schedules provide information concerning MMC's significant non-U.S. defined benefit pension plans and non-U.S. postretirement benefit plans:

December 31, (IN MILLIONS OF DOLLARS)	Non-U.S. Pension Benefits		Non-U.S. Postretirement Benefits	
	2003	2002	2003	2002
Change in benefit obligation:				
Benefit obligation at beginning of year	\$ 3,660	\$ 2,997	\$ 52	\$ 41
Service cost	124	104	1	1
Interest cost	210	177	3	3
Employee contributions	27	19	--	--
Actuarial loss (gain)	325	173	(2)	6
Benefits paid	(141)	(123)	(2)	(2)
Foreign currency changes	466	313	6	3
Plan amendments	(5)	--	(3)	--
Benefit obligation at end of year	\$ 4,666	\$ 3,660	\$ 55	\$ 52
Change in plan assets:				
Fair value of plan assets at beginning of year	\$ 2,918	\$ 2,730	\$ --	\$ --
Actual return on plan assets	380	(271)	--	--
Effect of settlement	(4)	(8)	--	--
Company contributions	366	316	2	2
Employee contributions	27	19	--	--
Benefits paid	(141)	(123)	(2)	(2)
Foreign currency changes	388	255	--	--
Fair value of plan assets at end of year	\$ 3,934	\$ 2,918	\$ --	\$ --
Funded status	\$ (732)	\$ (742)	\$(55)	\$(52)
Unrecognized net actuarial loss	1,655	1,241	8	9
Unrecognized prior service cost	10	10	(3)	--
Net asset (liability) recognized	\$ 933	\$ 509	\$(50)	\$(43)
Amounts recognized in the Balance Sheet consist of:				
Prepaid benefit cost	\$ 645	\$ 526	\$ --	\$ --
Accrued benefit liability	(374)	(420)	(50)	(43)
Intangible asset	8	9	--	--
Accumulated other comprehensive loss	654	394	--	--
Net asset (liability) recognized	\$ 933	\$ 509	\$(50)	\$(43)
Accumulated benefit obligation at December 31	\$ 4,126	\$ 3,202	\$ --	\$ --
Weighted average assumptions:				
Discount rate (for expense)	5.7%	5.8%	5.9%	6.2%
Expected return on plan assets	8.3%	8.3%	--	--
Rate of compensation increase (for expense)	4.0%	4.2%	--	--
Discount rate (for benefit obligation)	5.4%	5.7%	5.7%	5.9%
Rate of compensation increase (for benefit obligation)	4.0%	4.0%	--	--

The benefit obligation, accumulated benefit obligation, and fair value of plan assets for the non-U.S. pension plans with accumulated benefit obligations in excess of plan assets were \$2,628 million, \$2,383 million and \$2,016 million, respectively, as of December 31, 2003 and \$2,074 million, \$1,850 million and \$1,489 million, respectively, as of December 31, 2002.

The components of the net periodic benefit cost for the non-U.S. defined benefit and other postretirement benefit plans and the curtailment, settlement and termination expenses under SFAS 88 are as follows:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	Non-U.S. Pension Benefits			Non-U.S. Postretirement Benefits		
	2003	2002	2001	2003	2002	2001
Service cost	\$ 124	\$ 104	\$ 93	\$1	\$1	\$1
Interest cost	210	177	156	3	3	2
Expected return on plan assets	(317)	(278)	(254)	--	--	--
Recognized actuarial loss (gain)	8	2	(2)	--	--	--
Net periodic benefit cost	\$ 25	\$ 5	\$ (7)	\$4	\$4	\$3
Curtailment gain	--	(1)	--	--	--	--
Settlement loss	--	1	--	--	--	--
Special termination benefits	4	1	--	--	--	--
Total expense	\$ 29	\$ 6	\$ (7)	\$4	\$4	\$3

The assumed health care cost trend rate was approximately 7.0% in 2003, gradually declining to 4.2% in the year 2010. Assumed health care cost trend rates have a significant effect on the amounts reported for the non-U.S. health care plans. A one percentage point change in assumed health care cost trend rates would have the following effects:

(IN MILLIONS OF DOLLARS)	1 Percentage Point Increase	1 Percentage Point Decrease
Effect on total of service and interest cost components	\$1	\$(1)
Effect on postretirement benefit obligation	\$8	\$(6)

CONTRIBUTION PLANS: MMC maintains certain defined contribution plans for its employees, including the Marsh & McLennan Companies Stock Investment Plan ("SIP") and the Putnam Investments, LLC Profit Sharing Retirement Plan (the "Putnam Plan"). Under these plans, eligible employees may contribute a percentage of their base salary, subject to certain limitations. For the SIP, MMC matches a portion of the employees' contributions, while under the Putnam Plan the contributions are at the discretion of MMC subject to IRS limitations. The SIP is an Employee Stock Ownership Plan under U.S. tax law and plan assets of approximately \$1.3 billion at December 31, 2003 and 2002 were invested in MMC stock. In addition, SIP plan assets of approximately \$938 million and \$418 million at December 31, 2003 and 2002, respectively, were managed by Putnam. The cost of these defined contribution plans was \$97 million, \$92 million and \$83 million for 2003, 2002 and 2001, respectively.

8 Stock Benefit Plans

MMC has stock-based benefit plans under which employees are awarded grants of restricted stock, stock options or other forms of awards. As provided under SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), MMC has elected to continue to account for stock-based compensation in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25") and has provided the required additional pro forma disclosures.

MMC INCENTIVE AND STOCK AWARD PLANS: In 2000, the Marsh & McLennan Companies, Inc. 2000 Employee Incentive and Stock Award Plan (the "2000 Employee Plan") and the Marsh & McLennan Companies, Inc. 2000 Senior Executive Incentive and Stock Award Plan (the "2000 Executive Plan") were adopted. The types of awards permitted under these plans include stock options, restricted stock, stock bonus units, restricted and deferred stock units payable in MMC common stock or cash, and other stock-based and performance-based awards. The Compensation Committee of the Board of Directors (the "Compensation Committee") determines, at its discretion, which affiliates may participate in the plans, which eligible employees will receive awards, the types of awards to be received, and the terms and conditions thereof. The right of an employee to receive an award may be subject to performance conditions as specified by the Compensation Committee. The 2000 Plans contain provisions which, in the event of a change in control of MMC, may accelerate the vesting of the awards. Awards relating to not more than 80,000,000 shares of common stock may be made over the life of the 2000 Employee Plan plus shares remaining unused under preexisting employee stock plans. Awards relating to not more than 8,000,000 shares of common stock may be made over the life of

the 2000 Executive Plan plus shares remaining unused under preexisting executive stock plans. There were 46,748,574, 65,049,280 and 87,067,422 shares available for awards under the 2000 Plans and prior plans at December 31, 2003, 2002 and 2001, respectively.

STOCK OPTIONS: Options granted under the 2000 Plans may be designated as incentive stock options or as non-qualified stock options. The Compensation Committee determines the terms and conditions of the option, including the time or times at which an option may be exercised, the methods by which such exercise price may be paid, and the form of such payment. Except under certain limited circumstances, no stock option may be granted with an exercise price of less than the fair market value of the stock at the time the stock option is granted.

Stock option transactions under the 2000 Plans and prior plans are as follows:

	2003		2002		2001	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
Balance at beginning of period	82,130,854	\$ 40.74	70,067,916	\$ 34.58	62,270,030	\$ 30.21
Granted	17,188,980	\$ 43.11	21,006,580	\$ 55.78	15,734,408	\$ 46.42
Exercised	(6,947,666)	\$ 22.71	(7,216,142)	\$ 23.16	(6,521,510)	\$ 19.95
Forfeited	(3,057,096)	\$ 49.50	(1,727,500)	\$ 47.51	(1,415,012)	\$ 41.25
Balance at end of period	89,315,072	\$ 42.30	82,130,854	\$ 40.74	70,067,916	\$ 34.58
Options exercisable at year-end	49,358,186	\$ 37.46	42,009,798	\$ 31.49	36,649,040	\$ 26.48

The following table summarizes information about stock options at December 31, 2003:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Outstanding at 12/31/03	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Exercisable at 12/31/03	Weighted Average Exercise Price
\$13.08-\$25.36	9,089,008	2.4 years	\$17.49	9,089,008	\$17.49
\$25.37-\$37.30	7,963,720	4.0 years	\$30.14	7,963,720	\$30.14
\$37.31-\$51.94	52,984,164	7.1 years	\$43.40	27,034,630	\$42.72
\$51.95-\$62.33	19,278,180	8.1 years	\$55.98	5,270,828	\$56.00
\$13.08-\$62.33	89,315,072	6.6 years	\$42.30	49,358,186	\$37.46

RESTRICTED STOCK: Restricted shares of MMC's common stock may be awarded and are subject to restrictions on transferability and other restrictions, if any, as the Compensation Committee may impose. The Compensation Committee may also determine when and under what circumstances the restrictions may lapse and whether the participant receives the rights of a stockholder, including, without limitation, the right to vote and receive dividends. Unless the Compensation Committee determines otherwise, restricted stock that is still subject to restrictions is forfeited upon termination of employment.

There were 603,200, 249,421 and 245,800 restricted shares granted in 2003, 2002 and 2001, respectively. MMC recorded compensation expense of \$19 million in 2003, \$13 million in 2002 and \$11 million in 2001, related to these shares. Shares that have been granted generally become unrestricted at the earlier of: (1) January 1 of the eleventh year following the grant or (2) the later of the recipient's normal or actual retirement date.

RESTRICTED STOCK UNITS: Restricted stock units may be awarded under the plans. The Compensation Committee determines the restrictions on such units, when the restrictions lapse, when the units vest and are paid, and upon what terms the units are forfeited.

There were 1,039,608, 760,749 and 393,382 restricted stock units awarded during 2003, 2002 and 2001, respectively. The total value of the restricted stock units at the time of the awards was \$44 million, \$40 million and \$19 million in 2003, 2002 and 2001, respectively. The cost of the awards is amortized over the vesting period, which is generally three years.

DEFERRED STOCK UNITS: Deferred stock units may be awarded under the plans. The Compensation Committee determines the restrictions on such units, when the restrictions lapse, when the units vest and are paid, and upon what terms the units are forfeited.

There were 2,325,802, 1,669,680 and 1,447,230 deferred stock units awarded during 2003, 2002 and 2001, respectively. The total value of the deferred stock unit awards was \$100 million, \$85 million and \$76 million in 2003, 2002 and 2001, respectively. The cost of the awards is amortized over the vesting period, which is generally three years.

PUTNAM INVESTMENTS EQUITY PARTNERSHIP PLAN: In 1997, Putnam adopted the Putnam Investments Equity Partnership Plan (the "Equity Plan") pursuant to which Putnam is authorized to grant or sell to certain employees of Putnam or its subsidiaries restricted shares of a new class of common shares of Putnam

Investments Trust, the parent of Putnam Investments, LLC ("Class B Common Shares") and options to acquire the Class B Common Shares. Such awards or options generally vest over a four-year period. Holders of Putnam Class B Common Shares are not entitled to vote and have no rights to convert their shares into any other securities of Putnam. In certain circumstances, Class B Common Shares will be converted into Class A Common Shares. Awards of restricted stock and/or options may be made under the Equity Plan with respect to a maximum of 12,000,000 shares of Class B Common Shares, which would represent approximately 12% of the outstanding shares on a fully diluted basis, as increased for certain issuances of Putnam Class A Common Stock to MMC. Through December 31, 2003, Putnam made awards

pursuant to the Equity Plan of 2,174,100, 1,051,400 and 1,712,000 Class B Common Shares and shares subject to options in 2003, 2002 and 2001, respectively. These awards included 21,300, 525,700 and 856,000 restricted shares with a value of \$1 million, \$39 million and \$91 million in 2003, 2002 and 2001, respectively. These awards also included 2,152,800, 525,700 and 856,000 shares subject to options in 2003, 2002 and 2001, respectively. There were 2,206,713 shares available for grant related to the Equity Plan at December 31, 2003. Outstanding shares and common stock equivalents related to Equity Plan grants at December 31, 2003 resulted in a minority interest in Putnam of approximately 4.7% on a fully diluted basis.

Pursuant to an executive compensation agreement, Putnam awarded 50,000 options in 2002, related to Class B Common Shares to an executive of Putnam.

MMC STOCK PURCHASE PLANS: In May 1999, MMC's stockholders approved an employee stock purchase plan (the "1999 Plan") to replace the 1994 Employee Stock Purchase Plan (the "1994 Plan") which terminated on September 30, 1999 following its fifth annual offering. Under these plans, eligible employees may purchase shares of MMC's common stock, subject to certain limitations, at prices not less than 85% of the lesser of the fair market value of the stock at the beginning or end of any offering period. Under the 1999 Plan, no more than 40,000,000 shares of MMC's common stock plus the remaining unissued shares in the 1994 Plan may be sold. Employees purchased 3,815,231, 3,744,190 and 2,855,072 shares in 2003, 2002 and 2001, respectively. At December 31, 2003, 31,650,325 shares were available for issuance under the 1999 Plan. In July 2002, the MMC Board of Directors approved an additional 5,000,000 shares of common stock for issuance under the 1995 MMC Stock Purchase Plan for International Employees (the "International Plan"). With the additional shares under the International Plan, no more than 8,000,000 shares of MMC's common stock may be sold. Employees purchased 1,216,359, 717,696 and 556,326 shares in 2003, 2002 and 2001, respectively. At December 31, 2003, 3,130,709 shares were available for issuance under the International Plan.

PRO FORMA INFORMATION: In accordance with the intrinsic value method allowed by APB 25, no compensation cost has been recognized in the Consolidated Statements of Income for MMC's stock option and stock purchase plans and the stock options awarded under the Putnam Investments Equity Partnership Plan. Had compensation cost for MMC's stock-based compensation plans been determined consistent with the fair value method prescribed by SFAS No. 123, MMC's net income and net income per share for 2003, 2002 and 2001 would have been reduced to the pro forma amounts indicated in the table below.

(IN MILLIONS OF DOLLARS, EXCEPT PER SHARE FIGURES)			
	2003	2002	2001
NET INCOME:			
As reported	\$1,540	\$1,365	\$974
Adjustment for fair value method, net of tax	(171)	(152)	(114)
Pro forma	\$1,369	\$1,213	\$860
NET INCOME PER SHARE:			
BASIC:			
As reported	\$ 2.89	\$ 2.52	\$1.77
Pro forma	\$ 2.57	\$ 2.24	\$1.57
DILUTED:			
As reported	\$ 2.81	\$ 2.45	\$1.70
Pro forma	\$ 2.50	\$ 2.18	\$1.50

The pro forma information reflected above includes stock options issued under MMC incentive and stock award plans and the Putnam Investments Equity Partnership Plan and stock issued under MMC stock purchase plans.

The estimated fair value of options granted was calculated using the Black-Scholes option pricing valuation model. The weighted average assumptions used in the valuation models are as follows:

	Stock Options			Stock Purchase Plans		
	2003	2002	2001	2003	2002	2001
MMC INCENTIVE AND STOCK AWARD PLANS						
Dividend yield	2.3%	2.3%	2.0%	2.3%	2.3%	2.0%
Expected volatility	21.0%	33.2%	32.7%	29.5%	31.4%	37.3%
Risk-free interest rate	2.75%	4.9%	4.6%	1.03%	1.2%	2.4%
Weighted-average fair value	\$ 7.45	\$16.82	\$13.99	\$12.47	\$11.18	\$14.09
Expected life	5 years	5 years	5 years	1 YEAR	1 year	1 year
PUTNAM INVESTMENTS EQUITY PARTNERSHIP PLAN						
Dividend yield	5.0%	5.0%	5.0%			
Expected volatility	29.4%	44.4%	42.4%			
Risk-free interest rate	2.48%	4.9%	4.6%			
Weighted-average fair value	\$ 6.55	\$21.63	\$29.66			
Expected life	5 years	5 years	5 years			

9 Long-term Commitments

MMC leases office facilities, equipment and automobiles under noncancelable operating leases. These leases expire on varying dates; in some instances contain renewal and expansion options; do not restrict the payment of dividends or the incurrence of debt or additional lease obligations; and contain no significant purchase options. In addition to the base rental costs, occupancy lease agreements generally provide for rent escalations resulting from increased assessments for real estate taxes and other charges. Approximately 97% of MMC's lease obligations are for the use of office space.

The Consolidated Statements of Income include net rental costs of \$469 million, \$397 million and \$367 million for 2003, 2002 and 2001, respectively, after deducting rentals from subleases (\$21 million in 2003, \$20 million in 2002 and \$8 million in 2001).

At December 31, 2003, the aggregate future minimum rental commitments under all noncancelable operating lease agreements are as follows:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	Gross Rental Commitments	Rentals from Subleases	Net Rental Commitments
2004	\$ 473	\$ 26	\$ 447
2005	446	25	421
2006	395	23	372
2007	354	20	334
2008	317	18	299
Subsequent years	2,341	199	2,142
	\$4,326	\$311	\$4,015

MMC has entered into agreements with various service companies to outsource certain information systems activities and responsibilities. Under these agreements, MMC is required to pay minimum annual service charges. Additional fees may be payable depending upon the volume of transactions processed with all future payments subject to increases for inflation. At December 31, 2003, the aggregate fixed future minimum commitments under these agreements are as follows:

For the Years Ending December 31, (IN MILLIONS OF DOLLARS)	Future Minimum Commitments
2004	\$44
2005	15
2006	9
Subsequent years	8
	\$76

10 Debt

MMC's outstanding debt is as follows:

December 31, (IN MILLIONS OF DOLLARS)	2003	2002
SHORT-TERM:		
Commercial paper	\$ 440	\$ 506
Bank loans	--	35
Current portion of long-term debt	7	2
	\$ 447	\$ 543
LONG-TERM:		
Commercial paper	\$ --	\$ 750
Senior notes--6.625% due 2004	599	598
Senior notes--7.125% due 2009	399	398
Senior notes--5.375% due 2007 (4.0% effective interest rate)(a)	520	530
Senior notes--6.25% due 2012 (5.1% effective interest rate)(a)	269	275
Senior notes--3.625% due 2008	248	--
Senior notes--4.850% due 2013	249	--
Senior notes--5.875% due 2033	295	--
Mortgage--9.8% due 2009	200	200
Notes payable--8.62% due 2005	69	73
Notes payable--7.68% due 2006	61	62
Other	8	7
	2,917	2,893
Less current portion	7	2
	\$2,910	\$2,891

(a) The effective interest rates result from unwinding fair value hedges, as discussed below.

The weighted average interest rates on MMC's outstanding short-term debt at December 31, 2003 and 2002 are 1.2% and 1.6%, respectively.

Based on MMC's intent and ability to refinance certain obligations on a long-term basis, the 6.625% Senior Note due in 2004 has been classified as Long-term debt at December 31, 2003 and commercial paper borrowings of \$750 million were classified as Long-term debt at December 31, 2002.

In June 2002, MMC arranged two revolving credit facilities to support its commercial paper borrowings. These credit facilities replaced similar facilities that expired during 2002. In 2003, MMC amended and restated the 364-day facility that expired in June 2003. Under the amended credit facility expiring in June 2004, MMC may borrow up to \$1.4 billion with commitment fees of 5 basis points payable on any unused portion. Repayment of any outstanding borrowing under this facility can be extended up to one year from the expiration date. MMC may borrow up to \$1.0 billion under the noncancelable 5-year facility that expires in June 2007 with commitment fees of 8 basis points payable on any unused portion. The interest rates on these facilities vary based upon the level of usage of the facility and MMC's credit ratings. Each of the facilities requires MMC to maintain consolidated net worth of at least \$3.5 billion and contains certain other restrictions relating to consolidations, mergers, and the sale or pledging of assets. No amounts were outstanding under these facilities at December 31, 2003.

Additional credit facilities are maintained with various banks, primarily related to operations located outside the United States, aggregating \$209 million at December 31, 2003 and \$274 million at December 31, 2002. There were no outstanding amounts under these facilities at December 31, 2003 and \$35 million outstanding at December 31, 2002.

In July 2003, MMC issued \$300 million of 5.875% Senior Notes due 2033. In February 2003, MMC issued \$250 million of 3.625% Senior Notes due 2008 and \$250 million of 4.85% Senior Notes due 2013. The net proceeds from the notes were used to pay down commercial paper borrowings.

In March 2002, MMC issued \$500 million of 5.375% Senior Notes due 2007 and \$250 million of 6.25% Senior Notes due 2012 (the "Notes"). Interest is payable semi-annually on March 15 and September 15 of each year. The proceeds of these Notes were used to repay a portion of commercial paper borrowings. Concurrent with the issuance of the Notes, MMC entered into interest rate swap transactions to hedge 100% of its exposure to changes in the fair value of the Notes. The swap transactions effectively converted the fixed rate obligations into floating rate obligations. Under the terms of the swaps, the swap counterparties paid MMC a fixed rate equal to the coupon rate on the bonds. MMC paid the swap counterparties a floating rate of 6-month Libor plus 9.25 bps for the five-year swap and 6-month Libor plus 25.45 bps for the ten-year swap. In July 2002, MMC dedesignated 50% of the fair value hedge on each of the Notes and settled 50% of each of the related swaps. The portion of the Notes no longer hedged ceased being marked to market, and the cumulative amount of fair value adjustments previously recognized is being amortized over the remaining life of the related Notes. MMC redesignated the remaining portion of the swaps as a fair value hedge of 50% of the Notes. The redesignated swaps carried the identical terms and conditions as the original swaps and under SFAS No. 133 qualified for hedge accounting and met all criteria necessary to conclude the hedge would be perfectly effective. In January 2003, MMC dedesignated the remaining fair value hedge on each of the Notes and settled the remaining swaps. The cumulative amount of fair value adjustments previously recognized is being amortized over the remaining life of the related Notes. As a result of these transactions, the effective interest rate over the remaining life of the Notes, including the amortization of the fair value adjustments, is 4.0% for the Notes due in 2007 and 5.1% for the Notes due in 2012.

MMC has a fixed rate non-recourse mortgage note agreement due in 2009 amounting to \$200 million, bearing an interest rate of 9.8%, in connection with its interest in its worldwide headquarters building in New York City. In the event the mortgage is foreclosed following a default, MMC would be entitled to remain in the space and would be obligated to pay rent sufficient to cover interest on the notes or at fair market value if greater.

Scheduled repayments of long-term debt in 2004 and in the four succeeding years are \$7 million, \$666 million, \$61 million, \$504 million and \$251 million, respectively.

11 Financial Instruments

The estimated fair value of MMC's significant financial instruments is provided below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that MMC would realize upon disposition nor do they indicate MMC's intent or ability to dispose of the financial instrument.

	2003		2002	
December 31, (IN MILLIONS OF DOLLARS)	CARRYING AMOUNT	FAIR VALUE	Carrying Amount	Fair Value
Cash and cash equivalents	\$ 665	\$ 665	\$ 546	\$ 546
Long-term investments	\$ 648	\$ 648	\$ 578	\$ 578
Short-term debt	\$ 447	\$ 447	\$ 543	\$ 543
Long-term debt	\$2,910	\$3,069	\$2,891	\$3,116

CASH AND CASH EQUIVALENTS: The estimated fair value of MMC's cash and cash equivalents approximates their carrying value.

LONG-TERM INVESTMENTS: Long-term investments primarily consist of available for sale securities recorded at quoted market prices. MMC also has certain additional long-term investments, for which there are no readily available market prices, amounting to \$100 million and \$168 million at December 31, 2003 and 2002, respectively, which are carried on a cost basis. MMC monitors these investments for impairment and makes appropriate reductions in carrying values when necessary.

MMC had available for sale securities and trading investments with an aggregate fair value of \$548 million and \$410 million at December 31, 2003 and 2002, respectively, which are carried at market value under SFAS 115.

Gross unrealized gains amounting to \$304 million and \$209 million and gross unrealized losses of \$2 million and \$23 million at December 31, 2003 and 2002, respectively, have been excluded from earnings and reported, net of deferred income taxes, as accumulated other comprehensive loss which is a component of stockholders' equity.

MMC recorded net gains (losses) associated with its available for sale securities of \$34 million, \$57 million and \$(111) million, in 2003, 2002 and 2001, respectively. Proceeds from the sale of available for sale securities for the years ended December 31, 2003, 2002 and 2001 were \$94 million, \$161 million and \$155 million, respectively. Gross realized gains on available for sale securities sold during 2003, 2002 and 2001 amounted to \$49 million, \$100 million and \$112 million, respectively. In 2003, 2002 and 2001, MMC recorded losses of \$15 million, \$43 million and \$223 million respectively, related to the decline in value of certain available for sale securities that were other than temporary. The cost of securities sold is determined using the average cost method for equity securities.

MMC also holds investments in certain private equity fund partnerships which are accounted for using the equity method. MMC's share of gains (losses) from such investments, and from trading securities, of \$66 million, \$10 million and \$(31) million in 2003, 2002 and 2001, respectively, is included in Investment income (loss) in the Consolidated Statements of Income.

A portion of insurance fiduciary funds which MMC holds to satisfy fiduciary obligations is invested in high quality debt securities, which are generally held to maturity. The difference between cost and fair value of these investments is not material.

SHORT-TERM AND LONG-TERM DEBT: The fair value of MMC's short-term debt, which consists primarily of commercial paper borrowings, approximates its carrying value. The estimated fair value of MMC's long-term debt is based on discounted future cash flows using current interest rates available for debt with similar terms and remaining maturities.

OPTION CONTRACTS: In 2001, MMC entered into a series of option contracts to hedge the variability of cash flows from forecasted sales of certain available for sale equity investments. The sales are forecasted to occur over the next four quarters. The hedge is achieved through the use of European style put and call options, which mature on the dates of the forecasted sales. Gains or losses on the option contracts are deferred in Other comprehensive loss until the related forecasted sales occur. The hedging relationship is considered perfectly effective because all critical terms of the hedge and the forecasted sales match. As a result no hedge ineffectiveness will be recognized in earnings. At December 31, 2003, the net increase in fair value of the option contracts of \$2 million was recorded as an asset and a reduction of Accumulated other comprehensive loss on the Balance Sheet. MMC expects the Accumulated other comprehensive loss related to the remaining option contracts to be reclassified into earnings over the next year as the related forecasted sales occur.

12 Integration and Restructuring Costs and Charges Related to September 11

In 1999, as part of the 1998 combination with Sedgwick Group, plc ("Sedgwick") and the integration of Sedgwick, MMC adopted a plan to reduce staff and consolidate duplicative offices. The estimated cost of this plan relating to employees and offices of Sedgwick ("Sedgwick Plan") amounted to \$285 million and was included in the cost of the acquisition. The initial liability comprised termination payments to employees and other employer related costs of \$188 million, leasehold termination costs, and future rent under noncancelable leases of \$97 million. During 2003, MMC paid \$5 million of costs related to the Sedgwick Plan and \$9 million of the reserves were reversed by MMC and recorded as a reduction of goodwill. The remaining liability at December 31, 2003 was \$20 million.

Merger-related costs for employees and offices of MMC ("MMC Plan") amounted to \$266 million and were recorded as part of a 1999 charge. The initial liability comprised termination payments to employees of \$194 million, lease termination costs, and future rent under noncancelable leases of \$47 million, and other integration costs of \$25 million. During 2003, MMC paid \$5 million of costs related to the MMC Plan. MMC also recorded a credit of \$2 million, representing reductions of the remaining estimated costs of \$1 million for leased property costs and \$1 million related to staff reductions. The remaining liability at December 31, 2003 was \$10 million.

In the third quarter of 2001, as a result of weakening business conditions, which were exacerbated by the events of September 11, MMC adopted a plan to provide for staff reductions and office consolidations, primarily in the consulting segment ("2001 Plan"). The charge of \$61 million related to the 2001 Plan comprised \$44 million for severance related benefits and \$17 million for future rent under noncancelable leases. During 2003, MMC paid \$1 million of costs related to the 2001 Plan and increased the reserve for \$1 million to reflect the current estimate for required lease payments. The remaining liability at December 31, 2003 was \$18 million.

In addition to the charges and credits discussed above, in 2003 MMC recorded a charge of \$1 million for a change in the estimated remaining lease obligations related to the business combination with J&H and a credit of \$5 million representing the reversal of an accrual for stock unit awards related to the acquisition of Sedgwick. The net credit related to changes in the estimated costs for integration and restructuring increased diluted net income per share by approximately one-half of one cent for the year ended December 31, 2003.

Actions under each of the plans are complete. The remaining accruals, primarily for future rent under noncancelable leases, costs to restore leased properties to contractually agreed upon conditions, and salary continuance arrangements, are expected to be paid over several years.

In 2001, as a result of the events of September 11 and the subsequent business environment, MMC recorded a pretax charge totaling \$187 million. MMC also recorded a credit of \$13 million attributable to changes in estimates in connection with integration and restructuring plans provided for in prior years. Changes in estimated costs resulted in a reversal of reserves of \$5 million for employee termination costs and \$2 million related to office consolidations associated with the Sedgwick transaction and a \$6 million reversal of reserves related to office consolidation costs associated with the J&H combination. The combined impact of charges related to September 11 and the credit was a \$.19 reduction in diluted net income per share in 2001.

13 Common Stock

In 2003, MMC repurchased shares of its common stock for treasury as well as to meet requirements for issuance of shares for its various stock compensation and benefit programs. During 2003, MMC repurchased 26.1 million shares for total consideration of \$1.2 billion, compared with 24.2 million shares for total consideration of \$1.2 billion in 2002.

MMC repurchases shares subject to market conditions, including from time to time pursuant to the terms of a 10b5-1 plan. A 10b5-1 plan allows a company to purchase shares during a blackout period, provided the company communicates its share purchase instructions to the broker prior to the

blackout period, pursuant to a written plan that may not be changed. Approximately 3.7 million of the shares repurchased in 2003 were made under the 10b5-1 plan. MMC currently plans to continue to repurchase shares in 2004, subject to market conditions.

On May 16, 2002, the Board of Directors authorized a two-for-one stock distribution of MMC common stock, which was issued as a stock dividend on June 28, 2002. All capital accounts and references to per share amounts have been restated for this stock distribution.

On September 18, 1997, MMC's Board of Directors approved the extension of the benefits afforded by MMC's previously existing rights plan by adopting a new stockholder rights plan, which was amended and restated as of January 20, 2000 and further amended on June 7, 2002. Under the current plan, Rights to purchase stock, at a rate of one Right for each common share held, were distributed to shareholders of record on September 29, 1997 and automatically attach to shares issued thereafter. Under the plan, the Rights generally become exercisable after a person or group (i) acquires 15% or more of MMC's outstanding common stock or (ii) commences a tender offer that would result in such a person or group owning 15% or more of MMC's common stock. When the Rights first become exercisable, a holder will be entitled to buy from MMC a unit consisting of one six-hundredth of a share of Series A Junior Participating Preferred Stock of MMC at a purchase price of \$200. If any person acquires 15% or more of MMC's common stock or if a 15% holder acquires MMC by means of a reverse merger in which MMC and its stock survive, each Right not owned by a 15% or more shareholder would become exercisable for common stock of MMC (or in certain circumstances, other consideration) having a market value equal to twice the exercise price of the Right. The Rights expire on September 29, 2007, except as otherwise provided in the plan.

15 Claims, Lawsuits and Other Contingencies

PUTNAM MATTERS

REGULATORY MATTERS: On October 28, 2003, the Securities and Exchange Commission (the "SEC") commenced a civil administrative and cease and desist proceeding against Putnam under the Investment Advisors Act of 1940 and the Investment Company Act of 1940. On November 13, 2003, pursuant to an agreement with Putnam, the SEC entered an order making findings, which Putnam neither admitted nor denied, of certain facts and concluded that Putnam violated the Investment Advisors Act of 1940 and the Investment Company Act of 1940. The order imposed partial relief, including final censure, remedial undertakings, and a cease and desist order. The SEC's order found that since 1998 at least six Putnam investment management professionals engaged in excessive short-term trading of Putnam mutual funds in their personal accounts. The order also found that four of these employees engaged in trading in funds over which they had investment decision making responsibilities and access to non-public information regarding their funds' portfolios. The SEC further found that Putnam failed to disclose this potentially self-dealing securities trading to the boards or shareholders of the mutual funds it manages, failed to take adequate steps to detect and deter such trading activity through internal controls and failed in its supervision of these investment management professionals. Under the terms of the order, Putnam has agreed to a number of remedial actions, including new employee trading restrictions, enhanced employee trading compliance, oversight by an independent third party and the SEC of the calculation of the amount of restitution to be made by Putnam for losses attributable to excessive short-term trading by Putnam employees, the retention of an independent compliance consultant, the undertaking of periodic compliance reviews, and certification of compliance with the SEC. The order also contemplates civil monetary penalties to be determined at a later date. Putnam has also undertaken to make appropriate restitution for losses to any of Putnam's funds resulting from improper market timing activities by Putnam employees.

In a separate action, the SEC is seeking an injunction against two of the six investment management employees. All six such employees have been removed from investment management responsibilities at Putnam.

On October 28, 2003, the Massachusetts Secretary of the Commonwealth commenced a civil administrative proceeding against Putnam and two of its employees alleging violations of the state's securities law anti-fraud provisions. These violations are alleged to be based on material misstatements in Putnam mutual fund prospectuses because Putnam allegedly permitted fund managers to engage in activities contrary to Putnam's stated policy against market timing and short-term trading. Putnam is also alleged to have breached its fiduciary duty to Putnam fund shareholders by allowing such employee conduct. In addition, the Massachusetts action alleges that Putnam permitted certain non-employee shareholders of Putnam funds to engage in excessive market timing activities in violation of policies allegedly disclosed by Putnam in its mutual fund prospectuses. The Massachusetts action seeks to have Putnam permanently cease and desist from violating the Massachusetts securities law, and to pay restitution to the funds and administrative fines in an undetermined amount.

Additionally, Putnam has received document subpoenas and/or requests for information from the United States Attorney in Boston, the Florida Department of Financial Services, the Office of the Attorney General for the State of New York, Offices of the Secretary of State and the State Auditor for the State of West Virginia, the National Association of Securities Dealers (the "NASD") and the Boston office of the U.S. Department of Labor inquiring into, among other things, matters that are the subject of the SEC and Massachusetts actions.

Putnam has also received subpoenas from the SEC's Philadelphia office, seeking documents relating to Putnam's directed brokerage practices and the SEC has interviewed, and taken testimony from, a number of Putnam employees relating to revenue sharing practices. In addition, Putnam has received a request for information from the SEC's Chicago office and the NASD regarding revenue sharing arrangements.

Putnam is fully cooperating with the regulatory authorities.

In the fourth quarter of 2003, Putnam recorded net costs of \$24 million related to these proceedings, which included the estimated potential restitution to the Putnam Funds, and compliance, legal and communication expenses. Putnam's partial settlement with the SEC includes civil penalties not yet determined, and therefore, no provision has been made for such penalties.

SECURITIES LITIGATION: As of March 4, 2004 MMC and Putnam have received complaints in approximately 70 civil actions based on allegations of market timing activities. These actions have been filed in federal court in New York, Massachusetts, California, Illinois, Connecticut, and Delaware, and in state court in New York, Massachusetts, California, Illinois, Vermont, Kansas, and North Carolina. These civil actions are as follows:

Ten purported securities class actions (the "MMC Class Action Complaints") have been filed in United States District Court for the Southern District of New York on behalf of a class of purchasers of MMC stock during the period from January 2000 to November 2003. The MMC Class Action Complaints allege, among other things, that MMC failed to disclose certain market timing activities at Putnam which, when disclosed, resulted in a drop in the market price of MMC's shares. The MMC Class Action Complaints also name as defendants certain officers and directors of MMC. The MMC Class Action Complaints assert claims under Sections 10(b) and 20(a) of the Exchange Act.

Three shareholder derivative actions have been filed against members of MMC's Board of Directors, and MMC as a nominal defendant. In these actions, the plaintiffs purport to state common law claims based on,

among other things, the Board's alleged failure to prevent the alleged market timing from occurring. Two of the MMC derivative complaints were filed in the United States District Court for the Southern District of New York and one was filed in the Supreme Court for the State of New York.

MMC and/or Putnam have been named in 56 additional actions brought by investors in Putnam funds claiming damages to themselves or the Putnam funds as a result of various market timing activities. These actions have been brought either individually (the "Individual Complaints"), derivatively (the "Putnam Derivative Complaints"), or on behalf of a putative class (the "Putnam Class Action Complaints"). The Individual Complaints, the Putnam Class Action Complaints (which also name as defendants certain Putnam funds and certain Putnam employees) and the Putnam Derivative Complaints (which also name as defendants certain Putnam officers and employees and certain trustees of the Putnam funds), allege violations of the federal securities and investment advisory laws and state law. At this time, seven of these cases are pending in various state courts. Putnam has also been named as a defendant in one suit in its capacity as a sub-advisor to a non-Putnam fund.

MMC and Putnam moved before the Judicial Panel on Multidistrict Litigation (the "MDL Panel") to consolidate the federal matters before a single judge. On February 20, 2004, the MDL Panel issued an order transferring many of the cases against MMC and Putnam, along with those against other mutual fund complexes, to the United States District Court for the District of Maryland for coordinated pretrial proceedings. In most of the federal cases, either by agreement of the parties or order of the court, MMC and Putnam are not required to respond until after amended complaints have been filed in the consolidated actions.

Putnam has agreed to indemnify the Putnam funds for any liabilities arising from market timing activities, including those that could arise in the securities litigations, and MMC has agreed to guarantee Putnam's obligations in that regard.

ERISA LITIGATION: MMC, Putnam, and various of their officers, directors and employees have been named as defendants in three purported class actions asserting claims under ERISA (the "ERISA Actions"). The ERISA Actions, which have been brought by participants in MMC's Stock Investment Plan and Putnam's Profit Sharing Retirement Plan (collectively, the "Plans"), allege, among other things, that, in view of the market timing trading activity that was allegedly allowed to occur at Putnam, the defendants knew or should have known that the investment of the Plans' funds in MMC's stock and Putnam's mutual fund shares was imprudent and that the defendants breached their fiduciary duties to the Plans' participants in making these investments. The three ERISA Actions were filed in federal court for the Southern District of New York.

The complaints in the above referenced matters seek monetary damages and other forms of relief. At the present time, MMC's management is unable to estimate the impact that the outcome of the foregoing proceedings may have on MMC's consolidated results of operations, financial position or cash flows.

EMPLOYMENT DISPUTE

Lawrence J. Lasser, former President and CEO of Putnam, has initiated an arbitration proceeding against MMC. The arbitration will determine whether and to what extent Mr. Lasser is owed any money under his employment arrangements with Putnam.

OTHER MATTERS

MMC and its subsidiaries are subject to various claims, lawsuits and proceedings consisting principally of alleged errors and omissions in connection with the placement of insurance or reinsurance and in rendering investment and consulting services. Some of these matters seek damages, including punitive damages, in amounts which could, if assessed, be significant. Insurance coverage applicable to such matters includes elements of both risk retention and risk transfer.

As part of the combination with Sedgwick, MMC acquired several insurance underwriting businesses that were already in run-off, including River Thames Insurance Company Limited ("River Thames"), which was sold in 2001. Sedgwick guaranteed payment of claims on certain policies underwritten through the Institute of London Underwriters by River Thames ("ILU Guarantee"). The policies covered by the ILU Guarantee are reinsured up to (pound)40 million by a related party of River Thames. Payment of claims under the reinsurance agreement is collateralized by segregated assets held in a trust. As of December 31, 2003, the reinsurance coverage exceeded the best estimate of the projected liability of the policies covered by the ILU Guarantee. To the extent River Thames or the reinsurer are unable to meet their obligations under those policies, a claimant may seek to recover from MMC under the guarantee.

As part of a continuing internal review of compliance procedures and controls, Putnam determined in 2004 that certain error correction and accounting procedures in its defined contribution service organization were not followed appropriately in prior years, including instances where controls were willfully circumvented. Putnam has notified the Funds' Trustees and the regulators of these findings. Subsequent to release of MMC's annual earnings on January 29, 2004, Putnam's investigation determined that client restitution and other costs resulting from non-compliance with these procedures, amounting to \$6 million, should be recorded in the 2003 financial statements. This amount is included in MMC's results of operations for the year ended December 31, 2003.

Although the ultimate outcome of these Other Matters and the Employment Dispute cannot be ascertained and liabilities in indeterminate amounts may be imposed on MMC and its subsidiaries, on the basis of present information, it is the opinion of MMC's management that the disposition or ultimate

determination of these claims, lawsuits, proceedings, reviews or guarantees should not have a material adverse effect on MMC's consolidated financial position or cash flows, but may be material to MMC's operating results in any particular period.

16 Segment Information

MMC operates in three principal business segments based on the services provided. Segment performance is evaluated based on segment operating income, which includes investment income and losses attributable to each segment, directly related expenses and minority interest, but excludes charges related to September 11, 2001, charges or credits related to integration and restructuring reserves and corporate expenses. The accounting policies of the segments are the same as those used for the consolidated financial statements described in Note 1. Revenues are attributed to geographic areas on the basis of where the services are performed.

Selected information about MMC's operating segments and geographic areas of operation follow:

For the Years Ended December 31, (IN MILLIONS OF DOLLARS)	Revenue	Operating Income	Total Assets	Depreciation and Amortization	Capital Expenditures
2003--					
Risk and Insurance Services	\$ 6,868(a)	\$1,751	\$ 9,625	\$203	\$281
Investment Management	2,001	497	2,377	106	56
Consulting	2,719	363	2,786	70	59
Total Operating Segments	\$11,588	\$2,611	\$14,788	\$379	\$396
Corporate/Eliminations	--	(115)(c)	265(d)	12	40
Total Consolidated	\$11,588	\$2,496	\$15,053	\$391	\$436
2002--					
Risk and Insurance Services	\$ 5,910(a)	\$1,490	\$ 8,571	\$183	\$257
Investment Management	2,166	560	2,144	108	82
Consulting	2,364	326	2,080	58	53
Total Operating Segments	\$10,440	\$2,376	\$12,795	\$349	\$392
Corporate/Eliminations	--	(102)(c)	1,060(d)	10	31
Total Consolidated	\$10,440	\$2,274	\$13,855	\$359	\$423
2001--					
Risk and Insurance Services	\$ 5,152(a)	\$1,139	\$ 7,859	\$307	\$202
Investment Management	2,409(b)	584(b)	3,001	124	102
Consulting	2,308	313	1,904	72	86
Total Operating Segments	\$ 9,869	\$2,036	\$12,764	\$503	\$390
Corporate/Eliminations	--	(273)(c)	1,005(d)	17	43
Total Consolidated	\$ 9,869	\$1,763	\$13,769	\$520	\$433

(a) Includes interest income on fiduciary funds (\$114 million in 2003, \$118 million in 2002 and \$165 million in 2001).

(b) Includes charge of \$222 million related to an other than temporary decline in value of the common stock of Gruppo Bipop-Carire S.p.A.

(c) Details provided in the chart below.

(d) Corporate assets primarily include unallocated goodwill, insurance recoverables, prepaid pension and a portion of MMC's headquarters building.

A reconciliation of segment operating income to operating income in the Consolidated Statements of Income is as follows:

(IN MILLIONS OF DOLLARS)	2003	2002	2001
INCOME BEFORE INCOME TAXES AND MINORITY INTEREST:			
Total segment operating income	\$ 2,611	\$ 2,376	\$ 2,036
Corporate expense	(140)	(123)	(116)
Other charges and credits (see Note 12)	--	--	(174)
Reclassification of minority interest	25	21	17
Operating income	\$ 2,496	\$ 2,274	\$ 1,763

Operating Segment Revenue by Product is as follows:

(IN MILLIONS OF DOLLARS)	2003	2002	2001
RISK & INSURANCE SERVICES			
Risk Management and Insurance Broking	\$ 5,179	\$ 4,411	\$3,829
Reinsurance Broking and Services	775	632	523
Related Insurance Services	914	867	800
Total Risk & Insurance Services	6,868	5,910	5,152
INVESTMENT MANAGEMENT	2,001	2,166	2,409
CONSULTING			
Retirement Services	1,208	1,115	1,022
Health Care & Group Benefits	388	358	343
Human Capital	379	340	361
Management and Organizational Change	449	280	322
Economic	150	130	112
Reimbursed Expenses	2,574	2,223	2,160
	145	141	148
Total Consulting	2,719	2,364	2,308
Total	\$11,588	\$10,440	\$9,869

Information by geographic area is as follows:

(IN MILLIONS OF DOLLARS)	2003	2002	2001
GEOGRAPHIC AREA:			
EXTERNAL REVENUE--			
United States	\$ 7,371	\$ 7,005	\$6,811
United Kingdom	1,760	1,499	1,325
Continental Europe	1,241	950	843
Other	1,216	986	890
	\$11,588	\$10,440	\$9,869
FIXED ASSETS--			
United States	\$ 921	\$ 914	\$ 912
United Kingdom	308	261	192
Continental Europe	78	64	55
Other	82	69	76
	\$ 1,389	\$ 1,308	\$1,235

Report of Management

The management of Marsh & McLennan Companies, Inc. has prepared and is responsible for the accompanying financial statements and other related financial information contained in this annual report. MMC's financial statements were prepared in accordance with generally accepted accounting principles, applying certain estimates and informed judgments as required. Deloitte & Touche LLP, independent auditors, have audited the financial statements and have issued their report thereon.

MMC maintains a system of internal accounting controls designed to provide reasonable assurance that transactions are executed in accordance with management's authorization, that assets are safeguarded and that proper financial records are maintained. Key elements of MMC's internal controls include securing the services of qualified personnel and proper segregation of duties. Internal auditors monitor the control system by examining financial reports, by testing the accuracy of transactions and by otherwise obtaining assurance that the system is operating in accordance with MMC's objectives.

The Audit Committee of the Board of Directors is composed entirely of independent outside directors and is responsible for recommending to the Board the independent auditors to be engaged to audit MMC's financial statements, subject to stockholder ratification. In addition, the Audit Committee meets periodically with internal auditors and the independent auditors, both with and without management, to discuss MMC's internal accounting controls, financial reporting and other related matters. The internal auditors and independent auditors have full and unrestricted access to the Audit Committee.

/s/ Jeffrey W. Greenberg
Jeffrey W. Greenberg
Chairman and
Chief Executive Officer
March 5, 2004

/s/ Sandra S. Wijnberg
Sandra S. Wijnberg
Senior Vice President and
Chief Financial Officer
March 5, 2004

Independent Auditors' Report

The Board of Directors and Stockholders of
Marsh & McLennan Companies, Inc.:

We have audited the accompanying consolidated balance sheets of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2003. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Marsh & McLennan Companies, Inc. and subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2003 in conformity with accounting principles generally accepted in the United States of America.

As described in Note 5 to the financial statements, the Company changed its method of accounting for goodwill amortization to conform to Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets.

/s/ Deloitte & Touche LLP

New York, New York
March 5, 2004

Marsh & McLennan Companies, Inc. and Subsidiaries
SELECTED QUARTERLY FINANCIAL DATA AND
SUPPLEMENTAL INFORMATION (UNAUDITED)

(IN MILLIONS OF DOLLARS, EXCEPT PER SHARE FIGURES)	Revenue	Operating Income	Net Income	Net Income Per Share(a)		Dividends Paid Per Share
				Basic	Diluted	
2003:						
First quarter	\$ 2,852	\$ 717	\$ 443	\$.83	\$.81	\$.28
Second quarter	2,865	599	365	.68	.66	.28
Third quarter	2,837	593	357	.67	.65	.31
Fourth quarter	3,034	587	375	.71	.69	.31
	\$11,588	\$2,496	\$1,540	\$ 2.89	\$ 2.81	\$ 1.18
2002:						
First quarter	\$ 2,635	\$ 687	\$ 418	\$.76	\$.73	\$.265
Second quarter	2,612	565	336	.62	.60	.265
Third quarter	2,553	512	299	.56	.55	.28
Fourth quarter	2,640	510	312	.58	.57	.28
	\$10,440	\$2,274	\$1,365	\$ 2.52	\$ 2.45	\$ 1.09
2001:						
First quarter	\$ 2,631	\$ 645	\$ 369	\$.67	\$.63	\$.25
Second quarter	2,541	526	293	.53	.51	.25
Third quarter	2,407	312(b)	168(b)	.31	.29(b)	.265
Fourth quarter	2,290	280(c)	144(c)	.26	.26(c)	.265
	\$ 9,869	\$1,763(d)	\$ 974(d)	\$ 1.77	\$ 1.70(d)	\$ 1.03

(a) Net income per share is computed independently for each of the periods presented. Accordingly, the sum of the quarterly net income per share amounts does not equal the total for the year in 2001.

(b) Includes charges related to September 11 and restructuring costs of \$173 which reduce diluted net income per share by \$.19.

(c) Includes charges related to September 11 and restructuring costs of \$223 which reduce diluted net income per share by \$.24.

(d) Includes charges related to September 11 and restructuring costs of \$396 which reduce diluted net income per share by \$.42.

All per share amounts have been restated for a two-for-one stock distribution of MMC common stock, which was issued as a stock dividend on June 28, 2002.

As of February 29, 2004, there were 11,363 stockholders of record.

Marsh & McLennan Companies, Inc. and Subsidiaries
FIVE-YEAR STATISTICAL SUMMARY OF OPERATIONS

For the Years Ended December 31, (IN MILLIONS OF DOLLARS, EXCEPT PER SHARE FIGURES)	2003	2002	2001	2000	1999	Compound Growth Rate 1998-2003
Revenue:						
Risk and Insurance Services	\$6,868	\$5,910	\$5,152	\$4,780	\$4,523	15%
Investment Management	2,001	2,166	2,409	3,242	2,684	(3)%
Consulting	2,719	2,364	2,308	2,286	2,086	10%
Total Revenue	11,588	10,440	9,869	10,308	9,293	10%
Expenses:						
Compensation and Benefits	5,926	5,199	4,877	4,941	4,574	11%
Other Operating Expenses	3,166	2,967	3,229	3,188	3,252	6%
Total Expenses	9,092	8,166	8,106	8,129	7,826	9%
Operating Income	2,496	2,274	1,763(a)	2,179	1,467(b)	12%
Interest Income	24	19	23	23	21	
Interest Expense	(185)	(160)	(196)	(247)	(233)	
Income Before Income Taxes and Minority Interest	2,335	2,133	1,590	1,955	1,255	12%
Income Taxes	770	747	599	753	524	
Minority Interest, Net of Tax	25	21	17	21	5	
Net Income	\$1,540	\$1,365	\$ 974	\$1,181	\$ 726	14%
Basic Net Income Per Share Information:						
Net Income Per Share	\$2.89	\$2.52	\$1.77	\$2.18	\$1.38	13%
Average Number of Shares Outstanding	533	541	550	543	526	
Diluted Net Income Per Share Information:						
Net Income Per Share	\$2.81	\$2.45	\$1.70	\$2.05	\$1.31	14%
Average Number of Shares Outstanding	548	557	572	569	543	
Dividends Paid Per Share	\$1.18	\$1.09	\$ 1.03	\$.95	\$.85	10%
Return on Average Stockholders' Equity	29%	27%	19%	25%	19%	
Year-end Financial Position:						
Working capital	\$ (188)	(199)	\$ (622)	\$ (855)	\$(1,405)	
Total assets	\$15,053	\$13,855	\$13,769	\$14,144	\$13,503	
Long-term debt	\$2,910	\$2,891	\$2,334	\$2,347	\$2,357	
Stockholders' equity	\$5,451	\$5,018	\$5,173	\$5,228	\$4,170	
Total shares outstanding (excluding treasury shares)	527	538	548	552	534	
Other Information:						
Number of employees	60,400	59,400	57,800	57,000	52,900	
Stock price ranges--						
U.S. exchanges--High	\$54.97	\$57.30	\$59.03	\$67.85	\$48.38	
--Low	\$38.27	\$34.61	\$39.70	\$35.25	\$28.57	

(a) Includes charges related to September 11 and restructuring costs of \$396 million.

(b) Includes integration and restructuring costs of \$337 million.

See Management's Discussion and Analysis of Financial Condition and Results of Operations for discussion of significant items affecting the results of operations in 2003 and 2002.

Board of Directors and Corporate Officers

BOARD OF DIRECTORS

JEFFREY W. GREENBERG
Chairman and Chief Executive Officer

MATHIS CABIALAVETTA
Vice Chairman, MMC
Chairman, MMC Global Development

CHARLES A. DAVIS
Vice Chairman, MMC
Chairman and Chief Executive Officer,
MMC Capital, Inc.

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Chairman, Classroom, Inc.
Former Chief of Finance,
Administration, and Operations,
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President, Mercer Inc.

ROBERT F. ERBURU
Former Chairman,
The Times Mirror Company

OSCAR FANJUL
Vice Chairman and Chief Executive Officer,
Omega Capital
Honorary Chairman, Repsol YPF

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Chairman and Chief Executive Officer,
Marsh Inc.

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Chairman, Axcelis Technologies, Inc.
Former Chairman, Eaton Corporation

GWENDOLYN S. KING
President, Podium Prose
Former Commissioner,
Social Security Administration

THE RT. HON. LORD LANG OF MONKTON, DL
Former British Secretary of State
for Trade & Industry

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Former Chairman, Johnson & Higgins

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President, Williams College

ADELE SIMMONS
Vice Chair, Chicago Metropolis 2020
Former President,
John D. and Catherine T. MacArthur
Foundation

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Chairman, Putnam Investments
Former Chairman, MMC

ADVISORY DIRECTORS

RICHARD E. HECKERT
Former Chairman,
E.I. du Pont de Nemours and Company

RICHARD M. MORROW
Former Chairman, Amoco Corporation

GEORGE PUTNAM
Chairman Emeritus, The Putnam Funds

FRANK J. TASCO
Former Chairman, MMC

COMMITTEES OF THE BOARD

AUDIT
Stephen R. Hardis, CHAIRMAN
Oscar Fanjul
Gwendolyn S. King
David A. Olsen
Morton O. Schapiro
Adele Simmons

COMPENSATION

Lewis W. Bernard, CHAIRMAN
Robert F. Erburu
Oscar Fanjul
The Rt. Hon. Lord Lang of Monkton, DL

DIRECTORS AND GOVERNANCE

Robert F. Erburu, CHAIRMAN
Gwendolyn S. King
The Rt. Hon. Lord Lang of Monkton, DL
Morton O. Schapiro

EXECUTIVE

Jeffrey W. Greenberg, CHAIRMAN
Lewis W. Bernard
Stephen R. Hardis
The Rt. Hon. Lord Lang of Monkton, DL
Adele Simmons
A.J.C. Smith

OTHER CORPORATE OFFICERS

SANDRA S. WIJNBERG
Senior Vice President and
Chief Financial Officer

WILLIAM L. ROSOFF
Senior Vice President and
General Counsel

CHARLES E. HALDEMAN
President and Chief Executive Officer,
Putnam Investments

FRANCIS N. BONSIGNORE
Senior Vice President,
Executive Resources and Development

BARBARA S. PERLMUTTER
Senior Vice President, Public Affairs

International Advisory Board

A.J.C. SMITH
INTERNATIONAL ADVISORY BOARD CHAIRMAN
Chairman, Putnam Investments
Former Chairman, MMC

ABDLATIF Y. AL-HAMAD (Middle East)
Chairman, Arab Fund for Economic
and Social Development

RAYMOND BARRE (France)
Former Prime Minister

ROLF-E. BREUER (Germany)
Chairman, Deutsche Bank AG

MATHIS CABIALAVETTA (Switzerland)
Vice Chairman, MMC
Chairman, MMC Global Development

JOHN R. EVANS (Canada)
Chairman, Torstar Corporation

OSCAR FANJUL (Spain)
Vice Chairman and Chief Executive Officer,
Omega Capital
Honorary Chairman, Repsol YPF

TOYOO GYOHTEN (Japan)
President, Institute for
International Monetary Affairs
Former Chairman, The Bank of Tokyo

MARCILIO MARQUES MOREIRA (Brazil)
Former Finance Minister and
Former Ambassador to the United States

PAUL F. OREFFICE (United States)
Former Chairman and
Chief Executive Officer,
The Dow Chemical Company

JESUS SILVA-HERZOG (Mexico)
Former Finance Minister and
Former Ambassador to the United States

WEI MING YI (China)
Chairman, International Advisory Council,
China International Trust and
Investment Corporation

Designed and Produced by Taylor & Ives, NYC

Shareholder Information

ANNUAL MEETING

The 2004 annual meeting of shareholders will be held at 10 a.m., Thursday, May 20, in the 2nd floor auditorium of the McGraw-Hill Building, 1221 Avenue of the Americas, New York City. At the time of the mailing of this annual report, the notice of the annual meeting and proxy statement, together with a proxy card, is scheduled to be sent to each shareholder.

ANTICIPATED 2004 DIVIDEND PAYMENT DATES

February 13 (paid), May 14, August 13, November 15

FINANCIAL AND INVESTOR INFORMATION

Shareholders and prospective investors inquiring about reinvestment and payment of dividends, consolidation of accounts, changes of registration, and stock certificate holdings should contact:

The Bank of New York
Shareholder Relations Department
P.O. Box 11258
Church Street Station
New York, NY 10286
Telephone: (800) 457-8968
(610) 312-5238

Certificates for transfer and address changes should be sent to:

The Bank of New York
Receive and Deliver Department
P.O. Box 11002
Church Street Station
New York, NY 10286

The Bank of New York
c/o Computershare Services
Registrar's Department
P.O. Box 82, The Pavilions
Bridgewater Road, Bristol BS99 7NH
England
Telephone: 0870-7020000

The Bank of New York's website: www.stockbny.com
E-mail inquiries: shareowners@bankofny.com

Copies of MMC annual reports and Forms 10-K and 10-Q are available on our website and also may be requested by contacting:

Corporate Development
Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036
Telephone: (212) 345-5475
MMC's website: www.mmc.com

STOCK LISTINGS

MMC's common stock (ticker symbol: MMC) is listed on the New York, Chicago, Pacific, and London stock exchanges.

OFFICER CERTIFICATIONS

The certifications of the chief executive officer and chief financial officer required under Section 302 of the Sarbanes-Oxley Act of 2002 have been filed as an exhibit to MMC's Annual Report on Form 10-K for the year ended December 31, 2003.

COMPLAINTS AND CONCERNS PROCEDURES

To report any issue relating to the accounting, internal accounting controls, or auditing practices of Marsh & McLennan Companies (including its subsidiaries and affiliates), you may contact the company by mail or telephone. To communicate with the company's independent directors, you may telephone or write to the Directors and Governance Committee of the MMC Board of Directors. You may review the company's procedures for handling complaints and concerns of employees and other interested parties at www.mmc.com.

By mail:
Marsh & McLennan Companies, Inc.
P.O. Box 4974
New York, NY 10185-4974

By telephone:
MMC Ethics & Compliance Line
In Canada and the United States: (800) 381-2105
Outside Canada and the United States: Use your country's AT&T Direct(R) Service number to reach the MMC Ethics & Compliance Line toll-free.

CAUTIONARY LANGUAGE REGARDING FORWARD-LOOKING STATEMENTS

THIS ANNUAL REPORT TO SHAREHOLDERS CONTAINS FORWARD-LOOKING STATEMENTS, WHICH BY

THEIR NATURE INVOLVE RISKS AND UNCERTAINTIES. PLEASE REFER TO MARSH & MCLENNAN COMPANIES' 2003 ANNUAL REPORT ON FORM 10-K FOR "INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS" AND A DESCRIPTION OF CERTAIN FACTORS THAT MAY CAUSE ACTUAL RESULTS TO DIFFER FROM GOALS REFERRED TO HEREIN OR CONTEMPLATED BY SUCH STATEMENTS.

SELECTED IMAGERY

COVER: SCORE: MOZART'S FANTASIA AND SONATA FOR PIANO IN C MINOR, 1785

PAGE 5: THEORBO-LUTE BY TIEFFENBRUCKER, 1610. ILLUSTRATION BY ANTON RADEVSKY, THE ILLUSTRATED ENCYCLOPEDIA OF MUSICAL INSTRUMENTS, KIBEA PUBLISHING COMPANY, 2000 SCORE: SONG OF THE PILGRIMS OF COMPOSTELLA FROM CODEX CALIXTINUS, 12TH CENTURY

PAGE 6: DETAIL OF A MILLEFLEURS TAPESTRY, LOIRE WORKSHOP, 1510

PAGE 10: CLAVIHARP BY J. CH. DITTY, PARIS, 1821. ILLUSTRATION BY ANTON RADEVSKY, THE ILLUSTRATED ENCYCLOPEDIA OF MUSICAL INSTRUMENTS, KIBEA PUBLISHING COMPANY, 2000 SCORE: BEETHOVEN

PAGE 13: "LADY SEATED AT THE VIRGINALS" BY JAN VERMEER, 1632-1675

PAGE 15: ALTO SAXOPHONE. ILLUSTRATION BY ANTON RADEVSKY,

THE ILLUSTRATED ENCYCLOPEDIA OF MUSICAL INSTRUMENTS, KIBEA PUBLISHING COMPANY, 2000 SCORE: DUKE ELLINGTON

PAGE 16: "UPTOWN SUNDAY NIGHT SESSION" BY ROMARE BEARDEN, 1981

GRAPHIC OMITTED: ILLUSTRATION

MMC [LOGO]
MARSH o PUTNAM o MERCER
MARSH & MCLENNAN COMPANIES

Marsh & McLennan Companies, Inc.
1166 Avenue of the Americas
New York, NY 10036
www.mmc.com

MMC SUBSIDIARY LIST
AS OF 2/27/2004

NAME	DOMICILE
1302318 Ontario Inc.	Canada
A. Constantinidi & CIA. S.C.	Uruguay
Actuarios Consultores Asociados	Portugal
Administradora de Inmuebles Fin, S.A. de C.V.	Mexico
Admiral Holdings Limited	England and Wales
Admiral Ireland Limited	Ireland
Admiral Underwriting Agencies (Ireland) Limited	Ireland
Admiral Underwriting Agencies Limited	England and Wales
AFCO Premium Acceptance Inc.	California
AFCO Premium Credit LLC	Delaware
Affinity Financial Incorporated	Iowa
Affinity Groups Advantage Limited	England and Wales
Albert Willcox & Co. of Canada Ltd.	Canada
Aldgate Investments Limited	Bermuda
Aldgate US Investments	England and Wales
Alfram Consultores S.A.C.	Peru
All Asia Sedgwick Insurance Brokers Corporation	Philippines
Allied Medical Assurance Services Limited	England and Wales
America Surplus Lines Insurance Company	Mississippi
American Overseas Management Corporation (Canada)	Canada
Antah Sedgwick Insurance Brokers Sdn. Bhd.	Malaysia
APRIMAN, Inc.	California
Assivalo Comercial E Representacoes Ltda.	Brazil
Assur Conseils Cekar & Jutheau S.A.	Senegal
Australian World Underwriters Pty Ltd.	Australia
Aviation Risk Management Services Limited	England and Wales
B.K. Thomas & Partners Limited	England and Wales
Balis & Co., Inc.	Pennsylvania
Bargheon US LLC	Delaware
Bau Assekuranz Vermittlungs GmbH	Germany
Beneficios Ltda.	Colombia
Bland Payne (South Aust.) Pty Limited	Australia
Bonnor Holding A/S	Denmark
Border Insurance Services, Inc.	California
Bowring (Bermuda) Investments Ltd.	Bermuda
Bowring Marine Limited	England and Wales
Bowring Risk Management Limited	England and Wales
BRW Insurance & Financial Services Limited	Ireland
BRW Insurance Brokers Limited	Ireland
ByS Servicios Especiales, Agente de Seguros, S.A. de C.V.	Mexico
C.T. Bowring & Co. (Insurance) Limited	England and Wales
C.T. Bowring and Associates (Private) Limited	Zimbabwe
C.T. Bowring Ireland Limited	Ireland
C.T. Bowring Limited	England and Wales
California Insurance Services, Inc.	California
Capatho AB	Sweden
CarLease Luxembourg SA	Luxembourg
Carpenter Bowring (UK) Limited	England and Wales
Casualty Insurance Company Services, Inc.	California
Cecar Brasil Administracao e Corretagem de Seguros Ltda.	Brazil
Claims, Inc	Texas
Cofast S.A.	France
Combined Performance Measurement Services Limited	Ireland
Companias DeLima S.A.	Colombia
Confidentia Life Insurance Agency Ltd.	Israel
Confidentia Marine Insurance Agency (1983) Ltd.	Israel
Constantinidi Marsh SA	Uruguay
Consulmercer-Consultores de Gestao, Sociedade Unipessoal, Ltda.	Portugal
Consultores 2020	Venezuela
Consultores en Garantias, S.A. de C.V.	Mexico
Corporate Pensions & Financial Services Limited	Scotland
Corporate Resources Group (Holdings) Ltd.	British Virgin Islands
Corporate Resources Group (UK) Limited	England and Wales
Corporate Risk Limited	Scotland
Countryside, Inc	Tennessee
CRG (India) Private Ltd.	India
CRG (Singapore) Pte Ltd	Singapore
CRG (Thailand) Ltd.	Thailand
CRG A/S	Denmark
CRG Finland OY	Finland
CRG Holdings, Inc.	Philippines
CRG HR SDN BHD	Malaysia
CRG Iberica, SL	Spain
CRG Ltd.	Hong Kong
CRG S.A.	Switzerland
CRG Sverige AB	Sweden
Cruiselook Limited	England and Wales

Crump E&S of California Insurance Services, Inc.	California
Crump E&S of San Francisco Insurance Services, Inc.	California
Crump Financial Services, Inc.	Tennessee
Crump Group, Inc.	Delaware
Crump Insurance Agency Services, Inc.	Delaware
Crump Insurance Services Northwest, Inc.	Washington
Crump Insurance Services of Atlanta, Inc.	Georgia
Crump Insurance Services of Boston, Inc.	Massachusetts
Crump Insurance Services of Colorado, Inc.	Colorado
Crump Insurance Services of Florida, Inc.	Florida
Crump Insurance Services of Houston, Inc.	Texas
Crump Insurance Services of Illinois, Inc.	Illinois
Crump Insurance Services of Louisiana, Inc.	Louisiana
Crump Insurance Services of Memphis, Inc.	Tennessee
Crump Insurance Services of Michigan	Michigan
Crump Insurance Services of Texas, Inc.	Texas
Crump Insurance Services, Inc.	Texas
Crump of New Jersey, Inc.	New Jersey
Crump of New York, Inc.	New York
Crump Transportation Insurance Services, Inc.	California
Cumberland Brokerage Limited	Bermuda
CVA Consultants, Inc.	Nevada
Danish Re (Bermuda) Limited	Bermuda
Decision Research Corporation	Massachusetts
DeLima Marsh S.A. - Los Corredores de Seguros S.A.	Colombia
DeLima Mercer Agencia de Seguros Ltda.	Colombia
DeLima Mercer Consultoria de Recursos Humanos Ltda.	Colombia
Deutsche Post Assekuranz Vermittlungs GmbH	Germany
Digitsuper Limited	England and Wales
Don A. Harris & Associates, Inc.	Nevada
DVA - Deutsche Verkehrs-Assekuranz-Vermittlungs GmbH	Germany
Elysees Prevoyance Gestion	France
EnBW Versicherungs Vermittlung GmbH	Germany
Encon Group Inc.	Canada
Encon Holdings, Inc.	Canada
Encon Reinsurance Managers Inc.	Canada
Encon Underwriting Agency, Inc.	Texas
Encon Underwriting Limited	England and Wales
English Pension Trustees Limited	England and Wales
Epsilon Insurance Company, Ltd.	Cayman Islands

Espana Cinco, Inc.
 Espana Cuatro, Inc.
 Espana Dos, Inc.
 Espana Ocho, Inc.
 Espana Seis, Inc.
 Espana Siete, Inc.
 Espana Tres, Inc.
 Espana Uno, Inc.
 Excess and Treaty Management Corporation
 Exmoor Management Company Limited
 Fenchurch Insurance Brokers Pty. Limited
 Fernando Mesquida y Asociados SA
 G. E. Freeman Insurance Agency Limited
 Gaelarachas Teoranta
 Galbraith & Green, Inc of Ohio
 Gem Insurance Company Limited
 Gradmann & Holler GbR
 GSC Grupo de Servicios a Cortoes de Credito S/C Ltda.
 Guy Carpenter & Cia., S.A.
 Guy Carpenter & Co. Labuan Ltd.
 Guy Carpenter & Company (Pty) Limited
 Guy Carpenter & Company AB
 Guy Carpenter & Company B.V.
 Guy Carpenter & Company Corredores de Reaseguros Ltda
 Guy Carpenter & Company GmbH
 Guy Carpenter & Company Limited
 Guy Carpenter & Company Limited
 Guy Carpenter & Company Limited
 Guy Carpenter & Company Limited
 Guy Carpenter & Company Limited
 Guy Carpenter & Company Peru Corredores de Reaseguros S.A.
 Guy Carpenter & Company Private Limited
 Guy Carpenter & Company Pty. Limited
 Guy Carpenter & Company S.r.l.
 Guy Carpenter & Company Venezuela, C.A.
 Guy Carpenter & Company, Inc.
 Guy Carpenter & Company, Inc. of Pennsylvania
 Guy Carpenter & Company, Ltda.
 Guy Carpenter & Company, S.A.
 Guy Carpenter & Company, S.A.
 Guy Carpenter & Company, S.A. (Argentina)

Delaware
 Delaware
 Delaware
 Delaware
 Delaware
 Delaware
 Delaware
 Delaware
 Delaware
 New York
 Bermuda
 Australia
 Argentina
 Canada
 Ireland
 Ohio
 Bermuda
 Germany
 Brazil
 Spain
 Malaysia
 South Africa
 Sweden
 Netherlands
 Chile
 Germany
 Canada
 Hong Kong
 England and Wales
 Dublin
 Peru
 Singapore
 Australia
 Italy
 Venezuela
 Delaware
 Pennsylvania
 Brazil
 Belgium
 France
 Argentina

Guy Carpenter Broking, Inc.	Delaware
Guy Carpenter Colombia Corredores de Reaseguros Ltda.	Colombia
Guy Carpenter Facultative Pty. Ltd.	Australia
Guy Carpenter Facultatives S.A.S.	France
Guy Carpenter Insurance Strategy, Inc.	Delaware
Guy Carpenter Japan, Inc.	Japan
Guy Carpenter Reinmex Corredores de Reaseguros Ltda	Colombia
Guy Carpenter Reinmex Intermediario de Reaseguros, S.A. De C.V.	Mexico
Guy Carpenter Reinsurance Brokers Philippines, Inc.	Philippines
Hansen International Limited	Delaware
Healthcare Agencies Limited	England and Wales
Healthcare Risk Management Services, Inc.	Washington
Henry Ward Johnson & Company Insurance Services, Inc.	California
Industrial Risks Protection Consultants	Nigeria
Informed Sources Holdings Limited	England and Wales
Informed Sources International Limited	England and Wales
Informed Sources International, Inc.	Delaware
Insbroskers Ltda.	Uruguay
Insurance Brokers of Nigeria Limited	Nigeria
Inter-Ocean Management (Cayman) Limited	Cayman Islands
Inverbys, S.A. de C.V.	Mexico
Invercol Ltd.	Bermuda
IPT Actuarial Services Limited	Ireland
Irish Pension Trustees Limited	Ireland
Irish Pensions Trust Limited	Ireland
Ivoiriennes Assurances Conseil	Ivory Coast
J&H Benefits Plus Inc.	Philippines
J&H Investments (Bermuda) Ltd.	Bermuda
J&H Marsh & McLennan (Colombia) Ltda.	Colombia
J&H Marsh & McLennan (UK) Limited	England and Wales
J&H Marsh & McLennan Ireland Limited	Ireland
J&H Marsh & McLennan Limited (HK)	Hong Kong
J&H Marsh & McLennan Norway A.S.	Norway
James Wigham Poland International Limited	England and Wales
JHM Holdings, Inc.	New York
Johnson & Higgins (Bermuda) Limited	Bermuda
Johnson & Higgins (Peru) S.A. Corredores De Seguro	Peru
Johnson & Higgins (USVI) Ltd.	Virgin Islands
Johnson & Higgins Consulting (Far East) Ltd.	Hong Kong
Johnson & Higgins Holdings Limited	England and Wales

Johnson & Higgins Intermediaries (Cayman) Ltd.	Cayman Islands
Johnson & Higgins Ireland Limited	Ireland
Johnson & Higgins Limited	England and Wales
Johnson & Higgins Managment Services, Ltd.	Bermuda
Johnson & Higgins Willis Faber (U.S.A.) Inc.	New York
Johnson & Higgins Willis Faber Holdings, Inc.	New York
Kessler & Co Inc.	Switzerland
Kessler Prevoyance S.A.	Switzerland
Legal & Commercial Insurances Limited	Ireland
Les Conseillers Dpt. Inc.	Canada
Liberty Place Underwriters, Inc.	Delaware
Lippincott & Margulies, Inc.	New York
Llenrup Participaues S.C. Ltda.	Brazil
Lynch Insurance Brokers Limited	Barbados
M&M Insurance Management Canada Ltd.	Canada
M&M Vehicle, L.P.	Delaware
M.B. Fitzpatrick Limited	Ireland
Mactras (Bermuda) Limited	Bermuda
Marclen Holdings, Inc.	Delaware
Marclen LLC	Delaware
Mariners Insurance Agency, Inc.	Massachusetts
Maritime Adjusters, Inc.	Massachusetts
Marsh & Co. S.p.A.	Italy
Marsh & McLennan (PNG) Limited	Papua New Guinea
Marsh & McLennan (Singapore) Pte Ltd	Singapore
Marsh & McLennan (South Australia) Pty Ltd	Australia
Marsh & McLennan (WA) Pty. Ltd.	Australia
Marsh & McLennan Agencies Pty. Ltd.	Australia
Marsh & McLennan Argentina SA Corredores de Reaseguros	Argentina
Marsh & McLennan C&I, GP, Inc.	Delaware
Marsh & McLennan Companies UK Limited	England and Wales
Marsh & McLennan Companies, Inc.	Delaware
Marsh & McLennan Financial Markets, Inc.	Delaware
Marsh & McLennan Finland Oy	Finland
Marsh & McLennan GbR Holdings, Inc.	Delaware
Marsh & McLennan Global Broking (Bermuda) Ltd.	Bermuda
Marsh & McLennan GP I, Inc.	Delaware
Marsh & McLennan GP II, Inc.	Delaware
Marsh & McLennan Holdings GmbH	Germany
Marsh & McLennan Holdings II, Inc.	Delaware

Marsh & McLennan Holdings Limited	England and Wales
Marsh & McLennan Holdings, Inc.	Delaware
Marsh & McLennan Limited	Hong Kong
Marsh & McLennan Management Services (Bermuda) Limited	Bermuda
Marsh & McLennan Pallas Holdings GmbH	Germany
Marsh & McLennan Pallas Holdings, Inc.	Delaware
Marsh & McLennan Properties (Bermuda) Ltd.	Bermuda
Marsh & McLennan Properties, Inc.	Delaware
Marsh & McLennan Real Estate Advisors, Inc.	Delaware
Marsh & McLennan Risk Capital Holdings, Ltd.	Delaware
Marsh & McLennan Securities Group Limited	England and Wales
Marsh & McLennan Securities International, Ltd.	Bermuda
Marsh & McLennan Services Limited	England and Wales
Marsh & McLennan Servicios, S.A. De C.V.	Mexico
Marsh & McLennan Sweden AB	Sweden
Marsh & McLennan Tech GP II, Inc.	Delaware
Marsh & McLennan, Incorporated	Virgin Islands
Marsh (Bahrain) Company WLL	United Arab Emirates
Marsh (Hong Kong) Limited	Hong Kong
Marsh (Insurance Brokers) LLP	Kazakhstan
Marsh (Insurance Services) Limited	England and Wales
Marsh (Isle of Man) Limited	Isle of Man
Marsh (Jersey) Limited	Jersey
Marsh (Middle East) Limited	England and Wales
Marsh (Namibia) (Proprietary) Limited	Namibia
Marsh (Proprietary) Limited	Botswana
Marsh (South Africa) (Proprietary) Limited	South Africa
Marsh - Insurance Brokers ZAO	Russia
Marsh A/S	Denmark
Marsh AB	Sweden
Marsh Advanced Risk Services Limited	England and Wales
Marsh Advanced Risk Solutions Limited	England and Wales
Marsh AG	Switzerland
Marsh Argentina S.R.L.	Argentina
Marsh Asia Pacific Management Pty. Ltd.	Australia
Marsh Assessoria e Consultoria Empresarial S/C Ltda.	Brazil
Marsh Assistencia e Administracao S/C Ltda.	Brazil
Marsh Austria G.m.b.H.	Austria
Marsh B.V.	Netherlands

Marsh Brockman y Schuh Agente de Seguros y de Fianzas, S.A. de C.V.	Mexico
Marsh Broker Japan, Inc.	Japan
Marsh Canada Limited/Marsh Canada Limitee	Canada
Marsh Canada Securities Limited/Marsh Canada Valeurs Mobiliieres Limitee	Canada
Marsh Captive Management Services Pty. Ltd.	Australia
Marsh Caspian Services LLC	Azerbaijan
Marsh CISO Limited	England and Wales
Marsh Claims Management Services (Canada) Limited	Canada
Marsh Commercial Insurance Agencies Pty Ltd.	Australia
Marsh Conseil S.A.S.	France
Marsh Corporate Services (Barbados) Limited	Barbados
Marsh Corporate Services Limited	England and Wales
Marsh Corretora de Seguros Ltda.	Brazil
Marsh d.o.o. Beograd	Serbia & Montenegro
Marsh d.o.o. za posredovanje u osiguranju	Croatia
Marsh Direct	Korea
Marsh E00D	Bulgaria
Marsh Employee Benefit Services Limited	England and Wales
Marsh Eurofinance BV	Netherlands
Marsh Europe S.A.	Belgium
Marsh Financial Insurance Services of Massachusetts, Inc.	Massachusetts
Marsh Financial Services (Guernsey) Limited	Guernsey
Marsh Financial Services International Ltd.	Bermuda
Marsh Financial Services Limited	England and Wales
Marsh Financial Services Limited	Ireland
Marsh Financial Services of Texas, Inc.	Texas
Marsh Financial Services, Inc.	Indiana
Marsh Financial Services, Inc.	New York
Marsh Georgia Limited	England and Wales
Marsh Global Broking (Bermuda) Ltd.	Bermuda
Marsh Global Broking (Dublin) Limited	Ireland
Marsh Global Broking GmbH	Germany
Marsh Global Broking Inc. (Connecticut)	Connecticut
Marsh Global Broking Inc. (Missouri)	Missouri
Marsh Global Broking Inc. (New Jersey)	New Jersey
Marsh Global Broking Inc. (Texas)	Texas
Marsh GmbH	Germany
Marsh Holding AB	Sweden
Marsh Holdings (Proprietary) Limited	South Africa
Marsh Holdings B.V.	Netherlands

Marsh Holdings Limited	England and Wales
Marsh Inc.	Delaware
Marsh India Private Limited	India
Marsh INSCO LLC	United Arab Emirates
Marsh Insurance & Investments Corp.	Delaware
Marsh Insurance and Risk Management Consultants Co. Ltd.	China
Marsh Insurance Brokers (Malaysia) Sdn Bhd	Malaysia
Marsh Insurance Brokers (Private) Limited	Zimbabwe
Marsh Insurance Brokers Limited	England and Wales
Marsh Insurance Services Spolka z.o.o.	Poland
Marsh Intermediaries, Inc.	New York
Marsh International Broking Holdings Limited	England and Wales
Marsh International Holdings (Korea) Inc.	Delaware
Marsh International Holdings II, Inc.	Delaware
Marsh International Holdings, Inc.	Delaware
Marsh International Limited	England and Wales
Marsh Ireland Holdings Limited	Ireland
Marsh Ireland Limited	Ireland
Marsh Israel (1999) Ltd.	Israel
Marsh Israel (Holdings) Ltd.	Israel
Marsh Israel Consultants Ltd.	Israel
Marsh Israel Insurance Agency Ltd.	Israel
Marsh Japan, Inc.	Japan
Marsh Kft.	Hungary
Marsh Kindlustusmaakler AS	Estonia
Marsh Korea, Inc.	Korea
Marsh Life & Pension Oy	Finland
Marsh Limited	England and Wales
Marsh Limited (Fiji)	Fiji
Marsh Limited (New Zealand)	New Zealand
Marsh Link Limited	England and Wales
Marsh LLC	Ukraine
Marsh LLC Insurance Brokers	Greece
Marsh Ltd.	Wisconsin
Marsh Ltd. Taiwan Branch	Taiwan
Marsh Luxembourg SA	Luxembourg
Marsh Management Services (Barbados), Ltd.	Barbados
Marsh Management Services (Bermuda) Ltd.	Bermuda
Marsh Management Services (British Virgin Islands) Ltd	British Virgin Islands
Marsh Management Services (Cayman) Ltd.	Cayman Islands

Marsh Management Services (Dublin) Limited
 Marsh Management Services (Labuan) Limited
 Marsh Management Services (Luxembourg) SA
 Marsh Management Services (USVI) Ltd.
 Marsh Management Services Guernsey Limited
 Marsh Management Services Inc.
 Marsh Management Services Isle of Man Limited
 Marsh Management Services Jersey Limited
 Marsh Management Services Singapore Pte. Ltd.
 Marsh Marine & Energy AB
 Marsh Marine & Energy AS
 Marsh Marine & Energy Limited
 Marsh Mercer Holdings Australia Pty Ltd
 Marsh Mercer Pension Fund Trustee Limited
 Marsh Micronesia
 Marsh Norway AS
 Marsh Oy
 Marsh PB Co., Ltd.
 Marsh Peru SA Corredores de Seguros
 Marsh Philippines, Inc.
 Marsh Placement Inc.
 Marsh Placement Services Limited
 Marsh Privat, A.I.E.
 Marsh Professional Risk Consultants (Pty) Limited
 Marsh Pty. Ltd.
 Marsh Risk Consulting B.V.
 Marsh Risk Consulting Services S.r.l.
 Marsh Risk Management Pvt Ltd.
 Marsh S.A.
 Marsh S.A.
 Marsh S.A. Corredores De Seguros
 Marsh S.p.A.
 Marsh S.R.L.
 Marsh s.r.o.
 Marsh s.r.o. (Slovakia)
 Marsh SA (Argentina)
 Marsh SA (Luxembourg)
 Marsh Saldana Inc.
 Marsh San Sigorta Ve Reasurans Brokerligi A.S.
 Marsh Secretarial Services Limited

Ireland
 Malaysia
 Luxembourg
 Virgin Islands
 Guernsey
 New York
 Isle of Man
 Jersey
 Singapore
 Sweden
 Norway
 England and Wales
 Australia
 England and Wales
 Guam
 Norway
 Finland
 Thailand
 Peru
 Philippines
 Illinois
 England and Wales
 Spain
 South Africa
 Australia
 Netherlands
 Italy
 India
 Belgium
 France
 Chile
 Italy
 Romania
 Czech Republic
 Slovak Republic
 Argentina
 Luxembourg
 Puerto Rico
 Turkey
 England and Wales

Marsh Services Limited	England and Wales
Marsh Services S.A.S.	France
Marsh SIA	Latvia
Marsh Singapore Pte Ltd.	Singapore
Marsh Space Projects Limited	England and Wales
Marsh Specialty Operations Limited	England and Wales
Marsh Spolka z.o.o.	Poland
Marsh Treasury Services (Dublin) Limited	Ireland
Marsh Treasury Services Limited	England and Wales
Marsh Tunisia S.A.R.L.	Tunisia
Marsh UK Group Limited	England and Wales
Marsh UK Limited	England and Wales
Marsh Ukraine Limited	England and Wales
Marsh USA (India) Inc.	Delaware
Marsh USA Agency Inc.	Texas
Marsh USA Benefits Inc.	Texas
Marsh USA Inc. (Alabama)	Alabama
Marsh USA Inc. (Alaska)	Alaska
Marsh USA Inc. (Arkansas)	Arkansas
Marsh USA Inc. (Connecticut)	Connecticut
Marsh USA Inc. (Delaware)	Delaware
Marsh USA Inc. (Idaho)	Idaho
Marsh USA Inc. (Illinois)	Illinois
Marsh USA Inc. (Indiana)	Indiana
Marsh USA Inc. (Kentucky)	Kentucky
Marsh USA Inc. (Louisiana)	Louisiana
Marsh USA Inc. (Massachusetts)	Massachusetts
Marsh USA Inc. (Michigan)	Michigan
Marsh USA Inc. (Mississippi)	Mississippi
Marsh USA Inc. (Nevada)	Nevada
Marsh USA Inc. (Ohio)	Ohio
Marsh USA Inc. (Oklahoma)	Oklahoma
Marsh USA Inc. (Pennsylvania)	Pennsylvania
Marsh USA Inc. (Rhode Island)	Rhode Island
Marsh USA Inc. (Texas)	Texas
Marsh USA Inc. (Utah)	Utah
Marsh USA Inc. (Virginia)	Virginia
Marsh USA Inc. (West Virginia)	West Virginia
Marsh USA Risk Services Inc.	Maine
Marsh USA, Inc.	China

Marsh Venezuela C.A.	Venezuela
Marsh, Lda.	Portugal
Marsh, Risk Consulting, S.L.	Spain
Marsh, S.A. Mediadores de Seguros	Spain
Marsh-Assureurs Conseils Tchadiens SARL	Chad
Matthiessen Assurans AB	Sweden
Matthiessen Reinsurance Ltd AB	Sweden
Mearbridge LLC	Delaware
Mediservice Administradora De Planos De Saude Ltda.B	Brazil
Medisure Affinity Services Limited	England and Wales
Medisure Corporate Services Limited	England and Wales
Medisure Trustees Limited	England and Wales
Mees & Zoonen Argentina SA	Argentina
Members Insurance Club Agency, Inc.	Louisiana
Members Insurance Club Agency, Inc.	Ohio
Mercer Asesores de Seguros SA	Argentina
Mercer Australia Limited	Australia
Mercer Broking Ltd.	Taiwan
Mercer Consulting Group Verwaltungs GmbH	Germany
Mercer Consulting Holdings Sdn. Bhd.	Malaysia
Mercer Corredores de Seguros Ltda.	Chile
Mercer Corretora de Seguros Ltda	Brazil
Mercer Cullen Egan Dell Limited	New Zealand
Mercer Delta Consulting Limited	Canada
Mercer Delta Consulting Limited	England and Wales
Mercer Delta Consulting LLC	Delaware
Mercer Delta Consulting SAS	France
Mercer Holdings Canada, Inc.	Delaware
Mercer Holdings, Inc.	Delaware
Mercer Human Resource Consulting	Turkey
Mercer Human Resource Consulting (S) Pte Ltd	Singapore
Mercer Human Resource Consulting a.s.	Czech Republic
Mercer Human Resource Consulting A/S	Denmark
Mercer Human Resource Consulting and Insurance Brokers Limited	Hungary
Mercer Human Resource Consulting AS	Norway
Mercer Human Resource Consulting B.V.	Netherlands
Mercer Human Resource Consulting CA	Venezuela
Mercer Human Resource Consulting GmbH	Germany
Mercer Human Resource Consulting GmbH	Austria
Mercer Human Resource Consulting Korea Ltd.	Korea

Mercer Human Resource Consulting Lda.	Portugal
Mercer Human Resource Consulting Limited	Ireland
Mercer Human Resource Consulting Limited	England and Wales
Mercer Human Resource Consulting Limited	Canada
Mercer Human Resource Consulting Limited	Hong Kong
Mercer Human Resource Consulting Limited	China
Mercer Human Resource Consulting LLC	Delaware
Mercer Human Resource Consulting Ltd	Japan
Mercer Human Resource Consulting Ltd	Thailand
Mercer Human Resource Consulting Ltd.	New Zealand
Mercer Human Resource Consulting Ltd.	Taiwan
Mercer Human Resource Consulting Ltda	Brazil
Mercer Human Resource Consulting Ltda.	Chile
Mercer Human Resource Consulting of Indiana, Inc.	Indiana
Mercer Human Resource Consulting of Kentucky, Inc.	Kentucky
Mercer Human Resource Consulting of Louisiana, Inc.	Louisiana
Mercer Human Resource Consulting of Massachusetts, Inc.	Massachusetts
Mercer Human Resource Consulting of Michigan, Inc.	Michigan
Mercer Human Resource Consulting of Ohio, Inc.	Ohio
Mercer Human Resource Consulting of Oklahoma, Inc.	Oklahoma
Mercer Human Resource Consulting of Puerto Rico, Inc.	Puerto Rico
Mercer Human Resource Consulting of Texas, Inc.	Texas
Mercer Human Resource Consulting of Virginia, Inc.	Virginia
Mercer Human Resource Consulting OY	Finland
Mercer Human Resource Consulting PT	Indonesia
Mercer Human Resource Consulting Pty Ltd	Australia
Mercer Human Resource Consulting Pvt Ltd	India
Mercer Human Resource Consulting S.A.	France
Mercer Human Resource Consulting SA	Switzerland
Mercer Human Resource Consulting SA	Argentina
Mercer Human Resource Consulting SA de CV	Mexico
Mercer Human Resource Consulting SA-NV	Belgium
Mercer Human Resource Consulting Sdn. Bhd.	Malaysia
Mercer Human Resource Consulting SP. Z.O.O.	Poland
Mercer Human Resource Consulting Srl	Italy
Mercer Human Resource Consulting, Inc.	Delaware
Mercer Human Resource Consulting, Inc.	Philippines
Mercer Human Resource Consulting, S.L.	Spain
Mercer Inc.	Delaware
Mercer Insurance Services, Inc.	Massachusetts

Mercer Investment Consulting Limited
 Mercer Investment Consulting, Inc.
 Mercer Investment Nominees Ltd
 Mercer Ireland Holdings Limited
 Mercer Legal (NSW) Pty Ltd
 Mercer Legal Pty Ltd.
 Mercer Limited
 Mercer Management Consulting AG
 Mercer Management Consulting GmbH
 Mercer Management Consulting Group GmbH & Co. KG
 Mercer Management Consulting Limited
 Mercer Management Consulting Limited
 Mercer Management Consulting S.L.
 Mercer Management Consulting Servicios, S. de R.L. De C.V.
 Mercer Management Consulting SNC
 Mercer Management Consulting, Inc.
 Mercer Management Consulting, Ltd.
 Mercer Management Consulting, S. De R.L. De C.V.
 Mercer Oliver Wyman Actuarial Consulting, Inc
 Mercer Pensionsraadgivning A/S
 Mercer Personenversicherungs-makler GmbH
 Mercer R.H. SARL
 Mercer Risk, Finance and Insurance Consulting Limited
 Mercer SA
 Mercer Securities, Inc.
 Mercer Services B.V.
 Mercer Sweden AB
 Mercer Tax Agents Pty Ltd
 Mercer Trustees Limited
 Mercer Trustees Limited
 Mercer Zainal Consulting Sdn Bhd
 Mercer-Faugere & Jutheau SA
 MercerHR.com LLC
 MercerHR.com, Inc.
 MMC Capital C&I GP, Inc.
 MMC Capital Limited
 MMC Capital Tech GP II, Inc.
 MMC Capital, Inc.

Ireland
 Kentucky
 Australia
 Ireland
 Australia
 Australia
 England and Wales
 Switzerland
 Germany
 Germany
 England and Wales
 Canada
 Spain
 Mexico
 France
 Delaware
 Bermuda
 Mexico
 Delaware
 Denmark
 Austria
 France
 Canada
 France
 Delaware
 Netherlands
 Sweden
 Australia
 Ireland
 England and Wales
 Malaysia
 France
 Delaware
 Delaware
 Delaware
 England and Wales
 Delaware
 Delaware

MMC Executive Services, Inc.	Delaware
MMC France S.A.	France
MMC Realty, Inc.	New York
MMC Securities Corp.	Delaware
MMOW Limited	England and Wales
MMRC LLC	Delaware
MMRCH LLC	Delaware
MMSC Holdings, Inc.	Delaware
MMSC Risk Advisors, Inc.	Delaware
MOW Holding LLC	Delaware
MPA (International) Limited	England and Wales
Muir Beddal (Zimbabwe) Limited	Zimbabwe
MVM Versicherungsberatungs Gesellschaft m.b.H.	Austria
MVM Versicherungsmakler AG	Switzerland
N.V. Algemene Verzekeringsmaatschappij 'De Zee'	Netherlands
National Economic Research Associates KK	Japan
National Economic Research Associates, Inc.	California
National Economic Research Associates, Inc.	Delaware
National Medical Audit	California
NERA do Brasil Ltda.	Brazil
NERA S.R.L.	Italy
NERA UK Limited	England and Wales
Neuburger Noble Lowndes GmbH	Germany
New S.A.	Peru
Niu Marsh Limited	Papua New Guinea
Noble Lowndes Personal Financial Services Limited	England and Wales
Normandy Reinsurance Company Limited	Bermuda
OCR Ltd.	Australia
Omega Indemnity (Bermuda) Limited	Bermuda
Organizacion Brockman y Schuh, S.A. de C.V.	Mexico
P.I.C. Advisory Services Limited	Ireland
Paladin Reinsurance Corporation	New York
Palamerican Corporation	Delaware
Pallas Marsh Corretagem de Seguros Ltda.	Brazil
Panagora Asset Management, Inc.	Delaware
Panhandle Insurance Agency, Inc.	Texas
Payment Protection Services Limited	Ireland
Pension Trustees Limited	England and Wales
Peter Smart Associates Limited	England and Wales

PFT Limited
 PI Financial Risk Services (Proprietary) Limited
 PI Indemnity Company, Limited
 PII Holdings, Inc.
 Potomac Insurance Managers, Inc.
 Price Forbes Australia Limited
 Price Forbes Limited
 PRIESTIM SCI
 PT. Marsh Indonesia
 PT. Peranas Agung
 Putnam Aviation Holdings, LLC
 Putnam Capital, LLC
 Putnam Fiduciary Trust Company
 Putnam Futures Advisors, Inc.
 Putnam International Advisory Company S.A.
 Putnam International Distributors, Ltd.
 Putnam Investment Holdings, LLC
 Putnam Investment Management Trust
 Putnam Investment Management, LLC
 Putnam Investments Argentina, S.A.
 Putnam Investments Australia Pty Limited
 Putnam Investments Inc.
 Putnam Investments Limited (Ireland)
 Putnam Investments Limited (UK)
 Putnam Investments Securities Co., Ltd.
 Putnam Investments Trust
 Putnam Investments Trust II
 Putnam Investments, LLC
 Putnam Investor Services, Inc.
 Putnam Retail Management GP, Inc.
 Putnam Retail Management Limited Partnership
 Putnam, LLC
 R. Mees & Zoonen Holdings B.V.
 R.I.A.S. Insurance Services Limited
 R.W. Gibbon & Son (Underwriting Agencies) Limited
 Reclaim Consulting Services Limited
 Reinmex
 Reinmex de Colombia Corredores de Reaseguos, Ltda.
 Reinmex Florida, Inc.
 Reinsurance Solutions International, L.L.C.

England and Wales
 South Africa
 Ireland
 Massachusetts
 Delaware
 Australia
 England and Wales
 France
 Indonesia
 Indonesia
 Delaware
 Delaware
 Massachusetts
 Massachusetts
 Luxembourg
 Cayman Islands
 Delaware
 Massachusetts
 Delaware
 Argentina
 Australia
 Canada
 Ireland
 England and Wales
 Japan
 Massachusetts
 Massachusetts
 Delaware
 Massachusetts
 Massachusetts
 Massachusetts
 Delaware
 Netherlands
 Scotland
 England and Wales
 England and Wales
 Mexico
 Mexico
 Florida
 Delaware

Reitmulders & Partners B.V.	Netherlands
Resolutions International Limited	Delaware
ReSolutions International Limited	England and Wales
Resource Benefit Associates	Nigeria
Retach Corporation	Delaware
Retirement Pension Trustee's Limited	Zimbabwe
RIC Management Services Limited	Ireland
Richard Sparrow and Company (International Non Marine) Limited	England and Wales
Richard Sparrow and Company Limited	England and Wales
Richard Sparrow Holdings Limited	England and Wales
Rivers Group Limited	England and Wales
RMB-Risk Management Beratungs-GmbH	Germany
Rockefeller Risk Advisors of Florida, Inc.	Florida
Rockefeller Risk Advisors, Inc.	New York
RSI Solutions International, Inc.	New York
Sackville House Limited	England and Wales
SAFCAR Cekar & Jutheau	Mali
SCIB (Bermuda) Limited	Bermuda
SCMS Administrative Services, Inc.	Illinois
Seabury & Smith Agency, Inc.	Ohio
Seabury & Smith Group Limited	England and Wales
Seabury & Smith Limited	England and Wales
Seabury & Smith of Georgia, Inc.	Georgia
Seabury & Smith of Idaho, Inc.	Idaho
Seabury & Smith of Illinois, Inc.	Illinois
Seabury & Smith, Inc. (Delaware)	Delaware
Seabury & Smith, Inc. (Indiana)	Indiana
Seabury & Smith, Inc. (Louisiana)	Louisiana
Seabury & Smith, Inc. (Massachusetts)	Massachusetts
Seabury & Smith, Inc. (Michigan)	Michigan
Seabury & Smith, Inc. (Nevada)	Nevada
Seabury & Smith, Inc. (Oklahoma)	Oklahoma
Seabury & Smith, Inc. (Texas)	Texas
Seabury & Smith, Inc. (Virginia)	Virginia
SEDFEMA Insurance Brokers, Inc.	Philippines
Sedgwick (Bermuda) Limited	Bermuda
Sedgwick (Deutschland) GmbH	Germany
Sedgwick (Holdings) Pty. Limited	Australia
Sedgwick (Isle of Man) Limited	Isle of Man
Sedgwick (PNG) Limited	Papua New Guinea

Sedgwick Affinity Group Services Limited	England and Wales
Sedgwick Africa Holdings (Proprietary) Limited	South Africa
Sedgwick Alpha Limited	England and Wales
Sedgwick Asia Pacific Limited	Australia
Sedgwick Aviation Limited	England and Wales
Sedgwick Azeri Limited	England and Wales
Sedgwick Benefits, Inc.	Utah
Sedgwick Bergvall Holdings AS	Norway
Sedgwick Brimex (Guernsey) Limited	Guernsey
Sedgwick Claims Management Services Limited	Ireland
Sedgwick Claims Management Services, Inc.	Illinois
Sedgwick CMS Holdings, Inc.	Delaware
Sedgwick Construction Asia Limited	Hong Kong
Sedgwick Consulting Group Limited	England and Wales
Sedgwick Corporate and Employee Benefits Limited	Australia
Sedgwick Corporate Services Limited	Isle of Man
Sedgwick Dineen Group Limited	Ireland
Sedgwick Dineen Ireland Limited	Ireland
Sedgwick Dineen Limited	Ireland
Sedgwick Dineen Trustees Limited	Ireland
Sedgwick Energy & Marine Limited	England and Wales
Sedgwick Energy (Insurance Services) Inc.	Texas
Sedgwick Energy Limited	England and Wales
Sedgwick Europe Benefit Consultants B.V.	Netherlands
Sedgwick Far East Limited	England and Wales
Sedgwick Financial Services (Deutschland) GmbH	Germany
Sedgwick Financial Services Consulting Division BV	Netherlands
Sedgwick Financial Services Limited	England and Wales
Sedgwick Financial Services, Inc	Delaware
Sedgwick Forbes Middle East Limited	Jersey
Sedgwick Group (Australia) Pty. Limited	Australia
Sedgwick Group (Bermuda) Limited	Bermuda
Sedgwick Group (Netherlands) B.V.	Netherlands
Sedgwick Group (Zimbabwe) Limited	Zimbabwe
Sedgwick Group Limited	England and Wales
Sedgwick Holding A/S	Denmark
Sedgwick Holdings (Private) Limited	Zimbabwe
Sedgwick Hung Kai Insurance & Risk Management Consultants Limited	Hong Kong
Sedgwick Inc.	New York
Sedgwick Insurance Agencies Pty Limited	Australia

Sedgwick Internationaal BV	Netherlands
Sedgwick International Broking Services Limited	England and Wales
Sedgwick International Marketing Services Inc	Delaware
Sedgwick International Risk Management, Inc.	Delaware
Sedgwick Kassman Limited	Papua New Guinea
Sedgwick Kazakhstan Limited	England and Wales
Sedgwick Life and Benefits, Inc.	Texas
Sedgwick Limited	England and Wales
Sedgwick Ltd.	Australia
Sedgwick Management Services (Antigua) Limited	Antigua
Sedgwick Management Services (Barbados) Limited	Barbados
Sedgwick Management Services (Bermuda) Limited	Bermuda
Sedgwick Management Services (Cayman) Limited	Cayman Islands
Sedgwick Management Services (Guernsey) Limited	Guernsey
Sedgwick Management Services (Ireland)	Ireland
Sedgwick Management Services (Isle of Man) Limited	Isle of Man
Sedgwick Management Services (London) Limited	England and Wales
Sedgwick Management Services (Private) Limited	Zimbabwe
Sedgwick Management Services (Singapore) Pte Limited	Singapore
Sedgwick Management Services (U.S.) Ltd.	vermont
Sedgwick Managing General Agency, Inc.	Texas
Sedgwick Noble Lowndes (NZ) Ltd.	New Zealand
Sedgwick Noble Lowndes (PNG) Limited	Papua New Guinea
Sedgwick Noble Lowndes (UK) Limited	England and Wales
Sedgwick Noble Lowndes Actuarial Limited	Australia
Sedgwick Noble Lowndes Asia Pacific Limited	Australia
Sedgwick Noble Lowndes B.V.	Netherlands
Sedgwick Noble Lowndes Conseil SA	France
Sedgwick Noble Lowndes Financial Planning Limited	Australia
Sedgwick Noble Lowndes Group Limited	England and Wales
Sedgwick Noble Lowndes Insurance Division BV	Netherlands
Sedgwick Noble Lowndes Limited	Hong Kong
Sedgwick Noble Lowndes Limited	England and Wales
Sedgwick Noble Lowndes Limited (Ireland)	Ireland
Sedgwick Noble Lowndes North America, Inc.	Delaware
Sedgwick Noble Lowndes Trusteeship Services Limited	Australia
Sedgwick Northern Ireland Risk Services Limited	Northern Ireland
Sedgwick OS Limited	England and Wales
Sedgwick Overseas Investments Limited	England and Wales
Sedgwick Oy	Finland

Sedgwick Parekh Health Management (Private) Limited
 Sedgwick Pte Ltd
 Sedgwick Re Asia Pacific (Consultants) Private Limited
 Sedgwick Re Asia Pacific Limited
 Sedgwick Risk Management & Consultants (Private) Limited
 Sedgwick Risk Services AB
 Sedgwick Superannuation Pty Limited
 Sedgwick Sweden Aktiebolag
 Sedgwick Trustees Limited
 Sedgwick UK Risk Services Limited
 Sedgwick Ulster Pension Trustees Limited
 Settlement Trustees Limited
 Shariffuddin-Sedgwick (B) Sdn Bhd
 SIMS Nominees Limited
 SOC Group Plc
 Societe Bargheon S.A.
 Societe Conseil Mercer Limitee
 Societe d'Assurances et de Participations Guian S.A.
 Societe Internationale de Courtage d'Assurances et de
 Reassurances Cekar & Jutheau
 Southampton Place Trustee Company Limited
 Southern Marine & Aviation Underwriters, Inc.
 Southern Marine & Aviation, Inc.
 Stephen F. Beard, Inc.
 Sudzucker Versicherungs-Vermittlungs GmbH
 Sundance B.V.
 Syndicate and Corporate Management Services Inc.
 Syndicate and Corporate Management Services Limited
 Technical Insurance Management Services Pty Limited
 Terra Nova (Bermuda) Holdings Ltd.
 TH Lee Putnam Equity Managers Trust
 TH Lee, Putnam Capital Management, LLC
 TH Lee, Putnam Capital, LLC
 The ARC Group LLC
 The Carpenter Management Corporation
 The Financial & Insurance Advice Centre Limited
 The Marsh Centre Limited
 The Medisure Group Limited
 The Putnam Advisory Company Trust
 The Putnam Advisory Company, LLC

India
 Singapore
 Singapore
 Australia
 Zimbabwe
 Sweden
 Australia
 Sweden
 England and Wales
 England and Wales
 Northern Ireland
 England and Wales
 Brunei Darussalam
 England and Wales
 England and Wales
 France
 Canada
 France
 Burkina Faso

England and Wales
 Louisiana
 Louisiana
 Puerto Rico
 Germany
 Rotterdam
 Delaware
 Bermuda
 Australia
 Bermuda
 Massachusetts
 Delaware
 Delaware
 Delaware
 Delaware
 England and Wales
 England and Wales
 England and Wales
 Massachusetts
 Delaware

The Schinnerer Group, Inc.	Delaware
Tobelan S.A.	Uruguay
Tower Hill Limited	England and Wales
Tower Place Developments (West) Limited	England and Wales
Tower Place Developments Limited	England and Wales
Transbrasil Ltda.	Brazil
Transglobe Management (Bermuda) Ltd.	Bermuda
Travelgold Mexico, S.A. de C.V.	Mexico
Triad Services, Inc.	Delaware
Triad Underwriting Management Agency, Inc.	Delaware
Troika Insurance Company Limited	England and Wales
U.T.E. Marsh - Aon Gil y Carvajal	Spain
U.T.E. Marsh - Chang	Spain
U.T.E. Marsh - Disbrok	Spain
U.T.E. Marsh - Eurobrok	Spain
U.T.E. Marsh McLennan - Cobian & Cobian	Spain
U.T.E. Marsh McLennan - Cobian & Cobian - La Coruna	Spain
UABDB Marsh Lietuva	Lithuania
UBM Consulting France International Management ConsultantsFr	France
UBM Consultoria Internacional S/C Ltda.	Brazil
Ulster Insurance Services Limited	Northern Ireland
Uniservice Insurance Service Limited	Bermuda
Unison Management (Bermuda) Limited	Bermuda
Unison Management (Dublin) Limited	Ireland
Unison Management (Finland) Oy	Finland
Unison Management (Scandinavia) AB	Sweden
Unison Technical Services s.c.r.l.	Belgium
Universal Ray S.A.	Uruguay
Unused Subsidiary, Inc.	New York
Unused Subsidiary, Inc.	Texas
Van Vugt & Beukers B.V.	Netherlands
Victor O. Schinnerer & Company Limited	England and Wales
Victor O. Schinnerer & Company, Inc. (Delaware)	Delaware
Victor O. Schinnerer & Company, Inc. (Ohio)	Ohio
Victor O. Schinnerer of Illinois, Inc.	Illinois
Victoria Hall Company Limited	Bermuda
Vikela Marsh (Proprietary) Limited	South Africa
VW Versicherungsvermittlungs-GmbH	Germany
Wigham Poland (Hellas) Limited	Greece
Wigham Poland Australia Pty. Limited	Australia

Wigham Poland Aviation Limited	England and Wales
Wigham Poland Limited	England and Wales
Willcox Johnson & Higgins Limited	England and Wales
Willcox, Barringer & Co. (California) Inc.	California
William M. Mercer (Aust) Limited	Australia
William M. Mercer (Isle of Man) Limited	Isle of Man
William M. Mercer Cullen Egan Dell Limited	Australia
William M. Mercer Europe	France
William M. Mercer Fraser (Irish Pensioneer Trustees) Limited	Ireland
William M. Mercer Fraser Limited	England and Wales
William M. Mercer Limited	England and Wales
William M. Mercer Limited (NZ)	New Zealand
William M. Mercer Philippines, Incorporated	Philippines
William M. Mercer Ten Pas B.V.	Netherlands
William M. Mercer-Faugere & Jutheau (S.A.R.L.)	France
Wilson McBride, Inc.	Ohio
Winchester Bowring Limited	England and Wales
WMM Haneveld Investment Consulting B.V.N	Netherlands
WMM Services, Inc.	Delaware
World Insurance Network Limited	England and Wales
Yarmouth Insurance Limited	Bermuda

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in the previously filed Registration Statements of Marsh & McLennan Companies, Inc. on Form S-8 (Registration File Nos. 2-58660, 33-32880, 33-48803, 33-48804, 33-48807, 33-54349, 33-59603, 33-63389, 333-35741, 333-35739, 333-29627, 333-41828, 333-41830, 333-41832, 333-69778, 333-69776, 333-69774 and 333-107195) and previously filed Registration Statement on Form S-3 (Registration File No. 333-67543 and 333-108566) and the previously filed Registration Statements on Form S-4 (Registration File Nos. 33-24124 and 333-87510) of our reports dated March 5, 2004 (which expresses an unqualified opinion and includes an explanatory paragraph relating to the adoption of Statement of Financial Accounting Standards No. 142, Goodwill and Other Intangible Assets) appearing in, and incorporated by reference in, this Annual Report on Form 10-K of Marsh & McLennan Companies, Inc. for the year ended December 31, 2003.

DELOITTE & TOUCHE LLP
New York, New York
March 15, 2004

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

I. To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director and/or Officer of MMC, and file with the Securities and Exchange Commission on behalf of MMC:

A. an Annual Report on Form 10-K for the year ended December 31, 2003 and any amendments or supplements to such Annual Report on Form 10-K;

B. current registration statements on Form S-8 or other appropriate form, including prospectuses as part thereof, any appropriate amendments or supplements to such registration statements and prospectuses or to prior registration statements, and any other document to maintain the effectiveness of any of the foregoing, for the registration under the Securities Act of 1933, as amended, of shares of MMC's common stock or other interests offered pursuant to MMC's various employee benefit and stock plans under which MMC's common stock may be distributed to employees or directors, including without limitation:

1. the Stock Investment Plan,
2. the Stock Investment Supplemental Plan,
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6. the 1995 Employee Stock Purchase Plan for International Employees,
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8. the 1997 and 2000 Employee Incentive and Stock Award Plan,
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10. the Special Severance Pay Plan, and
11. the Directors Stock Compensation Plan;

C. any registration statements on Form S-3, Form S-4 or other appropriate form, including prospectuses as part thereof, and any amendments or supplements to such registration statements or prospectuses, for (i) the registration of MMC's common stock for issuance in connection with future acquisitions, or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions and (ii) the registration of MMC's debt securities for issuance or for resale by the holders thereof who acquired such debt securities in a private placement, provided that such issuance or resale described in (i) or (ii) is then authorized pursuant to resolutions of the Board of Directors of MMC.

II. To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto described in I. above and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Lewis W. Bernard

Lewis W. Bernard

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Mathis Cabiallavetta

Mathis Cabiallavetta

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Peter Coster

Peter Coster

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Charles A. Davis

Charles A. Davis

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Robert F. Erburu

Robert F. Erburu

POWER OF ATTORNEY

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Oscar Fanjul

Oscar Fanjul

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Ray J. Groves

Ray J. Groves

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Stephen R. Hardis

Stephen R. Hardis

POWER OF ATTORNEY

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C. any registration statements on Form S-3, Form S-4 or other appropriate form, including prospectuses as part thereof, and any amendments or supplements to such registration statements or prospectuses, for (i) the registration of MMC's common stock for issuance in connection with future acquisitions, or for resale by the holders thereof who acquired or will acquire such stock in connection with past or future acquisitions and (ii) the registration of MMC's debt securities for issuance or for resale by the holders thereof who acquired such debt securities in a private placement, provided that such issuance or resale described in (i) or (ii) is then authorized pursuant to resolutions of the Board of Directors of MMC.

II. To execute and deliver, either through a paper filing or electronically, any agreements, instruments, certificates or other documents which they shall deem necessary or proper in connection with the filing of such Annual Report on Form 10-K, registration statements and prospectuses and amendments or supplements thereto described in I. above and generally to act for and in the name of the undersigned with respect to such filings as fully as could the undersigned if then personally present and acting.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Gwendolyn S. King

Gwendolyn S. King

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

I. To sign or to transmit electronically in the name and on behalf of the undersigned, as a Director and/or Officer of MMC, and file with the Securities and Exchange Commission on behalf of MMC:

A. an Annual Report on Form 10-K for the year ended December 31, 2003 and any amendments or supplements to such Annual Report on Form 10-K;

B. current registration statements on Form S-8 or other appropriate form, including prospectuses as part thereof, any appropriate amendments or supplements to such registration statements and prospectuses or to prior registration statements, and any other document to maintain the effectiveness of any of the foregoing, for the registration under the Securities Act of 1933, as amended, of shares of MMC's common stock or other interests offered pursuant to MMC's various employee benefit and stock plans under which MMC's common stock may be distributed to employees or directors, including without limitation:

1. the Stock Investment Plan,
2. the Stock Investment Supplemental Plan,
3. the Canadian Stock Investment Plan,
4. the Putnam Investments Profit Sharing Retirement Plan,
5. the 1999 Employee Stock Purchase Plan,
6. the 1995 Employee Stock Purchase Plan for International Employees,
7. the 1992 Incentive and Stock Award Plan,
8. the 1997 and 2000 Employee Incentive and Stock Award Plan,
9. the 1997 and 2000 Senior Executive Incentive and Stock Award Plan,

10. the Special Severance Pay Plan, and

11. the Directors Stock Compensation Plan;

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/The Rt. Hon. Lord Lang of Monkton, DL

The Rt. Hon. Lord Lang of Monkton, DL

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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1. the Stock Investment Plan,
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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/David A. Olsen

David A. Olsen

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Morton O. Schapiro

Morton O. Schapiro

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/Adele Simmons

Adele Simmons

POWER OF ATTORNEY

The undersigned, a Director and/or Officer of Marsh & McLennan Companies, Inc., a Delaware corporation ("MMC"), does hereby constitute and appoint any one of Jeffrey W. Greenberg, William L. Rosoff and Sandra S. Wijnberg to be the undersigned's agent and attorney-in-fact, each with the power to act fully hereunder without the other and with full power of substitution, to act in the name and on behalf of the undersigned:

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IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney effective the 11th day of March, 2004.

/s/A.J.C. Smith

A.J.C. Smith

CERTIFICATIONS

I, Jeffrey W. Greenberg, certify that:

1. I have reviewed this annual report on Form 10-K of Marsh & McLennan Companies, Inc. (the "registrant");

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 officers 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)) 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) [Omitted pursuant to SEC Release Nos. 33-8238 and 34-47986];

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 officers 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: March 15, 2004

/s/ JEFFREY W. GREENBERG

Jeffrey W. Greenberg
Chief Executive Officer

I, Sandra S. Wijnberg, certify that:

1. I have reviewed this annual report on Form 10-K of Marsh & McLennan Companies, Inc. (the "registrant");

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 officers 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)) 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) [Omitted pursuant to SEC Release Nos. 33-8238 and 34-47986];

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 officers 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: March 15, 2004

/S/ SANDRA S. WIJNBERG

Sandra S. Wijnberg
Chief Financial Officer

CERTIFICATION OF CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICERS

The certification set forth below is being submitted in connection with the Annual Report on Form 10-K for the fiscal year ended December 31, 2003 (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code.

Jeffrey W. Greenberg, the Chief Executive Officer and Sandra S. Wijnberg, the Chief Financial Officer of Marsh & McLennan Companies, Inc. each certifies that, to the best of his or her knowledge:

1. the Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Marsh & McLennan Companies, Inc.

Dated: March 15, 2004

/S/ JEFFREY W. GREENBERG

Name: Jeffrey W. Greenberg
Chief Executive Officer

Dated: March 15, 2004

/S/ SANDRA S. WIJNBERG

Name: Sandra S. Wijnberg
Chief Financial Officer