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

FORM 10-K

(Mark One)

☑	**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

or

o	**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission file number: 001-16503

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

(Exact name of Registrant as specified in its charter)

Ireland	**98-0352587**
(Jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

c/o Willis Group Limited
51 Lime Street, London EC3M 7DQ, England
(Address of principal executive offices)

(011) 44-20-3124-6000
(Registrant's telephone number, including area code)

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

Title of each Class	Name of each exchange on which registered
Ordinary Shares, nominal value $0.000115 per share	**New York Stock Exchange**

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

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

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

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

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☑ No o

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 the Registrant's knowledge, in definite 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 a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definition of 'large accelerated filer', 'accelerated filer' and 'smaller reporting company' in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

The aggregate market value of the voting common equity held by non-affiliates of the Registrant, computed by reference to the last reported price at which the Registrant's common equity was sold on June 30, 2013 (the last day of the Registrant's most recently completed second quarter) was $7,147,793,450.

As of February 14, 2014, there were outstanding 179,021,595 ordinary shares, nominal value $0.000115 per share, of the Registrant.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Part III will be incorporated by reference in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Certain Definitions

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

‘We’, ‘Us’, ‘Company’, ‘Group’, ‘Willis’, or ‘Our’	Willis Group Holdings and its subsidiaries.
‘Willis Group Holdings’ or ‘Willis Group Holdings plc’	Willis Group Holdings Public Limited Company, a company organized under the laws of Ireland.
‘shares’	The ordinary shares of Willis Group Holdings Public Limited Company, nominal value $0.000115 per share.
‘HRH’	Hilb Rogal & Hobbs Company, a 100 percent owned subsidiary acquired in 2008.

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Willis Group Holdings plc

FORWARD-LOOKING STATEMENTS

We have included in this document 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our, outlook future capital expenditures, growth in commissions and fees, business strategies, competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, plans and references to future successes, are forward-looking statements. Also, when we use the words such as 'anticipate', 'believe', 'estimate', 'expect', 'intend', 'plan', 'probably', or similar expressions, we are making forward-looking statements.

There are important uncertainties, events and factors that could cause our actual results or performance to differ materially from those in the forward-looking statements contained in this document, including the following:

- the impact of any regional, national or global political, economic, business, competitive, market, environmental or regulatory conditions on our global business operations;
- the impact of current global economic conditions on our results of operations and financial condition, including as a result of those associated with the ongoing Eurozone crisis, any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions;
- our ability to implement and realize anticipated benefits of any expense reduction initiative, charge or any revenue generating initiatives;
- our ability to implement and fully realize anticipated benefits of our new growth strategy and revenue generating and cost-saving initiatives;
- volatility or declines in insurance markets and premiums on which our commissions are based, but which we do not control;
- our ability to develop and implement technology solutions and invest in innovative product offerings in an efficient and competitive manner;
- our ability to continue to manage our significant indebtedness;
- our ability to compete effectively in our industry, including any impact if we continue to refuse to accept contingent commissions to date from carriers in the non-Human Capital areas of our retail brokerage business and developing new products and services;
- material changes in commercial property and casualty markets generally or the availability of insurance products or changes in premiums resulting from a catastrophic event, such as a hurricane;
- our ability to retain key employees and clients and attract new business;
- the timing or ability to carry out share repurchases and redemptions;
- the timing or ability to carry out refinancing or take other steps to manage our capital and the limitations in our long-term debt agreements that may restrict our ability to take these actions;
- fluctuations in our earnings as a result of potential changes to our valuation allowance(s) on our deferred tax assets;
- any fluctuations in exchange and interest rates that could affect expenses and revenue;
- the potential costs and difficulties in complying with a wide variety of foreign laws and regulations and any related changes, given the global scope of our operations;
- rating agency actions, including a downgrade to our credit rating, that could inhibit our ability to borrow funds or the pricing thereof and in certain circumstances cause us to offer to buy back some of our debt;
- a significant decline in the value of investments that fund our pension plans or changes in our pension plan liabilities or funding obligations;
- our ability to achieve the expected strategic benefits of transactions, including any growth from associates;
- further impairment of the goodwill of one of our reporting units, in which case we may be required to record additional significant charges to earnings;
- our ability to receive dividends or other distributions in needed amounts from our subsidiaries;
- changes in the tax or accounting treatment of our operations and fluctuations in our tax rate;
- any potential impact from the US healthcare reform legislation;
- our involvement in and the results of any regulatory investigations, legal proceedings and other contingencies;
- underwriting, advisory or reputational risks associated with non-core operations as well as the potential significant impact our non-core operations (including the Willis Capital Markets & Advisory operations) can have on our financial results;

- our exposure to potential liabilities arising from errors and omissions and other potential claims against us; and
- the interruption or loss of our information processing systems, data security breaches or failure to maintain secure information systems.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. In light of the significant uncertainties inherent in the forward-looking statements included in this document, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

Our forward-looking statements speak only as of the date made and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, the forward-looking events discussed in this document may not occur, and we caution you against unduly relying on these forward-looking statements.

Willis Group Holdings plc

PART I

Item 1 — Business

History and Development of the Company

Willis Group Holdings is the ultimate holding company for the Group. We trace our history to 1828 and are one of the largest insurance brokers in the world.

Willis Group Holdings was incorporated in Ireland on September 24, 2009 to facilitate the change of the place of incorporation of the parent company of the Group from Bermuda to Ireland (the 'Redomicile'). At December 31, 2009, the common shares of Willis-Bermuda were canceled, the Willis-Bermuda common shareholders received, on a one-for-one basis, new ordinary shares of Willis Group Holdings, and Willis Group Holdings became the ultimate parent company for the Group.

For administrative convenience, we utilize the offices of a subsidiary company as our principal executive offices. The address is:

Willis Group Holdings Public Limited Company
c/o Willis Group Limited
The Willis Building
51 Lime Street
London EC3M 7DQ
England
Tel: +44 20 3124 6000

For several years, we have focused on our core retail and specialist broking operations. In 2008, we acquired HRH, at the time the eighth largest insurance and risk management intermediary in the United States. The acquisition almost doubled our North America revenues and created critical mass in key markets including California, Florida, Texas, Illinois, New York, Boston, New Jersey and Philadelphia. In addition, we have made a number of smaller acquisitions around the world and increased our ownership in several of our associates and existing subsidiaries, which were not wholly-owned, where doing so strengthened our retail network and our specialty businesses.

Available Information

The Company files annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission (the 'SEC'). You may read and copy any documents we file at the SEC's Public Reference Room at 100 F Street, NE Washington, DC 20549. Please call the SEC at 1-800-SEC-0330 for information on the Public Reference Room. The SEC maintains a website that contains annual, quarterly and current reports, proxy statements and other information that issuers (including Willis Group Holdings) file electronically with the SEC. The SEC's website is www.sec.gov.

The Company makes available, free of charge through our website, www.willis.com, our annual report on Form 10-K, our quarterly reports on Form 10-Q, our proxy statement, current reports on Form 8-K and Forms 3, 4, and 5 filed on behalf of directors and executive officers, as well as any amendments to those reports filed or furnished pursuant to the Securities Exchange Act of 1934 (the 'Exchange Act') as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. Unless specifically incorporated by reference, information on our website is not a part of this Form 10-K.

The Company's Corporate Governance Guidelines, Audit Committee Charter, Risk Committee Charter, Compensation Committee Charter and Corporate Governance and Nominating Committee Charter are available on our website, www.willis.com, in the Investor Relations-Corporate Governance section, or upon request. Requests for copies of these documents should be directed in writing to the Company Secretary c/o Office of General Counsel, Willis Group Holdings Public Limited Company, One World Financial Center, 200 Liberty Street, New York, NY 10281.

General

We provide a broad range of insurance brokerage, reinsurance and risk management consulting services to our clients worldwide. We have significant market positions in the United States, in the United Kingdom and, directly and through our associates, in many other countries. We are a recognized leader in providing specialized risk management advisory and other services on a global basis to clients in various industries including aerospace, marine, construction and energy.

In our capacity as an advisor and insurance broker, we act as an intermediary between our clients and insurance carriers by advising our clients on their risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance with insurance carriers through our global distribution network.

We assist clients in the assessment of their risks, advise on the best ways of transferring suitable risk to the global insurance and reinsurance markets and then execute the transactions at the most appropriate available price, terms and conditions for our clients. Our global distribution network enables us to place the risk in the most appropriate insurance or reinsurance market worldwide.

We also offer clients a broad range of services to help them to identify and control their risks. These services range from strategic risk consulting (including providing actuarial analysis), to a variety of due diligence services, to the provision of practical on-site risk control services (such as health and safety or property loss control consulting) as well as analytical and advisory services (such as hazard modeling and reinsurance optimization studies). We assist clients in planning how to manage incidents or crises when they occur. These services include contingency planning, security audits and product tampering plans. We are not an insurance company and therefore we do not underwrite insurable risks for our own account.

We derive most of our revenues from commissions and fees for brokerage and consulting services and do not determine the insurance premiums on which our commissions are generally based. Commission levels generally follow the same trend as premium levels as they are derived from a percentage of the premiums paid by the insureds. Fluctuations in these premiums charged by the insurance carriers can therefore have a direct and potentially material impact on our results of operations.

We and our associates serve a diverse base of clients including major multinational and middle-market companies in a variety of industries, as well as public institutions and individual clients. Many of our client relationships span decades. We have approximately 21,700 employees around the world (including approximately 3,700 at our associate companies) and a network of in excess of 400 offices in nearly 120 countries.

We believe we are one of only a few insurance brokers in the world possessing the global operating presence, broad product expertise and extensive distribution network necessary to meet effectively the global risk management needs of many of our clients.

Business Strategy

Today we operate in attractive growth markets with a diversified platform across geographies, industries, segments and lines of business. We aim to become the risk advisor, insurance and reinsurance broker of choice globally.

We will achieve this by being completely focused on:

- *where we compete* and that means the areas where we can succeed by:
  - Geography - we will re-balance our business mix towards faster growing geographies, with both developed and developing markets
  - Client Segmentation - we will segment our client offering to provide distinct offerings to different types of client, focusing on the value we provide to our clients
  - Sector - we will build business lines around our industry and sector strength e.g. Human Capital and Employee Benefits.
- *How we compete* which will be centered on meeting the needs of our client by:
  - Connection - leading to more cross-selling
  - Innovation - competing on analytics and innovation
  - Investment - focusing on earnings accretion, competitive position and fit

Through these strategies we aim to grow revenue with positive operating leverage, grow cash flows and generate compelling returns for investors.

About Willis

Our Business

Insurance and reinsurance is a global business, and its participants are affected by global trends in capacity and pricing. Accordingly, we operate as one global business which ensures all clients' interests are handled efficiently and comprehensively, whatever their initial point of contact. For information regarding revenues and operating income per segment, see Note 28 of the Consolidated Financial Statements contained herein.

Global

Our Global business provides specialist brokerage and consulting services to clients worldwide for the risks arising from specific industrial and commercial activities. In these operations, we have extensive specialized experience handling diverse lines of coverage, including complex insurance programs, and acting as an intermediary between retail brokers and insurers. We increasingly provide consulting services on risk management with the objective of assisting clients to reduce the overall cost of risk. Our Global business serves clients in over 150 countries, primarily from offices in the United Kingdom, although we also serve clients from offices in the United States, Continental Europe, Asia and Australia.

The Global business is divided into:

- Willis Re;
- Faber Global;
- Specialty; and
- Willis Capital Markets & Advisory.

Willis Re

We are one of the world's largest intermediaries for reinsurance and have a significant market share in all of the world's major markets. Our clients are both insurance and reinsurance companies.

We operate this business on a global basis and provide a complete range of transactional capabilities, including, in conjunction with Willis Capital Markets & Advisory, a wide variety of capital markets based products. Our services are underpinned by leading modeling, financial analysis and risk management advice. We bolster and enhance all of these services with the cutting edge knowledge derived from our Willis Research Network, the insurance industry's largest partnership with global academic research.

Faber Global

Our Faber Global unit provides facultative and wholesale solutions for property and casualty, health and specialty insurances to cedants and independent wholesaler brokers worldwide who want solutions provided through the London, European and Bermudian markets.

Specialty

During first quarter 2014 we announced changes to the structure of our UK-based insurance operations, combining our Global Specialty businesses with the Willis UK retail business to create a market leading client proposition.

This combined unit has strong global positions in Aerospace, Energy, Marine, Construction, Financial and Executive Risks as well as Financial Solutions, wholesale and facultative.

- *Aerospace*
  We are highly experienced in the provision of insurance and reinsurance brokerage and risk management services to Aerospace clients worldwide, including aircraft manufacturers, air cargo handlers and shippers, airport managers and other general aviation companies. Advisory services provided by Aerospace include claims recovery, contract and leasing risk management, safety services and market information. Aerospace's clients include approximately one third of the world's

airlines. The specialist Inspace division is also prominent in serving the space industry by providing insurance and risk management services to approximately 30 companies.

- *Energy*
  Our Energy practice provides insurance brokerage services including property damage, offshore construction, liability and control of well and pollution insurance to the energy industry. Our Energy practice clients are worldwide. We are highly experienced in providing insurance brokerage for all aspects of the energy industry including exploration and production, refining and marketing, offshore construction and pipelines.

- *Marine*
  Our Marine unit provides marine insurance and reinsurance brokerage services, including hull, cargo and general marine liabilities. Marine's clients include ship owners, ship builders, logistics operators, port authorities, traders and shippers, other insurance intermediaries and insurance companies. Marine insurance brokerage is our oldest line of business dating back to our establishment in 1828.

- *Financial and Executive Risks*
  Our Financial and Executive Risks unit specializes in broking directors' and officers' insurance as well as professional indemnity insurance for corporations, financial institutions and professional firms.

- *Construction, Property and Casualty*
  Our Construction practice provides risk management advice and brokerage services for a wide range of UK and international construction activities. The clients of the Construction practice include contractors, project owners, project managers, project financiers, professional consultants and insurers. We are a broker for a number of the leading global construction firms. The Construction practice is now tied to Willis' specialist internal unit providing our retail colleagues' clients with access to global insurance markets, providing structuring and placing services supported by specialist knowledge and expertise across a variety of industries on a global basis in large and complex property and casualty risk exposures.

- *Financial Solutions*
  Financial Solutions is a global business unit which incorporates our Political and Credit Risk businesses, as well as Structured Finance and Project Risk Consulting teams. It also comprises specialist Trade Credit, Contingent Aviation and Mortgage teams.

- *Fine Art, Jewelry and Specie*
  The Fine Art, Jewelry and Specie unit provides specialist risk management, insurance and reinsurance services to fine art, diamond and jewelry businesses and armored car operators.

- *Special Contingency Risks*
  Special Contingency Risks specializes in people risk solutions using a combination of risk management, kidnap and ransom and personal accident services and products to meet the needs of corporations and private clients.

- *Hughes-Gibb*
  The Hughes-Gibb unit principally services the insurance and reinsurance needs of thoroughbred horse racing and horse breeding industry and of the agri-business sector, covering livestock breeders, aquaculture & agriculture industries.

- *UK retail operations*
  Our UK retail operations provide risk management, insurance brokerage and related risks services to a wide array of industry and client segments.

Willis Capital Markets & Advisory

Willis Capital Markets & Advisory, with offices in New York and London, provides advice to companies involved in the insurance and reinsurance industry on a broad array of mergers and acquisition transactions as well as capital markets products, including acting as underwriter or agent for primary issuances, operating a secondary insurance-linked securities trading desk and engaging in general capital markets and strategic advisory work.

Retail operations

Our North America and International retail operations provide services to small, medium and large corporate clients, accessing Global's specialist expertise when required.

North America

Our North America business provides risk management, insurance brokerage, related risk services, and employee benefits brokerage and consulting to a wide array of industry and client segments in the United States and Canada. With around 100 locations, organized into seven geographical regions including Canada, Willis North America locally delivers our global and national resources and specialist expertise through this retail distribution network.

In addition to being organized geographically and by specialty, our North America business focuses on four client segments: global, large national/middle-market, small commercial, and private client, with service, marketing and sales platform support for each segment.

- *Construction*
  The largest industry practice group in North America is Construction, which specializes in providing risk management, insurance brokerage, and surety bonding services to the construction industry. Willis Construction provided these services to nearly 12,000 clients including approximately 20 percent of the *Engineering News Record* Top 400 contractors (a listing of the largest 400 North American contractors based on reported revenue). In addition, this practice group has expertise in professional liability insurance, controlled insurance programs for large projects and insurance for national homebuilders.

- *Human Capital*
  Willis Human Capital, fully integrated into the North America platform, is the Group's largest product-based practice group and provides health, welfare and human resources consulting, and brokerage services to all of our commercial client segments. This practice group's value lies in helping clients control employee benefit plan costs, reducing the amount of time human resources professionals spend administering their companies' benefit plans and educating and training employees on benefit plan issues.

- *Executive Risks*
  Another industry-leading North America practice group is Willis Executive Risks, a national team of technical professionals who specialize in meeting the directors and officers, employment practices, fiduciary liability insurance risk management, and claims advocacy needs of public and private corporations and organizations. This practice group also has expertise in professional liability, especially cyber risks.

- *CAPPPS*
  The Captive, Actuarial, Programs, Pooling, Personal Lines and Strategic Outcomes (CAPPPS) group has a network of actuaries, certified public accountants, financial analysts and pooled insurance program experts who assist clients in developing and implementing alternative risk management solutions. The program business is a leader in providing national insurance programs to niche industries including ski resorts, auto dealers, recycling, environmental, and specialty workers' compensation. Through our Loan Protector business, a specialty business acquired as part of the HRH business, this group also works with financial institutions to confirm their loans are properly insured and their interests are adequately protected.

- *Other industry practice groups*
  Other industry practice groups include Healthcare, serving the professional liability and other insurance and risk management needs of private and not-for-profit health systems, hospitals and physicians groups; Financial Institutions, serving the needs of large banks, insurers and other financial services firms; and Mergers & Acquisitions, providing due diligence, and risk management and insurance brokerage services to private equity and merchant banking firms and their portfolio companies.

International

Our International business comprises our operations in Western Europe, Central and Eastern Europe, Asia, Australasia, the Middle East, South Africa and Latin America.

Our offices provide services to businesses locally in nearly 120 countries around the world, making use of local expertise as well as skills, industry knowledge and expertise available elsewhere in the Group.

The services provided are focused according to the characteristics of each market and vary across offices, but generally include direct risk management and insurance brokerage, specialist and reinsurance brokerage and employee benefits consulting.

As part of our on-going strategy, we continue to look for opportunities to strengthen our International market share through acquisitions and strategic investments. A list of significant subsidiaries is included in Exhibit 21.1 to this document.

We have also invested in associate companies; our significant associates at December 31, 2013 were GS & Cie Groupe ('Gras Savoye'), a French organization (30 percent holding) and Al-Futtaim Willis Co. LLC, organized under the laws of Dubai (49 percent holding). In connection with many of our investments we retain the right to increase our ownership over time, typically to a majority or 100 percent ownership position.

We believe the combined total revenues of our International subsidiaries and associates provide an indication of the spread and capability of our International network. These operations generated approximately 30 percent of the Group's total consolidated commissions and fees in 2013.

Customers

Our clients operate on a global and local scale in a multitude of businesses and industries throughout the world and generally range in size from major multinational corporations to middle-market companies. Further, many of our client relationships span decades, for instance our relationship with The Tokio Marine and Fire Insurance Company Limited dates back over 100 years. No one client accounted for more than 10 percent of revenues for fiscal year 2013. Additionally, we place insurance with approximately 2,500 insurance carriers, none of which individually accounted for more than 10 percent of the total premiums we placed on behalf of our clients in 2013.

Competition

We face competition in all fields in which we operate, based on global capability, product breadth, innovation, quality of service and price. We compete with Marsh & McLennan and Aon, the two other major providers of global risk management services, as well as with numerous specialist, regional and local firms. Competition for business is intense in all of our business lines and in every insurance market, and Marsh & McLennan and Aon have substantially greater market share than we do. Competition on premium rates has also exacerbated the pressures caused by a continuing reduction in demand in some classes of business. For example, rather than purchase additional insurance through brokers, some insureds have been retaining a greater proportion of their risk portfolios than previously. Industrial and commercial companies increasingly rely upon their own subsidiary insurance companies, known as captive insurance companies, self-insurance pools, risk retention groups, mutual insurance companies and other mechanisms for funding their risks, rather than buy insurance. Additional competitive pressures arise from the entry of new market participants, such as banks, accounting firms and insurance carriers themselves, offering risk management or transfer services.

A particular area of competitive pressure is market-derived income (MDI), which is revenue that insurance intermediaries increasingly have been obtaining from insurance carriers. Contingent commissions are one type of MDI where insurance carriers remunerate intermediates based on either the volume or profitability of risks placed with the carrier. While we have recently stated that we will apply a set of criteria to evaluate on a case-by-case basis whether we will take MDI, and in what form, to date we have not accepted contingent commissions from carriers other than in our Human Capital practice. To our knowledge, we are the only insurance broker that takes this stance. To the extent that our competitors accept volume- or profit-based continent commissions we may suffer lower revenue, reduced operating margins, and loss of market share which could materially and adversely affect our business.

Regulation

Our business activities are subject to legal requirements and governmental and quasi-governmental regulatory supervision in virtually all countries in which we operate. Also, such regulations may require individual or company licensing to conduct our business activities. While these requirements may vary from location to location they are generally designed to protect our clients by establishing minimum standards of conduct and practice, particularly regarding the provision of advice and product information as well as financial criteria. Our three most significant regulatory regions are described below:

United States

Our activities in connection with insurance brokerage services within the United States are subject to regulation and supervision by state authorities. Although the scope of regulation and form of supervision may vary from jurisdiction to jurisdiction, insurance laws in the United States are often complex and generally grant broad discretion to supervisory authorities in adopting regulations and supervising regulated activities. That supervision generally includes the licensing of insurance brokers and agents and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokerage in the jurisdictions in which we currently operate is dependent upon our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions.

European Union

The European Union Insurance Mediation Directive introduced rules to enable insurance and reinsurance intermediaries to operate and provide services within each member state of the EU on a basis consistent with the EU single market and customer protection aims. Each EU member state in which we operate is required to ensure that the insurance and reinsurance intermediaries resident in their country are registered with a statutory body in that country and that each intermediary meets professional requirements in relation to their competence, good repute, professional indemnity cover and financial capacity.

United Kingdom

In the United Kingdom, our business was previously regulated by the Financial Services Authority ('FSA'). Under legislation enacted by the UK Parliament, the regulation of our business transitioned from the FSA to the Financial Conduct Authority ('FCA') on April 1, 2013. The FCA has a wide range of rule-making, investigatory and enforcement powers, and conducts monitoring visits to assess our compliance with regulatory requirements.

The FCA has a sole strategic objective: to protect and enhance confidence in the UK financial system. Its operational objectives are to: secure an appropriate degree of protection for consumers; promote efficiency and choice in the market for financial services; and protect and enhance the integrity of the UK financial system. The FCA also has a duty to act in a way that promotes competition, and to minimize the extent to which regulated businesses may be used for a purpose connected with financial crime. Finally, the FCA has new powers in product intervention. For instance, it can instruct firms to withdraw or amend misleading financial promotions.

Other

Certain of our activities are governed by other regulatory bodies, such as investment and securities licensing authorities. In the United States, our Willis Capital Markets & Advisory business operates through our wholly-owned subsidiary Willis Securities, Inc., a US-registered broker-dealer and investment advisor, member FINRA/SIPC, primarily in connection with investment banking-related services and advising on alternative risk financing transactions. Willis Capital Markets provides advice on securities or investments in the EU through our wholly-owned subsidiary Willis Capital Markets & Advisory Limited, which is authorized and regulated by the FCA.

Our failure, or that of our employees, to satisfy the regulators that we comply with their requirements or the legal requirements governing our activities, can result in disciplinary action, fines, reputational damage and financial harm.

All companies carrying on similar activities in a given jurisdiction are subject to regulations which are not dissimilar to the requirements for our operations in the United States and United Kingdom. We do not consider that these regulatory requirements adversely affect our competitive position.

See Part I, Item 1A-Risk Factors 'Legal and Regulatory Risks' for discussion of how actions by regulatory authorities or changes in legislation and regulation in the jurisdictions in which we operate may have an adverse effect on our business.

Employees

As of December 31, 2013 we had approximately 18,000 employees worldwide of whom approximately 3,700 were employed in the United Kingdom and 6,100 in the United States, with the balance being employed across the rest of the world. In addition, our associates had approximately 3,700 employees, all of whom were located outside the United Kingdom and the United States.

Item 1A - Risk Factors

Risks Relating to our Business and the Insurance Industry

This section describes material risks affecting the Group's business. These risks could materially affect the Group's business, its revenues, operating income, net income, net assets, liquidity and capital resources and ability to achieve its financial targets and, accordingly should be read in conjunction with any forward-looking statements in this Annual Report on Form 10-K.

Competitive Risks

Worldwide economic conditions could have an adverse effect on our business, prospects, operating results, financial condition and cash flows.

Our business and operating results are materially affected by worldwide economic conditions. Current global economic conditions, including those associated with the ongoing Eurozone crisis, coupled with low customer and business confidence may have a significant negative impact on the buying behavior of some of our clients as their businesses suffer from these conditions. Since 2008, many of our operations have been impacted by the weakened economic climate. A growing number of insolvencies associated with an economic downturn could adversely affect our brokerage business through the loss of clients or by hampering our ability to place insurance and reinsurance business. In addition, an increase in mergers and acquisitions can also result in the loss of clients. While it is difficult to predict the consequences of any further deterioration in global economic conditions on our business, any significant reduction or delay by our clients in purchasing insurance or making payment of premiums could have a material adverse impact on our financial condition and results of operations. In addition, the potential for a significant insurer to fail, be downgraded or withdraw from writing certain lines of insurance coverages that we offer our clients could negatively impact overall capacity in the industry, which could then reduce the placement of certain lines and types of insurance and reduce our revenues and profitability. The potential for an insurer to fail or be downgraded could also result in errors and omissions claims by clients.

The credit and economic conditions of certain European Union countries remain fragile and may contribute to instability in the global credit and financial markets. If credit conditions worsen or financial market volatility increases in the Eurozone, it is possible that it could have a negative effect on the global economy as a whole, and our business, operating results and financial condition. If the Eurozone crisis continues or further deteriorates, there will likely be a negative effect on our European business, as well as the businesses of our European clients. Further, were the Euro to be withdrawn entirely, or the Eurozone were to be dissolved as a common currency area, the legal and contractual consequences for holders of Euro-denominated obligations would be determined by laws in effect at such time. A significant devaluation of the Euro would cause the value of our financial assets that are denominated in Euros to be significantly reduced. Any of these conditions could ultimately harm our overall business, prospects, operating results, financial condition and cash flows.

We may not be able to fully realize the anticipated benefits of our new growth strategy.

At our 2013 Investor Conference, we stated that our goal is, over a medium-term period of five years, to deliver mid-teens total shareholder return, deliver consistent revenue growth in the mid-single digits and target revenue growth to outpace expense growth by more than 70 basis points. We emphasized that such results could fluctuate on a quarterly basis.

In order to achieve these goals, we are implementing certain revenue growth strategies and continue to strive to manage our cost base. For example, we announced a series of actions that include, among other things, the appointments of new global industry and product heads, the creation of a new Global Human Capital & Benefits Practice, a geographic realignment of the firm's leadership team in North America and the merger of our UK retail and Global Specialty businesses. In light of the potential operational risks associated with these new initiatives, we cannot be certain whether we will be able to realize benefits from current revenue generating or cost-saving initiatives and ultimately realize our objectives. There can be no assurance that our actual results will meet these financial goals.

We do not control the premiums on which our commissions are based, and volatility or declines in premiums may seriously undermine our profitability.

We derive most of our revenues from commissions and fees for brokerage and consulting services and do not determine the insurance premiums on which our commissions are generally based. Commission levels generally follow the same trend as premium levels, as they are a percentage of the premiums paid by the insureds. Fluctuations in the premiums charged by the insurance carriers can therefore have a direct and potentially material impact on our results of operations. Due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, commission levels may vary widely between accounting periods. A period of low or declining premium rates, generally known as a 'soft' or 'softening' market, generally leads to downward pressure on commission revenues and can have a material adverse impact on our commission revenues and operating margin. A 'hard' or 'firming' market, during which premium rates rise, generally has a favorable impact on our commission revenues and operating margin. Rates, however, vary by geography, industry and client segment. We have been and continue to be negatively impacted by soft market conditions across certain sectors and geographic regions. In addition, insurance carriers may seek to reduce their expenses by reducing the commission rates payable to insurance agents or brokers such as ourselves. The reduction of these commission rates, along with general volatility and/or declines in premiums, may significantly undermine our profitability.

Competition in our industry is intense, and if we are unable to compete effectively, we may suffer lower revenue, reduced operating margins and lose market share which could materially and adversely affect our business.

We face competition in all fields in which we operate, based on global capability, product breadth, innovation, quality of service and price. We compete with Marsh & McLennan and Aon, the two major global providers of global risk management services, as well as with numerous specialist, regional and local firms. Competition for business is intense in all of our business lines and in every insurance market, and Marsh & McLennan and Aon have substantially greater market share than we do. Competition on premium rates has also exacerbated the pressures caused by a continuing reduction in demand in some classes of business. For example, rather than purchase additional insurance through brokers, some insureds have been retaining a greater proportion of their risk portfolios than previously. Industrial and commercial companies increasingly rely upon their own subsidiary insurance companies, known as captive insurance companies, self-insurance pools, risk retention groups, mutual insurance companies and other mechanisms for funding their risks, rather than buy insurance. Additional competitive pressures arise from the entry of non-traditional market participants, such as banks, accounting firms and insurance carriers themselves, offering risk management or transfer services. If we are unable to compete effectively, we may suffer lower revenue, reduced operating margins and lose market share which could materially and adversely affect our business.

The loss of our Chief Executive Officer or a number of our senior management or a significant number of our brokers could significantly impede our financial plans, growth, marketing and other objectives.

The loss of our Chief Executive Officer, a number of our senior management or a significant number of our brokers could significantly impede our financial plans, growth, marketing and other objectives. Our success depends to a substantial extent not only on the ability and experience of our Chief Executive Officer, Dominic Casserley, and other members of our senior management, but also on the individual brokers and teams that service our clients and maintain client relationships. The insurance and reinsurance brokerage industry has in the past experienced intense competition for the services of leading individual brokers and brokerage teams, and we have lost key individuals and teams to competitors. We believe that our future success will depend in part on our ability to attract and retain additional highly skilled and qualified personnel and to expand, train and manage our employee base. We may not continue to be successful in doing so because the competition for qualified personnel in our industry is intense.

Investment in innovative product offerings may fail to yield sufficient return to cover their investment.

From time to time, we may enter new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, including the investment of significant time and resources, the possibility that these efforts will be unprofitable, and the risk of additional liabilities associated with these efforts. Failure to successfully manage these risks in the development and implementation of new lines of business and new products and services could have a material adverse effect on our business, financial condition or results for operations. External factors, such as compliance with regulations, competitive alternatives and shifting market preferences, may also impact the successful implementation of a new line of business. In addition, we can provide no assurance that the entry into new lines of business or development of new products and services will be successful.

We are continually developing and investing in new and innovative offerings that we believe will address needs that we identify in the market. Nevertheless, the ability of these efforts to produce meaningful value is dependent on a number of other factors, some of which are outside of our control. For example, we have recently launched G360, a suite of facilities for our specialty insurance clients which we expect will provide faster placement and claims agreements for our clients, and promote greater price competition in the specialty insurance market. The success of G360 will depend on client participation, market reaction as well as other factors both inside and outside our control. Additionally, our Global Human Capital and Benefits Practice has invested substantial time and resources in launching The Willis Advantage under the belief that this exchange will serve a useful role to help corporations and individuals in the US manage their growing health care expenses. But in order for The

Willis Advantage to be successful, health care insurers and corporate and individual participants must deem it suitable to participate in, and such decisions are based on their own particular circumstances.

Our business performance and growth plans could be negatively affected if we are not able to effectively apply technology to drive value for our clients through technology-based solutions or gain internal efficiencies through the effective application of technology and related tools.

Our success depends, in part, on our ability to develop and implement technology solutions that anticipate and keep pace with rapid and continuing changes in technology, industry standards and client preferences. We may not be successful in anticipating or responding to these developments in a timely and cost-effective manner, and our ideas may not be accepted in the marketplace. Additionally, the effort to gain technological expertise and develop new technologies in our business requires us to incur significant expenses. Our competitors are seeking to develop competing technologies, and their success in this space may impact our ability to differentiate our services to our clients through the use of unique technological solutions. If we cannot offer new technologies as quickly as our competitors or if our competitors develop more cost-effective technologies, it could have a material adverse effect on our ability to obtain and complete client engagements.

Legal and Regulatory Risks

Our compliance systems and controls cannot guarantee that we comply with all applicable federal and state or foreign laws and regulations, and actions by regulatory authorities or changes in applicable laws and regulations in the jurisdictions in which we operate may have an adverse effect on our business.

Our activities are subject to extensive regulation under the laws of the United States, the United Kingdom, the European Union and its member states, and the other jurisdictions in which we operate. Indeed, over the last few years, there has been a substantial increase in focus on and developments in these laws and regulations. Compliance with laws and regulations that apply to our operations is complex and may increase our cost of doing business. These laws and regulations include insurance and financial industry regulations, economic and trade sanctions and laws against financial crimes, including client money and money laundering, bribery or other corruption, such as the US Foreign Corrupt Practices Act, the UK Bribery Act and other anti-competitive regulations. In most jurisdictions, governmental and regulatory authorities have the ability to interpret and amend these laws and regulations and impose penalties for non-compliance, including sanctions, civil remedies, monetary fines, injunctions, revocation of licenses or approvals, suspension of individuals, limitations on business activities or redress to clients. While we believe that we currently maintain good relationships with our regulators and that our current systems and controls are adequate and in accordance with all applicable laws and regulations, we cannot assure that such systems and controls will prevent any violations of applicable laws and regulations.

Our business, results of operations, financial condition or liquidity may be materially adversely affected by actual and potential claims, lawsuits, investigations and proceedings.

We are subject to various actual and potential claims, lawsuits, investigations and other proceedings relating principally to alleged errors and omissions in connection with the placement of insurance and reinsurance in the ordinary course of business. Because we often assist our clients with matters, including the placement of insurance coverage and the handling of related claims, involving substantial amounts of money, errors and omissions claims against us may arise which allege our potential liability for all or part of the amounts in question.

Claimants can seek large damage awards and these claims can involve potentially significant defense costs. Such claims, lawsuits and other proceedings could, for example, include allegations of damages for our employees or sub-agents improperly failing to place coverage or notify claims on behalf of clients, to provide insurance carriers with complete and accurate information relating to the risks being insured or to appropriately apply funds that we hold for our clients on a fiduciary basis. Errors and omissions claims, lawsuits and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by policy year and self-insured risks have increased significantly in recent years. In respect of self-insured risks, we have established provisions against these items which we believe to be adequate in the light of current information and legal advice, and we adjust such provisions from time to time according to developments. Our business, results of operations, financial condition and liquidity may be adversely affected if in the future our insurance coverage proves to be inadequate or unavailable or there is an increase in liabilities for which we self-insure. Our ability to obtain professional indemnity insurance in the amounts and with the deductibles we desire in the future may be adversely impacted by general developments in the market for such insurance or our own claims experience.

We are also subject to actual and potential claims, lawsuits, investigations and proceedings outside of errors and omissions claims. An example of material claims for which we are subject that are outside of the error and omissions claims context relate to those arising out of the collapse of The Stanford Financial Group, for which we acted as brokers of record on certain lines of insurance.

The ultimate outcome of these matters cannot be ascertained and liabilities in indeterminate amounts may be imposed on us. It is thus possible that future results of operations or cash flows for any particular quarterly or annual period could be materially affected by an unfavorable resolution of these matters. In addition, these matters continue to divert management and personnel resources away from operating our business. Even if we do not experience significant monetary costs, there may also be adverse publicity associated with these matters that could result in reputational harm to the insurance brokerage industry in general or to us in particular that may adversely affect our business, client or employee relationships.

Accepting market derived income (MDI) may cause regulatory or other scrutiny, which may have a material and adverse effect on our business, and our position on contingent commissions may put us at a competitive disadvantage.

Insurance intermediaries have traditionally been remunerated by commission or fees paid by clients. Intermediaries also obtain revenue from insurance carriers. This is commonly known as market derived income or 'MDI'. MDI takes a variety of forms, including volume- or profit-based contingent commissions, facilities administration charges, business development agreements, and fees for providing certain data to carriers. We have recently stated that we will apply a set of criteria to evaluate on a case-by-case basis whether we will take MDI, and in what form.

MDI creates various risks. Intermediaries have a duty to act in the best interests of their clients and payments from carriers can incentivize intermediaries to put carriers' interests ahead of their clients. Accordingly, MDI may be subject to scrutiny by various regulators under conflict of interest, anti-trust, unfair competition, and anti-bribery laws and regulations. While accepting MDI is a lawful and acceptable business practice, and while we will comply with all applicable laws and regulations, we cannot predict whether our position will cause regulatory or other scrutiny.

Additionally, as noted above, contingent commissions are a form of MDI. Over the past five years, other than in our Human Capital practice, we have not accepted contingent commissions from carriers. To our knowledge, we are the only insurance broker that takes this stance. If we continue to not accept contingents and our competitors accept volume- or profit-based continent commissions we may suffer lower revenue, reduced operating margins, and loss of market share which could materially and adversely affect our business.

IT and Operational Risks

Interruption to or loss of our information processing capabilities or failure to effectively maintain and upgrade our information processing systems could cause material financial loss, loss of human resources, regulatory actions, reputational harm or legal liability.

Our business depends significantly on effective information systems. Our capacity to service our clients relies on effective storage, retrieval, processing and management of information. Our information systems also rely on the commitment of significant resources to maintain and enhance existing systems, develop and create new systems and products in order to keep pace with continuing changes in information processing technology or evolving industry and regulatory standards and to be at the forefront of a range of technology relevant to our business.

If the information we rely on to run our business were found to be inaccurate or unreliable or if we fail to maintain effective and efficient systems (including through a telecommunications failure, failure to replace or update redundant or obsolete computer applications or software systems or if we experience other disruptions), this could result in material financial loss, regulatory action, reputational harm or legal liability.

Our inability to successfully recover should we experience a disaster or other significant disruption to business continuity could have a material adverse effect on our operations.

Our ability to conduct business may be adversely affected, even in the short-term, by a disruption in the infrastructure that supports our business and the communities where we are located. This may include a disruption caused by restricted physical site access, terrorist activities, disease pandemics, or outages to electrical, communications or other services used by our company, our employees or third parties with whom we conduct business. Although we have certain disaster recovery procedures in place and insurance to protect against such contingencies, such procedures may not be effective and any insurance or recovery procedures may not continue to be available at reasonable prices and may not address all such losses or compensate us for the possible loss of clients occurring during any period that we are unable to provide services. Our inability to successfully recover should we experience a disaster or other significant disruption to business continuity could have a material adverse effect on our operations.

Data security breaches or improper disclosure of confidential company or personal data could result in material financial loss, loss of human capital, regulatory actions, reputational harm or legal liability.

Computer viruses, hackers and other external hazards could expose confidential company and personal data systems to security breaches. Additionally, one of our significant responsibilities is to maintain the security and privacy of our clients' confidential and proprietary information and the personal data of their employees. These increased risks, and expanding regulatory requirements regarding data security, could expose us to data loss, monetary and reputational damages and significant increases in compliance costs.

We maintain policies, procedures and technological safeguards designed to protect the security and privacy of this information in our database. However, we cannot entirely eliminate the risk of data security breaches, improper access to or disclosure of confidential company or personally identifiable information. Our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft, computer viruses, hackers or inadvertent loss. In such circumstances, we may be held liable to our clients, which could result in legal liability or impairment to our reputation resulting in increased costs or loss of revenue. Further database privacy, identity theft, and related computer and internet issues are matters of growing public concern and are subject to frequently changing rules and regulations. Our failure to adhere to or successfully implement processes in response to changing regulatory requirements in this area could result in legal liability or impairment to our reputation in the marketplace.

Our non-core operations, such as our Willis Capital Markets & Advisory business, pose certain underwriting, advisory or reputational risks and can have a significant adverse impact on our financial results.

We provide a broad range of brokerage, reinsurance and risk management consulting services to our clients worldwide. We also engage in certain non-core operations. For example, our Willis Capital Markets & Advisory business provides advice to insurance and reinsurance companies on a broad array of mergers and acquisition transactions as well as capital markets products, including acting as underwriter or agent for primary issuances, operating a secondary insurance-linked securities trading desk and engaging in general capital markets and strategic advisory work. These operations may pose certain underwriting, advisory or reputational risks to our core business.

In addition, these non-core operations, although not material to the Group as a whole may, in any period, have a material effect on our results of operations. For example, our Willis Capital Markets & Advisory business is transaction-based which can cause results to differ from period-to-period. In another example, our financial results in 2011 and first two quarters of 2012 were adversely impacted by the significant deterioration of the financial results of our Loan Protector business driven by the loss of clients through attrition and M&A activity, industry-wide commission pressures and a slowdown in foreclosures.

Financial Risks

Our outstanding debt could adversely affect our cash flows and financial flexibility.

We had total consolidated debt outstanding of approximately $2.3 billion as of December 31, 2013 and our 2013 interest expense was $126 million. Although management believes that our cash flows will be sufficient to service this debt, there may be circumstances in which required payments of principal and/or interest on this debt could adversely affect our cash flows and this level of indebtedness may:

- require us to dedicate a significant portion of our cash flow from operations to payments on our debt, thereby reducing the availability of cash flow to fund capital expenditures, to pursue other acquisitions or investments in new technologies, to pay dividends and for general corporate purposes;

- increase our vulnerability to general adverse economic conditions, including if we borrow at variable interest rates, which makes us vulnerable to increases in interest rates generally;
- limit our flexibility in planning for, or reacting to, changes or challenges relating to our business and industry; and
- put us at a competitive disadvantage against competitors who have less indebtedness or are in a more favorable position to access additional capital resources.

The terms of our current financings also include certain limitations. For example, the agreements relating to the debt arrangements and credit facilities contain numerous operating and financial covenants, including requirements to maintain minimum ratios of consolidated EBITDA to consolidated cash interest expense and maximum levels of consolidated funded indebtedness in relation to consolidated EBITDA, in each case subject to certain adjustments.

A failure to comply with the restrictions under our credit facilities and outstanding notes could result in a default under the financing obligations or could require us to obtain waivers from our lenders for failure to comply with these restrictions. The occurrence of a default that remains uncured or the inability to secure a necessary consent or waiver could cause our obligations with respect to our debt to be accelerated and have a material adverse effect on our business, financial condition or results of operations.

Our pension liabilities may increase which could require us to make additional cash contributions to our pension plans reducing the cash available for other uses.

We have two principal defined benefit plans: one in the United Kingdom and the other in the United States, and in addition, we have several smaller defined benefit pension plans in certain other countries in which we operate. Total cash contributions to these defined benefit pension plans in 2013 were $150 million, including employees' salary sacrifice contributions. In 2014, the Company expects to make cash contributions of approximately $134 million, including employees' salary sacrifice contributions, to these pension plans, although we may elect to contribute more. Future estimates are based on certain assumptions, including discount rates, interest rates, mortality, fair value of assets and expected return on plan assets.

In 2012, we agreed a revised funding strategy with the UK plan's trustee under which we are committed to make additional cash contributions in the event that our adjusted EBITDA exceeds certain thresholds, or we make exceptional returns for our shareholders, including share buybacks or special dividends. As a result, we may be committed to make additional contributions through to 2017 based on the prior year's performance. In addition, during 2014 we will be required to negotiate a new funding arrangement with the UK pension trustee, which may further change the contributions we are required to make during 2014 and beyond.

We have taken actions to manage our pension liabilities, including closing our UK and US plans to new participants and restricting final pensionable salaries. Future benefit accruals in the US pension plan were also stopped, or frozen, on May 15, 2009. Nevertheless, the determination of pension expense and pension funding is based on a variety of rules and regulations. Changes in these rules and regulations could impact the calculation of pension plan liabilities and the valuation of pension plan assets. They may also result in higher pension costs, additional financial statement disclosure, and accelerate and increase the need to fully fund our pension plans through increased cash contributions. Further, a significant decline in the value of investments that fund our pension plan, if not offset or mitigated by a decline in our liabilities, may significantly alter the values and actuarial assumptions used to calculate our future pension expense and we could be required to fund our plan with significant additional amounts of cash. In addition to the critical assumptions described above, our plans use certain assumptions about the life expectancy of plan participants and surviving spouses. Periodic revision of those assumptions can materially change the present value of future benefits and therefore the funded status of the plans and the resulting periodic pension expense. Changes in our pension benefit obligations, the related net periodic costs or credits, and the required level of future cash contributions, may occur in the future due to any variance of actual results from our assumptions and changes in the number of participating employees. The need to make additional cash contributions may reduce our financial flexibility and increase liquidity risk by reducing the cash available to meet our other obligations, including the payment obligations under our credit facilities and other long-term debt, or other needs of our business.

We could incur substantial losses, including with respect to our own cash and fiduciary cash held on behalf of insurance companies and clients, if one of the financial institutions we use in our operations failed.

The deterioration of the global credit and financial markets has created challenging conditions for financial institutions, including depositories and the financial strength of these institutions may continue to decline. We maintain significant cash balances at various US depository institutions that are significantly in excess of the US Federal Deposit Insurance Corporation insurance limits. We also maintain significant cash balances in foreign financial institutions. A significant portion of this fiduciary cash is held on behalf of insurance companies or clients. If one or more of the institutions in which we maintain significant cash balances were to fail, our ability to access these funds might be temporarily or permanently limited, and we could face a material liquidity problem and potentially material financial losses. We could also be liable to claims made by the insurance companies or our clients regarding the fiduciary cash held on their behalf.

A downgrade to our corporate credit rating and the credit ratings of our outstanding debt may adversely affect our borrowing costs and financial flexibility and, under certain circumstances, may require us to offer to buy back some of our outstanding debt.

A downgrade in our corporate credit rating or the credit ratings of our debt would increase our borrowing costs including those under our credit facilities, and reduce our financial flexibility. In addition, certain downgrades would trigger a step-up in interest rates under the indentures for our 6.200% senior notes due 2017 and our 7.000% senior notes due 2019**,** which would increase our interest expense. If we need to raise capital in the future, any credit rating downgrade could negatively affect our financing costs or access to financing sources. This may in turn impact the assumptions when performing our goodwill impairment testing which may reduce the excess of fair value over carrying value of the reporting units.

In addition, under the indenture for our 4.625% senior notes due 2023 and our 6.125% senior notes due 2043, if we experience a ratings decline together with a change of control event, we would be required to offer to purchase our 4.625% senior notes due 2023 and our 6.125% senior notes due 2043 from holders unless we had previously redeemed those notes. We may not have sufficient funds available or access to funding to repurchase tendered notes in that event, which could result in a default under the notes. Any future debt that we incur may contain covenants regarding repurchases in the event of a change of control triggering event.

We face certain risks associated with the acquisition or disposition of businesses and lack of control over investments in associates.

In pursuing our corporate strategy, we may acquire or dispose of or exit businesses or reorganize existing investments. For example, we have a call option to acquire 100 percent of the capital of Gras Savoye. The success of our overall acquisition and disposition strategy is dependent upon our ability to identify appropriate opportunities, negotiate transactions on favorable terms and ultimately complete such transactions. Once we complete acquisitions or reorganizations there can be no assurance that we will realize the anticipated benefits of any transaction, including revenue growth, operational efficiencies or expected synergies. For example, if we fail to recognize some or all of the strategic benefits and synergies expected from a transaction, goodwill and intangible assets may be impaired in future periods.

In addition, we may not be able to integrate acquisitions successfully into our existing business, and we could incur or assume unknown or unanticipated liabilities or contingencies, which may impact our results of operations. If we dispose of or otherwise exit certain businesses, there can be no assurance that we will not incur certain disposition related charges, or that we will be able to reduce overheads related to the divested assets.

We also own an interest in a number of associates, such as Gras Savoye, where we do not exercise management control and we are therefore unable to direct or manage the business to realize the anticipated benefits that we can achieve through full integration.

If our goodwill becomes impaired, we may be required to record significant charges to earnings.

We have a substantial amount of goodwill on our balance sheet as a result of acquisitions we have completed. We review goodwill for impairment annually or whenever events or circumstances indicate impairment may have occurred.

Our annual goodwill impairment analysis is performed each year at October 1. In fiscal year 2012, we recognized an impairment charge of $492 million in the Consolidated Statement of Operations in relation to our North American business. At October 1, 2013, our analysis showed that the estimated fair values of each of our reporting units were in excess of the carrying values and therefore did not result in any impairment charge in 2013.

Application of the impairment test requires judgment, including the identification of reporting units, assignment of assets, liabilities and goodwill to reporting units and determination of fair value of each reporting unit. Notwithstanding the fact that we recognized an impairment charge in fiscal year 2012 for our North American reporting unit, the risk remains that a significant deterioration in a key estimate or assumption or a less significant deterioration to a combination of assumptions or the sale of a part of a reporting unit could result in an impairment charge in the future, which could have a significant adverse impact on our reported earnings.

Willis Group Holdings plc

For further information on our testing for goodwill impairment, see ‘Critical Accounting Estimates’ under Item 7, Management’s Discussion and Analysis of Financial Condition and Results of Operations.

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

Willis Group Holdings is organized as a holding company that conducts no business of its own. We are dependent upon dividends and other payments from our operating subsidiaries to meet our obligations for paying principal and interest on outstanding debt obligations, for paying dividends to shareholders and for corporate expenses. Legal and regulatory restrictions, foreign exchange controls, as well as operating requirements of our subsidiaries, may limit our ability to obtain cash from these subsidiaries. For example, Willis Limited, our UK brokerage subsidiary regulated by the FCA, is currently required to maintain $126 million in unencumbered and available funds, of which at least $79 million must be in cash, for regulatory purposes. In the event our operating subsidiaries are unable to pay dividends and make other payments to Willis Group Holdings, we may not be able to service debt, pay obligations or pay dividends on ordinary shares.

International Risks

Our significant non-US operations, particularly our London market operations, expose us to exchange rate fluctuations and various risks that could impact our business.

A significant portion of our operations is conducted outside the United States. Accordingly, we are subject to legal, economic and market risks associated with operating in foreign countries, including devaluations and fluctuations in currency exchange rates; imposition of limitations on conversion of foreign currencies into pounds sterling or dollars or remittance of dividends and other payments by foreign subsidiaries; hyperinflation in certain foreign countries; imposition or increase of investment and other restrictions by foreign governments; and the requirement of complying with a wide variety of foreign laws.

We report our operating results and financial condition in US dollars. Our US operations earn revenue and incur expenses primarily in US dollars. In our London market operations, however, we earn revenue in a number of different currencies, but expenses are almost entirely incurred in pounds sterling. Outside the United States and our London market operations, we predominantly generate revenue and expenses in the local currency. The table gives an approximate analysis of revenues and expenses by currency in 2013.

	US Dollars	Pounds Sterling	Euros	Other currencies
Revenues	60%	8%	13%	19%
Expenses	49%	25%	9%	17%

Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into US dollars, we are subject to currency translation exposure on the profits of our operations, in addition to economic exposure. Furthermore, the mismatch between pounds sterling revenues and expenses, together with any net sterling balance sheet position we hold in our US dollar denominated London market operations, creates an exchange exposure.

For example, as the pound sterling strengthens, the US dollars required to be translated into pounds sterling to cover the net sterling expenses increase, which then causes our results to be negatively impacted. However, any net sterling asset we are holding will be more valuable when translated into US dollars. Given these facts, the strength of the pound sterling relative to the US dollar has in the past had a material negative impact on our reported results. This risk could have a material adverse effect on our business financial condition, cash flow and results of operations in the future.

Where needed, we deploy a hedging strategy to mitigate part of our operating exposure to exchange rate movements, but such mitigating attempts may not be successful. For more information on this strategy, see Part II Item 8 - 'Note 26 Derivative Financial Instruments and Hedging Activities'.

In conducting our businesses around the world, we are subject to political, economic, legal, market, nationalization, operational and other risks that are inherent in operating in many countries.

In conducting our businesses and maintaining and supporting our global operations, we are subject to political, economic, legal, market, nationalization, operational and other risks. Our businesses and operations continue to expand into new regions throughout the world, including emerging markets. The possible effects of economic and financial disruptions throughout the world could have an adverse impact on our businesses. These risks include:

- the general economic and political conditions in foreign countries;

- the imposition of controls or limitations on the conversion of foreign currencies or remittance of dividends and other payments by foreign subsidiaries;
- imposition of withholding and other taxes on remittances and other payments from subsidiaries;
- imposition or increase of investment and other restrictions by foreign governments;
- fluctuations in our effective tax rate;
- difficulties in controlling operations and monitoring employees in geographically dispersed and culturally diverse locations;
- the potential costs and difficulties in complying, or monitoring compliance, with a wide variety of foreign laws (some of which may conflict with US or other sources of law), laws and regulations applicable to insurance brokers and US business operations abroad, including rules relating to the conduct of business, trade sanctions administered by the US Office of Foreign Assets Control, the EU, the UK and the UN, and the requirements of the US Foreign Corrupt Practices Act as well as other anti-bribery and corruption rules and requirements in the countries in which we operate; and
- the potential costs and difficulties in complying with local regulation for our operating subsidiaries across the globe.

Legislative and regulatory action could materially and adversely affect us and our effective tax rate may increase.

There is uncertainty regarding the tax policies of the jurisdictions where we operate (which include the potential legislative actions described below), and our effective tax rate may increase and any such increase may be material. Additionally, the tax laws of Ireland and other jurisdictions could change in the future, and such changes could cause a material change in our effective tax rate. For example, legislative action may be taken by the US Congress which, if ultimately enacted, could override tax treaties upon which we rely or could broaden the circumstances under which we would be considered a US resident, each of which could materially and adversely affect our effective tax rate and cash tax position. We cannot predict the outcome of any specific legislative proposals. However, if proposals were enacted that had the effect of limiting our ability to take advantage of tax treaties between Ireland and other jurisdictions (including the US), we could be subjected to increased taxation. In addition, any future amendments to the current income tax treaties between Ireland and other jurisdictions could subject us to increased taxation.

Irish law differs from the laws in effect in the United States and may afford less protection to holders of our securities.

It may not be possible to enforce court judgments obtained in the United States against us in Ireland based on the civil liability provisions of the US federal or state securities laws. In addition, there is some uncertainty as to whether the courts of Ireland would recognize or enforce judgments of US courts obtained against us or our directors or officers based on the civil liabilities provisions of the US federal or state securities laws or hear actions against us or those persons based on those laws. We have been advised that the United States currently does not have a treaty with Ireland providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. Therefore, a final judgment for the payment of money rendered by any US federal or state court based on civil liability, whether or not based solely on US federal or state securities laws, would not be directly enforceable in Ireland. While not directly enforceable, it is possible for a final judgment for the payment of money rendered by any US federal or state court based on civil liability to be enforced in Ireland through common law rules. However, this process is subject to numerous established principles and would involve the commencement of a new set of proceedings in Ireland to enforce the judgment.

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

Item 1B — Unresolved Staff Comments

The Company had no unresolved comments from the SEC’s staff.

Item 2 — Properties

We own and lease a number of properties for use as offices throughout the world and believe that our properties are generally suitable and adequate for the purposes for which they are used. The principal properties are located in the United Kingdom and the United States. Willis maintains over 4.1 million square feet of space worldwide.

London

In London we occupy a prime site comprising 491,000 square feet spread over a 28-story tower and adjoining 10-story building. We have a 25-year lease on this property which expires June 2032. We sub-let approximately 17,500 square feet of the 28-story tower to a third party. We also sub-let the 10-story adjoining building.

North America

In North America, outside of New York, Chicago and Nashville, we lease approximately 1.4 million square feet around 100 locations.

New York

In New York, we occupy 205,000 square feet of office space at One World Financial Center under a 20-year lease, expiring September 2026.

Chicago

In Chicago, we occupy 140,000 square feet at the Willis Tower under a lease expiring February 2025.

Nashville

In Nashville, we occupy 160,000 square feet under a lease expiring April 2026.

Rest of World

Outside of North America and London we lease approximately 1.5 million square feet of office space in over 200 locations. Two of our properties in Ipswich, United Kingdom have liens on the land and buildings in connection with a revolving credit facility.

Item 3 — Legal Proceedings

Information regarding claims, lawsuits and other proceedings is set forth in Note 22 ‘Commitments and Contingencies’ to the Consolidated Financial Statements appearing under Part II, Item 8 of this report and incorporated herein by reference.

Item 4 — Mine Safety Disclosures

Not applicable.

Part II

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

Share Data

Our shares have been traded on the New York Stock Exchange ('NYSE') under the symbol 'WSH' since June 11, 2001. The high and low sale prices of our shares, as reported by the NYSE, are set forth below for the periods indicated.

	Price Range of Shares	
	High	Low
2012:		
First Quarter	$ 39.85	$ 33.81
Second Quarter	$ 37.38	$ 34.24
Third Quarter	$ 37.94	$ 34.11
Fourth Quarter	$ 37.62	$ 31.98
2013:		
First Quarter	$ 39.50	$ 33.89
Second Quarter	$ 43.02	$ 37.86
Third Quarter	$ 45.45	$ 40.10
Fourth Quarter	$ 47.22	$ 42.15
2014:		
Through February 14, 2014	$ 45.38	$ 41.30

On February 14, 2014, the last reported sale price of our shares as reported by the NYSE was $41.46 per share. As of February 14, 2014 there were approximately 1,242 shareholders on record of our shares.

Dividends

We normally pay dividends on a quarterly basis to shareholders of record on March 31, June 30, September 30 and December 31. The dividend payment dates and amounts are as follows:

Payment Date	$ Per Share
January 13, 2012	$ 0.260
April 13, 2012	$ 0.270
July 13, 2012	$ 0.270
October 15, 2012	$ 0.270
January 15, 2013	$ 0.270
April 15, 2013	$ 0.280
July 15, 2013	$ 0.280
October 15, 2013	$ 0.280
January 15, 2014	$ 0.280

There are no governmental laws, decrees or regulations in Ireland which will restrict the remittance of dividends or other payments to non-resident holders of the Company's shares.

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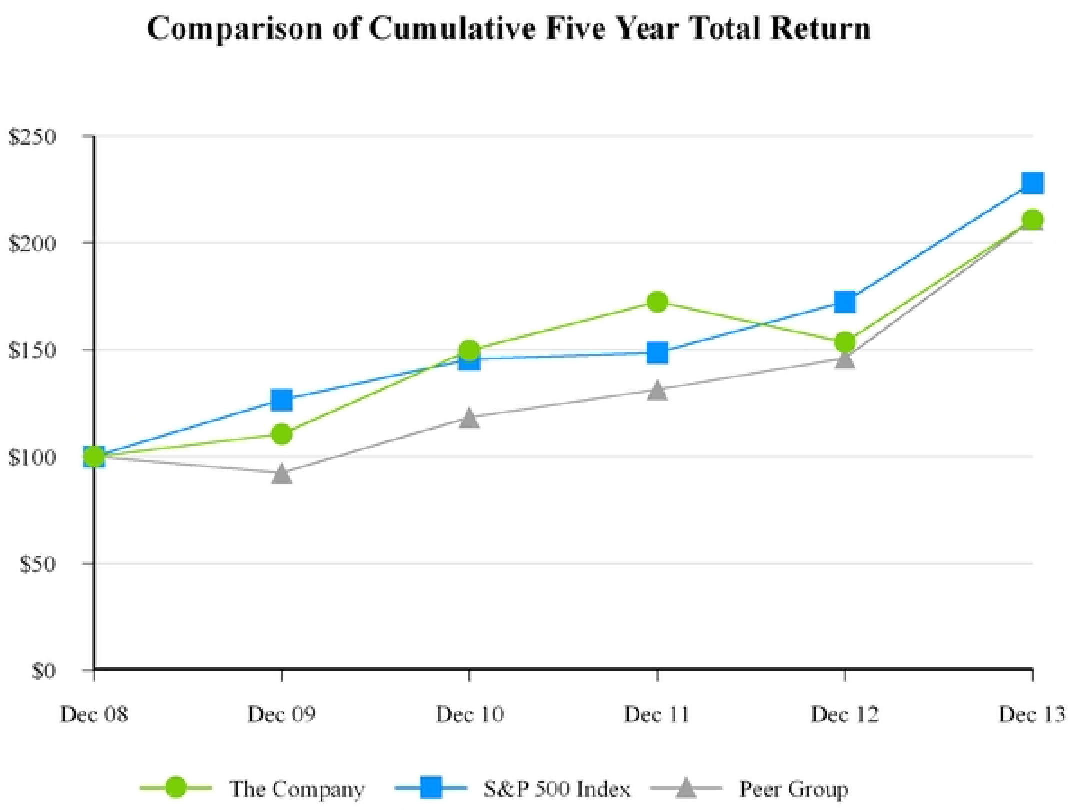
In circumstances where one of Ireland's many exemptions from dividend withholding tax ('DWT') does not apply, dividends paid by the Company will be subject to Irish DWT (currently 20 percent). Residents of the US should be exempt from Irish DWT provided relevant documentation supporting the exemption has been put in place. While the US-Ireland Double Tax Treaty contains provisions reducing the rate of Irish DWT in prescribed circumstances, it should generally be unnecessary for US residents to rely on the provisions of this treaty due to the wide scope of exemptions from Irish DWT available under Irish domestic law. Irish income tax may also arise in respect of dividends paid by the Company. However, US residents entitled to an exemption from Irish DWT generally have no Irish income tax liability on dividends.

With respect to non-corporate US shareholders, certain dividends from a qualified foreign corporation may be subject to reduced rates of taxation. A foreign corporation is treated as a qualified foreign corporation with respect to dividends received from that corporation on shares that are readily tradable on an established securities market in the United States, such as our shares. Non-corporate US shareholders that do not meet a minimum holding period requirement for our shares during which they are not protected from the risk of loss or that elect to treat the dividend income as 'investment income' pursuant to section 163(d)(4) of the Code will not be eligible for the reduced rates of taxation regardless of our status as a qualified foreign corporation. In addition, the rate reduction will not apply to dividends if the recipient of a dividend is obligated to make related payments with respect to positions in substantially similar or related property. This disallowance applies even if the minimum holding period has been met. US shareholders should consult their own tax advisors regarding the application of these rules given their particular circumstances.

Total Shareholder Return

The following graph demonstrates a five-year comparison of cumulative total returns for the Company, the S&P 500 and a peer group comprised of the Company, Aon Corporation, Arthur J. Gallagher & Co., Brown & Brown Inc., and Marsh & McLennan Companies, Inc. The comparison charts the performance of $100 invested in the Company, the S&P 500 and the peer group on December 31, 2008, assuming full dividend reinvestment.



Share data and dividends

Unregistered Sales of Equity Securities and Use of Proceeds

During the quarter ended December 31, 2013, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The Company is authorized to buy back its ordinary shares, by way of redemption, and will consider whether to do so from time to time based on many factors including market conditions. The Company is authorized to purchase up to one billion shares from time to time in the open market (such open market purchases would be effected as redemptions under Irish law) and it may also redeem its shares through negotiated trades with persons who are not affiliated with the Company as long as the cost of the acquisition of the Company's shares does not exceed $824 million. The Company intends to buy back $200 million in shares in 2014 to offset the increase in shares outstanding resulting from the exercise of stock options in 2013. The buybacks will be made in the open market or through privately-negotiated transactions, from time to time, depending on market conditions. The share buy back program may be modified, extended or terminated at any time by the Board of Directors.

The information under Part III, Item 12 is incorporated herein by reference.

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Item 6 — Selected Financial Data

Selected Historical Consolidated Financial Data

The selected consolidated financial data presented below should be read in conjunction with the audited consolidated financial statements of the Company and the related notes and Item 7 — 'Management's Discussion and Analysis of Financial Condition and Results of Operations' included elsewhere in this report.

The selected historical consolidated financial data presented below as of and for each of the five years ended December 31, 2013 have been derived from the audited consolidated financial statements of the Company, which have been prepared in accordance with accounting principles generally accepted in the United States of America ('US GAAP').

	Year ended December 31,				
	2013	2012	2011	2010	2009
	(millions, except per share data)				
Statement of Operations Data					
Total revenues	$ 3,655	$ 3,480	$ 3,447	$ 3,332	$ 3,253
Goodwill impairment charge	—	(492)	—	—	—
Operating income (loss)	685	(209)	566	753	690
Income (loss) from continuing operations before income taxes and interest in earnings of associates	499	(337)	239	587	516
Income (loss) from continuing operations	377	(433)	219	470	455
Discontinued operations, net of tax	—	—	1	—	4
Net income (loss) attributable to Willis Group Holdings	$ 365	$ (446)	$ 204	$ 455	$ 438
Earnings per share on continuing operations — basic	2.07	(2.58)	1.17	2.68	2.58
Earnings per share on continuing operations — diluted	2.04	(2.58)	1.15	2.66	2.57
Average number of shares outstanding					
— basic	176	173	173	170	168
— diluted	179	173	176	171	169
Balance Sheet Data (as of year end)					
Goodwill	$ 2,838	$ 2,827	$ 3,295	$ 3,294	$ 3,277
Other intangible assets, net	353	385	420	492	572
Total assets (i)	14,800	15,112	15,728	15,850	15,625
Total equity	2,243	1,725	2,517	2,608	2,229
Long-term debt	2,311	2,338	2,354	2,157	2,165
Shares and additional paid-in capital	1,316	1,125	1,073	985	918
Total Willis Group Holdings stockholders' equity	2,215	1,699	2,486	2,577	2,180
Other Financial Data					
Capital expenditures (excluding capital leases)	$ 105	$ 133	$ 111	$ 83	$ 96
Cash dividends declared per share	1.12	1.08	1.04	1.04	1.04

(i) The Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurers; the Company also collects claims or refunds from insurers which it then remits to insureds. Uncollected premiums from insureds and uncollected claims or refunds from insurers ('fiduciary receivables') are recorded as fiduciary assets on the Company's consolidated balance sheet. Unremitted insurance premiums, claims or refunds ('fiduciary funds') are also recorded within fiduciary assets.

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

This discussion includes references to non-GAAP financial measures as defined in Regulation G of the rules of the Securities and Exchange Commission ('SEC'). We present such non-GAAP financial measures, specifically, organic growth in commissions and fees, adjusted operating margin, adjusted operating income, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. Organic growth in commissions and fees excludes the impact of acquisitions and disposals, period over period movements in foreign currency , and investment and other income from growth in revenues. Adjusted operating income, adjusted operating margin, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations are calculated by excluding the impact of certain specified items from operating income, net income or loss from continuing operations, and earnings per diluted share from continuing operations, respectively, the most directly comparable GAAP measures. Our methods of calculating these measures may differ from those used by other companies and therefore comparability may be limited. These financial measures should be viewed in addition to, not in lieu of, the consolidated financial statements for the year ended December 31, 2013.

This discussion includes forward-looking statements, including under the headings 'Executive Summary', 'Liquidity and Capital Resources', 'Critical Accounting Estimates' and 'Contractual Obligations'. Please see 'Forward-Looking Statements' for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in those statements.

EXECUTIVE SUMMARY

Business Overview

We provide a broad range of insurance broking, risk management and consulting services to our clients worldwide and organize our business into three segments: Global, North America and International.

Our Global business provides specialist brokerage and consulting services to clients worldwide arising from specific industries and activities including Aerospace; Energy; Marine; Construction, Property and Casualty; Financial and Executive Risks; Financial Solutions; Faber Global; Fine Art, Jewelry and Specie; Special Contingency Risks; Hughes-Gibbs; Willis Capital Markets & Advisory; Placement and Reinsurance.

North America and International comprise: our retail operations and provide services to small, medium and large corporations; and the Human Capital practice, our largest product-based practice group, provides health, welfare and human resources consulting and brokerage services.

In our capacity as advisor and insurance broker, we act as an intermediary between our clients and insurance carriers by advising our clients on their risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance with insurance carriers through our global distribution network.

We derive most of our revenues from commissions and fees for brokerage and consulting services and do not determine the insurance premiums on which our commissions are generally based. Commission levels generally follow the same trend as premium levels as they are derived from a percentage of the premiums paid by the insureds. Fluctuations in these premiums charged by the insurance carriers can therefore have a direct and potentially material impact on our results of operations.

Due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, commission revenues may vary widely between accounting periods. A period of low or declining premium rates, generally known as a 'soft' or 'softening' market, generally leads to downward pressure on commission revenues and can have a material adverse impact on our commission revenues and operating margin. A 'hard' or 'firming' market, during which premium rates rise, generally has a favorable impact on our commission revenues and operating margin. Rates, however, vary by geography, industry and client segment. As a result and due to the global and diverse nature of our business, we view rates holistically.

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Market Conditions

Market conditions in our industry are generally defined by factors such as the strength of the economies in the various geographic regions in which we serve around the world, insurance rate movements, and insurance and reinsurance buying patterns of our clients.

The industry and market in general throughout 2011 and early 2012 experienced modest increase in catastrophe-exposed property insurance and reinsurance pricing levels driven by significant catastrophe losses including the Japanese earthquake and tsunami, the New Zealand earthquake and, late in 2012, Super Storm Sandy. Also during that period, direct carriers in North America, facing persistent low investment returns, started to modestly raise rates in certain products. This firming rate environment, however, generally did not extend beyond North America to impact our International retail business.

Early in 2013 the reinsurance market was generally flat, however, as the year progressed we saw changing market sentiment driven by changes in the sources of capital and increases in capital supply in the reinsurance market, most notably within the North American catastrophe-exposed property market. The influx of third party capital coupled with changes to reinsurance buying patterns and regulatory complexity is leading to growing complexity in the reinsurance market and a softening of prices.

This pattern of new capacity and market entrants coupled with strong underwriting performance in 2013, due to the absence of natural and man-made catastrophes, means that the trend of price softening is continuing as we enter 2014 and is extending to other lines of business, not just catastrophe exposed property.

The outlook for our business, operating results and financial condition continues to be challenging due to the global economic condition. There are signs of improving conditions both in the US, and within certain European Union countries, including a return to sustained GDP growth in certain countries. If conditions in the Global economy, including the US, the UK and the Eurozone deteriorate, there will likely be a negative effect on our business as well as the businesses of our clients.

In the face of this challenging economic environment we have adopted a strategy to invest selectively in growth areas, defined by geography, industry sector and client segment, and to better align our three segments so as to, among other things, bring our clients greater access to the Company's specialty areas and analytical capabilities. Our growth strategy also involves increasing our investment in, and deployment of, our analytical capabilities.

Financial Performance

Consolidated Financial Performance

2013 compared to 2012

Total revenues in 2013 of $3,655 million increased by $175 million, or 5.0 percent, compared to 2012. This included organic growth in commissions and fees of 4.9 percent, and 0.5 percent growth from acquisitions and disposals. Organic growth was achieved in all three of our operating segments led by Global with 5.6 percent. Our North America operations reported organic growth of 4.9 percent, which included a $5 million positive revenue recognition adjustment. Our International operations achieved organic growth of 4.1 percent despite recognizing a $15 million negative revenue recognition adjustment. Foreign currency movements had a negative $12 million or 0.3 percent impact on commissions and fees in 2013.

Total expenses for 2013 of $2,970 million were $719 million or 19.5 percent lower compared to 2012.

The 2013 total expenses included $46 million related to the Expense Reduction Initiative (see 'Expense Reduction Initiative' section below) conducted earlier in the year. The 2012 total expenses included a $492 million non-cash goodwill impairment charge related to our North American reporting unit, a $200 million write-off of unamortized cash retention awards following the decision to eliminate the repayment requirement of past awards, and a $252 million expense related to the accrual for 2012 cash bonuses paid in 2013. Foreign currency movements had a $9 million positive impact on total expenses in 2013.

Excluding the items noted above, total expenses in 2013 were $188 million, or 6.8 percent, higher than in 2012. The largest driver of this was the increase in salaries and benefits due to annual salary reviews, higher charges for share-based compensation and new hires and investments in targeted businesses and geographies. In addition to these, we recorded higher incentives as a result of growth in commissions and fees, and the change in remuneration policy. Other operating expenses also increased due to travel, accommodation and client entertaining costs to support business development, marketing costs, strategic review charges and higher professional fees.

The Company incurred a loss on extinguishment of debt of $60 million from the refinancing that was completed during 2013.

The tax rate for the full year was affected by an incremental US tax expense of $9 million recorded after taking into account the impact of adjustments to the valuation allowance placed against our US deferred tax assets.

Earnings from associates were down $5 million, net of tax, mainly due to costs of a reorganization program in our principal associate, Gras Savoye.

Net income attributable to Willis shareholders from continuing operations was $365 million or $2.04 per diluted share in 2013 compared to a loss of $446 million or $2.58 per diluted share in 2012. The $811 million increase in net income compared to 2012 can be attributed primarily to the non-recurrence of the 2012 items discussed above and growth in commissions and fees partially offset by growth in expenses.

2012 compared to 2011

Total revenues in 2012 of $3,480 million increased by $33 million, or 1.0 percent, compared to 2011, including a $59 million or 1.7 percent negative impact from movements in foreign exchange. Organic growth in commissions and fees of 3.1 percent was driven by our International and Global operations. Our North America operations reported a decline of 0.6 percent in commissions and fees, due to lower revenues generated by Loan Protector, a specialty business acquired as part of the HRH business, and the continued adverse impact of difficult economic conditions in the US.

Total expenses in 2012 of $3,689 million increased $808 million compared to 2011, primarily due to the recognition of a $492 million non-cash goodwill impairment charge related to our North American reporting unit, a $200 million write-off of unamortized cash retention awards following the decision to eliminate the repayment requirement of past awards, and a $252 million expense related to the accrual for 2012 cash bonuses paid in 2013.

Excluding these expenses, total operating expenses declined $136 million, or 4.7 percent, principally due to $180 million expense recognized in 2011 related to the Operational Review and favorable movements in foreign exchange partially offset by increases in salary and benefits expenses linked to annual pay reviews, new hires and investments in targeted businesses and geographies.

Net loss attributable to Willis shareholders from continuing operations was $446 million or a loss of $2.58 per diluted share in 2012 compared to a profit of $203 million or $1.15 per diluted share in 2011. The $649 million decrease in net income compared to 2011 primarily reflects the increase in total expenses described above and the $113 million charge to establish a valuation allowance against deferred tax assets in our US operations, partially offset by the non-recurrence of the $131 million post-tax cost in 2011 relating to the make-whole amounts on the repurchase and redemption of $500 million of our senior debt and the write-off of related unamortized debt issuance costs and by the revenue growth achieved during the year. Net income in 2012 was also adversely impacted by a $7 million reduction in interest in earnings of associates, net of tax, mainly due to declining performance in our principal associate, Gras Savoye.

Adjusted Operating Income, Adjusted Net Income from Continuing Operations and Adjusted Earnings per Diluted Share from Continuing Operations

Our non-GAAP measures of adjusted operating income, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations are calculated by excluding the impact of certain items (as detailed below) from operating income (loss), net income (loss) from continuing operations, and earnings per diluted share from continuing operations, respectively, the most directly comparable GAAP measures.

The following items are excluded from operating income (loss) and net income (loss) from continuing operations as applicable:

(i) the additional incentive accrual recognized following the replacement of annual cash retention awards with annual cash bonuses which will not feature a repayment requirement;

(ii) write-off of unamortized cash retention awards following the decision to eliminate the repayment requirement on past awards;

(iii) goodwill impairment charge;

(iv) valuation allowance against deferred tax assets;

(v) write-off of uncollectible accounts receivable balance and associated legal fees arising in Chicago due to fraudulent overstatement of commissions and fees;

(vi) costs associated with the 2011 Operational Review;

(vii) significant legal and regulatory settlements which are managed centrally;

(viii) gains and losses on the disposal of operations;

(ix) insurance recoveries;

(x) make-whole amounts on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs;

(xi) loss and fees related to the extinguishment of debt; and

(xii) costs associated with the Expense Reduction Initiative.

We believe that excluding these items, as applicable, from operating income (loss), net income (loss) from continuing operations and earnings per diluted share from continuing operations provides a more complete and consistent comparative analysis of our results of operations. We use these and other measures to establish Group performance targets and evaluate the performance of our operations.

As set out in the tables below, adjusted operating margin at 20.0 percent in 2013, was down 160 basis points compared to 2012, while adjusted net income from continuing operations at $472 million was $18 million higher than in 2012. Adjusted earnings per diluted share from continuing operations was $2.64 in 2013, compared to $2.58 in 2012.

A reconciliation of reported operating income or loss, the most directly comparable GAAP measure, to adjusted operating income is as follows (in millions, except percentages):

	Year Ended December 31,		
	2013	2012	2011
Operating income (loss), GAAP basis	$ 685	$ (209)	$ 566
Excluding:			
Additional incentive accrual for change in remuneration policy [(a)]	—	252	—
Write-off of unamortized cash retention awards [(b)]	—	200	—
Goodwill impairment charge [(c)]	—	492	—
India JV settlement [(d)]	—	11	—
Insurance recovery [(e)]	—	(10)	—
Write-off of uncollectible accounts receivable balance [(f)]	—	13	22
Net (gain) loss on disposal of operations	(2)	3	(4)
2011 Operational Review [(g)]	—	—	180
FSA regulatory settlement [(h)]	—	—	11
Expense Reduction Initiative [(i)]	46	—	—
Fees related to the extinguishment of debt	1	—	—
Adjusted operating income	$ 730	$ 752	$ 775
Operating margin, GAAP basis, or operating income (loss) as a percentage of total revenues	18.7%	(6.0)%	16.4%
Adjusted operating margin, or adjusted operating income as a percentage of total revenues	20.0%	21.6 %	22.5%

(a) Additional incentive accrual recognized following the replacement of annual cash retention awards with annual cash bonuses which will not feature a repayment requirement.

(b) Write-off of unamortized cash retention awards following the decision to eliminate the repayment requirement on past awards.

(c) Non-cash charge recognized related to the impairment of the carrying value of the North America reporting unit's goodwill.

(d) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(e) Insurance recovery related to the previously disclosed fraudulent activity in Chicago. See 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods', below.

(f) Write-off of uncollectible accounts receivable balance relating to periods prior to January 1, 2011, see 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods', below.

(g) Charge relating to the 2011 Operational Review, including $98 million of severance costs related to the elimination of approximately 1,200 positions for the full year 2011.

(h) Regulatory settlement with the UK Financial Services Authority (FSA), now the Financial Conduct Authority (FCA).

(i) Charge related to the assessment of the Company's organizational design. See 'Expense Reduction Initiative' section below.

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A reconciliation of reported net income or loss from continuing operations and reported earnings per diluted share from continuing operations, the most directly comparable GAAP measures, to adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations is as follows (in millions, except per share data):

	Year Ended December 31,			Per diluted share Year Ended December 31,		
	2013	2012	2011	2013	2012	2011
Net income (loss) from continuing operations, GAAP basis	$ 365	$ (446)	$ 203	$ 2.04	$ (2.58)	$ 1.15
Excluding:						
Additional incentive accrual for change in remuneration policy, net of tax ($nil, $77, $nil) [(a)]	—	175	—	—	0.99	—
Write-off of unamortized cash retention awards, net of tax ($nil, $62, $nil) [(b)]	—	138	—	—	0.78	—
Goodwill impairment charge, net of tax ($nil, $34, $nil) [(c)]	—	458	—	—	2.60	—
India JV settlement, net of tax ($nil, $nil, $nil) [(d)]	—	11	—	—	0.06	—
Insurance recovery, net of tax ($nil, $4, $nil) [(e)]	—	(6)	—	—	(0.03)	—
Write-off of uncollectible accounts receivable balance, net of tax ($nil, $5, $9) [(f)]	—	8	13	—	0.05	0.08
Net (gain) loss on disposal of operations, net of tax ($1, $nil, $nil)	(1)	3	(4)	(0.01)	0.02	(0.02)
2011 Operational Review, net of tax ($nil, $nil, $52) [(g)]	—	—	128	—	—	0.73
FSA regulatory settlement, net of tax ($nil, $nil, $nil) [(h)]	—	—	11	—	—	0.06
Make-whole amounts on repurchase and redemption of Senior Notes and write-off of unamortized debt issuance costs, net of tax ($nil, $nil, $50)	—	—	131	—	—	0.74
Expense Reduction Initiative, net of tax ($8, $nil, $nil) [(i)]	38	—	—	0.21	—	—
Fees related to the extinguishment of debt, net of tax ($nil, $nil, $nil)	1	—	—	0.01	—	—
Loss on extinguishment of debt, net of tax ($nil, $nil, $nil)	60	—	—	0.34	—	—
Impact of US valuation allowance	9	113	—	0.05	0.64	—
Dilutive impact of potentially issuable shares [(j)]	—	—	—	—	0.05	—
Adjusted net income from continuing operations	$ 472	$ 454	$ 482	$ 2.64	$ 2.58	$ 2.74
Average diluted shares outstanding, GAAP basis [(j)]	179	173	176			

(a) Additional incentive accrual recognized following the replacement of annual cash retention awards with annual cash bonuses which will not feature a repayment requirement.

(b) Write-off of unamortized cash retention awards debtor following the decision to eliminate the repayment requirement on past awards.

(c) Non-cash charge recognized related to the impairment of the carrying value of the North America reporting unit's goodwill.

(d) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(e) Insurance recovery related to the previously disclosed fraudulent activity in Chicago. See 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods', below.

(f) Write-off of uncollectible accounts receivable balance relating to periods prior to January 1, 2011, see 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods', below.

(g) Charge relating to the 2011 Operational Review, including $98 million pre-tax of severance costs related to the elimination of approximately 1,200 positions for the full year 2011.

(h) Regulatory settlement with the UK Financial Services Authority (FSA), now the Financial Conduct Authority (FCA).

(i) Charge related to the assessment of the Company's organizational design. See 'Expense Reduction Initiative' section below.

(j) Potentially issuable shares were not included in the calculation of diluted earnings per share, GAAP basis, because the Company's net loss from continuing operations rendered their impact anti-dilutive.

Goodwill Impairment

Our annual goodwill impairment analysis is performed each year at October 1. At October 1, 2013 our analysis showed the estimated fair value of each reporting unit was in excess of the carrying value, and therefore did not result in an impairment charge (2012: $492 million; 2011: $nil).

In 2012 an impairment charge for the North America reporting unit was required and amounted to $492 million. There was no impairment for the Global and International reporting units, as the fair values of these units were significantly in excess of their carrying value.

Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods

As previously disclosed, in early 2012 we identified through our internal financial control process and a subsequent internal investigation an uncollectible accounts receivable balance of approximately $40 million in Chicago from the fraudulent overstatement of Commissions and fees from the years 2005 to 2011.

We concluded that the total $40 million of overstatement did not materially affect our previously issued financial statements for any of the prior periods and we corrected the misstatement by recognizing a charge to Other operating expenses to write off the uncollectible receivable (a) of $13 million (including legal expenses) in the first quarter of 2012 and (b) of $22 million in the fourth quarter of 2011. In the fourth quarter 2011 we also reversed a $6 million balance of Commissions and fees which had been recorded during 2011 and $2 million of Salaries and benefits expense representing an over-accrual of production bonuses relating to the overstated revenue. During 2012, we recorded within Other operating expenses a $10 million insurance settlement from insurers in respect of our claim under Group insurance policies, for compensation paid out in the years 2005 to 2010 on the fraudulently overstated revenues discussed above.

The employees in question, who have been terminated, were not members of Willis executive management nor did they play a significant role in internal control over financial reporting. Based on the results of our investigation, which has now been completed, we do not believe that any client or carrier funds were misappropriated or that any other business units were affected.

We have enhanced our internal controls in relation to the business unit in question, including enhanced procedures over receipt of checks and application of cash, increased segregation of duties between the operating unit and the accounting and settlement function, and additional central sign off requirement on revenue recognition.

Expense Reduction Initiative

The Company recorded a pre-tax charge of $46 million in the first quarter of 2013 related to the previously announced assessment of the Company's organizational design. In connection with this assessment, we incurred the following pre-tax charges:

- $29 million of severance and other staff related costs towards the elimination of 207 positions; and
- $17 million of Other operating expenses and Depreciation resulting from the rationalization of property and systems.

The Company did not incur any further charges related to this review.

The actions taken resulted in total cost savings of approximately $20 million exclusive of the costs incurred in 2013. It is also anticipated that we will achieve prospective annualized cost savings of approximately $25 million to $30 million.

Cash Retention Awards

For the past several years, certain cash retention awards under the Company's annual incentive programs included a feature which required the recipient to repay a proportionate amount of the annual award if the employee voluntarily left the Company before a specified date, which was generally three years following the award. As previously disclosed, the Company made the cash payment to the recipient in the year of grant and recognized the payment in expense ratably over the period it was subject to repayment, beginning in the quarter in which the award was made. The unamortized portion of cash retention awards was recorded within 'other current assets' and 'other non-current assets' in the consolidated balance sheets.

The following table sets out the amount of cash retention awards made and the related amortization of those awards for the three years ended December 31, 2013.

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	Years ended December 31,		
	2013	2012	2011
	(millions)		
Cash retention awards made	$ 12	$ 221	$ 210
Amortization of cash retention awards included in salaries and benefits	6	216	185

In December 2012, the Company decided to eliminate the repayment requirement from past annual cash retention awards and, as a result, recognized a non-cash, pre-tax charge of $200 million which represents the write-off of the unamortized balance of past awards at that date.

There were, however, a number of off-cycle awards with a fixed period guarantee attached, for which we have not waived the repayment requirement. The unamortized portion of these awards amounted to $15 million at December 31, 2013 (2012: $9 million; 2011: $196 million).

In addition, in 2012, the Company replaced annual cash retention awards with annual cash bonuses which did not include a repayment requirement. As at December 31, 2012, the Company had accrued $252 million for these bonuses.

Pension Expense

We recorded a net periodic benefit income on our UK defined benefit pension plan in 2013 of $5 million (2012: $5 million; 2011: cost of $6 million). On our US defined benefit pension plan, we recorded a net periodic benefit income of $4 million in 2013 (2012: cost of $3 million; 2011: $nil). On our other defined benefit pension plans, we recorded a net pension cost of $5 million in 2013 (2012: $4 million; 2011: $5 million).

The periodic benefit income on the UK plan in 2013 is flat compared to 2012 as higher asset returns were offset by higher amortization of unrecognized actuarial losses and increased service costs.

The movement to $5 million income on the UK plan in 2012 from a $6 million cost in 2011 was primarily due to higher asset returns partially offset by higher amortization of unrecognized actuarial losses and increased interest cost.

On the US plan, the movement to a $4 million income in 2013 from a $3 million cost in 2012 was primarily due to higher asset returns.

The 2012 US pension cost was $3 million higher compared with 2011 was primarily due to an increase in amortization of unrecognized actuarial losses partially offset by higher asset returns.

See 'Contractual Obligations' below for further information on our obligations relating to our pension plans.

Acquisitions and Disposals

In first quarter 2014 the Company agreed to acquire Charles Monat Limited, a market-leading life insurance solutions adviser to high net worth clients. The acquisition represents a key enhancement to our expanding Global Wealth Solutions practice, particularly in Asia, however completion of the transaction is currently subject to regulatory approval.

During first quarter 2014 the Company disposed of Insurance Noodle, a small online wholesale business in Willis North America, to Insureon.

In fourth quarter 2013 the Company acquired the employee benefits consulting division of Capital Strategies Group, Inc. based in Birmingham, Alabama. We disposed of the trade and assets associated with Willis of Northern New England to a small Maine-based broker specializing in attorneys, not-for-profit organizations, hospitals and contractors.

In third quarter 2013, the Company disposed of the trade and assets associated with CBT, our book of small commercial clients in the UK, to Chesham Insurance Brokers.

In second quarter 2013, the Company acquired 100 percent of PPH Limited and its subsidiary Prime Professions Limited (together referred to as Prime Professions), a leading UK based professional indemnity insurance broker, at a cost of $29 million.

In first quarter 2013, the Company acquired 100 percent of CBC Broker Srl, an Italian broker, at a cost of $1 million.

Management Structure

During first quarter 2014 we announced changes to the structure of our UK-based insurance operations, combining our Global Specialty insurance business with the Willis UK retail business to create a market leading client proposition. Following this change, effective January 1, 2014, UK retail, previously reported as part of our International reporting segment will be reported in our Global reporting segment.

In addition, effective January 1, 2014 Mexico which was previously reported within our North America reporting segment, will be reported in our International reporting segment, Placement which was previously reported as part of our Global reporting segment will be reported within Corporate and other, and our US Captive consulting business and Facultative reinsurance businesses, which were previously reported as part of our North America reporting segment will be reported in our Global reporting segment.

Willis Group Holdings plc

Business Strategy

Today we operate in attractive growth markets with a diversified platform across geographies, industries, segments and lines of business. We aim to become the risk advisor, insurance and reinsurance broker of choice globally.

We will achieve this by being completely focused on:

- *where we compete* and that means the areas where we can succeed by:
  - Geography - we will re-balance our business mix towards faster growing geographies, with both developed and developing markets
  - Client Segmentation - we will segment our client offering to provide distinct offerings to different types of client, focusing on the value we provide to our clients
  - Sector - we will build business lines around our industry and sector strength e.g. Human Capital and Employee Benefits.
- *How we compete* which will be centered on meeting the needs of our client by:
  - Connection - leading to more cross-selling
  - Innovation - competing on analytics and innovation
  - Investment - focusing on earnings accretion, competitive position and fit

Through these strategies we aim to grow revenue with positive operating leverage, grow cash flows and generate compelling returns for investors.

REVIEW OF CONSOLIDATED RESULTS

The following table is a summary of our revenues, operating income (loss), operating margin, net income (loss) and diluted earnings per share (in millions, except per share data and percentages):

	Year Ended December 31,		
	2013	2012	2011
REVENUES			
Commissions and fees	$ 3,633	$ 3,458	$ 3,414
Investment income	15	18	31
Other income	7	4	2
Total revenues	3,655	3,480	3,447
EXPENSES			
Salaries and benefits	(2,207)	(2,475)	(2,087)
Other operating expenses	(616)	(581)	(656)
Depreciation expense	(94)	(79)	(74)
Amortization of intangible assets	(55)	(59)	(68)
Goodwill impairment charge	—	(492)	—
Net gain (loss) on disposal of operations	2	(3)	4
Total expenses	(2,970)	(3,689)	(2,881)
OPERATING INCOME (LOSS)	685	(209)	566
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	—	(171)
Loss on extinguishment of debt	(60)	—	—
Interest expense	(126)	(128)	(156)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	499	(337)	239
Income taxes	(122)	(101)	(32)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	377	(438)	207
Interest in earnings of associates, net of tax	—	5	12
INCOME (LOSS) FROM CONTINUING OPERATIONS	377	(433)	219
Discontinued operations, net of tax	—	—	1
NET INCOME (LOSS)	377	(433)	220
Less: net income attributable to noncontrolling interests	(12)	(13)	(16)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 365	$ (446)	$ 204
Salaries and benefits as a percentage of total revenues	60.4%	71.1 %	60.5%
Other operating expenses as a percentage of total revenues	16.9%	16.7 %	19.0%
Operating margin (operating income (loss) as a percentage of total revenues)	18.7%	(6.0)%	16.4%
Diluted earnings per share from continuing operations	$ 2.04	$ (2.58)	$ 1.15
Average diluted number of shares outstanding	179	173	176

Willis Group Holdings plc

Consolidated Results for 2013 compared to 2012

Revenues

Total revenues by segment for 2013 and 2012 are shown below (millions, except percentages):

				Change attributable to:		
Year ended December 31,	2013	2012	% Change	Foreign currency translation	Acquisitions and disposals	Organic commissions and fees growth[(a)]
Global	$ 1,188	$ 1,124	5.7 %	(0.9)%	1.0%	5.6%
North America[(b)]	1,377	1,306	5.4 %	(0.1)%	0.6%	4.9%
International[(c)]	1,068	1,028	3.9 %	(0.2)%	—%	4.1%
Commissions and fees	$ 3,633	$ 3,458	5.1 %	(0.3)%	0.5%	4.9%
Investment income	15	18	(16.7)%			
Other income	7	4	75.0 %			
Total revenues	$ 3,655	$ 3,480	5.0 %			

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

(b) North America commissions and fees in 2013 included the positive impact of a $5 million adjustment to align the recognition of revenue in the North America Personal Lines business with the rest of the Group.

(c) International commissions and fees in 2013 included the negative impact of a $15 million adjustment to align the recognition of revenue in China with the rest of the Group.

Our methods of calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Total revenues increased by $175 million, or 5.0 percent, in 2013 compared to 2012. This was primarily due to 5.1 percent growth in commissions and fees and an increase of $3 million in other income arising from the disposal of books of business, partially offset by a $3 million decrease in investment income due to continued falling yields on deposits.

Total commissions and fees in 2013 were $3,633 million, up $175 million, or 5.1 percent, from $3,458 million in 2012. This increase was due to organic growth of 4.9 percent and growth through acquisitions and disposals of 0.5 percent partially offset by negative foreign currency movements of $13 million or 0.3 percent.

Organic growth of 4.9 percent was driven by low double-digit new business growth tempered by lost business.

Commissions and fees were reduced by a net $9 million impact of two revenue recognition adjustments in the North America and International segments discussed below.

The Global segment reported 5.7 percent growth in commissions and fees, comprising 5.6 percent organic growth and a net 1.0 percent growth from acquisitions and disposals mainly due to Prime Professions which was acquired in second quarter 2013. This growth was partially offset by a 0.9 percent negative impact from foreign currency translation.

Organic commissions and fees growth of 5.6 percent was led by high single-digit growth in Reinsurance, where all the divisions reported positive growth. Global Specialties reported mid single-digit growth primarily due to strong growth from Financial and Executive Risk, and P&C and Construction. Willis Capital Markets & Advisory performed solidly but was down compared to the very strong result it recorded in 2012 relating to meaningfully higher volumes of advisory fees and catastrophe bond deals.

The North America segment reported 5.4 percent growth in commissions and fees compared to 2012. This comprised organic growth of 4.9 percent and acquisitions of 0.6 percent from Avalon Actuarial Inc., which was acquired at the end of fourth quarter 2012, partially offset by a negative 0.1 percent impact from foreign currency translation. Organic growth in commissions and fees was positively impacted by a $5 million adjustment to align the recognition of revenue in the North America Personal Lines business with the rest of the Group.

Organic growth was driven by double-digit new business growth and increased client retention levels compared to 2012. Growth was achieved across all of our North America regions, led by the Metro, Midwest, Canada and CAPPPS regions.

Similarly, most of the major practice groups recorded positive growth including mid-single digit growth in our two largest practices, Human Capital and Construction.

The International segment reported 3.9 percent growth in commissions and fees compared with 2012, comprising 4.1 percent organic growth slightly offset by a 0.2 percent negative impact from foreign currency translation. Organic growth in commissions and fees included the negative impact of a $15 million adjustment to align the recognition of revenue in China with the rest of the Group.

Organic growth was led by double-digit growth in our Latin America region and high single-digit growth in Eastern Europe. We reported low single-digit growth in Western Europe, despite the generally weak economic conditions within the region. Despite the negative impact of the $15 million revenue adjustment, we recorded good growth in Asia, predominantly in Hong Kong and Singapore. We also reported low single-digit growth in Australasia.

Organic commissions and fees growth by segment is discussed further in 'Review of Segmental Results', below.

Salaries and Benefits

Salaries and benefits were $268 million, or 10.8 percent, lower in 2013 compared with 2012. Foreign currency movements lowered salaries and benefits by $9 million, or 0.4 percent.

In 2012 we recorded a $452 million charge as a result of the change in remuneration policy for future incentive awards and the elimination of the repayment requirement on past awards. Excluding the impact of this change and foreign currency movements, salaries and benefits were up by $193 million or 9.5 percent. This increase is primarily due to annual salary reviews, increased headcount due to targeted investments, increased incentives from the change in remuneration policy and growth in commissions and fees, and an additional charge to increase the 401(k) match. It also includes $29 million relating to the Expense Reduction Initiative that was undertaken in first quarter 2013 (see 'Executive Summary - Expense Reduction Initiative' section above for further details).

Other Expenses

Other operating expenses were $35 million, or 6.0 percent, higher in 2013 compared with 2012. The $35 million increase includes $12 million of costs that were incurred in first quarter 2013 as part of our Expense Reduction Initiative (see 'Executive Summary - Expense Reduction Initiative' above for details).

The remaining $23 million increase was primarily due to higher business development costs, consulting and professional fees to assist us in our growth initiatives, and marketing costs.

Depreciation expense was $94 million in 2013, compared with $79 million in 2012. The increase of $15 million includes $5 million which was incurred in first quarter 2013 relating to the rationalization of property and systems as part of our Expense Reduction Initiative (see 'Executive Summary - Expense Reduction Initiative' above for details). The remaining $10 million increase is primarily due to a number of significant information technology related projects becoming operational during the year and the write-off of replaced systems and other assets.

Amortization of intangible assets was $55 million in 2013, a reduction of $4 million compared to 2012. The decrease primarily reflects the ongoing reduction in the HRH acquisition amortization.

Net gain on disposal of operations of $2 million was related principally to the disposal of our share in an Iberian associate.

Loss on Extinguishment of Debt

The Company incurred total losses on extinguishment of debt of $60 million during the year ended December 31, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million and a credit for the reduction of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

Income Taxes

The effective tax rate on ordinary income for 2013 was 20 percent, compared with 25 percent for 2012. The effective tax rate on ordinary income is calculated before the impact of certain discrete items. Discrete items occurring in 2013 with a significant impact on the tax rate were:

- an incremental US tax expense of $9 million recorded after the taking into account the impact of adjustments to the valuation allowance placed against US deferred tax assets, US costs of $16 million associated with the Expense Reduction Initiative, and US costs of $61 million associated with the extinguishment of debt;
- further non-US costs of $30 million associated with the Expense Reduction Initiative that are generally relieved at a rate higher than the underlying rate;
- a net benefit of $4 million associated with a reduction in the corporation tax rate being applied to temporary tax differences in the UK;
- a net benefit of $7 million associated with a change in the recognition of unrecognized tax benefits outside of the US; and
- a net expense of $1 million associated with tax on profits of prior periods to bring in line the Company's tax provision to filed tax positions.

Including the impact of discrete items, the tax rate for 2013 was 24 percent. This compares to a tax charge of $101 million recorded on the net loss from continuing operations of $337 million in 2012.

Interest in Earnings of Associates, net of Tax

The majority of our interest in earnings of associates relates to our share of ownership of Gras Savoye, the leading broker in France. Interest in earnings of associates, net of tax, in 2013 was $nil compared to $5 million in 2012. The decline was mainly driven by lower net income recorded in Gras Savoye due to the costs recognized in relation to a reorganization program undertaken in the year designed to drive growth in revenues and operational efficiencies.

Consolidated Results for 2012 compared to 2011

Revenues

				Change attributable to:		
Year ended December 31,	2012	2011	% Change	Foreign currency translation	Acquisitions and disposals	Organic commissions and fees growth[a]
Global	$ 1,124	$ 1,073	4.8 %	(1.3)%	—%	6.1 %
North America	1,306	1,314	(0.6)%	— %	—%	(0.6)%
International	1,028	1,027	0.1 %	(4.8)%	—%	4.9 %
Commissions and fees	$ 3,458	$ 3,414	1.3 %	(1.8)%	—%	3.1 %
Investment income	18	31	(41.9)%			
Other income	4	2	100.0 %			
Total revenues	$ 3,480	$ 3,447	1.0 %			

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

Our methods of calculating these measures may differ from those used by other companies and therefore comparability may be limited.

Total revenues increased by $33 million, or 1.0 percent, in 2012 compared to 2011, including 3.1 percent growth in organic commissions and fees partially offset by a $59 million, or 1.8 percent, negative impact from foreign exchange and a $13 million decrease in investment income due to continued falling yields on deposits.

Total commissions and fees in 2012 were $3,458 million, up $44 million, or 1.3 percent, from $3,414 million in 2011. Foreign currency movements negatively impacted commissions and fees by 1.8 percent. Organic commissions and fees growth was 3.1 percent.

New business growth was in the double-digits and there were modest benefits in the year from improving rates in certain business lines and geographies; these positive movements were however, offset by a slight increase in lost business.

The Global segment reported 4.8 percent growth in commissions and fees, comprising 6.1 percent organic growth in commissions and fees and a 1.3 percent negative impact from foreign currency translation. Organic commissions and fees growth of 6.1 percent was led by high single-digit growth across Reinsurance and Willis Faber & Dumas. Global Specialties reported low single-digit growth as strong growth from our Marine, Energy, Financial Solutions, and Construction specialties were partially offset by declines in Aerospace, which continues to be hampered by competitive pricing and a soft rate environment.

The North America segment reported a 0.6 percent decline in organic commissions and fees, compared to 2011. Whilst new business levels were higher than in 2011 resulting in growth in certain regions and business segments, these were more than offset by lower Loan Protector revenues, the impact of the weakened economy, which negatively impacted our Construction and Human Capital practice groups, and a modest decrease in client retention levels.

The International segment reported essentially flat growth in commissions and fees compared with 2011, comprising 4.9 percent organic commissions and fees growth and a 4.8 percent negative impact from foreign currency translation. Organic growth in commissions and fees was led by double digit growth in our Latin America region, supported by high single-digit growth in Asia and Eastern Europe. Our Western Europe operations reported low single-digit growth despite the continued weakness of economies within the Eurozone.

Investment income in 2012 at $18 million was $13 million lower than in 2011, primarily due to declining net yields on cash and cash equivalents. Organic commissions and fees growth by segment is discussed further in 'Review of Segmental Results', below.

Salaries and Benefits

Salaries and benefits increased by $388 million, or 18.6 percent, in 2012 compared with 2011. Foreign currency movements lowered salaries and benefits by $34 million, or 1.6 percent. The year-on-year net favorable impact from foreign currency translation was driven primarily by the movement of the US dollar against the pound sterling (in which our London Market based operations incur the majority of their expenses).

Excluding the impact of foreign exchange, salaries and benefits increased by $422 million, or 20.2 percent, compared with 2011 primarily due to the $452 million expense recognized as a result of the change in remuneration policy for future incentive awards and the elimination of the repayment requirement on past awards; an approximate $55 million increase in salaries, including associated taxes and benefits, resulting from new hires and annual pay reviews; increases in incentives linked to production; long term incentive plans and the amortization of cash retention awards. These increases were partially offset by the $135 million expense recognized in salaries and benefits associated with the 2011 Operational Review and lower defined benefit pension plan expenses.

Other Expenses

Other operating expenses were $75 million, or 11.4 percent, lower in 2012 compared with 2011. Foreign currency movements positively impacted expenses by $35 million, or 5.3 percent.

Excluding the impact of foreign exchange, other operating expenses decreased by $40 million or 6.1 percent compared with 2011 primarily due to the non-recurrence of the $73 million expense recognized in other operating expenses associated with the 2011 Operational Review and the $10 million insurance recovery in 2012 related to the previously disclosed fraudulent activity, partially offset by increases in certain other costs, including provisioning for bad debts and higher technology expenditure.

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Depreciation expense was $79 million in 2012, compared with $74 million in 2011. The increase is primarily due to a number of information technology related projects becoming operational at the end of 2011 and during first half 2012 partially offset by $5 million depreciation charge incurred in 2011 related to the Operational Review.

Amortization of intangible assets was $59 million in 2012, a reduction of $9 million compared to 2011. The decrease primarily reflects the ongoing reduction in the HRH acquisition amortization.

Goodwill impairment charge was $492 million in 2012. This was a non-cash charge recognized related to the impairment of the carrying value of the North America reporting unit's goodwill. For further information on our testing for goodwill impairment, see 'Critical Accounting Estimates', below.

Net loss on disposal of operations of $3 million was related principally to the dissolution of a joint venture operation in India and loss recognized on disposal of Mauritian reinsurance operation.

Interest Expense

Interest expense was $128 million in 2012 compared to $156 million in 2011. The decrease in interest expense primarily reflects the non-recurrence of a $10 million write-off of debt fees in 2011 related to the refinancing of the term loan and revolving credit facility and savings as a result of the lower coupon payable and reduced fee amortization on our new debt issued in March 2011 and December 2011.

Income Taxes

The effective tax rate on ordinary income for 2012 was 25 per cent, compared with 24 per cent for 2011, with the increase driven primarily by higher than anticipated US state income tax expense, the benefit from the higher tax rates at which costs associated with the 2011 Operational Review are relieved and from a different geographic mix of earnings. The effective tax rate on ordinary income is calculated before the impact of certain discrete items. Discrete items occurring in 2012 with a significant impact on the tax rate are:

- a tax credit of $34 million on the $492 million charge related to the impairment of the carrying value of the North America reporting unit's goodwill. The tax credit arises in relation to that part of the charge that is attributable to tax deductible goodwill;
- tax related to the $252 million charge for the additional incentive accrual arising from a change in remuneration policy which is generally relieved at a higher rate than the underlying rate;
- tax related to the $200 million charge for the write-off of unamortized retention awards which is generally relieved at a higher rate than the underlying rate;
- a valuation allowance of $125 million made against US deferred tax assets recorded following cumulative losses being incurred in the US. The cumulative losses are primarily attributable to exceptional charges associated with the 2011 Operational review, the impairment of North America goodwill and the additional incentive costs associated with the change in remuneration policy. Of the total valuation allowance, $113 million was recorded in the income statement and $12 million in other comprehensive income;
- a non-deductible charge of $11 million for a settlement with former partners related to the termination of a joint venture arrangement in India;
- adjustments made in respect of tax on profits of prior periods to bring in line the Company's tax provisions to filed tax positions; and
- the net tax impact of the $3 million loss on disposal of operations.

Including the impact of discrete items, a tax charge of $101 million was recorded on a net loss from continuing operations before interest in earnings of associates of $337 million. This compares to a tax rate of 13 percent in 2011.

Interest in Earnings of Associates, net of Tax

The majority of our interest in earnings of associates relates to our share of ownership of Gras Savoye, the leading broker in France. Interest in earnings of associates, net of tax, in 2012 was $5 million compared to $12 million in 2011. The decline was mainly driven by a reduction in net income reported by our principal associate, Gras Savoye.

Similar to many businesses located in the Eurozone, Gras Savoye's operations are being pressured by the economic conditions. In addition, Gras Savoye appointed a new CEO and began undergoing a business review that was designed to drive growth in revenues and improve operational efficiencies.

Discontinued Operations, net of Tax

There were no discontinued operations in 2012.

In 2011 the Company disposed of Global Special Risks, LLC, Faber & Dumas Canada Ltd and the trade and assets of Maclean, Oddy & Associates, Inc. The gain (net of tax) on this disposal was $2 million.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity

We believe that our balance sheet and strong cash flow provide us with the platform and flexibility to remain committed to our cash allocation strategy of:

- investing in the business for growth;
- value-creating merger and acquisition activity;
- generating a steadily rising dividend; and
- the repurchase of shares.

Our principal sources of liquidity are cash from operations, available cash and cash equivalents and amounts available under our three revolving credit facilities, excluding the UK facility which is solely for use by our main regulated UK entity in certain exceptional circumstances.

Our principal short-term uses of liquidity and capital resources are operating expenses, capital expenditures, shareholder returns, funding defined benefit pension plans and the repurchase of shares.

Our long-term liquidity requirements consist of the principal amount of outstanding notes; borrowings under our 7-year term loan and revolving credit facilities; and our pension contributions as discussed below.

As at December 31, 2013 cash and cash equivalents were $796 million, an increase of $296 million compared to December 31, 2012. Included within cash and cash equivalents is $707 million available for corporate purposes and $89 million held within our regulated UK entities for regulatory capital adequacy requirements.

Cash flows from operating activities increased to $561 million in 2013 from $525 million in 2012. In addition, funds were also provided from the disposal of fixed and intangible assets $12 million (2012: $5 million), $155 million proceeds from the issue of shares (2012: $53 million), and $20 million proceeds from the disposal of operations (2012: $nil).

As at December 31, 2013 there was $nil drawn down on the revolving credit facilities (2012: $nil).

The primary uses of funds during 2013 included $346 million of cash incentive award payments relating to 2012, $193 million related to payments of dividends, $150 million cash contributions, including employees' salary sacrifice contributions, to our defined benefit schemes, capital expenditures of $112 million related to leasehold improvements, information technology and transformation projects, $30 million for the acquisition of Prime Professions and CBC Broker Srl, and a $4 million cash payment to acquire the remaining noncontrolling interest in our Colombia reinsurance operation.

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Based on current market conditions and information available to us at this time, we believe that we have sufficient liquidity to meet our cash needs for the next twelve months.

The Company is authorized to buy back its ordinary shares by way of redemption, and intends to buy back $200 million shares in 2014 to offset the increase in shares from the exercise of employee stock options.

The impact of movements in liquidity, debt and EBITDA in 2013 had a negative impact on the interest coverage ratio and a positive impact on the leverage ratio. Both ratios remain well within the requirements of the revolving credit facility covenants.

Debt

Total debt, total equity and the capitalization ratio at December 31, 2013 and 2012 were as follows (in millions, except percentages):

	December 31, 2013	December 31, 2012
Long-term debt	$ 2,311	$ 2,338
Short-term debt and current portion of long-term debt	$ 15	$ 15
Total debt	$ 2,326	$ 2,353
Stockholders' equity	$ 2,215	$ 1,699
Capitalization ratio	51.2%	58.1%

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend both the amount of financing and the maturity date of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. The maturity date on both the revolving credit facility and the $300 million term loan was extended to July 23, 2018, from December 16, 2016. At the amendment date we owed $281 million on the term loan and there was no change to this amount as a result of the refinancing.

The 7-year term loan facility expiring 2018 bears interest at LIBOR plus 1.50% and is repayable in quarterly installments and a final repayment of $186 million is due in the third quarter of 2018. In 2013, we made $15 million of mandatory repayments against this 7-year term loan. Drawings under the $800 million revolving credit facility bear interest at LIBOR plus 1.50%. These margins apply while the Company's debt rating remains BBB-/Baa3. As of December 31, 2013 $nil was outstanding under this revolving credit facility (December 31, 2012: $nil).

On August 15, 2013 the Company issued $250 million of 4.625% senior notes due 2023 and $275 million of 6.125% senior notes due 2043. The effective interest rates of these senior notes are 4.696% and 6.154%, respectively, which include the impact of the discount upon issuance.

On July 25, 2013 the Company commenced an offer to purchase for cash any and all of its 5.625% senior notes due 2015 and a portion of its 6.200% senior notes due 2017 and its 7.000% senior notes due 2019 for an aggregate purchase price of up to $525 million. On August 22, 2013 the proceeds from the issue of the senior notes due 2023 and 2043 were used to fund the purchase of $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019.

The Company incurred total losses on extinguishment of debt of $60 million during the year ended December 31, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million and a credit for the reduction of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

The agreements relating to our 7-year term loan facility expiring 2018 and the revolving $800 million credit facility contain requirements to maintain maximum levels of consolidated funded indebtedness in relation to consolidated EBITDA and minimum level of consolidated EBITDA to consolidated cash interest expense, subject to certain adjustments. In addition, the agreements relating to our credit facilities and senior notes include, in the aggregate covenants relating to the delivery of financial statements, reports and notices, limitations on liens, limitations on sales and other disposals of assets, limitations on indebtedness and other liabilities, limitations on sale and leaseback transactions, limitations on mergers and other fundamental changes, maintenance of property, maintenance of insurance, nature of business, compliance with applicable laws, maintenance of corporate existence and rights, payment of taxes and access to information and properties. At December 31, 2013, the Company was in compliance with all covenants.

These refinancing actions have lengthened our debt maturity profile. At December 31, 2013, we had $nil outstanding under the $800 million facility (December 31, 2012: $nil), the UK $20 million facility (December 31, 2012: $nil) and the RMB facility

(December 31, 2012: $nil). At December 31, 2013 the only mandatory debt repayments falling due over the next 12 months are scheduled repayments on our 7-year term loan totaling $15 million.

Pensions

UK plan

The Company made cash contributions of $88 million in 2013 (2012: $80 million) into the UK defined benefit pension plan, and $12 million (2012: $12 million) in respect of employees' salary sacrifice contributions.

Contributions to the UK defined benefit pension plan in 2014 are expected to total $83 million, of which approximately $23 million relates to on-going contributions calculated as 15.9 percent of active plan members' pensionable salaries and approximately $60 million relates to contributions towards funding the deficit. Additionally $12 million will be made in respect of employees' salary sacrifice contributions.

In addition, further contributions may be payable based on a profit share calculation (equal to 20 percent of EBITDA in excess of $900 million per annum as defined by the revised schedule of contributions) and an exceptional return calculation (equal to 10 percent of any exceptional returns made to shareholders, for example, share buybacks and special dividends). Aggregate contributions under the deficit funding contribution and the profit share calculation are capped at £312 million ($517 million) over the six years ended December 31, 2017.

The schedule of contributions is automatically renegotiated after three years and at any earlier time jointly agreed by the Company and the Trustee. During 2014 we will be required to negotiate a new funding arrangement which may change the contributions we are required to make in the future.

US plan

We made cash contributions to our US defined benefit plan of $40 million in 2013 and in 2012.

We will make cash contributions of approximately $30 million to the US plan in 2014.

Other defined benefit pension plans

We made cash contributions to our other defined benefit pension plans of $10 million in 2013 and $11 million 2012.

In 2014, we expect to contribute approximately $9 million to these schemes.

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Cash flow

Summary consolidated cash flow information (in millions):

	Year Ended December 31,		
	2013	2012	2011
Cash provided by operating activities			
Net cash provided by continuing operating activities	$ 561	$ 525	$ 441
Net cash used in discontinued operations	—	—	(2)
Total net cash provided by operating activities	561	525	439
Cash flows from investing activities			
Total net cash used in continuing investing activities	(120)	(172)	(101)
Cash flows from financing activities			
Total net cash used in continuing financing activities	(137)	(291)	(214)
Increase in cash and cash equivalents	304	62	124
Effect of exchange rate changes on cash and cash equivalents	(8)	2	(4)
Cash and cash equivalents, beginning of year	500	436	316
Cash and cash equivalents, end of year	$ 796	$ 500	$ 436

This summary consolidated cash flow should be viewed in addition to, not in lieu of, the Company's consolidated financial statements.

Consolidated Cash Flow for 2013 compared to 2012

Operating Activities

Net cash provided by operating activities in 2013 increased by $36 million to $561 million compared with 2012.

The $561 million cash from operations comprises net income of $377 million, net $313 million of non-cash adjustments to reconcile net income to cash provided by operating activities and working capital movements

The non-cash adjustments included depreciation, amortization of intangible assets, share-based compensation, gain on derivative instruments, provision for deferred income taxes and the tender premium on early redemption of our debt, which is presented as a financing cash item.

Movements in working capital included $346 million of incentive payments and $150 million cash contributions (including $12 million for employees' salary sacrifice) to our defined benefit pension schemes. Additionally, there was a $116 million increase in accounts receivable, as revenue recognized in 2013 was greater than cash collection, and $445 million positive movement in other liabilities which included incentives accrued during 2013 that will be paid in 2014.

The $36 million increase in cash provided by operating activities in 2013 compared to 2012 was primarily driven by favorable movements in working capital versus the prior year.

Investing Activities

Net cash used in investing activities in 2013 was $120 million including, capital expenditure of $112 million, cash used to purchase subsidiaries, intangible assets and other investments of $44 million partly offset by $12 million cash received from the sale of fixed and intangible assets and $24 million of proceeds from the disposal of operations and the sale of the Company's holding in a Spanish associate company.

Financing Activities

Net cash used in financing activities in 2013 was $137 million primarily due to total dividends paid, including dividends paid to noncontrolling interests, of $203 million, a net $72 million outflow in relation to the refinancing in the third quarter 2013, discussed below, and $15 million of mandatory repayments against the term loan offset by cash receipts of $155 million from the issue of shares.

The refinancing during 2013 resulted in a net cash outflow of $72 million which included: $521 million cash paid to repurchase $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019, the tender premium of $65 million and debt issuance costs of $8 million; this was primarily funded by $522 million cash inflow from senior notes issued, discussed earlier, and free operating cash flows.

Consolidated Cash Flow for 2012 compared to 2011

Operating Activities

Total net cash provided by continuing operating activities was $525 million in 2012, compared with $441 million in 2011. The increase of $84 million primarily reflects a $100 million reduction in cash outflows relating to the 2011 Operational Review and a higher volume of collections made on higher revenues and accounts receivable compared with 2011, partially offset by the modest decline in operating earnings, adjusted for non-cash items; and the $11 million year-on-year increase in payments for cash retention awards.

Investing Activities

Total net cash used in continuing investing activities was $172 million in 2012 compared to $101 million in 2011. The $71 million increase in net outflow was due to higher capital spend, including; the fit-out and refurbishment of certain leasehold properties, including the completion of the European Data Center; development and implementation of a number of information technology projects including, financial systems and trading platforms; a $23 million increase in payments to acquire subsidiaries, primarily related to the acquisition of Avalon Actuarial, Inc, a Canadian actuarial consulting firm; and the non-recurrence of proceeds from the disposal of certain businesses during 2011.

Financing Activities

Total net cash used in continuing financing activities was $291 million in 2012 compared to $214 million in 2011. The $77 million increase in cash used was the result of the $100 million cash outflow relating to the repurchase of 2.8 million shares during 2012 and the $30 million year-on-year increase in payments made to acquire noncontrolling interests including, Gras Savoye Re, and our Columbian retail operation; partially offset by the reduction in repayments of debt, net of the refinancing during 2011.

Consolidated Cash Flow for 2011 compared to 2010

Operating Activities

Total net cash provided by continuing operating activities was $441 million in 2011 compared with $491 million in 2010. The decrease of $50 million primarily reflects the $57 million year-on-year increase in accounts receivable, reflecting increased revenue but also slower collections in the US due to current economic conditions; cash outflows of approximately $120 million relating to the 2011 Operational Review; and the $24 million year-on-year increase in payments for cash retention awards. These were partly offset by realized cash savings resulting from the 2011 Operational Review and other working capital movements.

Investing Activities

Total net cash used in continuing investing activities was $101 million in 2011 compared to $94 million in 2010. The $101 million net outflow was mainly due to capital spend including fit-out of our Nashville office and IT project investments.

Financing Activities

Total net cash used in continuing financing activities was $214 million in 2011 compared with $293 million in 2010. We issued $800 million of new debt in March 2011 and net proceeds of approximately $787 million were used to repurchase and redeem $500 million of 12.875% senior notes due 2016. As part of this debt refinancing we made a $158 million make-whole payment on the redemption of our 12.875% senior notes due 2016. Other significant financing activities in 2011 included refinancing our bank facility in December 2011, dividend payments of $180 million and receipt of $60 million from the issue of shares.

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Own funds

As of December 31, 2013, we had cash and cash equivalents of $796 million, compared with $500 million at December 31, 2012. Additionally, $822 million was available to draw under our revolving credit facilities at December 31, 2013, compared with $520 million at December 31, 2012.

Fiduciary funds

As an intermediary, we hold funds generally in a fiduciary capacity for the account of third parties, typically as the result of premiums received from clients that are in transit to insurers and claims due to clients that are in transit from insurers. We report premiums, which are held on account of, or due from, clients as assets with a corresponding liability due to the insurers. Claims held by, or due to, us which are due to clients are also shown as both assets and liabilities.

Fiduciary funds are generally required to be kept in certain regulated bank accounts subject to guidelines which emphasize capital preservation and liquidity; such funds are not available to service the Company's debt or for other corporate purposes. Notwithstanding the legal relationships with clients and insurers, the Company is entitled to retain investment income earned on fiduciary funds in accordance with industry custom and practice and, in some cases, as supported by agreements with insureds. As of December 31, 2013, we had fiduciary funds of $1.7 billion, compared with $1.8 billion at December 31, 2012.

Share buybacks

The Company is authorized to buy back shares, by way of redemption, and will consider whether to do so from time to time, based on many factors, including market conditions. The Company is authorized to purchase up to one billion shares from time to time in the open market (such open market purchases would be effected as redemptions under Irish law) and it may also redeem its shares through negotiated trades with persons who are not affiliated with the Company as long as the cost of the acquisition of the Company's shares does not exceed $824 million.

As of February 14, 2014 there remains approximately $824 million available to purchase common shares under the current authorization.

The Company intends to buy back $200 million in shares in 2014 to offset the increase in shares outstanding resulting from the exercise of employee stock options. The buybacks will be made in the open market or through privately-negotiated transactions, from time to time, depending on market conditions.

The share buy back program may be modified, extended or terminated at any time by the Board of Directors.

Dividends

Cash dividends paid in 2013 were $193 million compared with $185 million in 2012 and $180 million in 2011. In February 2014, we declared a quarterly cash dividend of $0.30 per share, an annual rate of $1.20 per share, an increase of 7.1 percent over the prior 12 month period.

REVIEW OF SEGMENTAL RESULTS

We organize our business into three segments: Global, North America and International. Our Global business provides specialist brokerage and consulting services to clients worldwide for risks arising from specific industries and activities. North America and International comprise our retail operations and provide services to small, medium and major corporations.

The following table is a summary of our operating results by segment for the three years ended December 31, 2013 (in millions except percentages):

	2013			2012			2011		
	Revenues	Operating Income	Operating Margin	Revenues	Operating Income (Loss)	Operating Margin	Revenues	Operating Income	Operating Margin
Global	$ 1,191	$ 334	28.0%	$ 1,129	$ 372	32.9 %	$ 1,082	$ 352	32.5%
North America	1,386	269	19.4%	1,313	240	18.3 %	1,323	271	20.5%
International	1,078	181	16.8%	1,038	183	17.6 %	1,042	221	21.2%
Total Retail	2,464	450	18.3%	2,351	423	18.0 %	2,365	492	20.8%
Corporate & Other	—	(99)	n/a	—	(1,004)	n/a	—	(278)	n/a
Total Consolidated	$ 3,655	$ 685	18.7%	$ 3,480	$ (209)	(6.0)%	$ 3,447	$ 566	16.4%

Global

Our Global operations comprise Global Specialties, Willis Re, Placement, and Willis Capital Markets & Advisory (WCMA).

The following table sets out revenues, operating income, organic commissions and fees growth and operating margin for the three years ended December 31, 2013 (in millions, except percentages):

	2013	2012	2011
Commissions and fees	$ 1,188	$ 1,124	$ 1,073
Investment income	3	5	9
Total revenues	$ 1,191	$ 1,129	$ 1,082
Operating income	$ 334	$ 372	$ 352
Revenue growth	5.5%	4.3%	8.6%
Organic commissions and fees growth [(a)]	5.6%	6.1%	6.6%
Operating margin	28.0%	32.9%	32.5%

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

2013 compared to 2012

Revenues

Commissions and fees of $1,188 million were $64 million, or 5.7 percent, higher in 2013 compared with 2012. The increase includes organic growth of 5.6 percent and 1.0 percent growth from acquisitions and disposals, most notably from the acquisition of Prime Professions in second quarter 2013, partially offset by a 0.9 percent negative impact from foreign currency movements.

The 5.6 percent organic growth in commissions and fees was driven by strong new business growth and higher client retention levels compared with the year ago period, partially offset by lost business. Rates had no material impact on commissions and fees.

Willis Re reported high single-digit growth, with North America leading the way with double-digit results. New business was strong across all three divisions and we reported increased client retention levels compared to the prior year.

Specialty reported mid single-digit growth, with solid performance in our Financial and Executive Risk, and P&C and Construction. Growth from new business was solid and we saw increased client retention levels compared to 2012.

Willis Capital Markets & Advisory performed solidly but was down compared to the very strong result it recorded in 2012 relating to meaningfully higher volumes of advisory fees and catastrophe bond deals.

Client retention levels improved to 91.9 percent for 2013, compared with 90.3 percent for 2012.

Expenses

Total operating expenses of $857 million were $100 million, or 13.2 percent, higher for 2013 compared with 2012. Excluding the $8 million, or 1.1 percent, impact of favorable foreign currency movements, total operating expenses increased $108 million or 14.3 percent.

The year-on-year growth in expenses was primarily due to higher salaries and benefits as a result of increased incentives from the change in remuneration policy and growth in commissions and fees. In addition, this increase also included the impact of the increase in headcount relative to the prior year, annual salary reviews and higher charges for share-based compensation.

Other expenses also increased compared to 2012 due to higher travel, accommodation and client entertaining costs to support business development and increased professional fees related to the strategic review of the segment.

Operating margin

Full year operating margin was 28.0 percent in 2013 and 32.9 percent in 2012. The decline was driven by the additional expenses discussed above, partially offset by solid commissions and fees growth.

2012 compared to 2011

Revenues

Commissions and fees of $1,124 million were $51 million, or 4.8 percent, higher in 2012 compared with 2011. Foreign exchange movements had a net 1.3 percent negative impact on commissions and fees; organic growth was 6.1 percent.

Organic growth included positive growth across Reinsurance, Global Specialties, Willis Faber & Dumas and WCMA, as strong new business and higher one-off transactions, primarily in WCMA, were partially offset by increases in lost business.

Organic growth in Global Specialties was led by strong performances from Energy, Marine, Financial Solutions and Construction Specialties reflecting single-digit net new business. This growth was partially offset by declines in Aerospace, which continued to be negatively impacted by competitive pricing and rate decreases.

Reinsurance reported mid single-digit growth in 2012, as growth in the International, Specialty and North America divisions was partially offset by the non-recurrence of a fee related to a 2011 profitability initiative. Rates had a modest positive impact on commission and fees in the year.

Willis Faber & Dumas also reported mid-single digit growth in 2012.WCMA is a transaction-oriented business and its results are more variable than some of our other businesses. In 2012 we reported significantly higher organic commissions and fees than in 2011. Growth in the WCMA business was positively impacted by a higher volume of advisory and catastrophe bond deals closing during the year.

Client retention levels declined to 90.3 percent for 2012, compared with 91.3 percent for 2011.

Operating margin

Operating margin was 32.9 percent in 2012 and 32.5 percent in 2011. The organic growth in commissions and fees discussed above, and lower defined benefit pension costs were offset by higher salary and benefit expense due to the impact of annual salary increases and new hires, higher production linked incentives and increases to discretionary costs.

North America

Our North America business provides risk management, insurance brokerage, related risk services and employee benefits brokerage and consulting to a wide array of industry and client segments in the United States, Canada and Mexico.

The following table sets out revenues, operating income, organic commissions and fees growth and operating margin for the three years ended December 31, 2013 (in millions, except percentages):

	2013	2012	2011
Commissions and fees [(a)]	$ 1,377	$ 1,306	$ 1,314
Investment income	2	3	7
Other income [(b)]	7	4	2
Total revenues	$ 1,386	$ 1,313	$ 1,323
Operating income	$ 269	$ 240	$ 271
Revenue growth	5.6%	(0.8)%	(4.5)%
Organic commissions and fees growth [(c)]	4.9%	(0.6)%	(3.5)%
Operating margin	19.4%	18.3 %	20.5 %

(a) Commissions and fees included a positive $5 million adjustment to align the recognition of revenue in the North America Personal Lines business with the rest of the Group.

(b) Other income comprises gains on disposal of intangible assets, which primarily arise from settlements through enforcing non-compete agreements in the event of losing accounts through producer defection or the disposal of books of business.

(c) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

2013 compared to 2012

Revenues

Commissions and fees of $1,377 million were $71 million, or 5.4 percent, higher in 2013 compared with 2012.

This increase was primarily due to organic growth of 4.9 percent and 0.6 percent positive impact from the acquisition of Avalon Actuarial, Inc. in fourth quarter 2012 partially offset by a 0.1 percent negative impact from foreign currency movements.

Commissions and fees included a positive $5 million adjustment to align the recognition of revenue in the North America Personal Lines business with the rest of the Group.

The 4.9 percent organic growth in commissions and fees was driven by strong new business growth and higher client retention levels compared with the year ago period, partially offset by lost business. Rates had a small positive impact on the full year's commissions and fees.

Growth was achieved across all our North America regions, led by the Metro, Midwest, Canada and CAPPPS regions. This was attributed to new business growth as well as increased client retention rates in almost all regions.

Similarly, most of the major practice groups recorded positive growth. Our two largest practices, Human Capital and Construction, recorded mid single-digit growth and in our other practices we recorded high single-digit growth in Real Estate and low single-digit growth in Financial & Executive Risks, Healthcare and Manufacturing.

Client retention levels were 92.0 percent in 2013 compared with 90.7 percent in 2012.

Expenses

Total operating expenses of $1,117 million were $44 million or 4.1 percent, higher for 2013 compared to 2012.

The year-on-year growth is primarily due to higher salaries and benefits most notably as a result of annual salary reviews. Salaries and benefits were also impacted by a higher incentives charge as a result of higher commissions and fees and the change in remuneration policy, and additional 401(k) match and medical charges, partially offset by lower charges for share-based compensation and pensions.

In addition, there was an increase in other expenses due to a $6 million write-off of a receivable related to a non-E&O settlement, professional fees related to the strategic review of the segment, and higher travel and accommodation expense to support revenue growth and client retention, partially offset by a $4 million insurance premium accrual reversal.

Foreign currency movements had no material impact on expenses.

Operating margin

Operating margin in North America was 19.4 percent in 2013 compared with 18.3 percent in 2012 driven by solid commissions and fees growth.

2012 compared to 2011

Revenues

Commissions and fees of $1,306 million were $8 million, or 0.6 percent, lower in 2012 compared with 2011.

Organic commissions and fees growth declined 0.6 percent in 2012 compared with 2011, whilst new business levels were higher than in 2011, resulting in growth in certain regions and business segments. These were more than offset by lower Loan Protector revenues and the impact of the weakened economy.

The decline in the financial performance of our Loan Protector business had a 0.8 percent negative impact on North America organic growth in commissions and fees and negatively impacted the segment's revenue by $10 million. The Loan Protector decline was driven by the loss of clients through attrition and M&A activity, industry-wide commission pressures and a slowdown in business in its specialized market in the US in 2011.

Client retention levels were 90.7 percent in 2012 compared with 91.5 percent in 2011.

Operating margin

Operating margin in North America was 18.3 percent in 2012 compared with 20.5 percent in 2011, reflecting the adverse impact from the 0.6 percent decline in organic commissions and fees growth discussed above, a $4 million reduction in investment income due to declining yields, and increases to incentive expenses, production linked awards and share-based compensation. These were partly offset by a reduction to other expenses, including lower premises costs and a reduction in E&O provisions.

International

Our International business comprises our retail operations in Western Europe, Central and Eastern Europe, the United Kingdom, Asia, Australasia, the Middle East, South Africa and Latin America. The services provided are focused according to the characteristics of each market and vary across offices, but generally include direct risk management and insurance brokerage and employee benefits consulting.

The following table sets out revenues, operating income, organic commissions and fees growth and operating margin for the three years ended December 31, 2013 (in millions, except percentages):

	2013	2012	2011
Commissions and fees [(a)]	$ 1,068	$ 1,028	$ 1,027
Investment income	10	10	15
Total revenues	$ 1,078	$ 1,038	$ 1,042
Operating income	181	183	221
Revenue growth	3.9%	(0.4)%	9.6%
Organic commissions and fees growth [(b)]	4.1%	4.9 %	4.8%
Operating margin	16.8%	17.6 %	21.2%

(a) Commissions and fees in 2013 included a negative $15 million adjustment to align the recognition of revenue in China with the rest of the Group.

(b) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

2013 compared to 2012

Revenues

Commissions and fees of $1,068 million were $40 million, or 3.9 percent, higher in 2013 compared with 2012. Organic commissions and fees growth was 4.1 percent partially offset by 0.2 percent negative impact from foreign currency movements.

Organic growth included double-digit new business growth partly offset by lost business. Rates had no significant impact on commissions and fees.

Commissions and fees included the negative impact of a $15 million adjustment to align the recognition of revenue in China with the rest of the Group.

Latin America reported double-digit growth arising primarily from Brazil and Venezuela which was partially offset by a double-digit decline in Colombia.

Asia reported low-single digit growth. We recorded good growth throughout the region especially in Hong Kong and Korea, however the negative $15 million revenue recognition adjustment partially offset these results.

Eastern Europe reported high single-digit growth arising primarily from Russia tempered by a mid-single digit decline in Poland.

Western Europe reported low single-digit growth. Despite difficult economic conditions, Italy and Iberia produced mid-single digit growth partially offset by mid single-digit declines in Ireland and the Netherlands.

The UK reported a low single-digit decline amid a challenging economic environment.

Client retention rates were largely flat at 93.1 percent for 2013 compared to 93.3 percent for 2012.

Expenses

Total operating expenses of $897 million were $42 million, or 4.9 percent, higher for 2013 compared with 2012. Foreign currency movements favorably impacted operating expenses by $12 million or 1.4 percent; excluding the impact of foreign currency movements total operating expenses increased $54 million or 6.3 percent.

This increase was due primarily to higher salaries and benefits as a result of new hires, annual salary reviews, higher incentives due to the change in remuneration policy and an increased charge for share-based compensation.

In addition to this, we incurred professional fees related to the strategic review of the segment, higher travel and accommodation expense to support business development, and a $5 million VAT related charge. These charges were partially offset by a reduced bad debt expense and non-recurring 2012 legal claims settlements.

Operating margin

Operating margin in International was 16.8 percent in 2013, compared with 17.6 percent in 2012. The decline was driven by the increase in expenses discussed above partially offset by solid commissions and fees growth.

2012 compared to 2011

Revenues

Commissions and fees of $1,028 million were $1 million, or 0.1 percent, higher in 2012 compared with 2011. Organic commissions and fees growth of 4.9 percent was partially offset by negative foreign exchange movements of 4.8 percent. Organic growth included double digit new business growth, partly offset by slight increases to lost business. Rates and other market factors had no significant impact on commissions and fees in the year.

Despite the ongoing economic difficulties faced by the Eurozone, our large retail operations in the region delivered low single-digit growth in 2012, driven by strong growth in Germany, Sweden and Denmark, although this growth was partially offset by declines in Ireland and Norway.

Our Latin American operation delivered high double-digit growth in 2012, the result of significant new business growth; principally in Brazil, Venezuela and Argentina.

Asia reported high single-digit growth in 2012 led by strong growth in Japan, China and Korea.

Organic growth in our UK retail operation was flat in 2012, compared with 2011, this reflects a stabilization of the business in the region following a 2.3 percent decline in 2011.

A significant part of International's revenues are earned in currencies other than the US dollar, most notably the euro and the Australian dollar. The net 4.8 percent negative impact from foreign currency translation in 2012 primarily reflected the weakening of the US dollar against these and other currencies in which we earn International revenues.

Client retention levels decreased to 93.3 percent for 2012, compared with 93.7 percent for 2011.

Operating margin

Operating margin in International was 17.6 percent in 2012, compared with 21.2 percent in 2011. The decrease primarily reflected significant increases in salaries and benefits as a result of new hires supporting growth in targeted geographies, annual pay increases, the negative impact of foreign exchange on revenues and increases to certain provisions including bad debts. These were partly offset by the benefit from organic commissions and fees discussed above.

Corporate and Other

The Company evaluates the performance of its segments based on organic commissions and fees growth and operating income. For internal reporting and segmental reporting, items for which segmental management are not held responsible for are held within ‘Corporate and Other’.

Corporate and Other comprises the following (in millions):

	2013	2012	2011
Amortization of intangible assets	$ (55)	$ (59)	$ (68)
Additional incentive accrual for change in remuneration policy [a]	—	(252)	—
Write-off of unamortized cash retention awards [b]	—	(200)	—
Goodwill impairment charge [c]	—	(492)	—
India joint venture settlement [d]	—	(11)	—
Insurance recovery [e]	—	10	—
Write-off of uncollectible accounts receivable balance in Chicago [f]	—	(13)	(22)
Net gain (loss) on disposal of operations [d]	2	(3)	4
Foreign exchange hedging	3	8	5
Foreign exchange gain (loss) on the UK pension plan asset	8	(1)	—
2011 Operational Review	—	—	(180)
FSA Regulatory settlement	—	—	(11)
Expense Reduction Initiative	(46)	—	—
Fees related to the extinguishment of debt	(1)	—	—
Other [g]	(10)	9	(6)
Total Corporate and other	$ (99)	$ (1,004)	$ (278)

(a) Additional incentive accrual recognized following the replacement of annual cash retention awards with annual cash bonuses which do not feature a repayment requirement.

(b) Write-off of unamortized cash retention awards following the decision to eliminate the repayment requirement on past awards.

(c) Non-cash charge recognized related to the impairment of the carrying value of the North America reporting unit's goodwill.

(d) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(e) Insurance recovery, recorded in Other operating expenses, related to a previously disclosed fraudulent activity in Chicago. See 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods' discussed above.

(f) Write-off of uncollectible accounts receivable balance relating to periods prior to January 1, 2011, see 'Correction of Commissions and Fees Overstatement Relating to 2011 and Prior Periods' discussed above.

(g) Other includes $7 million in 2013 (2012: $7 million, 2011: $12 million) from the release of funds and reserves related to potential legal liabilities.

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CRITICAL ACCOUNTING ESTIMATES

Our accounting policies are described in Note 2 to the Consolidated Financial Statements. Management considers that the following accounting estimates or assumptions are the most important to the presentation of our financial condition or operating performance:

- pension expense (discount rates, expected asset returns and mortality);
- intangible assets and goodwill impairment (determination of reporting units, fair value of reporting units and annual goodwill impairment analysis);
- income taxes; and
- commitments, contingencies and accrued liabilities.

Management has discussed its critical accounting estimates and associated disclosures with our Audit Committee.

Pension expense

We maintain defined benefit pension plans for employees in the US and UK. Both of these plans are now closed to new entrants and, with effect from May 15, 2009 we closed our US defined benefit plan to future accrual. New employees in the UK are offered the opportunity to join a defined contribution plan and in the US are offered the opportunity to join a 401(k) plan. We also have smaller defined benefit plans in Ireland, Germany, Norway and the Netherlands, a non-qualified plan in the US and an unfunded plan in the UK. These smaller defined benefit plans have combined total assets of $168 million and a combined net liability for pension benefits of $27 million as of December 31, 2013. Elsewhere, pension benefits are typically provided through defined contribution plans.

We recorded a $5 million and a $4 million net periodic benefit income on our UK and US defined benefit pension scheme respectively in 2013, compared with a net periodic benefit income of $5 million on the UK scheme and a net periodic benefit cost of $3 million on the US scheme in 2012. On our international defined benefit pension plans, US non-qualified plan and UK unfunded plan, we recorded a net periodic benefit cost of $5 million in 2013, compared with $4 million in 2012.

Based on December 31, 2013 assumptions (except for one update - the expected rate of return in the UK pension plan changed from 7.25% to 7.00%), we expect the net pension credit in 2014 will increase $7 million for the UK plan. The net pension credit will increase by $4 million for the US plan and the net pension charge will decrease by $1 million for the other plans.

We make a number of assumptions when determining our pension liabilities and pension expense which are reviewed annually by senior management and changed where appropriate. The discount rate will be changed annually if underlying rates have moved whereas the expected long-term return on assets will be changed less frequently as longer term trends in asset returns emerge or long term target asset allocations are revised. Other material assumptions include rates of participant mortality, the expected long-term rate of compensation and pension increases and rates of employee termination. Our approach to determining appropriate assumptions for our UK and US pension plans is set out below.

UK plan

	As disclosed using December 31, 2013 assumptions[a]	Impact of a 0.50 percentage point increase in the expected rate of return on assets[b]	Impact of a 0.50 percentage point increase in the discount rate[b]	One year increase in mortality assumption[c]
	(millions)			
Estimated 2014 (income) / expense	$ (12)	$ (15)	$ (24)	$ 8
Projected benefit obligation at December 31, 2013	2,785	n/a	(254)	56

(a) Except for the expected rate of return updated to 7%.

(b) With all other assumptions held constant.

(c) Assumes all plan participants are one year younger.

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Discount rate

During 2013 we continued to use a duration-based approach, which more closely matches the actual timing of expected cash flows to the applicable discount rate. The selected rate used to discount UK plan liabilities in 2013 was 4.40% consistent with the 4.40% used at December 31, 2012. During 2013, sterling high-quality corporate bond yields had risen slightly at shorter to median durations but fallen at longer durations however, the rate consistent with expected maturity of the plan's liabilities was unchanged.

Expected and actual asset returns

Expected long-term rates of return on plan assets are developed from the expected future returns of the various asset classes using the target asset allocations. The expected long-term rate of return used for determining the net UK pension expense in 2013 was 7.25% (2012: 7.50%), equivalent to an expected return in 2013 of $191 million (2012: $181 million). Effective January 1, 2014, the expected long-term rate of return was decreased to 7.00%. The decrease in the expected long-term rate of return followed a change in the underlying target asset mix, which reflects the actions taken during 2013 in accordance with the de-risking strategy proposed by the Trustees which will lead to a strategic target asset allocation with a greater weighting to non-return seeking assets.

The expected and actual returns on UK plan assets for the three years ended December 31, 2013 were as follows:

	Expected return on plan assets	Actual return on plan assets
	(millions)	
2013	$ 191	$ 255
2012	181	226
2011	161	269

Mortality

The mortality assumption used during 2013 is the 90/105% PNA00 table for males and females, and is unchanged from the assumptions used during 2012.

As an indication of the longevity assumed, our calculations assume that a UK male retiree aged 65 at December 31, 2013 would have a life expectancy of 24 years.

US plan

	As disclosed using December 31, 2013 assumptions	Impact of a 0.50 percentage point increase in the expected rate of return on assets[(a)]	Impact of a 0.50 percentage point increase in the discount rate[(a)]	One year increase in mortality assumption[(b)]
		(millions)		
Estimated 2014 (income) / expense	$ (8)	$ (4)	$ —	$ 2
Projected benefit obligation at December 31, 2013	864	n/a	(51)	22

(a) With all other assumptions held constant.

(b) Assumes all plan participants are one year younger.

Discount rate

The discount rate at December 31, 2013 was 4.76%, an increase of 69 basis points from the discount rate of 4.07% at December 31, 2012. The increase in the discount rate reflects the increase in high-quality corporate bond yields during 2013.

The impact of the higher discount rate in 2013 decreased the projected benefit obligation by approximately $86 million.

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Expected and actual asset returns

The expected long-term rate of return used for determining the net US pension scheme expense in 2013 was 7.25% (2012: 7.25%)

The expected and actual returns on US plan assets for the three years ended December 31, 2013 were as follows:

	Expected return on plan assets	Actual return on plan assets
	(millions)	
2013	$ 51	$ 60
2012	46	80
2011	44	34

Mortality

The mortality assumption at December 31, 2013 is the RP-2000 Mortality Table (blended for annuitants and non-annuitants), projected by Scale AA to 2021 for annuitants and 2029 for non-annuitants (December 31, 2012: RP-2000 Mortality Table (blended for annuitants and non-annuitants), projected by Scale AA to 2020 for annuitants and 2028 for non-annuitants).

As an indication of the longevity assumed, our calculations assume that a US male retiree aged 65 at December 31, 2013, would have a life expectancy of 19 years.

Intangible assets

Intangible assets represent the excess of cost over the value of net tangible assets of businesses acquired. We classify our intangible assets into three categories;

- Goodwill;
- 'Customer and Marketing Related' which includes client lists, client relationships, trade names and non-compete agreements; and
- 'Contract-based, Technology and Other' which includes all other purchased intangible assets.

Client relationships acquired on the HRH acquisition are amortized over twenty years in line with the pattern in which the economic benefits of the client relationships are expected to be consumed. Over 80% of the client relationships intangible will have been amortized after 10 years. Non-compete agreements acquired in connection with the HRH acquisition were amortized over two years on a straight line basis. Intangible assets acquired in connection with other acquisitions are amortized over their estimated useful lives on a straight line basis. Goodwill is not subject to amortization.

We review purchased intangible assets with finite lives for impairment whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Recoverability of these intangible assets is assessed based on the estimated undiscounted future cash flows expected to result from the continued use of the asset. If the undiscounted future cash flows are less than the carrying amount, the purchased intangible assets with finite lives are considered to be impaired. The amount of the impairment is measured as the difference between the carrying value and the fair value.

Goodwill impairment review

We test goodwill for impairment annually or whenever events or circumstances indicate impairment may have occurred.

The goodwill impairment test is a two step analysis. Step One requires the fair value of each reporting unit to be compared to its carrying value. If the fair value of a reporting unit is determined to be greater than the carrying value of the reporting unit, goodwill is not considered impaired and no further testing is necessary. If the fair value of a reporting unit is less than the carrying value, we perform Step Two. Step Two requires the implied fair value of reporting unit goodwill to be compared with the carrying amount of that goodwill. Determining the implied fair value of goodwill requires a valuation of the reporting unit's tangible and intangible assets and liabilities in a manner similar to the allocation of the purchase price in a business combination. Any excess of the value of a reporting unit over the amounts assigned to its assets and liabilities is referred to as the implied fair value of goodwill. If the carrying amount of reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess.

Application of the impairment test requires judgment, including the identification of reporting units, assignment of assets, liabilities and goodwill to reporting units and determination of fair value of each reporting unit.

Determination of reporting units

We have determined our reporting units to be consistent with our operating segments: North America; International and Global. Goodwill is allocated to these reporting units based on the original purchase price allocation for acquisitions within the reporting units.

Fair value of reporting units

The fair value of each reporting unit is estimated using a discounted cash flow methodology and, in aggregate, validated against our market capitalization.

Determining the fair value of a reporting unit is judgmental in nature and involves the use of significant estimates and assumptions. These estimates and assumptions include estimations of future cash flows which are dependent on internal forecasts, long-term rate of growth for our business and determination of our weighted average cost of capital.

We base our fair value estimates on assumptions we believe to be reasonable but that are unpredictable and inherently uncertain. Therefore changes in these estimates and assumptions could materially affect the determination of fair value and result in goodwill impairment.

In addition, we make certain judgments and assumptions in allocating shared assets and liabilities to determine the carrying values for each of our reporting units.

Annual goodwill impairment analysis

Our annual goodwill impairment analysis is performed each year at October 1. At October 1, 2013 our analysis showed the estimate fair value of each reporting unit was in excess of carrying value, and therefore did not result in an impairment charge.

The goodwill impairment analysis as of October 1, 2012 concluded that an impairment charge was required to reduce the carrying value of the goodwill associated with the Company's North America reporting unit. The goodwill impairment charge for the North America reporting unit amounted to $492 million. There was no impairment for the Global and International reporting units, as the fair values of these units were significantly in excess of their carrying value.

Under the income approach, the fair value of the North America reporting unit was determined based on the present value of estimated future cash flows. The fair value measurements used unobservable inputs in a discounted cash flow model based on the Company's most recent forecasts. Such projections were based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions, and the uncertainty related to the reporting unit's ability to execute on the projected cash flows with consideration of market comparables where appropriate. The discount rate was based on the weighted-average cost of capital adjusted for the relevant risk associated with market participant expectations of characteristics of the individual reporting units.

As the fair value of the reporting unit was less than its carrying value, the second step of the impairment test was performed to measure the amount of any impairment loss. In the second step, the North America reporting unit's fair value was allocated to all of the assets and liabilities of the reporting unit, including any unrecognized intangible assets. The fair value of intangible assets associated with the North America reporting unit included customer relationship intangible assets, which were valued using a multiple period excess earnings approach involving discounted future projections of associated revenue streams.

The decline in the fair value of the North America reporting unit, as well as differences between fair values and carrying values for other assets and liabilities in the second step of the goodwill impairment test, resulted in an implied fair value of goodwill substantially below the carrying value of the goodwill for the reporting unit. As a result, the Company recorded a goodwill impairment charge of $492 million in 2012.

As previously disclosed, the North America reporting unit had been hampered by the declining Loan Protector business results, the effect of the soft economy in the U.S., which had significantly impacted the Construction and Human Capital sectors, and declining retention rates primarily related to M&A activity and lost legacy HRH business.

The decline in the estimated fair value of the reporting unit resulted from lower projected revenue growth rates and profitability levels as well as an increase in the discount rate used to calculate the discounted cash flows. The increase in the discount rate was due to increases in the risk-free rate and small company premium offset by a reduction to the expected market rate of return. The lower projected profitability levels reflect changes in assumptions related to organic revenue growth and cost rates which can be attributed to the declines discussed above and also includes consideration of the uncertainty related to the business's ability to execute on the projected cash flows.

Income taxes

We recognize deferred tax assets and liabilities for the estimated future tax consequences of events attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating and capital loss and tax credit carry-forwards. We estimate deferred tax assets and liabilities and assess the need for any valuation allowances using tax rates in effect for the year in which the differences are expected to be recovered or settled taking into account our business plans and tax planning strategies.

At December 31, 2013, we had gross deferred tax assets of $383 million (2012: $451 million) against which a valuation allowance of $196 million (2012: $221 million) had been recognized. To the extent that:

- the actual future taxable income in the periods during which the temporary differences are expected to reverse differs from current projections;
- assumed prudent and feasible tax planning strategies fail to materialize;
- new tax planning strategies are developed; or
- material changes occur in actual tax rates or loss carry-forward time limits,

we may adjust the deferred tax asset considered realizable in future periods. Such adjustments could result in a significant increase or decrease in the effective tax rate and have a material impact on our net income.

Positions taken in our tax returns may be subject to challenge by the taxing authorities upon examination. We recognize the benefit of uncertain tax positions in the financial statements when it is more likely than not that the position will be sustained on examination by the tax authorities. The benefit recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized on settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The Company adjusts its recognition of these uncertain tax benefits in the period in which new information is available impacting either the recognition or measurement of its uncertain tax positions. In 2013, there was a net increase in uncertain tax positions of $4 million compared to a net increase of $21 million in 2012. The Company recognizes interest relating to unrecognized tax benefits and penalties within income taxes. Accrued interest and penalties are included within the related tax liability line in the consolidated balance sheet.

Commitments, contingencies and accrued liabilities

We purchase professional indemnity insurance for errors and omissions claims. The terms of this insurance vary by policy year and self-insured risks have increased significantly over recent years. We have established provisions against various actual and potential claims, lawsuits and other proceedings relating principally to alleged errors and omissions in connection with the placement of insurance and reinsurance in the ordinary course of business. Such provisions cover claims that have been reported but not paid and also claims that have been incurred but not reported. These provisions are established based on actuarial estimates together with individual case reviews and are believed to be adequate in the light of current information and legal advice.

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations as at December 31, 2013 are presented below:

Obligations [c]	Payments due by Total	2014	2015-2016	2017-2018	After 2018
	(millions)				
7-year term loan facility expires 2018	$ 274	$ 15	$ 39	$ 220	$ —
Interest on term loan	19	5	9	5	—
Revolving $500 million credit facility commitment fees	9	2	4	3	—
5.625% senior notes due 2015	148	—	148	—	—
Fair value adjustments on 5.625% senior notes due 2015	4	—	4	—	—
4.125% senior notes due 2016	300	—	300	—	—
6.200% senior notes due 2017	394	—	—	394	—
7.000% senior notes due 2019	187	—	—	—	187
5.750% senior notes due 2021	500	—	—	—	500
4.625% senior notes due 2023	250	—	—	—	250
6.125% senior notes due 2043	275	—	—	—	275
Interest on senior notes	1,011	115	209	146	541
Total debt and related interest	3,371	137	713	768	1,753
Operating leases [a]	1,235	131	213	167	724
Pensions	566	122	244	161	39
Other contractual obligations [b]	91	24	16	12	39
Total contractual obligations	$ 5,263	$ 414	$ 1,186	$ 1,108	$ 2,555

(a) Presented gross of sublease income.

(b) Other contractual obligations include capital lease commitments, put option obligations and investment fund capital call obligations, the timing of which are included at the earliest point they may fall due.

(c) The above excludes $41 million for liabilities for unrecognized tax benefits as we are unable to reasonably predict the timing of settlement of these liabilities.

Debt obligations and facilities

The Company's debt and related interest obligations at December 31, 2013 are shown in the above table.

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend the amount of financing of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. As at December 31, 2013 $nil was outstanding under the revolving credit facility.

This facility is in addition to the remaining availability of $22 million under the Company's two other previously existing revolving credit facilities.

The only mandatory repayments of debt over the next 12 months are the scheduled repayment of $15 million current portion of the Company's 7-year term loan. We also have the right, at our option, to prepay indebtedness under the credit facility without further penalty and to redeem the senior notes at our option by paying a 'make-whole' premium as provided under the applicable debt instrument.

Operating leases

The Company leases certain land, buildings and equipment under various operating lease arrangements. Original non-cancellable lease terms typically are between 10 and 20 years and may contain escalation clauses, along with options that permit early withdrawal. The total amount of the minimum rent is expensed on a straight-line basis over the term of the lease.

As of December 31, 2013, the aggregate future minimum rental commitments under all non-cancellable operating lease agreements are as follows:

	Gross rental commitments	Rentals from subleases	Net rental commitments
		(millions)	
2014	$ 131	$ (15)	$ 116
2015	114	(14)	100
2016	99	(13)	86
2017	88	(12)	76
2018	79	(8)	71
Thereafter	724	(16)	708
Total	$ 1,235	$ (78)	$ 1,157

The Company leases its main London building under a 25-year operating lease, which expires in 2032. The Company's contractual obligations in relation to this commitment included in the table above total $719 million (2012: $730 million). Annual rentals are $36 million (2012: $32 million) per year and the Company has subleased approximately 29 percent (2012: 29 percent) of the premises under leases up to 15 years. The amounts receivable from subleases, included in the table above, total $66 million (2012: $76 million; 2011: $82 million).

Rent expense amounted to $141 million for the year ended December 31, 2013 (2012: $135 million; 2011: $127 million). The Company's rental income from subleases was $15 million for the year ended December 31, 2013 (2012: $17 million; 2011: $18 million).

Pensions

Contractual obligations for our pension plans reflect the contributions we expect to make over the next five years into our US and UK, plans. These contributions are based on current funding positions and may increase or decrease dependent on the future performance of the two plans.

UK plan

During 2013, the Company made cash contributions to the UK defined benefit pension plan of $88 million (2012: $80 million; 2011: $81 million), additionally $12 million (2012: $12 million; 2011: $11 million) was paid into the plan in respect of employees' salary sacrifice contributions.

In March 2012, the Company agreed to a revised schedule of contributions towards on-going accrual of benefits and deficit funding contributions the Company will make to the UK plan over the six years ended December 31, 2017. Contributions in each of the next four years are expected to total approximately $83 million, of which approximately $23 million relates to on-going contributions calculated as 15.9 percent of active plan members' pensionable salary and approximately $60 million that relates to contributions towards the funding deficit.

In addition, further contributions will be payable based on a profit share calculation (equal to 20 percent of EBITDA in excess of $900 million per annum as defined by the revised schedule of contributions) and an exceptional return calculation (equal to 10 percent of any exceptional returns made to shareholders, for example, share buybacks, and special dividends). Upon finalization of these calculations the Company made a further contribution in 2013 of $10 million, calculated as 10 percent of the $100 million share buy-back program completed during 2012. Aggregate contributions under the deficit funding contribution and the profit share calculation are capped at £312 million ($517 million) over the six years ended December 31, 2017.

The schedule of contributions is automatically renegotiated after three years and at any earlier time jointly agreed by the Company and the Trustee. During 2014 we will be required to negotiate a new funding arrangement which may further change the contributions we are required to make in the future.

US plan

We made total cash contributions to our US defined benefit pension plan of $40 million in 2013, compared with $40 million in 2012 and $30 million in 2011.

We expect to make contributions of approximately $30 million in 2014 through 2019.

Other defined benefit pension plans

We made total cash contributions to our other defined benefit pension plans of $10 million in 2013, compared with $11 million in 2012 and 13 million in 2011.

In 2014, we expect to contribute approximately $9 million to our international plans.

The final 2014 contribution for all plans is expected to be approximately $122 million, excluding salary sacrifice which compares to an equivalent 2013 total contribution of $138 million.

Guarantees

Guarantees issued by certain of Willis Group Holdings' subsidiaries with respect to the senior notes and revolving credit facilities are discussed in Note 20 — 'Debt' in these consolidated financial statements.

Certain of Willis Group Holdings' subsidiaries have given the landlords of some leasehold properties occupied by the Company in the United Kingdom and the United States guarantees in respect of the performance of the lease obligations of the subsidiary holding the lease. The operating lease obligations subject to such guarantees amounted to $828 million and $829 million at December 31, 2013 and 2012, respectively. The capital lease obligations subject to such guarantees amounted to $11 million as at December 31, 2013 (2012: $nil).

In addition, the Company has given guarantees to bankers and other third parties relating principally to letters of credit amounting to $11 million and $10 million at December 31, 2013 and 2012, respectively. Willis Group Holdings also guarantees certain of its UK and Irish subsidiaries' obligations to fund the UK and Irish defined benefit plans.

Other Contractual Obligations

For certain subsidiaries and associates, the Company has the right to purchase shares (a call option) from co-shareholders at various dates in the future. In addition, the co-shareholders of certain subsidiaries and associates have the right to sell their shares (a put option) to the Company at various dates in the future. Generally, the exercise price of such put options and call options is formula-based (using revenues and earnings) and is designed to reflect fair value. Based on current projections of profitability and exchange rates and assuming the put options are exercised, the potential amount payable from these options is not expected to exceed $12 million (2012: $19 million).

In July 2010, the Company made a capital commitment of $25 million to Trident V Parallel Fund, LP, an investment fund managed by Stone Point Capital. This replaced a capital commitment of $25 million that had been made to Trident V, LP in December 2009. As at December 31, 2013 there have been approximately $15 million of capital contributions.

In May 2011, the Company made a capital commitment of $10 million to Dowling Capital Partners I, LP. As at December 31, 2013 there have been approximately $4 million of capital contributions.

Other contractual obligations at December 31, 2013, also include certain capital lease obligations totaling $63 million (2012: $53 million), primarily in respect of the Company's Nashville property.

NEW ACCOUNTING STANDARDS

Other Comprehensive Income

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-05, Presentation of Comprehensive Income to revise the manner in which entities present comprehensive income in their financial statements. These changes require that components of comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.This guidance is effective for interim and annual periods beginning after December 15, 2011 and has been applied retrospectively.

ASU No. 2011-05 also requires entities to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. In December 2011, the FASB issued ASU No. 2011-12 in order to defer those changes in ASU No. 2011-05 that relate to the presentation of reclassification adjustments. In February 2013, the FASB issued ASU No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive (ASU 2013-02). This guidance is the culmination of the FASB's deliberation on reporting reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income but do require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This guidance is effective for interim and annual periods beginning after December 15, 2012 and has been applied retrospectively.

Presentation of Unrecognized Tax Benefits

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists a consensus of the FASB Emerging Issues Task Force. The ASU does not affect the recognition or measurement of uncertain tax positions under US GAAP.

However, under the ASU, unrecognized tax benefits, or portions of unrecognised tax benefits, must be presented in the financial statements as a reduction to deferred tax assets when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists except when:

- a net operating loss carryforward, a similar tax loss or a tax credit carryfoward is not available at the reporting date under the governing tax laws to settle taxes that would result from the disallowance of the tax position; or
- the entity does not intend to use the deferred tax asset for this purpose, provided that the tax law permits a choice.

If either of these conditions exists, an entity should present an unrecognized tax benefit in the financial statements as a liability and should not net the unrecognized tax benefit with a deferred tax asset.

The amendments under the ASU:

- are effective prospectively for annual and interim periods beginning after December 15, 2013 although early adoption is permitted; and
- should be applied to all unrecognized tax benefits that exist as of the effective date although entities may choose to apply the amendments retrospectively to each prior reporting period presented.

The Company has decided to not adopt this guidance early. However, as an indication of the likely balance sheet reclassification based on the position at December 31, 2013, the Company had recognized $22 million of unrecognized tax benefits within Other non-current liabilities that would be reclassified to Non-current deferred tax assets. The Company has not yet determined whether it will apply the amendments to the prior reporting period for its first quarter 2014 reporting.

Other than the changes described above, there were no new accounting standards issued during 2013 that would impact on the Company’s reporting.

OFF BALANCE SHEET TRANSACTIONS

Apart from commitments, guarantees and contingencies, as disclosed in Note 22 to the Consolidated Financial Statements, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on the Company’s financial condition, results of operations or liquidity.

Item 7A — Quantitative and Qualitative Disclosures about Market Risk

Financial Risk Management

We are exposed to market risk from changes in foreign currency exchange rates and interest rates. In order to manage the risk arising from these exposures, we enter into a variety of interest rate and foreign currency derivatives. We do not hold financial or derivative instruments for trading purposes.

A discussion of our accounting policies for financial and derivative instruments is included in Note 2 — 'Basis of Presentation and Significant Accounting Policies' of Notes to the Consolidated Financial Statements, and further disclosure is provided in Note 26 — 'Derivative Financial Instruments and Hedging Activities'.

Foreign Exchange Risk Management

Because of the large number of countries and currencies we operate in, movements in currency exchange rates may affect our results.

We report our operating results and financial condition in US dollars. Our US operations earn revenue and incur expenses primarily in US dollars. Outside the United States, we predominantly generate revenues and expenses in the local currency with the exception of our London market operations which earns revenues in several currencies but incurs expenses predominantly in pounds sterling.

The table below gives an approximate analysis of revenues and expenses by currency in 2013.

	US Dollars	Pounds Sterling	Euros	Other currencies
Revenues	60%	8%	13%	19%
Expenses	49%	25%	9%	17%

Our principal exposures to foreign exchange risk arise from:

- our London market operations; and
- translation.

London market operations

In our London market operations, we earn revenue in a number of different currencies, principally US dollars, pounds sterling, Euros and Japanese yen, but incur expenses almost entirely in pounds sterling.

We hedge this risk as follows:

- to the extent that forecast pounds sterling expenses exceed pound sterling revenues, we limit our exposure to this exchange rate risk by the use of forward contracts matched to specific, clearly identified cash outflows arising in the ordinary course of business; and
- to the extent our London market operations earn significant revenues in Euros and Japanese yen, we limit our exposure to changes in the exchange rate between the US dollar and these currencies by the use of forward contracts matched to a percentage of forecast cash inflows in specific currencies and periods. In addition, we are also exposed to foreign exchange risk on any net sterling asset or liability position in our London market operations.

However, where the foreign exchange risk relates to any sterling pension assets benefit or liability for pensions benefit, we do not hedge the risk. Consequently, if our London market operations have a significant pension asset or liability, we may be exposed to accounting gains and losses if the US dollar and pounds sterling exchange rate changes. We do, however, hedge the pounds sterling contributions into the pension plan.

Translation risk

Outside our US and London market operations, we predominantly earn revenues and incur expenses in the local currency. When we translate the results and net assets of these operations into US dollars for reporting purposes, movements in exchange rates will affect reported results and net assets. For example, if the US dollar strengthens against the Euro, the reported results of our Eurozone operations in US dollar terms will be lower.

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With the exception of foreign currency hedges for certain intercompany loans, that are not designated as hedging instruments, we do not hedge translation risk.

The table below provides information about our foreign currency forward exchange contracts, which are sensitive to exchange rate risk. The table summarizes the US dollar equivalent amounts of each currency bought and sold forward and the weighted average contractual exchange rates. All forward exchange contracts mature within three years.

	Settlement date before December 31,					
	2014		2015		2016	
December 31, 2013	Contract amount	Average contractual exchange rate	Contract amount	Average contractual exchange rate	Contract amount	Average contractual exchange rate
	(millions)		(millions)		(millions)	
Foreign currency sold						
US dollars sold for sterling	$ 212	$1.57 = £1	$ 91	$1.53 = £1	$ —	—
Euro sold for US dollars	60	€1 = $1.33	37	€1 = $1.36	—	—
Japanese yen sold for US dollars	23	¥ 88.08=$1	12	¥ 97.98 = $1	—	—
Total	$ 295		$ 140		$ —	
Fair Value [(i)]	$ 13		$ 8		$ —	

	Settlement date before December 31,					
	2013		2014		2015	
December 31, 2012	Contract amount	Average contractual exchange rate	Contract amount	Average contractual exchange rate	Contract amount	Average contractual exchange rate
	(millions)		(millions)		(millions)	
Foreign currency sold						
US dollars sold for sterling	$ 167	$1.59 = £1	$ 88	$1.60 = £1	$ —	—
Euro sold for US dollars	55	€1 = $1.36	—	—	—	—
Japanese yen sold for US dollars	22	¥ 81.72=$1	10	¥ 79.02=$1	—	—
Total	$ 244		$ 98		$ —	
Fair Value [(i)]	$ 7		$ 2		$ —	

(i) Represents the difference between the contract amount and the cash flow in US dollars which would have been receivable had the foreign currency forward exchange contracts been entered into on December 31, 2013 or 2012 at the forward exchange rates prevailing at that date.

Income earned within foreign subsidiaries outside of the UK is generally offset by expenses in the same local currency but the Company does have exposure to foreign exchange movements on the net income of these entities.

Interest rate risk management

Our operations are financed principally by $2,054 million fixed rate senior notes issued by the Group and $274 million under a 7-year term loan facility. Of the fixed rate senior notes, $148 million are due 2015, $300 million are due 2016, $394 million are due 2017, $187 million are due 2019, $500 million are due 2021, $250 million are due 2023, and $275 million are due 2043. The 7-year term loan facility is repayable in quarterly installments and a final repayment of $186 million is due in the second quarter of 2018. As of December 31, 2013 we had access to $822 million under three revolving credit facilities and, as at this date, no amount was outstanding under those facilities. The interest rate applicable to the bank borrowing is variable according to the period of each individual drawdown.

We are also subject to market risk from exposure to changes in interest rates based on our investing activities where our primary interest rate risk arises from changes in short-term interest rates in both US dollars and pounds sterling.

Market risk

As a result of our operating activities, we receive cash for premiums and claims which we deposit in short-term investments denominated in US dollars and other currencies. We earn interest on these funds, which is included in our consolidated financial statements as investment income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity. In order to manage interest rate risk arising from these financial assets, we entered into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest in the various currencies related to the short-term investments. The use of interest rate contracts essentially converted groups of short-term variable rate investments to fixed rates. However, in the fourth quarter of 2011, we stopped renewing hedged positions on their maturity given the flat yield curve environment. Further to this, during second quarter 2012, the Company closed out its legacy position for these interest rate swap contracts.

During the year ended December 31, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company had previously designated these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015 and had accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting. During the three months ended September 30, 2013 the Company closed out the above interest rate swaps and received a cash settlement of $13 million on termination.

The table below provides information about our derivative instruments and other financial instruments that are sensitive to changes in interest rates. For interest rate swaps, the table presents notional principal amounts and average interest rates analyzed by expected maturity dates. Notional principal amounts are used to calculate the contractual payments to be exchanged under the contracts. The duration of interest rate swaps varied between one and five years, with re-fixing periods of three to six months. Average fixed and variable rates are, respectively, the weighted-average actual and market rates for the interest rate hedges in place. Market rates are the rates prevailing at December 31, 2013 or 2012, as appropriate.

	Expected to mature before December 31,							
December 31, 2013	2014	2015	2016	2017	2018	Thereafter	Total	Fair Value[i]
	($ millions, except percentages)							
Fixed rate debt								
Principal ($)		148	300	394		1,212	2,054	2,185
Fixed rate payable		5.625%	4.125%	6.200%		5.796%	5.617%	
Floating rate debt								
Principal ($)	15	17	23	23	196		274	274
Variable rate payable	1.84%	2.45%	3.51%	4.36%	4.73%		4.52%	

	Expected to mature before December 31,							
December 31, 2012	2013	2014	2015	2016	2017	Thereafter	Total	Fair Value [i]
	($ millions, except percentages)							
Fixed rate debt								
Principal ($)			350	300	600	800	2,050	2,302
Fixed rate payable			5.625%	4.125%	6.200%	6.219%	5.805%	
Floating rate debt								
Principal ($)	15	15	17	242			289	289
Variable rate payable	1.89%	2.05%	2.34%	3.00%			2.93%	
Interest rate swaps								
Fixed to Variable								
Principal ($)				350			350	22
Fixed rate receivable				2.71%			2.71%	
Variable rate payable				0.75%			0.75%	

(i) Represents the net present value of the expected cash flows discounted at current market rates of interest or quoted market rates as appropriate.

Liquidity Risk

Our objective is to ensure we have the ability to generate sufficient cash either from internal or external sources, in a timely and cost-effective manner, to meet our commitments as they fall due. Our management of liquidity risk is embedded within our overall risk management framework. Scenario analysis is continually undertaken to ensure that our resources can meet our liquidity requirements. These resources are supplemented by access to $822 million under three revolving credit facilities. We undertake short-term foreign exchange swaps for liquidity purposes.

See ‘Liquidity and Capital Resources’ section under Item 7, 'Management’s Discussion and Analysis of Financial Condition and Results of Operations'.

Credit Risk and Concentrations of Credit Risk

Credit risk represents the loss that would be recognized at the reporting date if counterparties failed to perform as contracted and from movements in interest rates and foreign exchange rates. The Company currently does not anticipate non-performance by its counterparties. The Company generally does not require collateral or other security to support financial instruments with credit risk; however, it is the Company's policy to enter into master netting arrangements with counterparties as practical.

Concentrations of credit risk that arise from financial instruments exist for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Financial instruments on the balance sheet that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and derivatives which are recorded at fair value.

The Company maintains a policy providing for the diversification of cash and cash equivalent investments and places such investments in an extensive number of financial institutions to limit the amount of credit risk exposure. These financial institutions are monitored on an ongoing basis for credit quality predominantly using information provided by credit agencies.

Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the Company does business, as well as the dispersion across many geographic areas. Management does not believe significant risk exists in connection with the Company's concentrations of credit as of December 31, 2013.

Item 8 — Financial Statements and Supplementary Data

Index to Consolidated Financial Statements and Supplementary Data

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Willis Group Holdings Public Limited Company
Dublin, Ireland

We have audited the accompanying consolidated balance sheets of Willis Group Holdings Public Limited Company and subsidiaries (the 'Company') as of December 31, 2013 and 2012, and the related consolidated statements of operations, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended December 31, 2013. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). 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 Willis Group Holdings Public Limited Company and subsidiaries as of December 31, 2013 and 2012, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2013, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Notes 30 to 32 the the financial statements, the 2012 and 2011 financial statements have been restated to be in accordance with the principles for presentation of condensed consolidating financial information contained in the United States Code of Federation Regulations (17 CFR Part 210) Regulations S-X, Article 3-10.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company's internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2014 expressed an unqualified opinion on the Company's internal control over financial reporting.

/s/ Deloitte LLP
London, United Kingdom
February 27, 2014

CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	2013	2012	2011
		Years ended December 31, (millions, except per share data)		
REVENUES				
Commissions and fees		$ 3,633	$ 3,458	$ 3,414
Investment income		15	18	31
Other income		7	4	2
Total revenues		3,655	3,480	3,447
EXPENSES				
Salaries and benefits	3	(2,207)	(2,475)	(2,087)
Other operating expenses		(616)	(581)	(656)
Depreciation expense	12	(94)	(79)	(74)
Amortization of intangible assets	14	(55)	(59)	(68)
Goodwill impairment charge	13	—	(492)	—
Net gain (loss) on disposal of operations	6	2	(3)	4
Total expenses		(2,970)	(3,689)	(2,881)
OPERATING INCOME (LOSS)		685	(209)	566
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs		—	—	(171)
Loss on extinguishment of debt	20	(60)	—	—
Interest expense	20	(126)	(128)	(156)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES		499	(337)	239
Income taxes	7	(122)	(101)	(32)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES		377	(438)	207
Interest in earnings of associates, net of tax	15	—	5	12
INCOME (LOSS) FROM CONTINUING OPERATIONS		377	(433)	219
Discontinued operations, net of tax	8	—	—	1
NET INCOME (LOSS)		377	(433)	220
Less: net income attributable to noncontrolling interests		(12)	(13)	(16)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS		$ 365	$ (446)	$ 204
AMOUNTS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS SHAREHOLDERS				
Income (loss) from continuing operations, net of tax		$ 365	$ (446)	$ 203
Income from discontinued operations, net of tax		—	—	1
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS		$ 365	$ (446)	$ 204
BASIC EARNINGS PER SHARE	9			
— Continuing operations		$ 2.07	$ (2.58)	$ 1.17
DILUTED EARNINGS PER SHARE	9			
— Continuing operations		$ 2.04	$ (2.58)	$ 1.15
CASH DIVIDENDS DECLARED PER SHARE		$ 1.12	$ 1.08	$ 1.04

The accompanying notes are an integral part of these consolidated financial statements.

Willis Group Holdings plc

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Years ended December 31, 2013	2012	2011
		(millions)		
Net income (loss)		$ 377	$ (433)	$ 220
Other comprehensive income (loss), net of tax:				
Foreign currency translation adjustments		20	46	(29)
Pension funding adjustment:				
Foreign currency translation on pension funding adjustment		(10)	(22)	8
Net actuarial gain (loss)		85	(167)	(208)
Prior service gain		—	—	7
Amortization of unrecognized actuarial loss		46	38	25
Amortization of unrecognized prior service gain		(4)	(5)	(4)
		117	(156)	(172)
Derivative instruments:				
Gain on interest rate swaps (effective element)		—	2	10
Interest rate swap reclassification adjustment		(4)	(4)	(10)
Gain on forward exchange contracts (effective element)		8	9	2
Forward exchange contracts reclassification adjustment		1	(3)	(5)
Gain on treasury lock (effective element)		15	—	—
		20	4	(3)
Other comprehensive income (loss), net of tax	23	157	(106)	(204)
Comprehensive income (loss)		534	(539)	16
Less: Comprehensive income attributable to noncontrolling interests		(12)	(13)	(15)
Comprehensive income (loss) attributable to Willis Group Holdings		$ 522	$ (552)	$ 1

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

	Note	December 31, 2013	December 31, 2012
		(millions, except share data)	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 796	$ 500
Accounts receivable, net		1,041	933
Fiduciary assets	11	8,412	9,271
Deferred tax assets	7	15	13
Other current assets	16	197	181
Total current assets		10,461	10,898
NON-CURRENT ASSETS			
Fixed assets, net	12	481	468
Goodwill	13	2,838	2,827
Other intangible assets, net	14	353	385
Investments in associates	15	176	174
Deferred tax assets	7	7	18
Pension benefits asset	19	278	136
Other non-current assets	16	206	206
Total non-current assets		4,339	4,214
TOTAL ASSETS		$ 14,800	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Fiduciary liabilities		$ 8,412	$ 9,271
Deferred revenue and accrued expenses		586	541
Income taxes payable		21	19
Short-term debt and current portion of long-term debt	20	15	15
Deferred tax liabilities	7	25	21
Other current liabilities	17	415	327
Total current liabilities		9,474	10,194
NON-CURRENT LIABILITIES			
Long-term debt	20	2,311	2,338
Liability for pension benefits	19	136	282
Deferred tax liabilities	7	56	18
Provisions for liabilities	21	206	180
Other non-current liabilities	17	374	375
Total non-current liabilities		3,083	3,193
Total liabilities		12,557	13,387

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Willis Group Holdings plc

CONSOLIDATED BALANCE SHEETS (Continued)

	Note	December 31, 2013	December 31, 2012
		(millions, except share data)	
COMMITMENTS AND CONTINGENCIES	22		
EQUITY			
Ordinary shares, $0.000115 nominal value; Authorized: 4,000,000,000; Issued 178,861,250 shares in 2013 and 173,178,733 shares in 2012		—	—
Ordinary shares, €1 nominal value; Authorized: 40,000; Issued 40,000 shares in 2013 and 2012		—	—
Preference shares, $0.000115 nominal value; Authorized: 1,000,000,000; Issued nil shares in 2013 and 2012		—	—
Additional paid-in capital		1,316	1,125
Retained earnings		1,595	1,427
Accumulated other comprehensive loss, net of tax	23	(693)	(850)
Treasury shares, at cost, 46,408 shares in 2013 and 2012, and 40,000 shares, €1 nominal value, in 2013 and 2012		(3)	(3)
Total Willis Group Holdings stockholders' equity		2,215	1,699
Noncontrolling interests	24	28	26
Total equity		2,243	1,725
TOTAL LIABILITIES AND EQUITY		$ 14,800	$ 15,112

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	2013	2012	2011
		Years ended December 31,		
		(millions)		
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income (loss)		$ 377	$ (433)	$ 220
Adjustments to reconcile net income to total net cash provided by operating activities:				
Income from discontinued operations		—	—	(1)
Goodwill impairment		—	492	—
Net gain on disposal of operations, fixed and intangible assets		(7)	—	(6)
Depreciation expense	12	94	79	74
Amortization of intangible assets	14	55	59	68
Amortization and write-off of cash retention awards	3	6	416	185
Net periodic cost of defined benefit pension plans	19	(4)	2	11
Provision for doubtful accounts	18	3	16	4
Provision for deferred income taxes		39	54	17
Gain on derivative instruments		18	11	3
Excess tax benefits from share-based payment arrangements		(2)	(2)	(5)
Share-based compensation	4	42	32	41
Tender premium included in loss on extinguishment of debt	20	65	—	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs		—	—	171
Undistributed earnings of associates		8	(2)	(5)
Effect of exchange rate changes on net income		(4)	(14)	14
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:				
Accounts receivable		(116)	(17)	(92)
Fiduciary assets		804	111	162
Fiduciary liabilities		(804)	(111)	(162)
Cash incentives paid		(346)	(323)	(310)
Funding of defined benefit pension plans	19	(150)	(143)	(135)
Other assets		14	(1)	70
Other liabilities		445	319	101
Movement on provisions		24	(20)	16
Net cash provided by continuing operating activities		561	525	441
Net cash used in discontinued operating activities		—	—	(2)
Total net cash provided by operating activities		561	525	439

(Continued on next page)

Willis Group Holdings plc

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Note	Years ended December 31, 2013	2012	2011
		(millions)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of fixed and intangible assets		12	5	13
Additions to fixed assets		(112)	(135)	(111)
Additions to intangible assets		(7)	(2)	—
Acquisitions of subsidiaries, net of cash acquired		(30)	(33)	(10)
Acquisition of investments in associates		—	—	(2)
Payments to acquire other investments		(7)	(7)	(5)
Proceeds from sale of associates		4	—	—
Proceeds from sale of operations, net of cash disposed		20	—	14
Net cash used in continuing investing activities		(120)	(172)	(101)
CASH FLOWS FROM FINANCING ACTIVITIES				
Repayment of revolving credit facility		—	—	(90)
Senior notes issued	20	522	—	794
Debt issuance costs		(8)	—	(12)
Repayments of debt	20	(536)	(15)	(911)
Tender premium on extinguishment of senior notes	20	(65)	—	—
Proceeds from issue of term loan		—	—	300
Proceeds from issue of other debt		—	1	—
Make-whole on repurchase and redemption of senior notes		—	—	(158)
Repurchase of shares		—	(100)	—
Proceeds from issue of shares		155	53	60
Excess tax benefits from share-based payment arrangements		2	2	5
Dividends paid		(193)	(185)	(180)
Proceeds from sale of noncontrolling interests		—	3	—
Acquisition of noncontrolling interests		(4)	(39)	(9)
Dividends paid to noncontrolling interests		(10)	(11)	(13)
Net cash used in continuing financing activities		(137)	(291)	(214)
INCREASE IN CASH AND CASH EQUIVALENTS		304	62	124
Effect of exchange rate changes on cash and cash equivalents		(8)	2	(4)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		500	436	316
CASH AND CASH EQUIVALENTS, END OF YEAR		$ 796	$ 500	$ 436

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Note	December 31, 2013	2012	2011
		(millions, except share data)		
SHARES OUTSTANDING (thousands)				
Balance, beginning of year		173,179	173,830	170,884
Shares issued		—	24	—
Shares repurchased		—	(2,797)	—
Exercise of stock options and release of non-vested shares		5,682	2,122	2,946
Balance, end of year		178,861	173,179	173,830
ADDITIONAL PAID-IN CAPITAL				
Balance, beginning of year		$ 1,125	$ 1,073	$ 985
Issue of shares under employee stock compensation plans and related tax benefits		153	50	49
Issue of shares for acquisitions		—	1	—
Share-based compensation		42	32	39
Acquisition of noncontrolling interests		(4)	(31)	—
Disposal of noncontrolling interests		—	2	—
Foreign currency translation		—	(2)	—
Balance, end of year		1,316	1,125	1,073
RETAINED EARNINGS				
Balance, beginning of year		1,427	2,160	2,136
Net income (loss) attributable to Willis Group Holdings		365	(446)	204
Dividends		(197)	(187)	(180)
Repurchase of shares		—	(100)	—
Balance, end of year		1,595	1,427	2,160
ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX				
Balance, beginning of year		(850)	(744)	(541)
Other comprehensive income (loss)	23	157	(106)	(203)
Balance, end of year		(693)	(850)	(744)
TREASURY SHARES				
Balance, beginning of year		(3)	(3)	(3)
Balance, end of year		(3)	(3)	(3)
TOTAL WILLIS GROUP HOLDINGS SHAREHOLDERS' EQUITY		$ 2,215	$ 1,699	$ 2,486

(Continued on next page)

Willis Group Holdings plc

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Continued)

	Note	December 31, 2013	2012	2011
		(millions, except share data)		
NONCONTROLLING INTERESTS				
Balance, beginning of year		$ 26	$ 31	$ 31
Net income		12	13	16
Dividends		(10)	(11)	(15)
Purchase of subsidiary shares from noncontrolling interests, net		—	(8)	—
Additional noncontrolling interests		—	1	—
Foreign currency translation		—	—	(1)
Balance, end of year		28	26	31
TOTAL EQUITY		$ 2,243	$ 1,725	$ 2,517

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Willis provides a broad range of insurance and reinsurance broking and risk management consulting services to its clients worldwide, both directly and indirectly through its associates. The Company provides both specialized risk management advisory and consulting services on a global basis to clients engaged in specific industrial and commercial activities, and services to small, medium and large corporations through its retail operations.

In its capacity as an advisor, insurance and reinsurance broker, the Company acts as an intermediary between clients and insurance carriers by advising clients on risk management requirements, helping clients determine the best means of managing risk, and negotiating and placing insurance risk with insurance carriers through the Company's global distribution network.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Recent Accounting Pronouncements

Other Comprehensive Income

In June 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-05, Presentation of Comprehensive Income to revise the manner in which entities present comprehensive income in their financial statements. These changes require that components of comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.This guidance is effective for interim and annual periods beginning after December 15, 2011 and has been applied retrospectively.

ASU No. 2011-05 also requires entities to present on the face of the financial statements reclassification adjustments for items that are reclassified from other comprehensive income to net income in the statement(s) where the components of net income and the components of other comprehensive income are presented. In December 2011, the FASB issued ASU No. 2011-12 in order to defer those changes in ASU No. 2011-05 that relate to the presentation of reclassification adjustments. In February 2013, the FASB issued ASU No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive (ASU 2013-02). This guidance is the culmination of the FASB's deliberation on reporting reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income but do require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This guidance is effective for interim and annual periods beginning after December 15, 2012 and has been applied retrospectively.

Presentation of Unrecognized Tax Benefits

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss or a Tax Credit Carryforward Exists a consensus of the FASB Emerging Issues Task Force. The ASU does not affect the recognition or measurement of uncertain tax positions under US GAAP.

However, under the ASU, unrecognized tax benefits, or portions of unrecognised tax benefits, must be presented in the financial statements as a reduction to deferred tax assets when a net operating loss carryforward, a similar tax loss or a tax credit carryforward exists except when:

- a net operating loss carryforward, a similar tax loss or a tax credit carryfoward is not available at the reporting date under the governing tax laws to settle taxes that would result from the disallowance of the tax position; or
- the entity does not intend to use the deferred tax asset for this purpose, provided that the tax law permits a choice.

If either of these conditions exists, an entity should present an unrecognized tax benefit in the financial statements as a liability and should not net the unrecognized tax benefit with a deferred tax asset.

Willis Group Holdings plc

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

The amendments under the ASU:

- are effective prospectively for annual and interim periods beginning after December 15, 2013 although early adoption is permitted; and
- should be applied to all unrecognized tax benefits that exist as of the effective date although entities may choose to apply the amendments retrospectively to each prior reporting period presented.

The Company has decided to not adopt this guidance early. However, as an indication of the likely balance sheet reclassification based on the position at December 31, 2013, the Company had recognized $22 million of unrecognized tax benefits within Other non-current liabilities that would be reclassified to Non-current deferred tax assets. The Company has not yet determined whether it will apply the amendments to the prior reporting period for its first quarter 2014 reporting.

Significant Accounting Policies

These consolidated financial statements conform to accounting principles generally accepted in the United States of America (‘US GAAP’). Presented below are summaries of significant accounting policies followed in the preparation of the consolidated financial statements.

Certain reclassifications have been made to prior year amounts to conform to current year presentation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Willis Group Holdings and its subsidiaries, which are controlled through the ownership of a majority voting interest. Intercompany balances and transactions have been eliminated on consolidation.

Foreign Currency Translation

Transactions in currencies other than the functional currency of the entity are recorded at the rates of exchange prevailing at the date of the transaction. Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and the related transaction gains and losses are reported in the statements of operations. Certain intercompany loans are determined to be of a long-term investment nature. The Company records transaction gains and losses from remeasuring such loans as a component of other comprehensive income.

Upon consolidation, the results of operations of subsidiaries and associates whose functional currency is other than the US dollar are translated into US dollars at the average exchange rate and assets and liabilities are translated at year-end exchange rates. Translation adjustments are presented as a separate component of other comprehensive income in the financial statements and are included in net income only upon sale or liquidation of the underlying foreign subsidiary or associated company.

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities as of the dates of the financial statements and the reported amounts of revenues and expenses during the year. In the preparation of these consolidated financial statements, estimates and assumptions have been made by management concerning: the valuation of intangible assets and goodwill (including those acquired through business combinations); the selection of useful lives of fixed and intangible assets; impairment testing; provisions necessary for accounts receivable, commitments and contingencies and accrued liabilities; long-term asset returns, discount rates and mortality rates in order to estimate pension liabilities and pension expense; income tax valuation allowances; and other similar evaluations. Actual results could differ from the estimates underlying these consolidated financial statements.

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of time deposits with original maturities of three months or less.

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Assets and Fiduciary Liabilities

In its capacity as an insurance agent or broker, the Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurers; the Company also collects claims or refunds from insurers which it then remits to insureds.

Fiduciary Receivables

Fiduciary receivables represent uncollected premiums from insureds and uncollected claims or refunds from insurers.

Fiduciary Funds

Fiduciary funds represent unremitted premiums received from insureds and unremitted claims or refunds received from insurers. Fiduciary funds are generally required to be kept in certain regulated bank accounts subject to guidelines which emphasize capital preservation and liquidity. Such funds are not available to service the Company’s debt or for other corporate purposes. Notwithstanding the legal relationships with insureds and insurers, the Company is entitled to retain investment income earned on fiduciary funds in accordance with industry custom and practice and, in some cases, as supported by agreements with insureds.

In certain instances, the Company advances premiums, refunds or claims to insurance underwriters or insureds prior to collection. Such advances are made from fiduciary funds and are reflected in the accompanying consolidated balance sheets as fiduciary assets.

Fiduciary Liabilities

The obligations to remit these funds to insurers or insureds are recorded as fiduciary liabilities on the Company’s consolidated balance sheets. The period for which the Company holds such funds is dependent upon the date the insured remits the payment of the premium to the Company and the date the Company is required to forward such payment to the insurer. Balances arising from insurance brokerage transactions are reported as separate assets or liabilities.

Accounts Receivable

Accounts receivable are stated at estimated net realizable values. Allowances are recorded, when necessary, in an amount considered by management to be sufficient to meet probable future losses related to uncollectible accounts.

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Expenditures for improvements are capitalized; repairs and maintenance are charged to expenses as incurred. Depreciation is computed using the straight-line method based on the estimated useful lives of assets.

Depreciation on buildings and long leaseholds is calculated over the lesser of 50 years or the lease term. Depreciation on leasehold improvements is calculated over the lesser of the useful life of the assets or the remaining lease term. Depreciation on furniture and equipment is calculated based on a range of 3 to 10 years. Freehold land is not depreciated.

Recoverability of Fixed Assets

Long-lived assets are tested for recoverability whenever events or changes in circumstance indicate that their carrying amounts may not be recoverable. An impairment loss is recognized if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. Recoverability is determined based on the undiscounted cash flows expected to result from the use and eventual disposition of the asset or asset group. Long-lived assets and certain identifiable intangible assets to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Operating Leases

Rentals payable on operating leases are charged straight line to expenses over the lease term as the rentals become payable.

Willis Group Holdings plc

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of businesses acquired over the fair value of identifiable net assets at the dates of acquisition. The Company reviews goodwill for impairment annually and whenever facts or circumstances indicate that the carrying amounts may not be recoverable. In testing for impairment, the fair value of each reporting unit is compared with its carrying value, including goodwill. If the carrying amount of a reporting unit exceeds its fair value, the amount of an impairment loss, if any, is calculated by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill.

Acquired intangible assets are amortized over the following periods:

	Amortization basis	Expected life (years)
Acquired other intangible assets	Straight line	10
Acquired client relationships	In line with underlying cashflows	10 to 20
Acquired non-compete agreements	Straight line	5
Acquired trade names	Straight line	3 to 4

Amortizable intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable.

Investments in Associates

Investments are accounted for using the equity method of accounting if the Company has the ability to exercise significant influence, but not control, over the investee. Significant influence is generally deemed to exist if the Company has an equity ownership in the voting stock of the investee between 20 and 50 percent, although other factors, such as representation on the Board of Directors and the impact of commercial arrangements, are considered in determining whether the equity method of accounting is appropriate. Under the equity method of accounting the investment is carried at cost of acquisition, plus the Company's equity in undistributed net income since acquisition, less any dividends received since acquisition.

The Company periodically reviews its investments in associates for which fair value is less than cost to determine if the decline in value is other than temporary. If the decline in value is judged to be other than temporary, the cost basis of the investment is written down to fair value. The amount of any write-down is included in the statements of operations as a realized loss.

All other equity investments where the Company does not have the ability to exercise significant influence are accounted for by the cost method. Such investments are not publicly traded.

Derivative Financial Instruments

The Company uses derivative financial instruments for other than trading purposes to alter the risk profile of an existing underlying exposure. Interest rate swaps are used to manage interest risk exposures. Forward foreign currency exchange contracts are used to manage currency exposures arising from future income and expenses. The fair values of derivative contracts are recorded in other assets and other liabilities. The effective portions of changes in the fair value of derivatives that qualify for hedge accounting as cash flow hedges are recorded in other comprehensive income. Amounts are reclassified from other comprehensive income into earnings when the hedged exposure affects earnings. If the derivative is designated as and qualifies as an effective fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are both recognized in earnings. The amount of hedge ineffectiveness recognized in earnings is based on the extent to which an offset between the fair value of the derivative and hedged item is not achieved. Changes in fair value of derivatives that do not qualify for hedge accounting, together with any hedge ineffectiveness on those that do qualify, are recorded in other operating expenses or interest expense as appropriate.

Income Taxes

The Company recognizes deferred tax assets and liabilities for the estimated future tax consequences of events attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating and capital loss and tax credit carry forwards. Deferred tax assets and liabilities are measured using enacted rates in effect for the year in which the differences are expected to be recovered or settled. The effect on deferred tax assets and

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

liabilities of changes in tax rates is recognized in the statement of operations in the period in which the change is enacted. Deferred tax assets are reduced through the establishment of a valuation allowance at such time as, based on available evidence, it is more likely than not that the deferred tax assets will not be realized. The Company adjusts valuation allowances to measure deferred tax assets at the amount considered realizable in future periods if the Company's facts and assumptions change. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

Positions taken in the Company's tax returns may be subject to challenge by the taxing authorities upon examination. The Company recognizes the benefit of uncertain tax positions in the financial statements when it is more likely than not that the position will be sustained on examination by the tax authorities upon lapse of the relevant statute of limitations, or when positions are effectively settled. The benefit recognized is the largest amount of tax benefit that is greater than 50 percent likely to be realized on settlement with the tax authority, assuming full knowledge of the position and all relevant facts. The Company adjusts its recognition of these uncertain tax benefits in the period in which new information is available impacting either the recognition or measurement of its uncertain tax positions. These differences will be reflected as increases or decreases to income tax expense in the period in which they are determined.

Changes in tax laws and rates could also affect recorded deferred tax assets and liabilities in the future. Management is not aware of any such changes that would have a material effect on the Company's results of operations, cash flows or financial position.

The Company recognizes interest and penalties relating to unrecognized tax benefits within income taxes.

Provisions for Liabilities

The Company is subject to various actual and potential claims, lawsuits and other proceedings. The Company records liabilities for such contingencies including legal costs when it is probable that a liability has been incurred before the balance sheet date and the amount can be reasonably estimated. To the extent such losses can be recovered under the Company's insurance programs, estimated recoveries are recorded when losses for insured events are realized. Significant management judgment is required to estimate the amounts of such contingent liabilities and the related insurance recoveries. The Company analyzes its litigation exposure based on available information, including consultation with outside counsel handling the defense of these matters, to assess its potential liability. Contingent liabilities are not discounted.

Pensions

The Company has two principal defined benefit pension plans which cover approximately half of employees in the United States and United Kingdom. Both these plans are now closed to new entrants. New employees in the United Kingdom are offered the opportunity to join a defined contribution plan and in the United States are offered the opportunity to join a 401(k) plan. In addition, there are smaller plans in certain other countries in which the Company operates, including a non-qualified plan in the United States. Elsewhere, pension benefits are typically provided through defined contribution plans.

Defined benefit plans

The net periodic cost of the Company's defined benefit plans are measured on an actuarial basis using the projected unit credit method and several actuarial assumptions the most significant of which are the discount rate and the expected long-term rate of return on plan assets. Other material assumptions include rates of participant mortality, the expected long-term rate of compensation and pension increases and rates of employee termination. Gains and losses occur when actual experience differs from actuarial assumptions. If such gains or losses exceed ten percent of the greater of plan assets or plan liabilities the Company amortizes those gains or losses over the average remaining service period or average remaining life expectancy as appropriate of the plan participants.

In accordance with US GAAP the Company records on the balance sheet the funded status of its pension plans based on the projected benefit obligation.

Willis Group Holdings plc

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Defined contribution plans

Contributions to the Company's defined contribution plans are recognized as they fall due. Differences between contributions payable in the year and contributions actually paid are shown as either other assets or other liabilities in the consolidated balance sheets.

Share-Based Compensation

The Company accounts for share-based compensation as follows:

- the cost resulting from all equity awards is recognized in the financial statements at fair value estimated at the grant date;
- the fair value is recognized (generally as compensation cost) over the requisite service period for all awards that vest; and
- compensation cost is not recognized for awards that do not vest because service or performance conditions are not satisfied.

Revenue Recognition

Revenue includes insurance commissions, fees for services rendered, certain commissions receivable from insurance carriers, investment income and other income.

Brokerage income and fees negotiated in lieu of brokerage are recognized at the later of policy inception date or when the policy placement is complete. Commissions on additional premiums and adjustments are recognized when approved by or agreed between the parties and collectability is reasonably assured.

Fees for risk management and other services are recognized as the services are provided. Consideration for negotiated fee arrangements for an agreed period covering multiple insurance placements, the provision of risk management and/or other services are allocated to all deliverables on the basis of their relative selling prices. The Company establishes contract cancellation reserves where appropriate: at December 31, 2013, 2012 and 2011, such amounts were not material.

During the year ended December 31, 2013, the Company aligned the recognition of revenue in China and its North America Personal Lines business with the rest of the Group. The impact of these realignments was not material for prior periods and, consequently, the impacts of the realignments have been made in 2013.

Investment income is recognized as earned.

Other income comprises gains on disposal of intangible assets, which primarily arise on the disposal of books of business. Although the Company is not in the business of selling intangible assets, from time to time the Company will dispose of a book of business (a customer list) or other intangible assets that do not produce adequate margins or fit with the Company's strategy.

3. EMPLOYEES

The average number of persons, including Executive Directors, employed by the Company is as follows:

	Years ended December 31,		
	2013	2012	2011
Global	4,545	4,304	4,042
North America	6,334	6,323	6,479
International	7,072	6,843	6,634
Total Retail	13,406	13,166	13,113
Total average number of employees for the year	17,951	17,470	17,155

Salaries and benefits expense comprises the following:

3. EMPLOYEES (Continued)

	Years ended December 31,		
	2013	2012	2011
	(millions)		
Salaries and other compensation awards including amortization and write-off of cash retention awards of $6 million, $416 million and $185 million (see below)	$ 1,953	$ 2,258	$ 1,776
Share-based compensation	42	32	41
Severance costs	32	6	89
Social security costs	135	133	130
Retirement benefits — defined benefit plan (income) expense	(4)	2	11
Retirement benefits — defined contribution plan expense	49	44	40
Total salaries and benefits expense	$ 2,207	$ 2,475	$ 2,087

Severance Costs

Severance costs arise in the normal course of business and these charges amounted to $4 million in the year ended December 31, 2013 (2012: $6 million; 2011: $nil).

During the year ended December 31, 2013, the Company incurred additional salaries and benefits costs of $29 million of which $28 million related to severance costs, in relation to an Expense Reduction Initiative in the first quarter. These costs related to 207 positions that have been eliminated.

During 2011, the Company incurred additional severance costs of $89 million relating to the Company's 2011 Operational Review. These costs relate to approximately 1,200 positions that were eliminated.

Cash Retention Awards

For the past several years, certain cash retention awards under the Company's annual incentive programs included a feature which required the recipient to repay a proportionate amount of the annual award if the employee voluntarily left the Company before a specified date, which was generally three years following the award. As previously disclosed, the Company made the cash payment to the recipient in the year of grant and recognized the payment in expense ratably over the period it was subject to repayment, beginning in the quarter in which the award was made. The unamortized portion of cash retention awards was recorded within 'other current assets' and 'other non-current assets' in the consolidated balance sheet.

The following table sets out the amount of cash retention awards made and the related amortization of those awards for the years ended December 31, 2013, 2012 and 2011:

	Years ended December 31,		
	2013	2012	2011
	(millions)		
Cash retention awards made	$ 12	$ 221	$ 210
Amortization of cash retention awards included in salaries and benefits	6	216	185

In December 2012, the Company decided to eliminate the repayment requirement from the past annual cash retention awards and, as a result, recognized a one-time, non-cash, pre-tax charge of $200 million which represented the write-off of the unamortized balance of past awards at that date.

There were however, a number of off-cycle awards with a fixed guarantee attached, for which the Company has not waived the repayment requirement. The unamortized portion of retention awards amounted to $15 million at December 31, 2013 (2012: $9 million; 2011: $196 million).

In addition, in 2012, the Company replaced annual cash retention awards with annual cash bonuses which did not include a repayment requirement. As at December 31, 2012, the Company had accrued $252 million for these bonuses.

4. SHARE-BASED COMPENSATION

On December 31, 2013, the Company had a number of open share-based compensation plans, which provide for the grant of time-based options and performance-based options, time-based restricted stock units and performance-based restricted stock units, and various other share-based grants to employees. All of the Company's share-based compensation plans under which any options, restricted stock units or other share-based grants are outstanding as at December 31, 2013 are described below. The compensation cost that has been recognized for those plans for the year ended December 31, 2013 was $42 million (2012: $32 million; 2011: $41 million). The total income tax benefit recognized in the statement of operations for share-based compensation arrangements for the year ended December 31, 2013 was $9 million (2012: $9 million; 2011: $11 million).

2012 Equity Incentive Plan

This plan, which was established on April 25, 2012, provides for the granting of ISOs, time-based or performance-based non-statutory stock options, share appreciation rights ('SARs'), restricted shares, time-based or performance-based restricted share units ('RSUs'), performance-based awards and other share-based grants or any combination thereof (collectively referred to as 'Awards') to employees, officers, directors and consultants ('Eligible Individuals') of the Company and any of its subsidiaries (the 'Willis Group'). The Board of Directors also adopted a sub-plan under the 2012 plan to provide an employee sharesave scheme in the UK.

There are 13,776,935 shares available for grant under this plan. In addition, Shares subject to awards that were granted under the Willis Group Holdings 2008 Share Purchase and Option Plan, that terminate, expire or lapse for any reason will be made available for future Awards under this Plan. Options are exercisable on a variety of dates, including from the second, third, fourth or fifth anniversary of grant. Unless terminated sooner by the Board of Directors, the 2012 Plan will expire 10 years after the date of its adoption. That termination will not affect the validity of any grants outstanding at that date.

2008 Share Purchase and Option Plan

This plan, which was established on April 23, 2008, provides for the granting of time and performance-based options, restricted stock units and various other share-based grants at fair market value to employees of the Company. The 2008 plan was terminated as at April 25, 2012 and no further grants will be made under this plan. Any shares available for grant under the 2008 plan were included in the 2012 Equity Incentive Plan availability.

Options are exercisable on a variety of dates, including from the third, fourth or fifth anniversary of grant.

2001 Share Purchase and Option Plan

This plan, which was established on May 3, 2001, provides for the granting of time-based options, restricted stock units and various other share-based grants at fair market value to employees of the Company. The Board of Directors has adopted several sub-plans under the 2001 plan to provide employee sharesave schemes in the UK, Ireland and internationally. The 2001 Plan (and all sub-plans) expired on May 3, 2011 and no further grants will be made under the plan. Options are exercisable on a variety of dates, including from the first, second, third, sixth or eighth anniversary of grant, although for certain options the exercisable date may accelerate depending on the achievement of certain performance goals.

HRH Option Plans

Options granted under the Hilb Rogal and Hamilton Company 2000 Stock Incentive Plan ('HRH 2000 Plan') and the Hilb Rogal & Hobbs Company 2007 Stock Incentive Plan (the 'HRH 2007 Plan') were converted into options to acquire shares of Willis Group Holdings. No further grants are to be made under the HRH 2000 Plan. Willis is authorized to grant equity awards under the HRH 2007 Plan until 2017 to employees who were formerly employed by HRH and to new employees who have joined Willis or one of its subsidiaries since October 1, 2008, the date that the acquisition of HRH was completed.

Employee Stock Purchase Plans

The Company has adopted the Willis Group Holdings 2001 North America Employee Share Purchase Plan, which expired on May 31, 2011 and the Willis Group Holdings 2010 North America Employee Stock Purchase Plan, which expires on May 31, 2020. They provide certain eligible employees to the Company's subsidiaries in the US and Canada the ability to contribute payroll deductions to the purchase of Willis Shares at the end of each offering period.

4. SHARE-BASED COMPENSATION (Continued)

Option Valuation Assumptions

The fair value of each option is estimated on the date of grant using the Black-Scholes option pricing model that uses the assumptions noted in the following table. Expected volatility is based on historical volatility of the Company's stock. The Company uses the simplified method set out in Accounting Standard Codification ('ASC') 718-10-S99 to derive the expected term of options granted as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term. The risk-free rate for periods within the expected life of the option is based on the US Treasury yield curve in effect at the time of grant.

	Years ended December 31,		
	2013	2012	2011
Expected volatility	24.7%	32.1%	31.4%
Expected dividends	2.6%	3.2%	2.5%
Expected life (years)	4	5	6
Risk-free interest rate	1.5%	0.9%	2.2%

A summary of option activity under the plans at December 31, 2013, and changes during the year then ended is presented below:

(Options in thousands)	Options	Weighted Average Exercise Price[i]	Weighted Average Remaining Contractual Term	Aggregate Intrinsic Value (millions)
Time-based stock options				
Balance, beginning of year	10,152	$ 33.44		
Granted	1,612	$ 42.77		
Exercised	(3,697)	$ 32.10		
Forfeited	(47)	$ 38.42		
Expired	(37)	$ 26.68		
Balance, end of year	7,983	$ 35.95	4 years	$ 71
Options vested or expected to vest at December 31, 2013	7,308	$ 35.99	4 years	$ 64
Options exercisable at December 31, 2013	3,976	$ 35.38	1 year	$ 37
Performance-based stock options				
Balance, beginning of year	6,517	$ 32.19		
Exercised	(1,111)	$ 29.27		
Forfeited	(146)	$ 32.40		
Balance, end of year	5,260	$ 32.80	4 years	$ 63
Options vested or expected to vest at December 31, 2013	4,675	$ 32.61	4 years	$ 57
Options exercisable at December 31, 2013	2,716	$ 31.48	3 years	$ 36

(i) Certain options are exercisable in pounds sterling and are converted to dollars using the exchange rate at December 31, 2013.

The weighted average grant-date fair value of time-based options granted during the year ended December 31, 2013 was $7.74 (2012: $6.98; 2011: $9.49). The total intrinsic value of options exercised during the year ended December 31, 2013 was $32 million (2012: $8 million; 2011: $17 million). At December 31, 2013 there was $20 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements under time-based stock option plans; that cost is expected to be recognized over a weighted average period of 2 years.

There were no performance-based options granted during the year ended December 31, 2013. The weighted average grant-date fair value of performance-based options was $7.61 in the year ended December 31, 2012 (2011: $10.26). The total intrinsic value of options exercised during the year ended December 31, 2013 was $14 million (2012: $5 million; 2011: $1 million). At

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4. SHARE-BASED COMPENSATION (Continued)

December 31, 2013 there was $7 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements under performance-based stock option plans; that cost is expected to be recognized over a weighted-average period of 1 year.

A summary of restricted stock unit activity under the Plans at December 31, 2013, and changes during the year then ended is presented below:

(Units awarded in thousands)	Shares	Weighted Average Grant Date Fair Value
Nonvested shares (restricted stock units)		
Balance, beginning of year	2,525	$ 33.80
Granted	1,377	$ 44.33
Vested	(874)	$ 34.02
Forfeited	(99)	$ 33.09
Balance, end of year	2,929	$ 38.71

The total number of restricted stock units vested during the year ended December 31, 2013 was 873,670 shares at an average share price of $41.10 (2012: 408,005 shares at an average share price of $35.82). At December 31, 2013 there was $82 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements under the plan; that cost is expected to be recognized over a weighted average period of 3 years.

Cash received from option exercises under all share-based payment arrangements for the year ended December 31, 2013 was $155 million (2012: $53 million; 2011: $60 million). The actual tax benefit recognized for the tax deductions from option exercises of the share-based payment arrangements totaled $28 million for the year ended December 31, 2013 (2012: $8 million; 2011: $18 million).

5. AUDITORS' REMUNERATION

An analysis of auditors' remuneration is as follows:

	Years ended December 31,		
	2013	2012	2011
		(millions)	
Audit of group consolidated financial statements	$ 4	$ 4	$ 4
Other assurance services	3	3	3
Other non-audit services	1	1	1
Total auditors' remuneration	$ 8	$ 8	$ 8

6. NET GAIN (LOSS) ON DISPOSAL OF OPERATIONS

A gain on disposal of $2 million is recorded in the consolidated statements of operations for the year ended December 31, 2013. This principally relates to the disposal of an associated undertaking based in Spain.

A loss on disposal of $3 million is recorded in the consolidated statements of operations for the year ended December 31, 2012. This principally relates to the termination of a joint venture arrangement in India.

A gain on disposal of $4 million is recorded in the consolidated statements of operations for the year ended December 31, 2011 following conclusion of the accounting for the Gras Savoye December 2009 leveraged transaction — see Note 15 — 'Investments in Associates'.

7. INCOME TAXES

An analysis of income from continuing operations before income taxes and interest in earnings of associates by location of the taxing jurisdiction is as follows:

	Years ended December 31,		
	2013	2012	2011
		(millions)	
Ireland	$ (52)	$ (47)	$ (39)
US	(11)	(615)	(25)
UK	282	25	(58)
Other jurisdictions	280	300	361
Income (loss) from continuing operations before income taxes and interest in earnings of associates	$ 499	$ (337)	$ 239

The provision for income taxes by location of the taxing jurisdiction consisted of the following:

	Years ended December 31,		
	2013	2012	2011
		(millions)	
Current income taxes:			
US federal tax	$ 7	$ 3	$ 5
US state and local taxes	3	1	1
UK corporation tax	28	2	(37)
Other jurisdictions	45	41	46
Total current taxes	83	47	15
Deferred taxes:			
US federal tax	10	(44)	(6)
US state and local taxes	1	(41)	1
Effect of additional US valuation allowance	2	113	—
UK corporation tax	17	27	20
Other jurisdictions	9	(1)	2
Total deferred taxes	39	54	17
Total income taxes	$ 122	$ 101	$ 32

7. INCOME TAXES (Continued)

The reconciliation between US federal income taxes at the statutory rate and the Company's provision for income taxes on continuing operations is as follows:

	Years ended December 31,		
	2013	2012	2011
	(millions, except percentages)		
Income (loss) from continuing operations before income taxes and interest in earnings of associates	$ 499	$ (337)	$ 239
US federal statutory income tax rate	35%	35%	35%
Income tax expense at US federal tax rate	175	(118)	84
Adjustments to derive effective rate:			
Non-deductible expenditure	19	15	15
Tax impact of internal restructurings	11	—	—
Movement in provision for unrecognized tax benefits	(1)	6	3
Impairment of non-qualifying goodwill	—	137	—
Impact of change in tax rate on deferred tax balances	(4)	(3)	(3)
Adjustment in respect of prior periods	1	6	(13)
Effect of foreign exchange and other differences	1	2	1
Changes in valuation allowances applied to deferred tax assets	—	114	5
Net tax effect of intra-group items	(30)	(31)	(31)
Tax differentials of foreign earnings:			
Foreign jurisdictions	(54)	(12)	(31)
US state taxes and local taxes	4	(15)	2
Provision for income taxes	$ 122	$ 101	$ 32

Willis Group Holdings plc is a non-trading holding company tax resident in Ireland where it is taxed at the statutory rate of 25%. The provision for income tax on continuing operations has been reconciled above to the US federal statutory tax rate of 35% to be consistent with prior periods.

The net tax effect of intra-group items principally relates to transactions, the pre-tax effect of which has been eliminated in arriving at the Company's consolidated income from continuing operations before income taxes.

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7. INCOME TAXES (Continued)

The significant components of deferred income tax assets and liabilities and their balance sheet classifications are as follows:

	December 31, 2013	December 31, 2012
	(millions)	
Deferred tax assets:		
Accrued expenses not currently deductible	$ 153	$ 120
US state net operating losses	70	64
US federal net operating losses	—	28
UK net operating losses	3	—
Other net operating losses	5	8
UK capital losses	43	42
Accrued retirement benefits	47	101
Deferred compensation	37	48
Stock options	25	40
Gross deferred tax assets	383	451
Less: valuation allowance	(196)	(221)
Net deferred tax assets	$ 187	$ 230
Deferred tax liabilities:		
Cost of intangible assets, net of related amortization	$ 120	$ 118
Cost of tangible assets, net of related amortization	44	51
Prepaid retirement benefits	56	35
Accrued revenue not currently taxable	23	29
Cash retention award	—	2
Tax-leasing transactions	—	1
Financial derivative transactions	3	2
Deferred tax liabilities	246	238
Net deferred tax (liability) asset	$ (59)	$ (8)

	December 31, 2013	December 31, 2012
	(millions)	
Balance sheet classifications:		
Current:		
Deferred tax assets	$ 15	$ 13
Deferred tax liabilities	(25)	(21)
Net current deferred tax liabilities	(10)	(8)
Non-current:		
Deferred tax assets	7	18
Deferred tax liabilities	(56)	(18)
Net non-current deferred tax liabilities	(49)	—
Net deferred tax liabilities	$ (59)	$ (8)

7. INCOME TAXES (Continued)

As a result of certain realization requirements of ASC 718 Compensation - Stock Compensation, the table of deferred tax assets and liabilities shown above does not include certain deferred tax assets of $8 million (2012: $nil), that arose directly from tax deductions related to equity compensation greater than compensation recognized for financial reporting. Equity will be increased by $8 million if and when such deferred tax assets are ultimately realized. The Company uses a 'with and without' basis when determining when excess tax benefits have been realized.

At December 31, 2013 the Company had valuation allowances of $196 million (2012: $221 million) to reduce its deferred tax assets to estimated realizable value. The valuation allowances at December 31, 2013 relate to deferred tax assets arising from UK capital loss carryforwards ($43 million) and other net operating losses ($4 million), which have no expiration date, and to the deferred tax assets in the US ($149 million). US Federal net operating losses will expire between 2028 and 2032 and US State net operating losses will expire by 2032. Capital loss carryforwards can only be offset against future UK capital gains.

Description	Balance at beginning of year	Additions/ (releases) charged to costs and expenses	Other movements	Foreign exchange differences	Balance at end of year
			(millions)		
Year Ended December 31, 2013					
Deferred tax valuation allowance	$ 221	$ 15	$ (40)	$ —	$ 196
Year Ended December 31, 2012					
Deferred tax valuation allowance	102	110	12	(3)	221
Year Ended December 31, 2011					
Deferred tax valuation allowance	87	—	15	—	102

The amount charged to tax expense in the table above differs from the effect of $nil disclosed in the rate reconciliation primarily because the movement in this table includes effects of state taxes, which are disclosed separately in the rate reconciliation. The impact of Other movements is primarily recorded in other comprehensive income.

At December 31, 2013 the Company had deferred tax assets of $187 million (2012: $230 million), net of the valuation allowance. Management believes, based upon the level of historical taxable income and projections for future taxable income, it is more likely than not that the Company will realize the benefits of these deductible differences, net of the valuation allowance. However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of taxable income are revised.

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when the Company expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. The Company does not, however, provide for income taxes on the unremitted earnings of certain other subsidiaries where, in management’s opinion, such earnings have been indefinitely reinvested in those operations, or will be remitted either in a tax free liquidation or as dividends with taxes substantially offset by foreign tax credits. It is not practical to determine the amount of unrecognized deferred tax liabilities for temporary differences related to these investments.

Unrecognized tax benefits

Total unrecognized tax benefits as at December 31, 2013, totaled $41 million. During the next 12 months it is reasonably possible that the Company will recognize approximately $1 million of tax benefits related to the release of provisions for potential inter company pricing adjustments no longer required due to either settlement through negotiation or closure of the statute of limitations on assessment.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits is as follows:

7. INCOME TAXES (Continued)

	2013	2012	2011
		(millions)	
Balance at January 1	$ 37	$ 16	$ 13
Reductions due to a lapse of the applicable statute of limitation	(5)	(3)	—
Increases for positions taken in current period	9	8	—
Increases for positions taken in prior periods	—	16	—
Other movements	—	—	3
Balance at December 31	$ 41	$ 37	$ 16

$12 million of the unrecognized tax benefits at December 31, 2013 would, if recognized, favorably affect the effective tax rate in future periods.

The Company files tax returns in the various tax jurisdictions in which it operates. The 2009 US tax year closed in 2013 upon the expiration of the statute of limitations on assessment. Although tax years 2008 and 2009 are closed, the IRS could make adjustments (but not assess additional tax) up to the amount of the net operating losses carried forward from those years. US tax returns have been filed timely. The Company has not extended the federal statute of limitations for assessment in the US.

All UK tax returns have been filed timely and are in the normal process of being reviewed, with HM Revenue & Customs making inquiries to obtain additional information. There are no material ongoing inquiries in relation to filed UK returns. In other jurisdictions the Company is no longer subject to examinations prior to 2004.

8. DISCONTINUED OPERATIONS

On December 31, 2011, the Company disposed of Global Special Risks, LLC, Faber & Dumas Canada Ltd and the trade and assets of Maclean, Oddy & Associates, Inc.. The gain (net of tax) on this disposal was $2 million.

9. EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing net income attributable to Willis Group Holdings by the average number of shares outstanding during each period. The computation of diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issue of shares that then shared in the net income of the Company.

In periods where losses are reported the weighted average shares outstanding excludes potentially issuable shares described above, because their inclusion would be antidilutive.

For the year ended December 31, 2013, time-based and performance-based options to purchase 8.0 million and 5.3 million shares (2012: 10.2 million and 6.5 million; 2011: 9.2 million and 7.3 million), respectively, and 2.9 million restricted stock units (2012: 2.5 million; 2011: 1.2 million) were outstanding.

Basic and diluted earnings per share are as follows:

	Years ended December 31,		
	2013	2012	2011
	(millions, except per share data)		
Net income (loss) attributable to Willis Group Holdings	$ 365	$ (446)	$ 204
Basic average number of shares outstanding	176	173	173
Dilutive effect of potentially issuable shares	3	—	3
Diluted average number of shares outstanding	179	173	176
Basic earnings per share:			
Continuing operations	$ 2.07	$ (2.58)	$ 1.17
Discontinued operations	—	—	0.01
Net income (loss) attributable to Willis Group Holdings shareholders	$ 2.07	$ (2.58)	$ 1.18
Dilutive effect of potentially issuable shares	(0.03)	—	(0.02)
Diluted earnings per share:			
Continuing operations	$ 2.04	$ (2.58)	$ 1.15
Discontinued operations	—	—	0.01
Net income (loss) attributable to Willis Group Holdings shareholders	$ 2.04	$ (2.58)	$ 1.16

Options to purchase 2.1 million shares and 1.3 million restricted stock units for the year ended December 31, 2013 were not included in the computation of the dilutive effect of stock options because the effect was antidilutive (2012: 16.7 million shares and 2.5 million restricted stock units; 2011: 4.1 million shares).

10. ACQUISITIONS

In first quarter 2013, the Company acquired 100 percent of CBC Broker Srl, an Italian broker, at a cost of $1 million.

In second quarter 2013, the Company acquired 100 percent of PPH Limited and its subsidiary Prime Professions Limited (together referred to as Prime Professions), a leading UK based professional indemnity insurance broker, for cash consideration of $29 million. Additional consideration of up to approximately $2 million is payable in 2015 based on the achievement of certain revenue targets.

In relation to the acquisition of Prime Professions, the Company recognized acquired intangible assets of $17 million of which $16 million was in respect of customer relationships, which are being amortized over an expected life of 15 years. The remaining intangible assets relate to non-compete agreements and the Prime trade name which are being amortized over 8 years and 3 years, respectively. Goodwill of $15 million was recognized on the transaction.

On December 31, 2012 the Company acquired Avalon Actuarial Inc., a Canadian actuarial consulting firm for cash consideration of $25 million. Additional consideration of up to approximately $5 million is payable in 2016 based on the achievement of certain revenue targets.

In relation to the acquisition of Avalon Actuarial, the Company recognized acquired intangible assets of $20 million of which $17 million was in respect of customer relationships, which are being amortized over an expected life of 14 years. The remaining intangible assets relate to non-compete agreements and the Avalon trade name which are being amortized over 5 years and 3 years, respectively. Goodwill of $9 million was recognized on the transaction.

11. FIDUCIARY ASSETS

The Company collects premiums from insureds and, after deducting its commissions, remits the premiums to the respective insurers; the Company also collects claims or refunds from insurers which it then remits to insureds. Uncollected premiums from insureds and uncollected claims or refunds from insurers ('fiduciary receivables') are recorded as fiduciary assets on the Company's consolidated balance sheet. Unremitted insurance premiums, claims or refunds ('fiduciary funds') are also recorded within fiduciary assets.

Fiduciary assets therefore comprise both receivables and funds held in a fiduciary capacity.

Fiduciary funds, consisting primarily of time deposits with original maturities of less than or equal to three months, were $1,662 million as of December 31, 2013 (2012: $1,796 million). Accrued interest on funds is recorded as other assets.

12. FIXED ASSETS, NET

An analysis of fixed asset activity for the years ended December 31, 2013 and 2012 are as follows:

	Land and buildings (i)	Leasehold improvements	Furniture and equipment	Total
		(millions)		
Cost: at January 1, 2012	$ 73	$ 210	$ 509	$ 792
Additions	3	16	116	135
Disposals	—	(4)	(59)	(63)
Foreign exchange	2	5	10	17
Cost: at December 31, 2012	78	227	576	881
Additions	10	22	80	112
Disposals	—	(7)	(43)	(50)
Foreign exchange	1	—	5	6
Cost: at December 31, 2013	$ 89	$ 242	$ 618	$ 949
Depreciation: at January 1, 2012	$ (28)	$ (61)	$ (297)	$ (386)
Depreciation expense provided	(3)	(17)	(59)	(79)
Disposals	—	4	56	60
Foreign exchange	(1)	(1)	(6)	(8)
Depreciation: at December 31, 2012	(32)	(75)	(306)	(413)
Depreciation expense provided	(3)	(18)	(73)	(94)
Disposals	—	6	36	42
Foreign exchange	(1)	—	(2)	(3)
Depreciation: at December 31, 2013	$ (36)	$ (87)	$ (345)	$ (468)
Net book value:				
At December 31, 2012	$ 46	$ 152	$ 270	$ 468
At December 31, 2013	$ 53	$ 155	$ 273	$ 481

(i) Included within land and buildings are assets held under capital leases: At December 31, 2013, cost and accumulated depreciation were $31 million and $6 million respectively (2012: $25 million and $4 million, respectively; 2011: $23 million and $2 million respectively). Depreciation in the year ended December 31, 2013 was $2 million (2012: $1 million; 2011: $1 million).

13. GOODWILL

Goodwill represents the excess of the cost of businesses acquired over the fair value of identifiable net assets at the dates of acquisition. Goodwill is not amortized but is subject to impairment testing annually and whenever facts or circumstances indicate that the carrying amounts may not be recoverable.

The Company has determined that its reporting units are consistent with its operating segments: North America; International and Global. Goodwill is allocated to these reporting units based on the original purchase price allocation for acquisitions within the reporting units. When a business entity is sold, goodwill is allocated to the disposed entity based on the fair value of that entity compared to the fair value of the reporting unit in which it is included.

The changes in the carrying amount of goodwill by segment for the years ended December 31, 2013 and 2012 are as follows:

	Global	North America	International	Total
		(millions)		
Balance at January 1, 2012				
Goodwill, gross	$ 1,122	$ 1,782	$ 391	$ 3,295
Accumulated impairment losses	—	—	—	—
Goodwill, net	1,122	1,782	391	3,295
Purchase price allocation adjustments	—	—	2	2
Goodwill acquired during the year	—	10	2	12
Goodwill disposed of during the year	—	—	(1)	(1)
Goodwill impairment charge	—	(492)	—	(492)
Foreign exchange	5	—	6	11
Balance at December 31, 2012				
Goodwill, gross	1,127	1,792	400	3,319
Accumulated impairment losses	—	(492)	—	(492)
Goodwill, net	$ 1,127	$ 1,300	$ 400	$ 2,827
Purchase price allocation adjustments	—	(1)	—	(1)
Goodwill acquired during the year	15	—	1	16
Goodwill disposed of during the year	—	(14)	—	(14)
Other movements (i)	—	(1)	—	(1)
Foreign exchange	3	—	8	11
Balance at December 31, 2013				
Goodwill, gross	1,145	1,776	409	3,330
Accumulated impairment losses	—	(492)	—	(492)
Goodwill, net	$ 1,145	$ 1,284	$ 409	$ 2,838

(i) North America — $1 million (2012: $nil) tax benefit arising on the exercise of fully vested HRH stock options which were issued as part of the acquisition of HRH in 2008.

Impairment Review

The Company reviews goodwill for impairment annually. In the first step of the impairment test, the fair value of each reporting unit is compared with its carrying value, including goodwill. If the carrying value of a reporting unit exceeds its fair value, the amount of an impairment loss, if any, is calculated in the second step of the impairment test by comparing the implied fair value of reporting unit goodwill with the carrying amount of that goodwill.

The Company's goodwill impairment test for 2013 has not resulted in an impairment charge (2012: $492 million; 2011: $nil).

In 2012, the Company concluded that an impairment charge was required to reduce the carrying value of the goodwill associated with the Company's North America reporting unit. The goodwill impairment charge for the North America reporting

13. GOODWILL (Continued)

unit amounted to $492 million. There was no impairment for the Global and International reporting units, as the fair values of these units were significantly in excess of their carrying value.

The decline in the fair value of the North America reporting unit, as well as differences between fair values and carrying values for other assets and liabilities in the second step of the goodwill impairment test, resulted in an implied fair value of goodwill substantially below the carrying value of the goodwill for the reporting unit. As a result, the Company recorded a goodwill impairment charge of $492 million as of October 1, 2012.

As previously disclosed, the North America reporting unit had been hampered by the declining Loan Protector business results, the effect of the soft economy in the U.S., which had significantly impacted the Construction and Human Capital sectors, and declining retention rates primarily related to merger and acquisition activity and lost legacy HRH businesses.

The decline in the estimated fair value of the reporting unit resulted from lower projected revenue growth rates and profitability levels as well as an increase in the discount rate used to calculate the discounted cash flows. The increase in the discount rate was due to increases in the risk-free rate and small company premium offset by a reduction to the expected market rate of return. The lower projected profitability levels reflected changes in assumptions related to organic revenue growth and cost rates which could be attributed to the declines discussed above and also included consideration of the uncertainty related to the business's ability to execute on the projected cash flows.

14. OTHER INTANGIBLE ASSETS, NET

Other intangible assets are classified into the following categories:

- 'Customer and Marketing Related', including:
  - client relationships
  - client lists
  - non-compete agreements
  - trade names
- ‘Contract based, Technology and Other’ includes all other purchased intangible assets.

The major classes of amortizable intangible assets are as follows:

	December 31, 2013			December 31, 2012		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	(millions)					
Customer and Marketing Related:						
Client Relationships	$ 671	$ (326)	$ 345	$ 717	$ (340)	$ 377
Client Lists	3	(1)	2	3	(1)	2
Non-compete Agreements	4	(1)	3	3	—	3
Trade Names	2	(1)	1	11	(10)	1
Total Customer and Marketing Related	680	(329)	351	734	(351)	383
Contract based, Technology and Other	5	(3)	2	4	(2)	2
Total amortizable intangible assets	$ 685	$ (332)	$ 353	$ 738	$ (353)	$ 385

14. OTHER INTANGIBLE ASSETS, NET (Continued)

The aggregate amortization of intangible assets for the year ended December 31, 2013 was $55 million (2012: $59 million; 2011: $68 million). The estimated aggregate amortization of intangible assets for each of the next five years ended December 31 is as follows:

	(millions)
2014	$ 50
2015	43
2016	38
2017	33
2018	29
Thereafter	160
Total	$ 353

15. INVESTMENTS IN ASSOCIATES

The Company holds a number of investments which it accounts for using the equity method. The Company's approximate interest in the outstanding stock of the more significant associates is as follows:

		December 31,	
	Country	2013	2012
Al-Futtaim Willis Co. L.L.C.	Dubai	49%	49%
GS & Cie Groupe	France	30%	30%

The Company's principal investment as of December 31, 2013 and 2012 is GS & Cie Groupe ('Gras Savoye'), France's leading insurance broker.

The Company's original investment in Gras Savoye was made in 1997, when it acquired a 33 percent ownership interest. Between 1997 and December 2009 this interest was increased by a series of incremental investments to 49 percent.

On December 17, 2009, the Company completed a leveraged transaction with the original family shareholders of Gras Savoye and Astorg Partners, a private equity fund, to reorganize the capital of Gras Savoye ('December 2009 leveraged transaction'). The Company, the original family shareholders and Astorg now own equal stakes of 30 percent in the capital structure of Gras Savoye and have equal representation of one third of the voting rights on its board. The remaining shareholding is held by a large pool of Gras Savoye managers and minority shareholders.

A put option that was in place prior to the December 2009 leveraged transaction, and which could have increased the Company's interest to 90 percent, has been amended and the Company now has a call option to purchase 100 percent of the capital of Gras Savoye. If the Company does not waive the call option before April 30, 2015, then it must exercise the call option in 2016 or the other shareholders may initiate procedures to sell Gras Savoye. Except with the unanimous consent of the supervisory board and other customary exceptions, the parties are prohibited from transferring any shares of Gras Savoye until 2016. At the end of this period, shareholders are entitled to pre-emptive and tag-along rights.

In 2011 the Company's ownership of Gras Savoye reduced from 31 percent to 30 percent following issuance of additional share capital as part of an employee share incentive scheme.

The carrying amount of the Gras Savoye investment as of December 31, 2013 includes goodwill of $84 million (2012: $83 million) and interest bearing vendor loans and convertible bonds issued by Gras Savoye of $46 million and $110 million respectively (2012: $47 million and $96 million, respectively).

A gain of $4 million was recorded in 2011 following conclusion of the accounting for the December 2009 leveraged transaction.

As of December 31, 2013 and 2012, the Company's other investments in associates, individually and in the aggregate, were not material to the Company's operations.

15. INVESTMENTS IN ASSOCIATES (Continued)

Condensed financial information for associates, in the aggregate, as of and for the three years ended December 31, 2013, is presented below. For convenience purposes: (i) balance sheet data has been translated to US dollars at the relevant year-end exchange rate, and (ii) condensed statements of operations data has been translated to US dollars at the relevant average exchange rate.

	2013	2012	2011
		(millions)	
Condensed statements of operations data [(i)]:			
Total revenues	$ 502	$ 497	$ 527
(Loss) income before income taxes	(48)	(17)	5
Net loss	(36)	(14)	(2)
Condensed balance sheets data [(i)]:			
Total assets	1,685	1,670	1,882
Total liabilities	1,611	1,559	1,736
Stockholders' equity	74	111	146

(i) Disclosure is based on the Company's best estimate of the results of its associates and is subject to change upon receipt of their financial statements for 2013.

For the year ended December 31, 2013, the Company recognized $3 million (2012: $3 million; 2011: $4 million) in respect of dividends received from associates.

16. OTHER ASSETS

An analysis of other assets is as follows:

	December 31, 2013	December 31, 2012
	(millions)	
Other current assets		
Prepayments and accrued income	$ 73	$ 61
Income taxes receivable	32	50
Deferred compensation plan assets	26	12
Other receivables	66	58
Total other current assets	$ 197	$ 181
Other non-current assets		
Prepayments and accrued income	16	24
Deferred compensation plan assets	88	97
Income taxes receivable	21	12
Accounts receivable, net	28	25
Other investments	19	12
Other receivables	34	36
Total other non-current assets	$ 206	$ 206
Total other assets	$ 403	$ 387

17. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	December 31, 2013	December 31, 2012
	(millions)	
Other current liabilities		
Accounts payable	$ 123	$ 88
Accrued dividends payable	51	47
Other taxes payable	51	44
Deferred compensation plan liability	26	12
Incentives from lessors	12	9
Other payables	152	127
Total other current liabilities	$ 415	$ 327
Other non-current liabilities		
Incentives from lessors	$ 183	$ 173
Deferred compensation plan liability	89	101
Income taxes payable	40	33
Other payables	62	68
Total other non-current liabilities	$ 374	$ 375
Total other liabilities	$ 789	$ 702

18. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Accounts receivable are stated at estimated net realizable values. The allowances shown below as at the end of each period, are recorded as the amounts considered by management to be sufficient to meet probable future losses related to uncollectible accounts.

Description	Balance at beginning of year	Additions/ (releases) charged to costs and expenses	Deductions / Other movements	Foreign exchange differences	Balance at end of year
			(millions)		
Year Ended December 31, 2013					
Allowance for doubtful accounts	$ 14	$ 3	$ (4)	$ —	$ 13
Year Ended December 31, 2012					
Allowance for doubtful accounts	$ 13	$ 16	$ (15)	$ —	$ 14
Year Ended December 31, 2011					
Allowance for doubtful accounts	$ 12	$ 4	$ (3)	$ —	$ 13

19. PENSION PLANS

The Company maintains two principal defined benefit pension plans that cover approximately half of our employees in the United States and United Kingdom. Both of these plans are now closed to new entrants and with effect from May 15, 2009, the Company closed the US defined benefit plan to future accrual. New employees in the United Kingdom are offered the opportunity to join a defined contribution plan and in the United States are offered the opportunity to join a 401(k) plan. In addition to the Company's UK and US defined benefit pension plans, the Company has several smaller defined benefit pension plans in certain other countries in which it operates including a US non-qualified plan and an unfunded plan in the UK. Elsewhere, pension benefits are typically provided through defined contribution plans. It is the Company's policy to fund pension costs as required by applicable laws and regulations.

At December 31, 2013, the Company recorded, on the Consolidated Balance Sheets:

- a pension benefit asset of $278 million (2012: $136 million) representing:
  - $276 million (2012: $134 million) in respect of the UK defined benefit pension plan; and
  - $2 million (2012: $2 million) in respect of the international defined benefit pension plans.
- a total liability for pension benefits of $136 million (2012: $282 million) representing:
  - $107 million (2012: $250 million) in respect of the US defined benefit pension plan; and
  - $29 million (2012: $32 million) in respect of the international, US non-qualified and UK unfunded defined benefit pension plans.

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19. PENSION PLANS (Continued)

UK and US defined benefit plans

The following schedules provide information concerning the Company's UK and US defined benefit pension plans as of and for the years ended December 31:

	UK Pension Benefits		US Pension Benefits	
	2013	2012	2013	2012
	(millions)			
Change in benefit obligation:				
Benefit obligation, beginning of year	$ 2,582	$ 2,217	$ 958	$ 895
Service cost	37	35	—	—
Interest cost	109	108	38	41
Employee contributions	2	2	—	—
Actuarial loss (gain)	79	186	(81)	71
Benefits paid	(78)	(77)	(51)	(49)
Foreign currency changes	54	111	—	—
Benefit obligations, end of year	2,785	2,582	864	958
Change in plan assets:				
Fair value of plan assets, beginning of year	2,716	2,353	708	637
Actual return on plan assets	255	226	60	80
Employee contributions	2	2	—	—
Employer contributions	100	92	40	40
Benefits paid	(78)	(77)	(51)	(49)
Foreign currency changes	66	120	—	—
Fair value of plan assets, end of year	3,061	2,716	757	708
Funded status at end of year	$ 276	$ 134	$ (107)	$ (250)
Components on the Consolidated Balance Sheets:				
Pension benefits asset	$ 276	$ 134	$ —	$ —
Liability for pension benefits	—	—	(107)	(250)

Amounts recognized in accumulated other comprehensive loss consist of:

	UK Pension Benefits		US Pension Benefits	
	2013	2012	2013	2012
	(millions)			
Net actuarial loss	$ 815	$ 831	$ 233	$ 332
Prior service gain	(24)	(29)	—	—

The accumulated benefit obligations for the Company's UK and US defined benefit pension plans were $2,701 million and $864 million, respectively (2012: $2,519 million and $958 million, respectively).

19. PENSION PLANS (Continued)

The components of the net periodic benefit (income) cost and other amounts recognized in other comprehensive loss for the UK and US defined benefit plans are as follows:

	Years ended December 31,					
	UK Pension Benefits			US Pension Benefits		
	2013	2012	2011	2013	2012	2011
	(millions)					
Components of net periodic benefit (income) cost:						
Service cost	$ 37	$ 35	$ 36	$ —	$ —	$ —
Interest cost	109	108	106	38	41	41
Expected return on plan assets	(191)	(181)	(161)	(51)	(46)	(44)
Amortization of unrecognized prior service gain	(5)	(6)	(5)	—	—	—
Amortization of unrecognized actuarial loss	45	39	30	9	8	3
Net periodic benefit (income) cost	$ (5)	$ (5)	$ 6	$ (4)	$ 3	$ —
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss):						
Net actuarial loss (gain)	$ 15	$ 141	$ 164	$ (90)	$ 37	$ 137
Amortization of unrecognized actuarial loss	(45)	(39)	(30)	(9)	(8)	(3)
Prior service gain	—	—	(10)	—	—	—
Amortization of unrecognized prior service gain	5	6	5	—	—	—
Total recognized in other comprehensive income (loss)	$ (25)	$ 108	$ 129	$ (99)	$ 29	$ 134
Total recognized in net periodic benefit cost and other comprehensive income	$ (30)	$ 103	$ 135	$ (103)	$ 32	$ 134

The estimated net loss and prior service cost for the UK and US defined benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year are:

	UK Pension Benefits	US Pension Benefits
	(millions)	
Estimated net loss	$ 42	$ 6
Prior service gain	(3)	—

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19. PENSION PLANS (Continued)

The following schedule provides other information concerning the Company's UK and US defined benefit pension plans:

	Years ended December 31,			
	UK Pension Benefits		US Pension Benefits	
	2013	2012	2013	2012
Weighted-average assumptions to determine benefit obligations:				
Discount rate	4.4%	4.4%	4.8%	4.1%
Rate of compensation increase	3.2%	2.3%	N/A	N/A
Weighted-average assumptions to determine net periodic benefit cost:				
Discount rate	4.4%	4.8%	4.1%	4.6%
Expected return on plan assets	7.3%	7.5%	7.3%	7.3%
Rate of compensation increase	2.3%	2.1%	N/A	N/A

The expected return on plan assets was determined on the basis of the weighted-average of the expected future returns of the various asset classes, using the target allocations shown below. The expected returns on UK plan assets are: UK and foreign equities 9.27 percent, debt securities 4.42 percent, hedge funds 7.86 percent and real estate 6.53 percent. The expected returns on US plan assets are: US and foreign equities 10.40 percent and debt securities 4.10 percent.

The Company's pension plan asset allocations based on fair values were as follows:

	Years ended December 31,			
	UK Pension Benefits		US Pension Benefits	
Asset Category	2013	2012	2013	2012
Equity securities	36%	41%	52%	49%
Debt securities	38%	37%	46%	50%
Hedge funds	17%	17%	—%	—%
Real estate	3%	3%	—%	—%
Cash	6%	2%	—%	—%
Other	—%	—%	2%	1%
Total	100%	100%	100%	100%

In the UK the pension trustees in consultation with the Company maintain a diversified asset portfolio and this together with contributions made by the Company is expected to meet the pension scheme's liabilities as they become due. The UK plan's assets are divided into 13 separate portfolios according to asset class and managed by 10 investment managers. The broad target allocations are UK and foreign equities (31.5 percent), debt securities (45 percent), hedge funds (17.5 percent) and real estate (6 percent). In the US the Company's investment policy is to maintain a diversified asset portfolio, which together with contributions made by the Company is expected to meet the pension scheme's liabilities as they become due. The US plan's assets are currently invested in 17 funds representing most standard equity and debt security classes. The broad target allocations are US and foreign equities (50 percent) and debt securities (50 percent).

Fair Value Hierarchy

The fair value hierarchy has three levels based on the reliability of the inputs used to determine fair value:

- Level 1: refers to fair values determined based on quoted market prices in active markets for identical assets;
- Level 2: refers to fair values estimated using observable market based inputs or unobservable inputs that are corroborated by market data; and
- Level 3: includes fair values estimated using unobservable inputs that are not corroborated by market data.

19. PENSION PLANS (Continued)

The following tables present, at December 31, 2013 and 2012, for each of the fair value hierarchy levels, the Company's UK pension plan assets that are measured at fair value on a recurring basis.

	UK Pension Plan			
December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
		(millions)		
Equity securities:				
US equities	$ 659	$ 81	$ —	$ 740
UK equities	239	17	—	256
Other equities	40	63	—	103
Fixed income securities:				
US Government bonds	31	—	—	31
UK Government bonds	656	—	—	656
Other Government bonds	7	—	100	107
UK corporate bonds	75	—	—	75
Other corporate bonds	151	—	—	151
Derivatives	—	154	—	154
Real estate	—	—	92	92
Cash	163	—	—	163
Other investments:				
Hedge funds	—	28	477	505
Other	—	28	—	28
Total	$ 2,021	$ 371	$ 669	$ 3,061

	UK Pension Plan			
December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
		(millions)		
Equity securities:				
US equities	$ 492	$ 108	$ —	$ 600
UK equities	317	59	—	376
Other equities	28	97	—	125
Fixed income securities:				
US Government bonds	11	—	—	11
UK Government bonds	625	—	—	625
Other Government bonds	13	—	—	13
UK corporate bonds	112	—	—	112
Other corporate bonds	29	—	—	29
Derivatives	—	217	—	217
Real estate	—	—	76	76
Cash	53	—	—	53
Other investments:				
Hedge funds	—	27	431	458
Other	8	13	—	21
Total	$ 1,688	$ 521	$ 507	$ 2,716

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19. PENSION PLANS (Continued)

The UK plan's real estate investment comprises UK property and infrastructure investments which are valued by the fund manager taking into account cost, independent appraisals and market based comparable data. The UK plan's hedge fund investments are primarily invested in various 'fund of funds' and are valued based on net asset values calculated by the fund and are not publicly available. Liquidity is typically monthly and is subject to liquidity of the underlying funds.

The following tables present, at December 31, 2013 and 2012, for each of the fair value hierarchy levels, the Company's US pension plan assets that are measured at fair value on a recurring basis.

	US Pension Plan			
December 31, 2013	**Level 1**	**Level 2**	**Level 3**	**Total**
	(millions)			
Equity securities:				
US equities	$ 120	$ 125	$ —	$ 245
Non US equities	116	33	—	149
Fixed income securities:				
US Government bonds	—	55	—	55
US corporate bonds	—	151	—	151
International fixed income securities	58	42	—	100
Municipal & Non US government bonds	—	30	—	30
Other investments:				
Mortgage backed securities	—	12	—	12
Other	9	6	—	15
Total	$ 303	$ 454	$ —	$ 757

	US Pension Plan			
December 31, 2012	**Level 1**	**Level 2**	**Level 3**	**Total**
	(millions)			
Equity securities:				
US equities	$ 144	$ 78	$ —	$ 222
Non US equities	98	27	—	125
Fixed income securities:				
US Government bonds	—	69	—	69
US corporate bonds	—	144	—	144
International fixed income securities	52	39	—	91
Municipal & Non US government bonds	—	35	—	35
Other investments:				
Mortgage backed securities	—	13	—	13
Other	3	6	—	9
Total	$ 297	$ 411	$ —	$ 708

Equity securities comprise:

- common stock and preferred stock which are valued using quoted market prices; and
- pooled investment vehicles which are valued at their net asset values as calculated by the investment manager and typically have daily or weekly liquidity.

Fixed income securities comprise US, UK and other Government Treasury Bills, loan stock, index linked loan stock and UK and other corporate bonds which are typically valued using quoted market prices.

19. PENSION PLANS (Continued)

As a result of the inherent limitations related to the valuations of the Level 3 investments, due to the unobservable inputs of the underlying funds, the estimated fair value may differ significantly from the values that would have been used had a market for those investments existed.

The following table summarizes the changes in the UK pension plan's Level 3 assets for the years ended December 31, 2013 and 2012:

	UK Pension Plan
	Level 3
	(millions)
Balance at January 1, 2012	$ 476
Purchases, sales, issuances and settlements, net	(2)
Unrealized and realized gains relating to instruments still held at end of year	17
Foreign exchange	16
Balance at December 31, 2012	$ 507
Purchases, sales, issuances and settlements, net	121
Unrealized and realized gains relating to instruments still held at end of year	29
Foreign exchange	12
Balance at December 31, 2013	$ 669

In 2014, the Company expects to make contributions to the UK plan of approximately $83 million and $30 million to the US plan. In addition, approximately $12 million will be paid in 2014 into the UK defined benefit plan related to employee's salary sacrifice contributions.

The following benefit payments, which reflect expected future service, as appropriate, are estimated to be paid by the UK and US defined benefit pension plans:

Expected future benefit payments	UK Pension Benefits	US Pension Benefits
	(millions)	
2014	84	38
2015	88	42
2016	89	44
2017	93	46
2018	94	49
2019-2023	518	271

Willis North America has a 401(k) plan covering all eligible employees of Willis North America and its subsidiaries. The plan allows participants to make pre-tax contributions which the Company, at its discretion may match. During 2009, the Company had decided not to make any matching contributions other than for former HRH employees whose contributions were matched up to 75 percent under the terms of the acquisition. All investment assets of the plan are held in a trust account administered by independent trustees. The Company's 401(k) matching contributions for 2013 were $15 million (2012: $10 million; 2011: $10 million), matching contributions were increased 1 percent during 2013.

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19. PENSION PLANS (Continued)

Other defined benefit pension plans

In addition to the Company's UK and US defined benefit pension plans, the Company has several smaller defined benefit pension plans in certain other countries in which it operates together with a non-qualified defined benefit pension plan in the US and an unfunded defined benefit pension plan in the UK.

These smaller additional US and UK plans are incorporated with the Company's other defined benefit pension plans.

In total, a $27 million net pension benefit liability (2012: $30 million) has been recognized in respect of these other schemes.

The following schedules provide information concerning the Company's international, US non-qualified and UK unfunded defined benefit pension plans:

	Other defined benefit plans	
	2013	2012
	(millions)	
Change in benefit obligation:		
Benefit obligation, beginning of year	$ 180	$ 131
Service cost	3	3
Interest cost	7	7
Actuarial (gain) loss	(5)	30
Benefits paid	(6)	(6)
Employee contributions	—	1
Reclassification from other non-current liabilities [(i)]	10	9
Foreign currency changes	6	5
Benefit obligations, end of year	195	180
Change in plan assets:		
Fair value of plan assets, beginning of year	150	128
Actual return on plan assets	9	11
Employer contributions	10	11
Employee contributions	—	1
Benefits paid	(6)	(6)
Foreign currency changes	5	5
Fair value of plan assets, end of year	168	150
Funded status at end of year	$ (27)	$ (30)
Components on the Consolidated Balance Sheets:		
Pension benefits asset	$ 2	$ 2
Liability for pension benefits	$ (29)	$ (32)

(i) Transfer in of benefit obligation for UK unfunded and US non-qualified plans from non-current other liabilities.

Amounts recognized in accumulated other comprehensive loss consist of a net actuarial loss of $27 million (2012: $35 million).

The accumulated benefit obligation for the Company's other defined benefit pension plans was $191 million (2012: $177 million).

19. PENSION PLANS (Continued)

The components of the net periodic benefit cost and other amounts recognized in other comprehensive loss for the other defined benefit pension plans are as follows:

	Other defined benefit plans		
	2013	2012	2011
	(millions)		
Components of net periodic benefit cost:			
Service cost	$ 3	$ 3	$ 4
Interest cost	7	7	7
Expected return on plan assets	(6)	(6)	(6)
Amortization of unrecognized actuarial loss	1	—	1
Curtailment gain	—	—	(1)
Net periodic benefit cost	$ 5	$ 4	$ 5
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss):			
Amortization of unrecognized actuarial loss	$ (1)	$ —	$ (1)
Net actuarial (gain) loss	(8)	25	2
Total recognized in other comprehensive (income) loss	(9)	25	1
Total recognized in net periodic benefit cost and other comprehensive (income) loss	$ (4)	$ 29	$ 6

The estimated net loss for the other defined benefit pension plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year is $nil.

The following schedule provides other information concerning the Company's other defined benefit pension plans:

	Other defined benefit plans	
	2013	2012
Weighted-average assumptions to determine benefit obligations:		
Discount rate	3.30% - 4.40%	2.50% - 3.75%
Rate of compensation increase	2.00% - 2.50%	2.00%
Weighted-average assumptions to determine net periodic benefit cost:		
Discount rate	2.50% - 4.40%	3.30% - 5.30%
Expected return on plan assets	2.00% - 4.66%	2.00% - 5.73%
Rate of compensation increase	2.00% - 2.50%	2.50% - 3.00%

The determination of the expected long-term rate of return on the other defined benefit plan assets is dependent upon the specific circumstances of each individual plan. The assessment may include analyzing historical investment performance, investment community forecasts and current market conditions to develop expected returns for each asset class used by the plans.

The Company's other defined benefit pension plan asset allocations at December 31, 2013 based on fair values were as follows:

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19. PENSION PLANS (Continued)

Asset Category	Other defined benefit plans 2013	2012
Equity securities	35%	35%
Debt securities	39%	39%
Real estate	3%	3%
Derivatives	14%	16%
Other	9%	7%
Total	100%	100%

The investment policies for the international plans vary by jurisdiction but are typically established by the local pension plan trustees, where applicable, and seek to maintain the plans' ability to meet liabilities of the plans as they fall due and to comply with local minimum funding requirements.

Fair Value Hierarchy

The following tables present, at December 31, 2013 and 2012, for each of the fair value hierarchy levels, the Company's other defined benefit pension plan assets that are measured at fair value on a recurring basis.

December 31, 2013	Other defined benefit plans Level 1	Level 2	Level 3	Total
		(millions)		
Equity securities:				
US equities	$ 29	$ —	$ —	$ 29
UK equities	5	—	—	5
Overseas equities	26	—	—	26
Fixed income securities:				
Other Government bonds	61	—	—	61
Corporate bonds	4	—	—	4
Derivative instruments	—	23	—	23
Real estate	—	—	5	5
Cash	8	—	—	8
Other investments:				
Other investments	—	—	7	7
Total	$ 133	$ 23	$ 12	$ 168

19. PENSION PLANS (Continued)

December 31, 2012	Other defined benefit plans Level 1	Level 2	Level 3	Total
	(millions)			
Equity securities:				
US equities	$ 24	$ —	$ —	$ 24
UK equities	5	—	—	5
Overseas equities	22	—	1	23
Fixed income securities:				
Other Government bonds	49	—	—	49
Corporate bonds	—	9	—	9
Derivative instruments	—	24	—	24
Real estate	—	—	5	5
Cash	5	—	—	5
Other investments:				
Other investments	—	1	5	6
Total	$ 105	$ 34	$ 11	$ 150

Equity securities comprise:

- common stock which are valued using quoted market prices; and
- unit linked funds which are valued at their net asset values as calculated by the investment manager and typically have daily liquidity.

Fixed income securities comprise overseas Government loan stock which is typically valued using quoted market prices. Real estate investment comprises overseas property and infrastructure investments which are valued by the fund manager taking into account cost, independent appraisals and market based comparable data. Derivative instruments are valued using an income approach typically using swap curves as an input.

Assets classified as Level 3 investments did not materially change during the year ended December 31, 2013.

In 2014, the Company expects to contribute $9 million to the other defined benefit pension plans.

The following benefit payments, which reflect expected future service, as appropriate, are estimated to be paid by the other defined benefit pension plans:

Expected future benefit payments	Other defined benefit plans Pension Benefits
	(millions)
2014	$ 6
2015	6
2016	6
2017	6
2018	7
2019-2023	35

20. DEBT

Current portion of the long-term debt consists of the following:

	December 31, 2013	December 31, 2012
	(millions)	
Current portion of 7-year term loan facility expires 2018	$ 15	$ 15

Long-term debt consists of the following:

	December 31, 2013	December 31, 2012
	(millions)	
7-year term loan facility expires 2018	$ 259	$ 274
5.625% senior notes due 2015	148	350
Fair value adjustment on 5.625% senior notes due 2015	4	18
4.125% senior notes due 2016	299	299
6.200% senior notes due 2017	394	600
7.000% senior notes due 2019	187	300
5.750% senior notes due 2021	496	496
4.625% senior notes due 2023	249	—
6.125% senior notes due 2043	274	—
3-year term loan facility expires 2015	1	1
	$ 2,311	$ 2,338

All direct obligations under the 5.625%, 6.200% and 7.000% senior notes are guaranteed by Willis Group Holdings, Willis Netherlands B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc and Willis Group Limited.

All direct obligations under the 4.625% and 6.125% senior notes are guaranteed by Willis Group Holdings, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Willis North America Inc. and Willis Group Limited.

All direct obligations under the 4.125% and 5.750% senior notes are guaranteed by Trinity Acquisition plc, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Willis North America Inc. and Willis Group Limited.

Debt issuance

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend both the amount of financing and the maturity date of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. The maturity date on both the revolving credit facility and the $300 million term loan was extended to July 23, 2018, from December 16, 2016. At the amendment date we owed $281 million on the term loan and there was no change to this amount as a result of the refinancing.

The 7-year term loan facility expiring 2018 bears interest at LIBOR plus 1.50% and is repayable in quarterly installments and a final repayment of $186 million is due in the third quarter of 2018. In 2013, we made $15 million of mandatory repayments against this 7-year term loan. Drawings under the $800 million revolving credit facility bear interest at LIBOR plus 1.50%. These margins apply while the Company's debt rating remains BBB-/Baa3. As of December 31, 2013 $nil was outstanding under this revolving credit facility (December 31, 2012: $nil).

On August 15, 2013 the Company issued $250 million of 4.625% senior notes due 2023 and $275 million of 6.125% senior notes due 2043. The effective interest rates of these senior notes are 4.696% and 6.154%, respectively, which include the impact of the discount upon issuance.

20. DEBT (Continued)

On July 25, 2013 the Company commenced an offer to purchase for cash any and all of its 5.625% senior notes due 2015 and a portion of its 6.200% senior notes due 2017 and its 7.000% senior notes due 2019 for an aggregate purchase price of up to $525 million. On August 22, 2013 the proceeds from the issue of the senior notes due 2023 and 2043 were used to fund the purchase of $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019.

The Company incurred total losses on extinguishment of debt of $60 million during the year ended December 31, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million and a credit for the reduction of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

The agreements relating to our 7-year term loan facility expiring 2018 and the revolving $800 million credit facility contain requirements to maintain maximum levels of consolidated funded indebtedness in relation to consolidated EBITDA and minimum level of consolidated EBITDA to consolidated cash interest expense, subject to certain adjustments. In addition, the agreements relating to our credit facilities and senior notes include, in the aggregate covenants relating to the delivery of financial statements, reports and notices, limitations on liens, limitations on sales and other disposals of assets, limitations on indebtedness and other liabilities, limitations on sale and leaseback transactions, limitations on mergers and other fundamental changes, maintenance of property, maintenance of insurance, nature of business, compliance with applicable laws, maintenance of corporate existence and rights, payment of taxes and access to information and properties. At December 31, 2013, the Company was in compliance with all covenants.

During the year ended December 31, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company had previously designated these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015 and accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting.

During the year ended December 31, 2013, the Company closed out the above interest rate swaps and received a cash settlement of $13 million on termination.

Following the partial extinguishment of the 5.625% senior notes due 2015 on August 15, 2013, the Company has recorded a credit of $7 million to remove a corresponding partial amount of the fair value adjustment to the carrying values of the notes originally recognized in connection with the interest rate swaps. The remaining $5 million fair value adjustment as at that date will be amortized through interest expense over the period to maturity.

On November 7, 2012, a further revolving credit facility of $20 million, available solely for the use of our main UK regulated entity and available for use in certain circumstances, was renewed. The facility bears interest at LIBOR plus 1.55% until 2014 and LIBOR plus 1.700% thereafter. The facility expires on November 6, 2015. As at December 31, 2013 no drawings had been made on the facility. The facility is secured against the freehold of the UK regulated entity’s freehold property in Ipswich.

On July 11, 2013, a revolving credit facility of 15 million Chinese Yuan Renminbi 'RMB' ($2 million) was renewed. This facility bears interest at 110 percent of the applicable short term interest rate an RMB loan having a term equal to the tenor of that drawing as published by the People's Bank of China 'PBOC' prevailing as at the drawdown date of that drawing. The facility expires on July 10, 2014. As at December 31, 2013 ¥nil ($nil) (2012: ¥nil ($nil)) had been drawn down on the facility. This facility was solely for the use of our Chinese subsidiary and is available for general working capital purposes.

Lines of credit

The Company also has available $4 million (2012: $4 million) in lines of credit, of which $nil was drawn as of December 31, 2013 (2012: $nil).

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20. DEBT (Continued)

Analysis of interest expense

The following table shows an analysis of the interest expense for the years ended December 31:

	Year ended December 31,		
	2013	2012	2011
		(millions)	
5.625% senior notes due 2015	$ 12	$ 12	$ 12
12.875% senior notes due 2016	—	—	15
4.125% senior notes due 2016	13	13	10
6.200% senior notes due 2017	33	38	38
7.000% senior notes due 2019	18	21	21
5.750% senior notes due 2021	29	29	23
4.625% senior notes due 2023	4	—	—
6.125% senior notes due 2043	6	—	—
7-year term loan facility expires 2018	6	6	—
5-year term loan facility repaid 2011	—	—	14
Revolving $800 million credit facility	2	1	—
Revolving $300 million credit facility	—	—	4
Other(i)	3	8	19
Total interest expense	$ 126	$ 128	$ 156

(i) In 2013, Other includes $nil (2012: $nil; 2011:$10 million) relating to the write-off of unamortized debt issuance fees.

21. PROVISIONS FOR LIABILITIES

An analysis of movements on provisions for liabilities is as follows:

	Claims, lawsuits and other proceedings(i)	Other provisions(ii)	Total
		(millions)	
Balance at January 1, 2012	$ 158	$ 38	$ 196
Net provisions made during the year	23	(2)	21
Utilized in the year	(31)	(10)	(41)
Foreign currency translation adjustment	2	2	4
Balance at December 31, 2012	$ 152	$ 28	$ 180
Net provisions made during the year	28	6	34
Balances transferred in during the year (iii)	—	13	13
Utilized in the year	(17)	(6)	(23)
Foreign currency translation adjustment	1	1	2
Balance at December 31, 2013	$ 164	$ 42	$ 206

(i) The claims, lawsuits and other proceedings provision includes E&O cases which represents management's assessment of liabilities that may arise from asserted and unasserted claims for alleged errors and omissions that arise in the ordinary course of the Group's business. Where some of the potential liability is recoverable under the Group's external insurance arrangements, the full assessment of the liability is included in the provision with the associated insurance recovery shown separately as an asset. Insurance recoveries recognized at December 31, 2013 amounted to $nil (2012: $6 million).

(ii) The 'Other' category includes amounts relating to vacant property provisions of $10 million (2012: $13 million).

(iii) Provisions held in the UK for ongoing post placement services, long term disability provisions and legal claim provisions all previously recognized within Deferred Revenue and Accrued Expenses were transferred to Provisions for Liabilities during 2013.

22. COMMITMENTS AND CONTINGENCIES

The Company's contractual obligations as at December 31, 2013 are presented below:

Obligations (iii)	Total	2014	2015-2016	2017-2018	After 2018
	Payments due by				
			(millions)		
7-year term loan facility expires 2018	$ 274	$ 15	$ 39	$ 220	$ —
Interest on term loan	19	5	9	5	—
Revolving $800 million credit facility commitment fees	9	2	4	3	—
5.625% senior notes due 2015	148	—	148	—	—
Fair value adjustments on 5.625% senior notes due 2015	4	—	4	—	—
4.125% senior notes due 2016	300	—	300	—	—
6.200% senior notes due 2017	394	—	—	394	—
7.000% senior notes due 2019	187	—	—	—	187
5.750% senior notes due 2021	500	—	—	—	500
4.625% senior notes due 2023	250	—	—	—	250
6.125% senior notes due 2043	275	—	—	—	275
Interest on senior notes	1,011	115	209	146	541
Total debt and related interest	3,371	137	713	768	1,753
Operating leases (i)	1,235	131	213	167	724
Pensions	566	122	244	161	39
Other contractual obligations (ii)	91	24	16	12	39
Total contractual obligations	$ 5,263	$ 414	$ 1,186	$ 1,108	$ 2,555

(i) Presented gross of sublease income.

(ii) Other contractual obligations include capital lease commitments, put option obligations and investment fund capital call obligations, the timing of which are included at the earliest point they may fall due.

(iii) The above excludes $41 million of liabilities for unrecognized tax benefits as the Company is unable to reasonably predict the timing of settlement of these liabilities.

Debt obligations and facilities

The Company's debt and related interest obligations at December 31, 2013 are shown in the above table.

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend the amount of financing of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. As at December 31, 2013 $nil was outstanding under the revolving credit facility.

This facility is in addition to the remaining availability of $22 million under the Company's two other previously existing revolving credit facilities.

The only mandatory repayments of debt over the next 12 months are the scheduled repayment of $15 million current portion of the Company's 7-year term loan. We also have the right, at our option, to prepay indebtedness under the credit facility without further penalty and to redeem the senior notes at our option by paying a 'make-whole' premium as provided under the applicable debt instrument.

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22. COMMITMENTS AND CONTINGENCIES (Continued)

Operating leases

The Company leases certain land, buildings and equipment under various operating lease arrangements. Original non-cancellable lease terms typically are between 10 and 20 years and may contain escalation clauses, along with options that permit early withdrawal. The total amount of the minimum rent is expensed on a straight-line basis over the term of the lease.

As of December 31, 2013, the aggregate future minimum rental commitments under all non-cancellable operating lease agreements are as follows:

	Gross rental commitments	Rentals from subleases	Net rental commitments
		(millions)	
2014	$ 131	$ (15)	$ 116
2015	114	(14)	100
2016	99	(13)	86
2017	88	(12)	76
2018	79	(8)	71
Thereafter	724	(16)	708
Total	$ 1,235	$ (78)	$ 1,157

The Company leases its main London building under a 25-year operating lease, which expires in 2032. The Company's contractual obligations in relation to this commitment included in the table above total $719 million (2012: $730 million). Annual rentals are $36 million (2012: $32 million) per year and the Company has subleased approximately 29 percent (2012: 29 percent) of the premises under leases up to 15 years. The amounts receivable from subleases, included in the table above, total $66 million (2012: $76 million; 2011: $82 million).

Rent expense amounted to $141 million for the year ended December 31, 2013 (2012: $135 million; 2011: $127 million). The Company's rental income from subleases was $15 million for the year ended December 31, 2013 (2012: $17 million; 2011: $18 million).

Pensions

Contractual obligations for our pension plans reflect the contributions we expect to make over the next five years into our US and UK plans. These contributions are based on current funding positions and may increase or decrease dependent on the future performance of the two plans.

In the UK, we are required to agree a funding strategy for our UK defined benefit plan with the plan's trustees. In March 2012, the Company agreed to a revised schedule of contributions towards on-going accrual of benefits and deficit funding contributions the Company will make to the UK plan over the six years ended December 31, 2017. Contributions in each of the next four years are expected to total approximately $83 million, of which approximately $23 million relates to on-going contributions calculated as 15.9 percent of active plan members' pensionable salary and approximately $60 million that relates to contributions towards the funding deficit.

In addition, further contributions will be payable based on a profit share calculation (equal to 20 percent of EBITDA in excess of $900 million per annum as defined by the revised schedule of contributions) and an exceptional return calculation (equal to 10 percent of any exceptional returns made to shareholders, for example, share buybacks, and special dividends). Aggregate contributions under the deficit funding contribution and the profit share calculation are capped at £312 million ($517 million) over the six years ended December 31, 2017.

During 2014 we will be required to negotiate a new funding arrangement which may further change the contributions we are required to make during 2014 and beyond.

In addition, approximately $12 million will be paid annually into the UK defined benefit plan related to employee's salary sacrifice contributions.

The total contracted contributions for all plans in 2014 are expected to be approximately $122 million, excluding approximately $12 million in respect of the salary sacrifice scheme.

22. COMMITMENTS AND CONTINGENCIES (Continued)

Guarantees

Guarantees issued by certain of Willis Group Holdings' subsidiaries with respect to the senior notes and revolving credit facilities are discussed in Note 20 — Debt in these consolidated financial statements.

Certain of Willis Group Holdings' subsidiaries have given the landlords of some leasehold properties occupied by the Company in the United Kingdom and the United States guarantees in respect of the performance of the lease obligations of the subsidiary holding the lease. The operating lease obligations subject to such guarantees amounted to $828 million and $829 million at December 31, 2013 and 2012, respectively. The capital lease obligations subject to such guarantees amounted to $11 million as at December 31, 2013 (2012: $nil).

In addition, the Company has given guarantees to bankers and other third parties relating principally to letters of credit amounting to $11 million and $10 million at December 31, 2013 and 2012, respectively. Willis Group Holdings also guarantees certain of its UK and Irish subsidiaries' obligations to fund the UK and Irish defined benefit plans.

Other contractual obligations

For certain subsidiaries and associates, the Company has the right to purchase shares (a call option) from co-shareholders at various dates in the future. In addition, the co-shareholders of certain subsidiaries and associates have the right to sell their shares (a put option) to the Company at various dates in the future. Generally, the exercise price of such put options and call options is formula-based (using revenues and earnings) and is designed to reflect fair value. Based on current projections of profitability and exchange rates and assuming the put options are exercised, the potential amount payable from these options is not expected to exceed $12 million (2012: $19 million).

In July 2010, the Company made a capital commitment of $25 million to Trident V Parallel Fund, LP, an investment fund managed by Stone Point Capital. This replaced a capital commitment of $25 million that had been made to Trident V, LP in December 2009. As at December 31, 2013 there have been approximately $15 million of capital contributions.

In May 2011, the Company made a capital commitment of $10 million to Dowling Capital Partners I, LP. As at December 31, 2013 there had been approximately $4 million of capital contributions.

Other contractual obligations at December 31, 2013, also include certain capital lease obligations totaling $63 million (2012: $53 million), primarily in respect of the Company's Nashville property.

Claims, Lawsuits and Other Proceedings

In the ordinary course of business, the Company is subject to various actual and potential claims, lawsuits, and other proceedings relating principally to alleged errors and omissions in connection with the placement of insurance and reinsurance. Similar to other corporations, the Company is also subject to a variety of other claims, including those relating to the Company's employment practices. Some of the claims, lawsuits and other proceedings seek damages in amounts which could, if assessed, be significant.

Errors and omissions claims, lawsuits, and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by policy year and self-insured risks have increased significantly in recent years. Regarding self-insured risks, the Company has established provisions which are believed to be adequate in the light of current information and legal advice, and the Company adjusts such provisions from time to time according to developments.

On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings to which the Company is subject, or potential claims, lawsuits, and other proceedings relating to matters of which it is aware, will ultimately have a material adverse effect on the Company's financial condition, results of operations or liquidity. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation and disputes with insurance companies, it is possible that an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows in particular quarterly or annual periods.

The material actual or potential claims, lawsuits, and other proceedings, of which the Company is currently aware, are:

Willis Group Holdings plc

22. COMMITMENTS AND CONTINGENCIES (Continued)

Stanford Financial Group Litigation

The Company has been named as a defendant in 13 similar lawsuits relating to the collapse of The Stanford Financial Group ('Stanford'), for which Willis of Colorado, Inc. acted as broker of record on certain lines of insurance. The complaints in these actions generally allege that the defendants actively and materially aided Stanford's alleged fraud by providing Stanford with certain letters regarding coverage that they knew would be used to help retain or attract actual or prospective Stanford client investors. The complaints further allege that these letters, which contain statements about Stanford and the insurance policies that the defendants placed for Stanford, contained untruths and omitted material facts and were drafted in this manner to help Stanford promote and sell its allegedly fraudulent certificates of deposit.

The 13 actions are as follows:

- *Troice, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:9-CV-1274-N, was filed on July 2, 2009 in the U.S. District Court for the Northern District of Texas against Willis Group Holdings plc, Willis of Colorado, Inc. and a Willis associate, among others. On April 1, 2011, plaintiffs filed the operative Third Amended Class Action Complaint individually and on behalf of a putative, worldwide class of Stanford investors, adding Willis Limited as a defendant and alleging claims under Texas statutory and common law and seeking damages in excess of $1 billion, punitive damages and costs. On May 2, 2011, the defendants filed motions to dismiss the Third Amended Class Action Complaint, arguing, *inter alia*, that the plaintiffs' claims are precluded by the Securities Litigation Uniform Standards Act of 1998 ('SLUSA').

  On May 10, 2011, the court presiding over the Stanford-related actions in the Northern District of Texas entered an order providing that it would consider the applicability of SLUSA to the Stanford-related actions based on the decision in a separate Stanford action not involving a Willis entity, *Roland v. Green*, Civil Action No. 3:10-CV-0224-N. On August 31, 2011, the court issued its decision in *Roland*, dismissing that action with prejudice under SLUSA.

  On October 27, 2011, the court in *Troice* entered an order (i) dismissing with prejudice those claims asserted in the Third Amended Class Action Complaint on a class basis on the grounds set forth in the *Roland* decision discussed above and (ii) dismissing without prejudice those claims asserted in the Third Amended Class Action Complaint on an individual basis. Also on October 27, 2011, the court entered a final judgment in the action.

  On October 28, 2011, the plaintiffs in *Troice* filed a notice of appeal to the U.S. Court of Appeals for the Fifth Circuit. Subsequently, *Troice, Roland* and a third action captioned *Troice, et al. v. Proskauer Rose LLP*, Civil Action No. 3:09-CV-01600-N, which also was dismissed on the grounds set forth in the *Roland* decision discussed above and on appeal to the U.S. Court of Appeals for the Fifth Circuit, were consolidated for purposes of briefing and oral argument. Following the completion of briefing and oral argument, on March 19, 2012, the Fifth Circuit reversed and remanded the actions. On April 2, 2012, the defendants-appellees filed petitions for rehearing en banc. On April 19, 2012, the petitions for rehearing en banc were denied. On July 18, 2012, defendants-appellees filed a petition for writ of certiorari with the United States Supreme Court regarding the Fifth Circuit's reversal in Troice. On January 18, 2013, the Supreme Court granted our petition. Opening briefs were filed on May 3, 2013 and the Supreme Court heard oral argument on October 7, 2013. On February 26, 2014, the Supreme Court affirmed the Fifth Circuit's decision.

- *Ranni v. Willis of Colorado, Inc., et al.*, C.A. No. 9-22085, was filed on July 17, 2009 against Willis Group Holdings plc and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida. The complaint was filed on behalf of a putative class of Venezuelan and other South American Stanford investors and alleges claims under Section 10(b) of the Securities Exchange Act of 1934 (and Rule 10b-5 thereunder) and Florida statutory and common law and seeks damages in an amount to be determined at trial. On October 6, 2009, *Ranni* was transferred, for consolidation or coordination with other Stanford-related actions (including *Troice*), to the Northern District of Texas by the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML'). The defendants have not yet responded to the complaint in *Ranni*.
- *Canabal, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:9-CV-1474-D, was filed on August 6, 2009 against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate named as a defendant in *Troice*, among others, also in the Northern District of Texas. The complaint was filed individually and on behalf of a putative class of Venezuelan Stanford investors, alleged claims under Texas statutory and common law and sought damages in excess of $1 billion, punitive damages, attorneys' fees and costs. On December 18, 2009, the parties in *Troice* and *Canabal* stipulated to the consolidation of those actions (under the *Troice* civil action number), and, on December 31, 2009, the plaintiffs in *Canabal* filed a notice of dismissal, dismissing the action without prejudice.

22. COMMITMENTS AND CONTINGENCIES (Continued)

- *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on September 14, 2009 on behalf of 97 Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under the Securities Act of 1933, Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $300 million, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed *Rupert* to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On April 1, 2010, the JPML issued a final transfer order for the transfer of *Rupert* to the Northern District of Texas. On January 24, 2012, the court remanded *Rupert* to Texas state court (Bexar County), but stayed the action until further order of the court. The defendants have not yet responded to the complaint in *Rupert*.
- *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-1862-O, was filed on September 16, 2010 on behalf of seven Stanford investors against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. The complaint alleges claims under Texas statutory and common law and seeks actual damages in excess of $5 million, punitive damages, attorneys' fees and costs. The defendants have not yet responded to the complaint in *Casanova*.
- *Rishmague, et ano. v. Winter, et al.*, Case No. 2011CI2585, was filed on March 11, 2011 on behalf of two Stanford investors, individually and as representatives of certain trusts, against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $37 million and attorneys' fees and costs. On April 11, 2011, certain defendants, including Willis of Colorado, Inc., (i) removed *Rishmague* to the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On August 8, 2011, the JPML issued a final transfer order for the transfer of *Rishmague* to the Northern District of Texas, where it is currently pending. The defendants have not yet responded to the complaint in *Rishmague*.
- *MacArthur v. Winter, et al.*, Case No. 2013-07840, was filed on February 8, 2013 on behalf of two Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Harris County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks actual, special, consequential and treble damages of approximately $4 million and attorneys' fees and costs. On March 29, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. (i) removed *MacArthur* to the U.S. District Court for the Southern District of Texas and (ii) notified the JPML of the pendency of this related action. On April 2, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. filed a motion in the Southern District of Texas to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. Also on April 2, 2013, the court presiding over *MacArthur* in the Southern District of Texas transferred the action to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. The defendants have not yet responded to the complaint in *MacArthur*.
- *Florida suits:* On February 14, 2013, five law suits were filed against Willis Group Holdings plc, Willis Limited and Willis of Colorado, Inc. in Florida state court (Miami-Dade County) alleging violations of Florida common law. The five suits are: (1) *Barbar, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05666CA27, filed on behalf of 35 Stanford investors seeking compensatory damages in excess of $30 million; (2) *de Gadala-Maria, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05669CA30, filed on behalf of 64 Stanford investors seeking compensatory damages in excess of $83.5 million; (3) *Ranni, et ano. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05673CA06, filed on behalf of two Stanford investors seeking compensatory damages in excess of $3 million; (4) *Tisminesky, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05676CA09, filed on behalf of 11 Stanford investors seeking compensatory damages in excess of $6.5 million; and (5) *Zacarias, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05678CA11, filed on behalf of 10 Stanford investors seeking compensatory damages in excess of $12.5 million. On June 3, 2013, Willis of Colorado, Inc. removed all five cases to the Southern District of Florida and, on June 4, 2013, notified the JPML of the pendency of these related actions. On June 10, 2013, the court in *Tisminesky* issued an order *sua sponte* staying and administratively closing that action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation and coordination with the other Stanford-related actions. On June 11, 2013, Willis of Colorado, Inc. moved to stay the other four actions pending the JPML's transfer decision. On June 20, 2013, the JPML issued a conditional transfer order for the

22. COMMITMENTS AND CONTINGENCIES (Continued)

transfer of the five actions to the Northern District of Texas, the transmittal of which was stayed for seven days to allow for any opposition to be filed. On June 28, 2013, with no opposition having been filed, the JPML lifted the stay, enabling the transfer to go forward. The defendants have not yet responded to the complaints in these actions.

- *Janvey, et al. v. Willis of Colorado, Inc., et al.*, Case No. 3:13-CV-03980-D, was filed on October 1, 2013 also in the Northern District of Texas against Willis Group Holdings plc, Willis Limited, Willis North America Inc., Willis of Colorado, Inc. and the same Willis associate. The complaint was filed (i) by Ralph S. Janvey, in his capacity as Court-Appointed Receiver for the Stanford Receivership Estate, and the Official Stanford Investors Committee (the 'OSIC') against all defendants and (ii) on behalf of a putative, worldwide class of Stanford investors against Willis North America Inc. Plaintiffs Janvey and the OSIC allege claims under Texas common law and the court's Amended Order Appointing Receiver, and the putative class plaintiffs allege claims under Texas statutory and common law. Plaintiffs seek actual damages in excess of $1 billion, punitive damages and costs. On November 15, 2013, plaintiffs filed the operative First Amended Complaint, which added certain defendants unaffiliated with Willis. On February 28, 2014, the defendants will file motions to dismiss the First Amended Complaint.

Additional actions could be brought in the future by other investors in certificates of deposit issued by Stanford and its affiliates. The Company disputes these allegations and intends to defend itself vigorously against these actions. The outcomes of these actions, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

23. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX

The components of other comprehensive income (loss) are as follows:

	December 31, 2013			December 31, 2012			December 31, 2011		
	Before tax amount	Tax	Net of tax amount	Before tax amount	Tax	Net of tax amount	Before tax amount	Tax	Net of tax amount
					(millions)				
Other comprehensive income:									
Foreign currency translation adjustments	$ 20	$ —	$ 20	$ 46	$ —	$ 46	$ (29)	$ —	$ (29)
Pension funding adjustments:									
Foreign currency translation on pension funding adjustments	(15)	5	(10)	(31)	9	(22)	8	—	8
Net actuarial gain (loss)	83	2	85	(203)	36	(167)	(303)	95	(208)
Prior service gain	—	—	—	—	—	—	10	(3)	7
Amortization of unrecognized actuarial loss	55	(9)	46	47	(9)	38	34	(9)	25
Amortization of unrecognized prior service gain	(5)	1	(4)	(6)	1	(5)	(5)	1	(4)
	118	(1)	117	(193)	37	(156)	(256)	84	(172)
Derivative instruments:									
Gain on interest rate swaps (effective element)	—	—	—	3	(1)	2	13	(3)	10
Interest rate reclassification adjustment	(5)	1	(4)	(5)	1	(4)	(14)	4	(10)
Gain on forward exchange contracts (effective element)	10	(2)	8	11	(2)	9	3	(1)	2
Forward exchange contract reclassification adjustment	1	—	1	(4)	1	(3)	(7)	2	(5)
Gain on treasury lock (effective element)	19	(4)	15	—	—	—	—	—	—
	25	(5)	20	5	(1)	4	(5)	2	(3)
Other comprehensive income (loss)	163	(6)	157	(142)	36	(106)	(290)	86	(204)
Less: Other comprehensive income attributable to noncontrolling interests	—	—	—	—	—	—	1	—	1
Other comprehensive income (loss) attributable to Willis Group Holdings	$ 163	$ (6)	$ 157	$ (142)	$ 36	$ (106)	$ (289)	$ 86	$ (203)

Willis Group Holdings plc

23. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX (Continued)

The components of accumulated other comprehensive loss, net of tax, are as follows:

	Net foreign currency translation adjustment	Pension funding adjustment	Net unrealized gain on derivative instruments	Total
	(millions)			
Balance, December 31, 2010	$ (52)	$ (503)	$ 14	$ (541)
Other comprehensive (loss) income before reclassifications	(28)	(193)	12	(209)
Amounts reclassified from accumulated other comprehensive income	—	21	(15)	6
Net current year other comprehensive income (loss), net of tax and noncontrolling interests	(28)	(172)	(3)	(203)
Balance, December 31, 2011	$ (80)	$ (675)	$ 11	$ (744)
Other comprehensive income (loss) before reclassifications	46	(189)	11	(132)
Amounts reclassified from accumulated other comprehensive income	—	33	(7)	26
Net current year other comprehensive income (loss), net of tax and noncontrolling interests	46	(156)	4	(106)
Balance, December 31, 2012	$ (34)	$ (831)	$ 15	$ (850)
Other comprehensive income (loss) before reclassifications	20	75	23	118
Amounts reclassified from accumulated other comprehensive income	—	42	(3)	39
Net current year other comprehensive income (loss), net of tax and noncontrolling interests	20	117	20	157
Balance, December 31, 2013	$ (14)	$ (714)	$ 35	$ (693)

23. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX (Continued)

Amounts reclassified out of accumulated other comprehensive income into the statement of operations are as follows:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income			Affected line item in the statement of operations
	Years ended December 31,			
	2013	2012	2011	
	(millions)			
Gains and losses on cash flow hedges (Note 26)				
Interest rate swaps	$ (5)	$ (5)	$ (14)	Investment income
Foreign exchange contracts	1	(4)	(7)	Other operating expenses
	(4)	(9)	(21)	Total before tax
Tax	1	2	6	
	$ (3)	$ (7)	$ (15)	Net of tax
Amortization of defined benefit pension items (Note 19)				
Prior service gain	$ (5)	$ (6)	$ (5)	Salaries and benefits
Net actuarial loss	55	47	34	Salaries and benefits
	50	41	29	Total before tax
Tax	(8)	(8)	(8)	
	$ 42	$ 33	$ 21	Net of tax
Total reclassifications for the period	$ 39	$ 26	$ 6	

Willis Group Holdings plc

24. EQUITY AND NONCONTROLLING INTEREST

The components of equity and noncontrolling interests are as follows:

	December 31, 2013			December 31, 2012			December 31, 2011		
	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity
	(millions)								
Balance at January 1,	$ 1,699	$ 26	$ 1,725	$ 2,486	$ 31	$ 2,517	$ 2,577	$ 31	$ 2,608
Comprehensive income:									
Net income (loss)	365	12	377	(446)	13	(433)	204	16	220
Other comprehensive income (loss), net of tax	157	—	157	(106)	—	(106)	(203)	(1)	(204)
Comprehensive income (loss)	522	12	534	(552)	13	(539)	1	15	16
Dividends	(197)	(10)	(207)	(187)	(11)	(198)	(180)	(15)	(195)
Additional paid-in capital	195	—	195	81	—	81	88	—	88
Repurchase of shares (i)	—	—	—	(100)	—	(100)	—	—	—
Purchase of subsidiary shares from noncontrolling interests	(4)	—	(4)	(31)	(8)	(39)	—	—	—
Additional noncontrolling interests	—	—	—	2	1	3	—	—	—
Balance at December 31,	$ 2,215	$ 28	$ 2,243	$ 1,699	$ 26	$ 1,725	$ 2,486	$ 31	$ 2,517

(i) Based on settlement date the Company repurchased 2,796,546 shares at an average price of $35.87 in 2012.

The effects on equity of changes in Willis Group Holdings, ownership interest in its subsidiaries are as follows:

	Years ended December 31,		
	2013	2012	2011
	(millions)		
Net income (loss) attributable to Willis Group Holdings	$ 365	$ (446)	$ 204
Transfers from noncontrolling interest:			
Decrease in Willis Group Holdings' paid-in capital for purchase of noncontrolling interest	(4)	(31)	—
Increase in Willis Group Holdings' paid-in capital for sale of noncontrolling interest	—	2	—
Net transfers from noncontrolling interest	(4)	(29)	—
Change from net income (loss) attributable to Willis Group Holdings and transfers from noncontrolling interests	$ 361	$ (475)	$ 204

25. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental disclosures regarding cash flow information and non-cash flow investing and financing activities are as follows:

	Years Ended December 31,		
	2013	2012	2011
	(millions)		
Supplemental disclosures of cash flow information:			
Cash payments for income taxes, net	$ 61	$ 63	$ 15
Cash payments for interest	117	118	128
Supplemental disclosures of non-cash investing and financing activities:			
Write-off of unamortized debt issuance costs	$ (2)	$ —	$ (23)
Write-back of fair value adjustment on 5.625% senior notes due 2015	7	—	—
Assets acquired under capital leases	7	2	—
Deferred payments on acquisitions of subsidiaries	2	4	6
Acquisitions:			
Fair value of assets acquired	$ 47	$ 23	$ 6
Less:			
Liabilities assumed	30	3	3
Cash acquired	1	—	3
Net assets acquired, net of cash acquired	$ 16	$ 20	$ —

26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Fair value of derivative financial instruments

In addition to the note below, see Note 27 - Fair Value Measurements for information about the fair value hierarchy of derivatives.

Primary risks managed by derivative financial instruments

The main risks managed by derivative financial instruments are interest rate risk and foreign currency risk. The Company's Board of Directors reviews and approves policies for managing each of these risks as summarized below.

The Company enters into derivative transactions (principally interest rate swaps and forward foreign currency contracts) in order to manage interest rate and foreign currency risks arising from the Company's operations and its sources of finance. The Company does not hold financial or derivative instruments for trading purposes.

Interest Rate Risk — Investment Income

As a result of the Company's operating activities, the Company receives cash for premiums and claims which it deposits in short-term investments denominated in US dollars and other currencies. The Company earns interest on these funds, which is included in the Company's financial statements as investment income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity.

In order to manage interest rate risk arising from these financial assets, the Company entered into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest denominated in the various currencies related to the short-term investments. The use of interest rate contracts essentially converted groups of short-term variable rate investments to fixed rate investments. The fair value of these contracts was recorded in other assets and other liabilities. For contracts that qualified as cash flow hedges for accounting purposes, the effective portions of changes in fair value were recorded as a component of other comprehensive income, to the extent that the hedge relationships were highly effective.

26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

From the fourth quarter of 2011, the Company stopped entering into any new hedging transactions relating to interest rate risk from investments, given the flat yield curve environment at that time. Further to this, during second quarter 2012, the Company closed out its legacy position for these interest rate swap contracts.

The fair value of these swaps at the close out date was $16 million, representing a cash settlement amount on termination. In connection with the terminated swaps, the Company retained a gain of $15 million in other comprehensive income as the forecasted short-term investment transactions in relation to which the swaps qualified as cash flow hedges are still considered probable. These amounts are reclassified into earnings consistent with when the forecasted swap transactions affect earnings. We expect approximately $5 million of the gain to be recognized in the consolidated statement of operations in 2014.

At December 31, 2013 and 2012, the Company had no derivative financial instruments that were designated as cash flow hedges of interest rate risk in investments.

Interest Rate Risk — Interest Expense

The Company's operations are financed principally by $2,054 million fixed rate senior notes and $274 million under a 7-year term loan facility. The Company has access to $800 million under its main revolving credit facility expiring July 23, 2018, and $22 million under two further revolving credit facilities. As of December 31, 2013 $nil was drawn on these facilities.

The 7-year term loan facility bears interest at LIBOR plus 1.50% and drawings under the revolving credit facility bear interest at LIBOR plus 1.50%. These margins apply while the Company's debt rating remains BBB-/Baa3. Should the Company's debt rating change, then the margin will change in accordance with the credit facilities agreements. The fixed rate senior notes bear interest at various rates as detailed in Note 20 — 'Debt'.

During the year ended December 31, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company had previously designated these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015 and had accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting.

During the year ended December 31, 2013, the Company closed out the above interest rate swaps and received a cash settlement of $13 million on termination.

Following the partial extinguishment of the 5.625% senior notes due 2015 on August 15, 2013, we have recorded a credit of $7 million to remove a corresponding partial amount of the fair value adjustment to the carrying values of the notes originally recognized in connection with the interest rate swaps. The remaining $5 million fair value adjustment as at that date will be amortized through interest expense over the period to maturity.

To hedge against the potential variability in benchmark interest rates in advance of the anticipated debt issuance, the Company entered into two short-term treasury locks during the three months ended June 30, 2013. These were closed out during the three months ended September 30, 2013 following the issue of the new senior notes described in Note 20 - 'Debt'. The fair value of these treasury locks at the close out date was $21 million, received as a cash settlement on termination.

The Company had designated the Treasury locks as effective hedges of the anticipated transaction and had recognized a gain of $19 million in other comprehensive income in relation to the effective element that qualified for hedge accounting. This amount will be reclassified into earnings consistent with the recognition of interest expense on the 4.625% senior notes due 2023 and the 6.125% senior notes due 2043. In addition, the Company recognized a $2 million gain in interest expense for the portion of the treasury locks determined as ineffective.

26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Foreign Currency Risk

The Company's primary foreign exchange risks arise:

- from changes in the exchange rate between US dollars and pounds sterling as its London market operations earn the majority of their revenues in US dollars and incur expenses predominantly in Pounds sterling, and may also hold a significant net sterling asset or liability position on the balance sheet. In addition, the London market operations earn significant revenues in Euros and Japanese yen; and
- from the translation into US dollars of the net income and net assets of its foreign subsidiaries, excluding the London market operations which are US dollar denominated.

The foreign exchange risks in its London market operations are hedged as follows:

- to the extent that forecast Pound sterling expenses exceed Pound sterling revenues, the Company limits its exposure to this exchange rate risk by the use of forward contracts matched to specific, clearly identified cash outflows arising in the ordinary course of business; and
- to the extent the UK operations earn significant revenues in Euros and Japanese yen, the Company limits its exposure to changes in the exchange rate between the US dollar and these currencies by the use of forward contracts matched to a percentage of forecast cash inflows in specific currencies and periods. In addition, we are also exposed to foreign exchange risk on any net sterling asset or liability position in our London market operations.

The fair value of foreign currency contracts is recorded in other assets and other liabilities. For contracts that qualify as accounting hedges, changes in fair value resulting from movements in the spot exchange rate are recorded as a component of other comprehensive income whilst changes resulting from a movement in the time value are recorded in interest expense. For contracts that do not qualify for hedge accounting, the total change in fair value is recorded in interest expense. Amounts held in comprehensive income are reclassified into earnings when the hedged exposure affects earnings.

At December 31, 2013 and 2012, the Company's foreign currency contracts were all designated as hedging instruments except for those relating to short-term cash flows and hedges of certain intercompany loans.

The table below summarizes by major currency the contractual amounts of the Company's forward contracts to exchange foreign currencies for Pounds sterling in the case of US dollars and US dollars for euro and Japanese yen. Foreign currency notional amounts are reported in US dollars translated at contracted exchange rates.

	December 31,	
	Sell 2013[(i)]	Sell 2012
	(millions)	
US dollar	$ 303	$ 255
Euro	97	55
Japanese yen	35	32

(i) Forward exchange contracts range in maturity from 2014 to 2015.

In addition to forward exchange contracts we undertake short-term foreign exchange swaps for liquidity purposes. These are not designated as hedges and do not qualify for hedge accounting. The fair values at December 31, 2013 and 2012 were immaterial.

During the year ended December 31, 2013, the Company entered into a number of foreign currency transactions in order to hedge certain intercompany loans. These derivatives were not designated as hedging instruments and were for a total notional amount of $228 million (December 31, 2012: $63 million). In respect of these transactions, an immaterial amount has been recognized as an asset within other current assets and a nominal gain has been recognized in income within other operating expenses for the period.

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26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Derivative financial instruments

The table below presents the fair value of the Company's derivative financial instruments and their balance sheet classification at December 31:

Derivative financial instruments designated as hedging instruments:	Balance sheet classification	Fair value December 31, 2013	Fair value December 31, 2012
		(millions)	
Assets:			
Interest rate swaps (fair value hedges)	Other assets	—	22
Forward exchange contracts	Other assets	23	9
Total derivatives designated as hedging instruments		$ 23	$ 31
Liabilities:			
Forward exchange contracts	Other liabilities	2	—
Total derivatives designated as hedging instruments		$ 2	$ —

Cash Flow Hedges

The table below presents the effects of derivative financial instruments in cash flow hedging relationships on the consolidated statements of operations and the consolidated statements of equity for years ended December 31, 2013, 2012 and 2011:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI[(i)] on derivative (effective element)	Location of gain (loss) reclassified from accumulated OCI[(i)] into income (effective element)	Amount of gain (loss) reclassified from accumulated OCI[(i)] into income(effective element)	Location of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges)	Amount of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges)
	(millions)		(millions)		(millions)
Year Ended December 31, 2013					
Interest rate swaps	$ —	Investment income	$ (5)	Other operating expenses	$ —
Treasury locks	19	Interest expense	—	Interest expense	2
Forward exchange contracts	10	Other operating expenses	1	Interest expense	1
Total	$ 29		$ (4)		$ 3
Year Ended December 31, 2012					
Interest rate swaps	$ 3	Investment income	$ (5)	Other operating expenses	$ —
Forward exchange contracts	11	Other operating expenses	(4)	Interest expense	1
Total	$ 14		$ (9)		$ 1
Year Ended December 31, 2011					
Interest rate swaps	$ 13	Investment income	$ (14)	Other operating expenses	$ —
Forward exchange contracts	3	Other operating expenses	(7)	Interest expense	(2)
Total	$ 16		$ (21)		$ (2)

Amounts above shown gross of tax.

(i) OCI means other comprehensive income.

For interest rate swaps all components of each derivative's gain or loss were included in the assessment of hedge effectiveness. For foreign exchange contracts, only the changes in fair value resulting from movements in the spot exchange rate are included in this assessment. In instances where the timing of expected cash flows can be matched exactly to the maturity of the foreign exchange contract, then changes in fair value attributable to movement in the forward points are also included.

26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

At December 31, 2013 the Company estimates there will be $20 million of net derivative gains reclassified from accumulated comprehensive income into earnings within the next twelve months as the forecasted transactions affect earnings.

Fair Value Hedges

The Company had previously designated interest rate swaps as fair value hedges against its $350 million 5.625% senior notes due 2015 and accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting.

The table below presents the effects of derivative financial instruments in fair value hedging relationships on the consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011.

Derivatives in fair value hedging relationships	Hedged item in fair value hedging relationship	(Loss) gain recognized for derivative	Gain (loss) recognized for hedged item	Ineffectiveness recognized in interest expense
			(millions)	
Year Ended December 31, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —
Year Ended December 31, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ (3)	$ 2	$ 1
Year Ended December 31, 2011				
Interest rate swaps	5.625% senior notes due 2015	$ 7	$ (8)	$ 1

All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

The table below presents the effects of derivative financial instruments no longer in fair value hedging relationships on the consolidated statements of operations for the years ended December 31, 2013, 2012 and 2011.

Derivatives no longer in fair value hedging relationships	Hedged item in fair value hedging relationship	Loss recognized for derivative	Amortization or prior loss recognized on hedged item	Net gain recognized [i]
			(millions)	
Year Ended December 31, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ (5)	$ 14	$ 9
Year Ended December 31, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —
Year Ended December 31, 2011				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —

(i) The net gain was included entirely in interest expense, except for $7 million in the year ended December 31, 2013 which formed part of the loss on extinguishment of debt.

Credit Risk and Concentrations of Credit Risk

Credit risk represents the loss that would be recognized at the reporting date if counterparties failed to perform as contracted and from movements in interest rates and foreign exchange rates. The Company currently does not anticipate non-performance by its counterparties. The Company generally does not require collateral or other security to support financial instruments with credit risk.

Concentrations of credit risk that arise from financial instruments exist for groups of customers or counterparties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. Financial instruments on the balance sheet that potentially subject the Company to

26. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

concentrations of credit risk consist primarily of cash and cash equivalents, accounts receivable and derivatives which are recorded at fair value.

The Company maintains a policy providing for the diversification of cash and cash equivalent investments and places such investments in an extensive number of financial institutions to limit the amount of credit risk exposure. These financial institutions are monitored on an ongoing basis for credit quality predominantly using information provided by credit agencies.

Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the Company does business, as well as the dispersion across many geographic areas. Management does not believe significant risk exists in connection with the Company's concentrations of credit as of December 31, 2013.

27. FAIR VALUE MEASUREMENTS

The Company has categorized its assets and liabilities that are measured at fair value on a recurring and non-recurring basis into a three-level fair value hierarchy, based on the reliability of the inputs used to determine fair value as follows:

- Level 1: refers to fair values determined based on quoted market prices in active markets for identical assets;
- Level 2: refers to fair values estimated using observable market based inputs or unobservable inputs that are corroborated by market data; and
- Level 3: includes fair values estimated using unobservable inputs that are not corroborated by market data.

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments:

Long-term debt excluding the fair value hedge-Fair values are based on quoted market values and so classified as Level 1 measurements.

Derivative financial instruments-Market values have been used to determine the fair value of interest rate swaps and forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account the current interest rate environment or current foreign currency forward rates.

Recurring basis

The following table presents, for each of the fair-value hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis.

	December 31, 2013			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	$ 796	$ —	$ —	$ 796
Fiduciary funds (included within Fiduciary assets)	1,662	—	—	1,662
Derivative financial instruments	—	23	—	23
Total assets	$ 2,458	$ 23	$ —	$ 2,481
Liabilities at fair value:				
Derivative financial instruments	$ —	$ 2	$ —	$ 2
Total liabilities	$ —	$ 2	$ —	$ 2

27. FAIR VALUE MEASUREMENTS (Continued)

	December 31, 2012			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	$ 500	$ —	$ —	$ 500
Fiduciary funds (included within Fiduciary assets)	1,796	—	—	1,796
Derivative financial instruments	—	31	—	31
Total assets	$ 2,296	$ 31	$ —	$ 2,327
Liabilities at fair value:				
Changes in fair value of hedged debt(i)	—	18	—	18
Total liabilities	$ —	$ 18	$ —	$ 18

(i) Changes in the fair value of the underlying hedged debt instrument since inception of the hedging relationship are included in long-term debt.

The estimated fair value of the Company’s financial instruments held or issued to finance the Company’s operations is summarized 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 the Company would realize upon disposition nor do they indicate the Company’s intent or ability to dispose of the financial instrument.

	December 31,			
	2013		2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	(millions)			
Assets:				
Derivative financial instruments	$ 23	$ 23	$ 31	$ 31
Liabilities:				
Short-term debt	$ 15	$ 15	$ 15	$ 15
Long-term debt	2,311	2,444	2,338	2,576
Derivative financial instruments	2	2	—	—

Non-recurring basis

The remeasurement of goodwill is classified as non-recurring level 3 fair value assessment due to the significance of unobservable inputs developed using company-specific information. The Company recognized an impairment charge in its North America reporting unit during 2012. The pre-tax impairment charge of $492 million was recognized as a result of the Company's annual goodwill impairment testing performed as of October 1, 2012, which reduced the carrying value of the North America reporting unit goodwill as of that date of $1,782 million to its implied fair value of $1,290 million.

The Company used the income approach to measure the fair value of the North America reporting unit which involves calculating the fair value of a reporting unit based on the present value of the estimated future cash flows. Cash flow projections were based on management's estimates of revenue growth rates and operating margins, taking into consideration industry and market conditions and the uncertainty related to the business's ability to execute on the projected cash flows. The discount rate used was based on the weighted-average cost of capital adjusted for the relevant risk associated with the market participant

27. FAIR VALUE MEASUREMENTS (Continued)

expectations of characteristics of the individual reporting units. The unobservable inputs used to fair value this reporting unit include projected revenue growth rates, profitability and the market participant assumptions within the discount rate.

The inputs used to measure the fair value of the intangibles assets of the North America reporting unit in step two of the impairment test were largely unobservable, and accordingly, are also classified as Level 3. The fair value was estimated using a multiple period excess earnings method, which is based on management's cash flow projections of revenue growth rates, operating margins and expected customer attrition, taking into consideration industry and market conditions. The discount rate used in the fair value calculations for the intangibles was based on a weighted average cost of capital adjusted for the relevant risk associated with those assets. The unobservable inputs used in these valuations include projected revenue growth rates, and the market participant assumptions within the discount rate. For more information on this impairment measured as a nonrecurring fair value adjustment, see Note 13 - Goodwill.

28. SEGMENT INFORMATION

During the periods presented, the Company operated through three reporting segments: Global, North America and International. Global provides specialist brokerage and consulting services to clients worldwide for specific industrial and commercial activities and is organized by specialism. North America and International predominantly comprise our retail operations which provide services to small, medium and large corporations, accessing Global's specialist expertise when required.

The Company evaluates the performance of its segments based on organic commissions and fees growth and operating income. For internal reporting and segmental reporting, the following items for which segmental management are not held accountable are excluded from segmental expenses:

(i) foreign exchange hedging activities, foreign exchange movements on the UK pension plan asset, foreign exchange gains and losses from currency purchases and sales, and foreign exchange movements on internal exposures;

(ii) amortization of intangible assets;

(iii) gains and losses on the disposal of operations;

(iv) significant legal and regulatory settlements which are managed centrally;

(v) costs associated with the 2011 Operational Review;

(vi) write-off of uncollectible accounts receivable balance and associated legal fees and insurance recoveries arising in Chicago due to fraudulent overstatement of commissions and fees;

(vii) the additional incentive accrual recognized following the replacement of annual cash retention awards with annual cash bonuses which will not feature a repayment requirement;

(viii) write-off of unamortized cash retention awards following the decision to eliminate repayment requirement on past awards;

(ix) goodwill impairment charge;

(x) fees related to the extinguishment of debt; and

(xi) costs associated with the Expense Reduction Initiative.

The accounting policies of the segments are consistent with those described in Note 2 — 'Basis of Presentation and Significant Accounting Policies'. There are no inter-segment revenues, with segments operating on a revenue-sharing basis equivalent to that used when sharing business with other third-party brokers.

28. SEGMENT INFORMATION (Continued)

Selected information regarding the Company's segments is as follows:

	Commissions and fees	Investment income	Other income	Total revenues	Depreciation and amortization	Operating income (loss)	Interest in earnings of associates, net of tax
				(millions)			
Year Ended December 31, 2013							
Global	$ 1,188	$ 3	$ —	$ 1,191	$ 31	$ 334	$ —
North America	1,377	2	7	1,386	37	269	—
International	1,068	10	—	1,078	21	181	—
Total Retail	2,445	12	7	2,464	58	450	—
Total Operating Segments	3,633	15	7	3,655	89	784	—
Corporate and Other(i)	—	—	—	—	60	(99)	—
Total Consolidated	$ 3,633	$ 15	$ 7	$ 3,655	$ 149	$ 685	$ —
Year Ended December 31, 2012							
Global	$ 1,124	$ 5	$ —	$ 1,129	$ 27	$ 372	$ —
North America	1,306	3	4	1,313	31	240	—
International	1,028	10	—	1,038	21	183	5
Total Retail	2,334	13	4	2,351	52	423	5
Total Operating Segments	3,458	18	4	3,480	79	795	5
Corporate and Other(i)	—	—	—	—	59	(1,004)	—
Total Consolidated	$ 3,458	$ 18	$ 4	$ 3,480	$ 138	$ (209)	$ 5
Year Ended December 31, 2011							
Global	$ 1,073	$ 9	$ —	$ 1,082	$ 23	$ 352	$ —
North America	1,314	7	2	1,323	28	271	—
International	1,027	15	—	1,042	18	221	12
Total Retail	2,341	22	2	2,365	46	492	12
Total Operating Segments	3,414	31	2	3,447	69	844	12
Corporate and Other(i)	—	—	—	—	73	(278)	—
Total Consolidated	$ 3,414	$ 31	$ 2	$ 3,447	$ 142	$ 566	$ 12

(i) See the following table for an analysis of the 'Corporate and other' line.

28. SEGMENT INFORMATION (Continued)

	Years ended December 31,		
	2013	2012	2011
		(millions)	
Amortization of intangible assets	$ (55)	$ (59)	$ (68)
Additional incentive accrual for change in remuneration policy [a]	—	(252)	—
Write-off of unamortized cash retention awards debtor [b]	—	(200)	—
Goodwill impairment charge [c]	—	(492)	—
India joint venture settlement [d]	—	(11)	—
Insurance recovery [e]	—	10	—
Write-off of uncollectible accounts receivable balance in Chicago [f]	—	(13)	(22)
Net gain (loss) on disposal of operations [d]	2	(3)	4
Foreign exchange hedging	3	8	5
Foreign exchange gain (loss) on the UK pension plan asset	8	(1)	—
2011 Operational Review	—	—	(180)
FSA regulatory settlement	—	—	(11)
Expense Reduction Initiative	(46)	—	—
Fees related to the extinguishment of debt [h]	(1)	—	—
Other[g]	(10)	9	(6)
Total Corporate and Other	$ (99)	$ (1,004)	$ (278)

(a) Additional incentive accrual recognized following the replacement of annual incentive awards with annual cash bonuses which will not feature a repayment requirement.

(b) Write-off of unamortized cash retention award debtor following the decision to eliminate the repayment requirement on past awards.

(c) Non-cash charge recognized related to the impairment of the carrying value of the North America reporting unit's goodwill.

(d) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(e) Insurance recovery, recorded in Other operating expenses, related to a previously disclosed fraudulent activity in Chicago, discussed above.

(f) In early 2012 the Company identified an uncollectible accounts receivable balance of approximately $28 million in Chicago due to fraudulent overstatements of Commissions and fees. For the year ended December 31, 2011, the Company recorded an estimate of the misstatement of Commissions and fees from prior periods by recognizing in the fourth quarter of 2011 a $22 million charge to Other operating expenses to write off the uncollectible receivable at January 1, 2011.

The Company concluded its internal investigation into these matters in the three months ended March 31, 2012 and identified an additional $12 million in fraudulent overstatement of Commissions and fees, and has corrected the additional misstatement by recognizing a $13 million charge (including legal expenses) to Other operating expenses in the first quarter of 2012. The above amount represents the additional charge taken.

(g) Other includes $7 million (2012: $7 million, 2011: $12 million) from the release of funds and reserves related to potential legal liabilities.

(h) $1 million of fees associated with the extinguishment of debt completed on August 15, 2013.

The following table reconciles total consolidated operating income, as disclosed in the operating segment tables above, to consolidated income from continuing operations before income taxes and interest in earnings of associates.

28. SEGMENT INFORMATION (Continued)

	Years ended December 31, 2013	2012	2011
	(millions)		
Total consolidated operating income	$ 685	$ (209)	$ 566
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	—	(171)
Loss on extinguishment of debt	(60)	—	—
Interest expense	(126)	(128)	(156)
Income (loss) from continuing operations before income taxes and interest in earnings of associates	$ 499	$ (337)	$ 239

The Company does not currently provide asset information by reportable segment as it does not routinely evaluate the total asset position by segment, and as such, no segmental analysis of assets has been disclosed. Segments are evaluated on organic commissions and fees growth and operating margin.

Segment revenue by product is as follows:

	Global 2013	Global 2012	Global 2011	North America 2013	North America 2012	North America 2011	International 2013	International 2012	International 2011	Total 2013	Total 2012	Total 2011
	(millions)											
Commissions and fees:												
Retail insurance services	$ —	$ —	$ —	$ 1,377	$ 1,306	$ 1,314	$ 1,068	$ 1,028	$ 1,027	$ 2,445	$ 2,334	$ 2,341
Specialty insurance services	1,188	1,124	1,073	—	—	—	—	—	—	1,188	1,124	1,073
Total commissions and fees	1,188	1,124	1,073	1,377	1,306	1,314	1,068	1,028	1,027	3,633	3,458	3,414
Investment income	3	5	9	2	3	7	10	10	15	15	18	31
Other income	—	—	—	7	4	2	—	—	—	7	4	2
Total Revenues	$ 1,191	$ 1,129	$ 1,082	$ 1,386	$ 1,313	$ 1,323	$ 1,078	$ 1,038	$ 1,042	$ 3,655	$ 3,480	$ 3,447

None of the Company's customers represented more than 10 percent of the Company's consolidated commissions and fees for the years ended December 31, 2013, 2012 and 2011.

Information regarding the Company's geographic locations is as follows:

	Years Ended December 31, 2013	2012	2011
	(millions)		
Commissions and fees[(i)]			
UK	$ 1,026	$ 980	$ 963
US	1,549	1,484	1,461
Other[(ii)]	1,058	994	990
Total	$ 3,633	$ 3,458	$ 3,414

	December 31, 2013	2012
	(millions)	
Fixed assets		
UK	$ 233	$ 218
US	203	207
Other[(ii)]	45	43
Total	$ 481	$ 468

(i) Commissions and fees are attributed to countries based upon the location of the subsidiary generating the revenue.

(ii) Other than in the United Kingdom and the United States, the Company does not conduct business in any country in which its commissions and fees and or fixed assets exceed 10 percent of consolidated commissions and fees and or fixed assets, respectively.

29. SUBSIDIARY UNDERTAKINGS

The Company has investments in the following subsidiary undertakings which principally affect the net income or net assets of the Group.

A full list of the Group's subsidiary undertakings is included within the Company's annual return.

Subsidiary name	Country of registration	Class of share	Percentage ownership
Holding companies			
TAI Limited	England and Wales	Ordinary shares	100%
Trinity Acquisition plc	England and Wales	Ordinary shares	100%
Willis Faber Limited	England and Wales	Ordinary shares	100%
Willis Group Limited	England and Wales	Ordinary shares	100%
Willis Investment UK Holdings Limited	England and Wales	Ordinary shares	100%
Willis Netherlands Holdings B.V.	Netherlands	Ordinary shares	100%
Willis Europe B.V.	England and Wales	Ordinary shares	100%
Insurance broking companies			
Willis HRH, Inc.	USA	Common shares	100%
Willis Limited	England and Wales	Ordinary shares	100%
Willis North America, Inc.	USA	Common shares	100%
Willis Re, Inc.	USA	Common shares	100%

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

Willis North America Inc. ('Willis North America') has $148 million senior notes outstanding that were issued on July 1, 2005, $394 million of senior notes issued on March 28, 2007 and $187 million of senior notes issued on September 29, 2009.

All direct obligations under the senior notes are jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc and Willis Group Limited, collectively the 'Other Guarantors', and with Willis Group Holdings, the 'Guarantor Companies'.

The debt securities that were issued by Willis North America and guaranteed by the entities described above, and for which the disclosures set forth below relate and are required under applicable SEC rules, were issued under an effective registration statement.

Presented below is condensed consolidating financial information for:

(i) Willis Group Holdings, which is a guarantor, on a parent company only basis;

(ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent and are all direct or indirect parents of the issuer;

(iii) the Issuer, Willis North America;

(iv) Other, which are the non-guarantor subsidiaries, on a combined basis;

(v) Consolidating adjustments; and

(vi) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets for the year ended December 31, 2013 of Willis Group Holdings, the Other Guarantors and the Issuer.

Restatement to 2011 and 2012 financial information

Regulation S-X, Article 3, Rule 3-10, allows for the presentation of condensed consolidating financial information. In accordance with these rules, the condensed consolidating financial information should be presented in accordance with U.S. GAAP, except that (i) the guarantor and non-guarantor information is presented on a combined rather than consolidated basis, which requires the elimination of intra-entity activity and (ii) investments in subsidiaries are required to be presented under the equity method of accounting. Subsequent to the issuance of our 2012 financial statements, management determined that certain balances were not presented in accordance with the above principles and have therefore restated our condensed consolidating financial information to reflect (i) gross, rather than net, presentation of intercompany balance sheet positions, (ii) dividends received from subsidiaries as reductions to the equity method investment balances opposed to as component of investment income from group undertakings, and (iii) appropriate push down accounting for goodwill.

The impacts of these changes on the previously reported 2012 and 2011 financial statements are shown in the tables below.

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2012			
Willis Group Holdings			
Operating loss	$ (6)	$ —	$ (6)
Net loss attributable to Willis Group Holdings	(446)	—	(446)
The Other Guarantors			
Operating loss	$ (72)	$ (11)	$ (83)
Net loss attributable to Willis Group Holdings	(389)	(8)	(397)
The Issuer			
Operating loss	$ (189)	$ —	$ (189)
Net loss attributable to Willis Group Holdings	(228)	—	(228)
Other			
Operating income (loss)	$ 122	$ (53)	$ 69
Net loss attributable to Willis Group Holdings	(118)	(306)	(424)
Consolidating adjustments			
Operating (loss) income	$ (64)	$ 64	$ —
Net income attributable to Willis Group Holdings	735	314	1,049

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2011			
Willis Group Holdings			
Operating loss	$ (20)	$ —	$ (20)
Net income attributable to Willis Group Holdings	204	—	204
The Other Guarantors			
Operating income (loss)	$ 43	$ (11)	$ 32
Net income attributable to Willis Group Holdings	174	72	246
The Issuer			
Operating loss	$ (179)	$ —	$ (179)
Net loss attributable to Willis Group Holdings	(36)	(31)	(67)
Other			
Operating income (loss)	$ 754	$ (21)	$ 733
Net income attributable to Willis Group Holdings	137	164	301
Consolidating adjustments			
Operating (loss) income	$ (32)	$ 32	$ —
Net loss attributable to Willis Group Holdings	(275)	(205)	(480)

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30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2012			
Willis Group Holdings			
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ —	$ (552)
The Other Guarantors			
Comprehensive loss attributable to Willis Group Holdings	$ (486)	$ (8)	$ (494)
The Issuer			
Comprehensive loss attributable to Willis Group Holdings	$ (263)	$ —	$ (263)
Other			
Comprehensive loss attributable to Willis Group Holdings	$ (226)	$ (306)	$ (532)
Consolidating adjustments			
Comprehensive income attributable to Willis Group Holdings	$ 975	$ 314	$ 1,289

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2011			
Willis Group Holdings			
Comprehensive income attributable to Willis Group Holdings	$ 1	$ —	$ 1
The Other Guarantors			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (24)	$ 72	$ 48
The Issuer			
Comprehensive loss attributable to Willis Group Holdings	$ (117)	$ (31)	$ (148)
Other			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (65)	$ 164	$ 99
Consolidating adjustments			
Comprehensive income (loss) attributable to Willis Group Holdings	$ 206	$ (205)	$ 1

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating balance sheet at 31 December 2012			
Willis Group Holdings			
Total assets	$ 2,557	$ 1,541	$ 4,098
Total liabilities	858	1,541	2,399
Total equity	1,699	—	1,699
The Other Guarantors			
Total assets	$ (1,256)	$ 4,844	$ 3,588
Total liabilities	319	4,930	5,249
Total equity	(1,575)	(86)	(1,661)
The Issuer			
Total assets	$ 1,382	$ 1,246	$ 2,628
Total liabilities	1,348	1,246	2,594
Total equity	34	—	34
Other			
Total assets	$ 17,125	$ (1,483)	$ 15,642
Total liabilities	11,851	720	12,571
Total equity	5,274	(2,203)	3,071
Consolidating adjustments			
Total assets	$ (4,696)	$ (6,148)	$ (10,844)
Total liabilities	(989)	(8,437)	(9,426)
Total equity	(3,707)	2,289	(1,418)

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30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2012			
Willis Group Holdings			
Net cash (used in) provided by operating activities	$ (42)	$ 19	$ (23)
Net cash provided by investing activities	—	256	256
Net cash provided by (used in) financing activities	43	(275)	(232)
The Other Guarantors			
Net cash provided by operating activities	$ 780	$ 724	$ 1,504
Net cash used in investing activities	(7)	(102)	(109)
Net cash used in financing activities	(773)	(622)	(1,395)
The Issuer			
Net cash provided by (used in) operating activities	$ 69	$ (113)	$ (44)
Net cash (used in) provided by investing activities	(19)	34	15
Net cash (used in) provided by financing activities	(213)	79	(134)
Other			
Net cash provided by (used in) operating activities	$ 431	$ (528)	$ (97)
Net cash (used in) provided by investing activities	(146)	1,149	1,003
Net cash used in financing activities	(61)	(621)	(682)
Consolidating adjustments			
Net cash used in operating activities	$ (713)	$ (102)	$ (815)
Net cash used in investing activities	—	(1,337)	(1,337)
Net cash provided by financing activities	713	1,439	2,152

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2011			
Willis Group Holdings			
Net cash (used in) provided by operating activities	$ (41)	$ 85	$ 44
Net cash used in investing activities	—	(711)	(711)
Net cash provided by financing activities	41	626	667
The Other Guarantors			
Net cash provided by operating activities	$ 184	$ 132	$ 316
Net cash used in investing activities	(4)	(430)	(434)
Net cash (used in) provided by financing activities	(180)	298	118
The Issuer			
Net cash provided by operating activities	$ 88	$ 46	$ 134
Net cash (used in) provided by investing activities	(21)	128	107
Net cash provided by (used in) financing activities	20	(174)	(154)
Other			
Net cash provided by (used in) operating activities	$ 1,269	$ (1,138)	$ 131
Net cash (used in) provided by investing activities	(76)	123	47
Net cash (used in) provided by financing activities	(1,156)	1,015	(141)
Consolidating adjustments			
Net cash (used in) provided by operating activities	$ (1,061)	$ 875	$ (186)
Net cash provided by investing activities	—	890	890
Net cash provided by (used in) financing activities	1,061	(1,765)	(704)

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ 8	$ 3,625	$ —	$ 3,633
Investment income	—	—	—	15	—	15
Other income	—	—	—	7	—	7
Total revenues	—	—	8	3,647	—	3,655
EXPENSES						
Salaries and benefits	(1)	—	(103)	(2,103)	—	(2,207)
Other operating expenses	—	(73)	(163)	(380)	—	(616)
Depreciation expense	—	(3)	(20)	(71)	—	(94)
Amortization of intangible assets	—	—	—	(55)	—	(55)
Net gain on disposal of operations	—	—	—	12	(10)	2
Total expenses	(1)	(76)	(286)	(2,597)	(10)	(2,970)
OPERATING (LOSS) INCOME	(1)	(76)	(278)	1,050	(10)	685
Income from Group undertakings	—	191	364	86	(641)	—
Expenses due to Group undertakings	(10)	(34)	(141)	(456)	641	—
Loss on extinguishment of debt	—	—	(60)	—	—	(60)
Interest expense	(42)	(16)	(63)	(5)	—	(126)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(53)	65	(178)	675	(10)	499
Income taxes	—	23	—	(145)	—	(122)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(53)	88	(178)	530	(10)	377
Interest in earnings of associates, net of tax	—	9	—	(9)	—	—
Equity account for subsidiaries	418	320	150	—	(888)	—
INCOME (LOSS) FROM CONTINUING OPERATIONS	365	417	(28)	521	(898)	377
Discontinued operations, net of tax	—	—	—	—	—	—
NET INCOME (LOSS)	365	417	(28)	521	(898)	377
Less: Net loss attributable to noncontrolling interests	—	—	—	(12)	—	(12)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 365	$ 417	$ (28)	$ 509	$ (898)	$ 365

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 522	$ 565	$ 74	$ 636	$ (1,263)	$ 534
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(12)	—	(12)
Comprehensive income attributable to Willis Group Holdings	$ 522	$ 565	$ 74	$ 624	$ (1,263)	$ 522

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 3,458	$ —	$ 3,458
Investment income	—	—	1	17	—	18
Other income	—	—	—	4	—	4
Total revenues	—	—	1	3,479	—	3,480
EXPENSES						
Salaries and benefits	(2)	—	(96)	(2,377)	—	(2,475)
Other operating expenses	(4)	(82)	(79)	(416)	—	(581)
Depreciation expense	—	(1)	(15)	(63)	—	(79)
Amortization of intangible assets	—	—	—	(59)	—	(59)
Goodwill impairment charge	—	—	—	(492)	—	(492)
Net loss on disposal of operations	—	—	—	(3)	—	(3)
Total expenses	(6)	(83)	(190)	(3,410)	—	(3,689)
OPERATING (LOSS) INCOME	(6)	(83)	(189)	69	—	(209)
Income from Group undertakings	—	201	316	111	(628)	—
Expenses due to Group undertakings	—	(67)	(147)	(414)	628	—
Interest expense	(43)	(7)	(70)	(8)	—	(128)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(49)	44	(90)	(242)	—	(337)
Income taxes	—	31	34	(166)	—	(101)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(49)	75	(56)	(408)	—	(438)
Interest in earnings of associates, net of tax	—	8	—	(3)	—	5
Equity account for subsidiaries	(397)	(480)	(172)	—	1,049	—
(LOSS) INCOME FROM CONTINUING OPERATIONS	(446)	(397)	(228)	(411)	1,049	(433)
Discontinued operations, net of tax	—	—	—	—	—	—
NET (LOSS) INCOME	(446)	(397)	(228)	(411)	1,049	(433)
Less: Net income attributable to noncontrolling interests	—	—	—	(13)	—	(13)
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (446)	$ (397)	$ (228)	$ (424)	$ 1,049	$ (446)

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive loss	$ (552)	$ (494)	$ (263)	$ (519)	$ 1,289	$ (539)
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(13)	—	(13)
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ (494)	$ (263)	$ (532)	$ 1,289	$ (552)

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 3,414	$ —	$ 3,414
Investment income	—	—	2	29	—	31
Other income	—	—	—	2	—	2
Total revenues	—	—	2	3,445	—	3,447
EXPENSES						
Salaries and benefits	(3)	—	(69)	(2,015)	—	(2,087)
Other operating expenses	(17)	32	(98)	(573)	—	(656)
Depreciation expense	—	—	(14)	(60)	—	(74)
Amortization of intangible assets	—	—	—	(68)	—	(68)
Net gain on disposal of operations	—	—	—	4	—	4
Total expenses	(20)	32	(181)	(2,712)	—	(2,881)
OPERATING (LOSS) INCOME	(20)	32	(179)	733	—	566
Income from Group undertakings	—	186	324	119	(629)	—
Expenses due to Group undertakings	—	(80)	(134)	(415)	629	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	(171)	—	—	—	(171)
Interest expense	(34)	(17)	(97)	(8)	—	(156)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(54)	(50)	(86)	429	—	239
Income taxes	—	59	27	(117)	(1)	(32)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(54)	9	(59)	312	(1)	207
Interest in earnings of associates, net of tax	—	8	—	4	—	12
Equity account for subsidiaries	258	229	(8)	—	(479)	—
INCOME (LOSS) FROM CONTINUING OPERATIONS	204	246	(67)	316	(480)	219
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME (LOSS)	204	246	(67)	317	(480)	220
Less: Net income attributable to noncontrolling interests	—	—	—	(16)	—	(16)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 204	$ 246	$ (67)	$ 301	$ (480)	$ 204

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income (loss)	$ 1	$ 48	$ (148)	$ 114	$ 1	$ 16
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(15)	—	(15)
Comprehensive income (loss) attributable to Willis Group Holdings	$ 1	$ 48	$ (148)	$ 99	$ 1	$ 1

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 3	$ 3	$ —	$ 790	$ —	$ 796
Accounts receivable, net	—	—	4	1,037	—	1,041
Fiduciary assets	—	—	—	8,412	—	8,412
Deferred tax assets	—	—	—	16	(1)	15
Other current assets	1	21	10	186	(21)	197
Amounts due from Group undertakings	4,051	903	1,317	1,484	(7,755)	—
Total current assets	4,055	927	1,331	11,925	(7,777)	10,461
NON-CURRENT ASSETS						
Investments in subsidiaries	—	2,838	1,021	—	(3,859)	—
Fixed assets, net	—	15	51	415	—	481
Goodwill	—	—	—	2,838	—	2,838
Other intangible assets, net	—	—	—	353	—	353
Investments in associates	—	156	—	20	—	176
Deferred tax assets	—	—	—	7	—	7
Pension benefits asset	—	—	—	278	—	278
Other non-current assets	4	9	5	188	—	206
Non-current amounts due from Group undertakings	—	518	690	—	(1,208)	—
Total non-current assets	4	3,536	1,767	4,099	(5,067)	4,339
TOTAL ASSETS	$ 4,059	$ 4,463	$ 3,098	$ 16,024	$ (12,844)	$ 14,800
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 8,412	$ —	$ 8,412
Deferred revenue and accrued expenses	2	1	28	555	—	586
Income taxes payable	—	3	—	39	(21)	21
Short-term debt and current portion of long-term debt	—	15	—	—	—	15
Deferred tax liabilities	—	—	—	25	—	25
Other current liabilities	62	15	38	300	—	415
Amounts due to Group undertakings	—	4,760	1,662	1,333	(7,755)	—
Total current liabilities	64	4,794	1,728	10,664	(7,776)	9,474
NON-CURRENT LIABILITIES						
Investments in subsidiaries	985	—	—	—	(985)	—
Long-term debt	795	782	733	1	—	2,311
Liabilities for pension benefits	—	—	—	136	—	136
Deferred tax liabilities	—	1	—	55	—	56
Provisions for liabilities	—	—	—	206	—	206
Other non-current liabilities	—	—	48	326	—	374
Non-current amounts due to Group undertakings	—	—	518	690	(1,208)	—
Total non-current liabilities	1,780	783	1,299	1,414	(2,193)	3,083
TOTAL LIABILITIES	$ 1,844	$ 5,577	$ 3,027	$ 12,078	$ (9,969)	$ 12,557

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
EQUITY						
Total Willis Group Holdings stockholders' equity	2,215	(1,114)	71	3,918	(2,875)	2,215
Noncontrolling interests	—	—	—	28	—	28
Total equity	2,215	(1,114)	71	3,946	(2,875)	2,243
TOTAL LIABILITIES AND EQUITY	$ 4,059	$ 4,463	$ 3,098	$ 16,024	$ (12,844)	$ 14,800

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1	$ —	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	—	933	—	933
Fiduciary assets	—	—	—	9,271	—	9,271
Deferred tax assets	—	—	—	13	—	13
Other current assets	1	31	38	114	(3)	181
Amounts due by group undertakings	4,091	993	1,292	864	(7,240)	—
Total current assets	4,093	1,024	1,330	11,694	(7,243)	10,898
NON-CURRENT ASSETS						
Investments in subsidiaries	—	2,407	553	—	(2,960)	—
Fixed assets, net	—	11	63	394	—	468
Goodwill	—	—	—	2,827	—	2,827
Other intangible assets, net	—	—	—	385	—	385
Investments in associates	—	143	—	31	—	174
Deferred tax assets	—	—	—	18	—	18
Pension benefits asset	—	—	—	136	—	136
Other non-current assets	5	3	41	157	—	206
Non-current amounts due by group undertakings	—	—	641	—	(641)	—
Total non-current assets	5	2,564	1,298	3,948	(3,601)	4,214
TOTAL ASSETS	$ 4,098	$ 3,588	$ 2,628	$ 15,642	$ (10,844)	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 9,271	$ —	$ 9,271
Deferred revenue and accrued expenses	2	—	—	539	—	541
Income taxes payable	—	4	—	18	(3)	19
Short-term debt and current portion of long-term debt	—	15	—	—	—	15
Deferred tax liabilities	—	—	—	21	—	21
Other current liabilities	60	—	73	194	—	327
Amounts due to group undertakings	—	4,951	1,246	1,043	(7,240)	—
Total current liabilities	62	4,970	1,319	11,086	(7,243)	10,194
NON-CURRENT LIABILITIES						
Investments in subsidiaries	1,542	—	—	—	(1,542)	—
Long-term debt	795	274	1,268	1	—	2,338
Liabilities for pension benefits	—	—	—	282	—	282
Deferred tax liabilities	—	—	—	18	—	18
Provisions for liabilities	—	—	—	180	—	180
Other non-current liabilities	—	5	7	363	—	375
Non-current amounts due to group undertakings	—	—	—	641	(641)	—
Total non-current liabilities	2,337	279	1,275	1,485	(2,183)	3,193
TOTAL LIABILITIES	$ 2,399	$ 5,249	$ 2,594	$ 12,571	$ (9,426)	$ 13,387

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
EQUITY						
Total Willis Group Holdings stockholders' equity	1,699	(1,661)	34	3,045	(1,418)	1,699
Noncontrolling interests	—	—	—	26	—	26
Total equity	1,699	(1,661)	34	3,071	(1,418)	1,725
TOTAL LIABILITIES AND EQUITY	$ 4,098	$ 3,588	$ 2,628	$ 15,642	$ (10,844)	$ 15,112

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ 4	$ 125	$ 7	$ 662	$ (237)	$ 561
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	3	9	—	12
Additions to fixed assets	—	(7)	(11)	(94)	—	(112)
Additions to intangibles assets	—	—	—	(7)	—	(7)
Acquisitions of subsidiaries, net of cash acquired	—	(237)	(230)	(30)	467	(30)
Payments to acquire other investments	—	—	—	(7)	—	(7)
Proceeds from sale of associates	—	—	—	4	—	4
Proceeds from sale of operations, net of cash disposed	—	—	230	257	(467)	20
Proceeds from intercompany investing activities	383	211	36	60	(690)	—
Repayments of intercompany investing activities	(347)	(442)	(120)	(780)	1,689	—
Net cash provided by (used in) investing activities	36	(475)	(92)	(588)	999	(120)
CASH FLOWS FROM FINANCING ACTIVITIES						
Senior notes issued	—	522	—	—	—	522
Debt issuance costs	—	(8)	—	—	—	(8)
Repayments of debt	—	(15)	(521)	—	—	(536)
Tender premium on extinguishment of senior notes	—	—	(65)	—	—	(65)
Proceeds from issue of shares	155	—	—	—	—	155
Excess tax benefits from share-based payment arrangements	—	—	—	2	—	2
Dividends paid	(193)	—	(230)	(7)	237	(193)
Acquisition of noncontrolling interests	—	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	—	(10)	—	(10)
Proceeds from intercompany financing activities	—	321	901	467	(1,689)	—
Repayments of intercompany financing activities	—	(467)	—	(223)	690	—
Net cash (used in) provided by financing activities	(38)	353	85	225	(762)	(137)
INCREASE IN CASH AND CASH EQUIVALENTS	2	3	—	299	—	304
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(8)	—	(8)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1	—	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3	$ 3	$ —	$ 790	$ —	$ 796

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30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (23)	$ 1,504	$ (44)	$ (97)	$ (815)	$ 525
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	5	—	5
Additions to fixed assets	—	(7)	(19)	(109)	—	(135)
Additions to intangible assets	—	—	—	(2)	—	(2)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(33)	—	(33)
Payments to acquire other investments	—	—	—	(7)	—	(7)
Proceeds from sale of operations, net of cash disposed	—	—	—	—	—	—
Proceeds from intercompany investing activities	256	216	44	1,230	(1,746)	—
Repayments of intercompany investing activities	—	(318)	(10)	(81)	409	—
Net cash provided by (used in) investing activities	256	(109)	15	1,003	(1,337)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of debt	—	(15)	—	—	—	(15)
Proceeds from issue of other debt	—	1	—	—	—	1
Repurchase of shares	(100)	—	—	—	—	(100)
Proceeds from issue of shares	53	—	—	—	—	53
Excess tax benefits from share-based payment arrangements	—	—	—	2	—	2
Dividends paid	(185)	—	—	(815)	815	(185)
Proceeds from sale of noncontrolling interest	—	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	—	(39)	—	(39)
Dividends paid to noncontrolling interests	—	—	—	(11)	—	(11)
Proceeds from intercompany financing activities	—	81	—	328	(409)	—
Repayments of intercompany financing activities	—	(1,462)	(134)	(150)	1,746	—
Net cash (used in) provided by financing activities	(232)	(1,395)	(134)	(682)	2,152	(291)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	—	(163)	224	—	62
Effect of exchange rate changes on cash and cash equivalents	—	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	—	163	273	—	436
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1	$ —	$ —	$ 499	$ —	$ 500

Willis Group Holdings plc

30. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 44	$ 316	$ 134	$ 131	$ (186)	$ 439
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	13	—	13
Additions to fixed assets	—	(4)	(21)	(86)	—	(111)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(10)	—	(10)
Acquisitions of investments in associates	—	—	—	(2)	—	(2)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Proceeds from sale of operations, net of cash disposed	—	—	—	14	—	14
Proceeds from intercompany investing activities	—	—	128	224	(352)	—
Repayments of intercompany investing activities	(711)	(430)	—	(101)	1,242	—
Net cash (used in) provided by investing activities	(711)	(434)	107	47	890	(101)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of revolving credit facility	—	—	(90)	—	—	(90)
Senior notes issued	794	—	—	—	—	794
Debt issuance costs	(7)	(5)	—	—	—	(12)
Repayments of debt	—	(500)	(411)	—	—	(911)
Proceeds from issue of term loan	—	300	—	—	—	300
Make-whole on repurchase and redemption of senior notes	—	(158)	—	—	—	(158)
Proceeds from issue of shares	60	—	—	—	—	60
Excess tax benefits from share-based payment arrangements	—	—	—	5	—	5
Dividends paid	(180)	—	—	(186)	186	(180)
Acquisition of noncontrolling interests	—	(4)	—	(5)	—	(9)
Dividends paid to noncontrolling interests	—	—	—	(13)	—	(13)
Cash received on intercompany financing activities	—	741	347	154	(1,242)	—
Cash paid on intercompany financing activities	—	(256)	—	(96)	352	—
Net cash provided by (used in) financing activities	667	118	(154)	(141)	(704)	(214)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	—	—	87	37	—	124
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(4)	—	(4)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	—	76	240	—	316
CASH AND CASH EQUIVALENTS, END OF YEAR	$ —	$ —	$ 163	$ 273	$ —	$ 436

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

On March 17, 2011, the Company issued senior notes totaling $800 million in a registered public offering. These debt securities were issued by Willis Group Holdings ('Holdings Debt Securities') and are guaranteed by certain of the Company's subsidiaries. Therefore, the Company is providing the condensed consolidating financial information below. The following 100 percent directly or indirectly owned subsidiaries fully and unconditionally guarantee the Holdings Debt Securities on a joint and several basis: Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America (the 'Guarantors').

The guarantor structure described above differs from the guarantor structure associated with the senior notes issued by Willis North America (the 'Willis North America Debt Securities') (and for which condensed consolidating financial information is presented in Note 30) in that Willis Group Holdings is the Parent Issuer and Willis North America is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

(i) Willis Group Holdings, which is the Parent Issuer;

(ii) the Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent;

(iii) Other, which are the non-guarantor subsidiaries, on a combined basis;

(iv) Consolidating adjustments; and

(v) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets for the year ended December 31, 2013 of Willis Group Holdings and the Guarantors.

Restatement to 2011 and 2012 financial information

Regulation S-X, Article 3, Rule 3-10, allows for the presentation of condensed consolidating financial information. In accordance with these rules, the condensed consolidating financial information should be presented in accordance with U.S. GAAP, except that (i) the guarantor and non-guarantor information is presented on a combined rather than consolidated basis, which requires the elimination of intra-entity activity and (ii) investments in subsidiaries are required to be presented under the equity method of accounting. Subsequent to the issuance of our 2012 financial statements, management determined that certain balances were not presented in accordance with the above principles and have therefore restated our condensed consolidating financial information to reflect (i) gross, rather than net, presentation of intercompany balance sheet positions, (ii) dividends received from subsidiaries as reductions to the equity method investment balances opposed to as component of investment income from group undertakings, and (iii) appropriate push down accounting for goodwill.

The impacts of these changes on the previously reported 2012 and 2011 financial statements are shown in the tables below.

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2012			
Willis Group Holdings - the Parent Issuer			
Operating loss	$ (6)	$ —	$ (6)
Net loss attributable to Willis Group Holdings	(446)	—	(446)
The Guarantors			
Operating loss	$ (261)	$ (11)	$ (272)
Net loss attributable to Willis Group Holdings	(389)	(8)	(397)
Other			
Operating income (loss)	$ 122	$ (53)	$ 69
Net loss attributable to Willis Group Holdings	(118)	(306)	(424)
Consolidating adjustments			
Operating (loss) income	$ (64)	$ 64	$ —
Net income attributable to Willis Group Holdings	507	314	821

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2011			
Willis Group Holdings - the Parent Issuer			
Operating loss	$ (20)	$ —	$ (20)
Net income attributable to Willis Group Holdings	204	—	204
The Guarantors			
Operating loss	$ (136)	$ (11)	$ (147)
Net income attributable to Willis Group Holdings	174	72	246
Other			
Operating income (loss)	$ 754	$ (21)	$ 733
Net income attributable to Willis Group Holdings	137	164	301
Consolidating adjustments			
Operating (loss) income	$ (32)	$ 32	$ —
Net loss attributable to Willis Group Holdings	(311)	(236)	(547)

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2012			
Willis Group Holdings - the Parent Issuer			
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ —	$ (552)
The Guarantors			
Comprehensive loss attributable to Willis Group Holdings	$ (486)	$ (8)	$ (494)
Other			
Comprehensive loss attributable to Willis Group Holdings	$ (226)	$ (306)	$ (532)
Consolidating adjustments			
Comprehensive income attributable to Willis Group Holdings	$ 712	$ 314	$ 1,026

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2011			
Willis Group Holdings - the Parent Issuer			
Comprehensive income attributable to Willis Group Holdings	$ 1	$ —	$ 1
The Guarantors			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (24)	$ 72	$ 48
Other			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (65)	$ 164	$ 99
Consolidating adjustments			
Comprehensive income (loss) attributable to Willis Group Holdings	$ 89	$ (236)	$ (147)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating balance sheet at 31 December 2012			
Willis Group Holdings - the Parent Issuer			
Total assets	$ 2,557	$ 1,541	$ 4,098
Total liabilities	858	1,541	2,399
Total equity	1,699	—	1,699
The Guarantors			
Total assets	$ 92	$ 4,832	$ 4,924
Total liabilities	1,667	4,918	6,585
Total equity	(1,575)	(86)	(1,661)
Other			
Total assets	$ 17,125	$ (1,483)	$ 15,642
Total liabilities	11,851	720	12,571
Total equity	5,274	(2,203)	3,071
Consolidating adjustments			
Total assets	$ (4,662)	$ (4,890)	$ (9,552)
Total liabilities	(989)	(7,179)	(8,168)
Total equity	(3,673)	2,289	(1,384)

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2012			
Willis Group Holdings - the Parent Issuer			
Net cash (used in) provided by operating activities	$ (42)	$ 19	$ (23)
Net cash provided by investing activities	—	256	256
Net cash provided by (used in) financing activities	43	(275)	(232)
The Guarantors			
Net cash provided by operating activities	$ 849	$ 611	$ 1,460
Net cash used in investing activities	(26)	(178)	(204)
Net cash used in financing activities	(986)	(433)	(1,419)
Other			
Net cash provided by (used in) operating activities	$ 431	$ (528)	$ (97)
Net cash (used in) provided by investing activities	(146)	1,149	1,003
Net cash used in financing activities	(61)	(621)	(682)
Consolidating adjustments			
Net cash used in operating activities	$ (713)	$ (102)	$ (815)
Net cash used in investing activities	—	(1,227)	(1,227)
Net cash provided by financing activities	713	1,329	2,042

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2011			
Willis Group Holdings - the Parent Issuer			
Net cash (used in) provided by operating activities	$ (41)	$ 85	$ 44
Net cash used in investing activities	—	(711)	(711)
Net cash provided by financing activities	41	626	667
The Guarantors			
Net cash provided by operating activities	$ 272	$ 178	$ 450
Net cash used in investing activities	(25)	(42)	(67)
Net cash used in financing activities	(160)	(136)	(296)
Other			
Net cash provided by (used in) operating activities	$ 1,269	$ (1,138)	$ 131
Net cash (used in) provided by investing activities	(76)	123	47
Net cash (used in) provided by financing activities	(1,156)	1,015	(141)
Consolidating adjustments			
Net cash (used in) provided by operating activities	$ (1,061)	$ 875	$ (186)
Net cash provided by investing activities	—	630	630
Net cash provided by (used in) financing activities	1,061	(1,505)	(444)

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2013				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
REVENUES					
Commissions and fees	$ —	$ 8	$ 3,625	$ —	$ 3,633
Investment income	—	—	15	—	15
Other income	—	—	7	—	7
Total revenues	—	8	3,647	—	3,655
EXPENSES					
Salaries and benefits	(1)	(103)	(2,103)	—	(2,207)
Other operating expenses	—	(236)	(380)	—	(616)
Depreciation expense	—	(23)	(71)	—	(94)
Amortization of intangible assets	—	—	(55)	—	(55)
Net gain on disposal of operations	—	—	12	(10)	2
Total expenses	(1)	(362)	(2,597)	(10)	(2,970)
OPERATING (LOSS) INCOME	(1)	(354)	1,050	(10)	685
Income from Group undertakings	—	466	86	(552)	—
Expenses due to Group undertakings	(10)	(86)	(456)	552	—
Loss on extinguishment of debt	—	(60)	—	—	(60)
Interest expense	(42)	(79)	(5)	—	(126)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(53)	(113)	675	(10)	499
Income taxes	—	23	(145)	—	(122)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(53)	(90)	530	(10)	377
Interest in earnings of associates, net of tax	—	9	(9)	—	—
Equity account for subsidiaries	418	498	—	(916)	—
INCOME FROM CONTINUING OPERATIONS	365	417	521	(926)	377
Discontinued operations, net of tax	—	—	—	—	—
NET INCOME	365	417	521	(926)	377
Less: Net income attributable to noncontrolling interests	—	—	(12)	—	(12)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 365	$ 417	$ 509	$ (926)	$ 365

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013				
	Willis Group Holdings—the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
Comprehensive income	$ 522	$ 565	$ 636	$ (1,189)	$ 534
Less: Comprehensive income attributable to noncontrolling interests	—	—	(12)	—	(12)
Comprehensive income attributable to Willis Group Holdings	$ 522	$ 565	$ 624	$ (1,189)	$ 522

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2012				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
REVENUES					
Commissions and fees	$ —	$ —	$ 3,458	$ —	$ 3,458
Investment income	—	1	17	—	18
Other income	—	—	4	—	4
Total revenues	—	1	3,479	—	3,480
EXPENSES					
Salaries and benefits	(2)	(96)	(2,377)	—	(2,475)
Other operating expenses	(4)	(161)	(416)	—	(581)
Depreciation expense	—	(16)	(63)	—	(79)
Amortization of intangible assets	—	—	(59)	—	(59)
Goodwill impairment charge	—	—	(492)	—	(492)
Net loss on disposal of operations	—	—	(3)	—	(3)
Total expenses	(6)	(273)	(3,410)	—	(3,689)
OPERATING (LOSS) INCOME	(6)	(272)	69	—	(209)
Income from Group undertakings	—	409	111	(520)	—
Expenses due to Group undertakings	—	(106)	(414)	520	—
Interest expense	(43)	(77)	(8)	—	(128)
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(49)	(46)	(242)	—	(337)
Income taxes	—	65	(166)	—	(101)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(49)	19	(408)	—	(438)
Interest in earnings of associates, net of tax	—	8	(3)	—	5
Equity account for subsidiaries	(397)	(424)	—	821	—
LOSS FROM CONTINUING OPERATIONS	(446)	(397)	(411)	821	(433)
Discontinued operations, net of tax	—	—	—	—	—
NET LOSS	(446)	(397)	(411)	821	(433)
Less: Net income attributable to noncontrolling interests	—	—	(13)	—	(13)
NET LOSS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (446)	$ (397)	$ (424)	$ 821	$ (446)

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2012				
	Willis Group Holdings—the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
Comprehensive loss	$ (552)	$ (494)	$ (519)	$ 1,026	$ (539)
Less: Comprehensive income attributable to noncontrolling interests	—	—	(13)	—	(13)
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ (494)	$ (532)	$ 1,026	$ (552)

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
REVENUES					
Commissions and fees	$ —	$ —	$ 3,414	$ —	$ 3,414
Investment income	—	2	29	—	31
Other income	—	—	2	—	2
Total revenues	—	2	3,445	—	3,447
EXPENSES					
Salaries and benefits	(3)	(69)	(2,015)	—	(2,087)
Other operating expenses	(17)	(66)	(573)	—	(656)
Depreciation expense	—	(14)	(60)	—	(74)
Amortization of intangible assets	—	—	(68)	—	(68)
Net gain on disposal of operations	—	—	4	—	4
Total expenses	(20)	(149)	(2,712)	—	(2,881)
OPERATING (LOSS) INCOME	(20)	(147)	733	—	566
Income from Group undertakings	—	412	119	(531)	—
Expenses due to Group undertakings	—	(116)	(415)	531	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	(171)	—	—	(171)
Interest expense	(34)	(114)	(8)	—	(156)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(54)	(136)	429	—	239
Income taxes	—	86	(117)	(1)	(32)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(54)	(50)	312	(1)	207
Interest in earnings of associates, net of tax	—	8	4	—	12
Equity account for subsidiaries	258	288	—	(546)	—
INCOME FROM CONTINUING OPERATIONS	204	246	316	(547)	219
Discontinued operations, net of tax	—	—	1	—	1
NET INCOME	204	246	317	(547)	220
Less: Net income attributable to noncontrolling interests	—	—	(16)	—	(16)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 204	$ 246	$ 301	$ (547)	$ 204

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2011				
	Willis Group Holdings—the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
Comprehensive income	$ 1	$ 48	$ 114	$ (147)	$ 16
Less: Comprehensive income attributable to noncontrolling interests	—	—	(15)	—	(15)
Comprehensive income attributable to Willis Group Holdings	$ 1	$ 48	$ 99	$ (147)	$ 1

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31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 3	$ 3	$ 790	$ —	$ 796
Accounts receivable, net	—	4	1,037	—	1,041
Fiduciary assets	—	—	8,412	—	8,412
Deferred tax assets	—	—	16	(1)	15
Other current assets	1	31	186	(21)	197
Amounts due from group undertakings	4,051	975	1,484	(6,510)	—
Total current assets	4,055	1,013	11,925	(6,532)	10,461
NON-CURRENT ASSETS					
Investments in subsidiaries	—	3,788	—	(3,788)	—
Fixed assets, net	—	66	415	—	481
Goodwill	—	—	2,838	—	2,838
Other intangible assets, net	—	—	353	—	353
Investments in associates	—	156	20	—	176
Deferred tax assets	—	—	7	—	7
Pension benefits asset	—	—	278	—	278
Other non-current assets	4	14	188	—	206
Non-current amounts due from group undertakings	—	690	—	(690)	—
Total non-current assets	4	4,714	4,099	(4,478)	4,339
TOTAL ASSETS	$ 4,059	$ 5,727	$ 16,024	$ (11,010)	$ 14,800
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Fiduciary liabilities	$ —	$ —	$ 8,412	$ —	$ 8,412
Deferred revenue and accrued expenses	2	29	555	—	586
Income taxes payable	—	3	39	(21)	21
Short-term debt and current portion on long-term debt	—	15	—	—	15
Deferred tax liabilities	—	—	25	—	25
Other current liabilities	62	53	300	—	415
Amounts due to group undertakings	—	5,177	1,333	(6,510)	—
Total current liabilities	64	5,277	10,664	(6,531)	9,474
NON-CURRENT LIABILITIES					
Investments in subsidiaries	985	—	—	(985)	—
Long-term debt	795	1,515	1	—	2,311
Liabilities for pension benefits	—	—	136	—	136
Deferred tax liabilities	—	1	55	—	56
Provisions for liabilities	—	—	206	—	206
Other non-current liabilities	—	48	326	—	374
Non-current amounts due to group undertakings	—	—	690	(690)	—
Total non-current liabilities	1,780	1,564	1,414	(1,675)	3,083
TOTAL LIABILITIES	$ 1,844	$ 6,841	$ 12,078	$ (8,206)	$ 12,557

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
EQUITY					
Total Willis Group Holdings stockholders' equity	2,215	(1,114)	3,918	(2,804)	2,215
Noncontrolling interests	—	—	28	—	28
Total equity	2,215	(1,114)	3,946	(2,804)	2,243
TOTAL LIABILITIES AND EQUITY	$ 4,059	$ 5,727	$ 16,024	$ (11,010)	$ 14,800

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 1	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	933	—	933
Fiduciary assets	—	—	9,271	—	9,271
Deferred tax assets	—	—	13	—	13
Other current assets	1	69	114	(3)	181
Amounts due from group undertakings	4,091	1,027	864	(5,982)	—
Total current assets	4,093	1,096	11,694	(5,985)	10,898
NON-CURRENT ASSETS					
Investments in subsidiaries	—	2,926	—	(2,926)	—
Fixed assets, net	—	74	394	—	468
Goodwill	—	—	2,827	—	2,827
Other intangible assets, net	—	—	385	—	385
Investments in associates	—	143	31	—	174
Deferred tax assets	—	—	18	—	18
Pension benefits asset	—	—	136	—	136
Other non-current assets	5	44	157	—	206
Non-current amounts due from group undertakings	—	641	—	(641)	—
Total non-current assets	5	3,828	3,948	(3,567)	4,214
TOTAL ASSETS	$ 4,098	$ 4,924	$ 15,642	$ (9,552)	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Fiduciary liabilities	$ —	$ —	$ 9,271	$ —	$ 9,271
Deferred revenue and accrued expenses	2	—	539	—	541
Income taxes payable	—	4	18	(3)	19
Short-term debt and current portion of long-term debt	—	15	—	—	15
Deferred tax liabilities	—	—	21	—	21
Other current liabilities	60	73	194	—	327
Amounts due to group undertakings	—	4,939	1,043	(5,982)	—
Total current liabilities	62	5,031	11,086	(5,985)	10,194
NON-CURRENT LIABILITIES					
Investments in subsidiaries	1,542	—	—	(1,542)	—
Long-term debt	795	1,542	1	—	2,338
Liabilities for pension benefits	—	—	282	—	282
Deferred tax liabilities	—	—	18	—	18
Provisions for liabilities	—	—	180	—	180
Other non-current liabilities	—	12	363	—	375
Non-current amounts due to group undertakings	—	—	641	(641)	—
Total non-current liabilities	2,337	1,554	1,485	(2,183)	3,193
TOTAL LIABILITIES	$ 2,399	$ 6,585	$ 12,571	$ (8,168)	$ 13,387

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
EQUITY					
Total Willis Group Holdings stockholders' equity	1,699	(1,661)	3,045	(1,384)	1,699
Noncontrolling interests	—	—	26	—	26
Total equity	1,699	(1,661)	3,071	(1,384)	1,725
TOTAL LIABILITIES AND EQUITY	$ 4,098	$ 4,924	$ 15,642	$ (9,552)	$ 15,112

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2013				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 4	$ (98)	$ 662	$ (7)	$ 561
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	3	9	—	12
Additions to fixed assets	—	(18)	(94)	—	(112)
Additions to intangibles assets	—	—	(7)	—	(7)
Acquisitions of subsidiaries, net of cash acquired	—	(237)	(30)	237	(30)
Payments to acquire other investments	—	—	(7)	—	(7)
Proceeds from sale of associates	—	—	4	—	4
Proceeds from disposal of operations, net of cash disposed	—	—	257	(237)	20
Proceeds from intercompany investing activities	383	223	60	(666)	—
Repayments of intercompany investing activities	(347)	(120)	(780)	1,247	—
Net cash provided by (used in) investing activities	36	(149)	(588)	581	(120)
CASH FLOWS FROM FINANCING ACTIVITIES					
Senior notes issued	—	522	—	—	522
Debt issuance costs	—	(8)	—	—	(8)
Repayments of debt	—	(536)	—	—	(536)
Tender premium on extinguishment of senior notes	—	(65)	—	—	(65)
Proceeds from the issue of shares	155	—	—	—	155
Excess tax benefits from share-based payment arrangements	—	—	2	—	2
Dividends paid	(193)	—	(7)	7	(193)
Acquisition of noncontrolling interests	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	(10)	—	(10)
Proceeds from intercompany financing activities	—	780	467	(1,247)	—
Repayments of intercompany financing activities	—	(443)	(223)	666	—
Net cash (used in) provided by financing activities	(38)	250	225	(574)	(137)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2	3	299	—	304
Effect of exchange rate changes on cash and cash equivalents	—	—	(8)	—	(8)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3	$ 3	$ 790	$ —	$ 796

Willis Group Holdings plc

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2012				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (23)	$ 1,460	$ (97)	$ (815)	$ 525
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	—	5	—	5
Additions to fixed assets	—	(26)	(109)	—	(135)
Additions to intangible assets	—	—	(2)	—	(2)
Acquisitions of subsidiaries, net of cash acquired	—	—	(33)	—	(33)
Payments to acquire other investments	—	—	(7)	—	(7)
Proceeds from intercompany investing activities	256	150	1,230	(1,636)	—
Repayments of intercompany investing activities	—	(328)	(81)	409	—
Net cash provided by (used in) investing activities	256	(204)	1,003	(1,227)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of debt	—	(15)	—	—	(15)
Proceeds from issue of other debt	—	1	—	—	1
Repurchase of shares	(100)	—	—	—	(100)
Proceeds from the issue of shares	53	—	—	—	53
Excess tax benefits from share-based payment arrangements	—	—	2	—	2
Dividends paid	(185)	—	(815)	815	(185)
Proceeds from sale of noncontrolling interest	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	(39)	—	(39)
Dividends paid to noncontrolling interests	—	—	(11)	—	(11)
Proceeds from intercompany financing activities	—	81	328	(409)	—
Repayments of intercompany financing activities	—	(1,486)	(150)	1,636	—
Net cash used in financing activities	(232)	(1,419)	(682)	2,042	(291)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	(163)	224	—	62
Effect of exchange rate changes on cash and cash equivalents	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	163	273	—	436
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1	$ —	$ 499	$ —	$ 500

31. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 44	$ 450	$ 131	$ (186)	$ 439
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	—	13	—	13
Additions to fixed assets	—	(25)	(86)	—	(111)
Acquisitions of subsidiaries, net of cash acquired	—	—	(10)	—	(10)
Acquisitions of investments in associates	—	—	(2)	—	(2)
Payments to acquire other investments	—	—	(5)	—	(5)
Proceeds from sale of operations, net of cash disposed	—	—	14	—	14
Proceeds from intercompany investing activities	—	96	224	(320)	—
Repayments of intercompany investing activities	(711)	(138)	(101)	950	—
Net cash used in investing activities	(711)	(67)	47	630	(101)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayments of revolving credit facility	—	(90)	—	—	(90)
Senior notes issued	794	—	—	—	794
Debt issuance costs	(7)	(5)	—	—	(12)
Repayments of debt	—	(911)	—	—	(911)
Proceeds from the issue of term loan	—	300	—	—	300
Make-whole on repurchase and redemption of senior notes	—	(158)	—	—	(158)
Proceeds from issue of shares	60	—	—	—	60
Excess tax benefits from share-based payment arrangements	—	—	5	—	5
Dividends paid	(180)	—	(186)	186	(180)
Acquisition of noncontrolling interests	—	(4)	(5)	—	(9)
Dividends paid to noncontrolling interests	—	—	(13)	—	(13)
Proceeds from intercompany financing activities	—	796	154	(950)	—
Repayments of intercompany financing activities	—	(224)	(96)	320	—
Net cash provided by (used in) financing activities	667	(296)	(141)	(444)	(214)
INCREASE IN CASH AND CASH EQUIVALENTS	—	87	37	—	124
Effect of exchange rate changes on cash and cash equivalents	—	—	(4)	—	(4)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	76	240	—	316
CASH AND CASH EQUIVALENTS, END OF YEAR	$ —	$ 163	$ 273	$ —	$ 436

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

Trinity Acquisition plc has $525 million senior notes outstanding that were issued on August 15, 2013.

All direct obligations under the senior notes were jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V, Willis Investment UK Holdings Limited, TA I Limited, Willis Group Limited and Willis North America, Inc, collectively the 'Other Guarantors', and with Willis Group Holdings, the 'Guarantor Companies'.

The guarantor structure described above differs from the guarantor structure associated with the senior notes issued by the Company and Willis North America (the ‘Willis North America Debt Securities’) in that Trinity Acquisition plc is the issuer and not a subsidiary guarantor, and Willis North America, Inc. is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

(i) Willis Group Holdings, which is a guarantor, on a parent company only basis;

(ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent. Willis Netherlands Holdings B.V, Willis Investment UK Holdings Limited and TA I Limited are all direct or indirect parents of the issuer and Willis Group Limited and Willis North America Inc., are 100 percent directly or indirectly owned subsidiaries or the issuer;

(iii) Trinity Acquisition plc, which is the issuer and is a 100 percent indirectly owned subsidiary of the parent;

(iv) Other, which are the non-guarantor subsidiaries, on a combined basis;

(v) Consolidating adjustments; and

(vi) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets of Willis Group Holdings, the Other Guarantors and the Issuer.

Restatement to 2011 and 2012 financial information

Regulation S-X, Article 3, Rule 3-10, allows for the presentation of condensed consolidating financial information. In accordance with these rules, the condensed consolidating financial information should be presented in accordance with U.S. GAAP, except that (i) the guarantor and non-guarantor information is presented on a combined rather than consolidated basis, which requires the elimination of intra-entity activity and (ii) investments in subsidiaries are required to be presented under the equity method of accounting. Subsequent to the issuance of our 2012 financial statements, management determined that certain balances were not presented in accordance with the above principles and have therefore restated our condensed consolidating financial information to reflect (i) gross, rather than net, presentation of intercompany balance sheet positions, (ii) dividends received from subsidiaries as reductions to the equity method investment balances opposed to as component of investment income from group undertakings, and (iii) appropriate push down accounting for goodwill.

The impacts of these changes on the previously reported 2012 and 2011 financial statements are shown in the tables below.

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2012			
Willis Group Holdings			
Operating loss	$ (6)	$ —	$ (6)
Net loss attributable to Willis Group Holdings	(446)	—	(446)
The Other Guarantors			
Operating loss	$ (262)	$ (11)	$ (273)
Net loss attributable to Willis Group Holdings	(389)	(8)	(397)
The Issuer			
Operating income	$ 1	$ —	$ 1
Net loss attributable to Willis Group Holdings	(427)	—	(427)
Other			
Operating income (loss)	$ 122	$ (53)	$ 69
Net loss attributable to Willis Group Holdings	(118)	(306)	(424)
Consolidating adjustments			
Operating (loss) income	$ (64)	$ 64	$ —
Net income attributable to Willis Group Holdings	934	314	1,248

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of operations for the year ended 31 December 2011			
Willis Group Holdings			
Operating loss	$ (20)	$ —	$ (20)
Net income attributable to Willis Group Holdings	204	—	204
The Other Guarantors			
Operating loss	$ (140)	$ (11)	$ (151)
Net income attributable to Willis Group Holdings	174	72	246
The Issuer			
Operating income	$ 4	$ —	$ 4
Net income (loss) attributable to Willis Group Holdings	218	(1)	217
Other			
Operating income (loss)	$ 754	$ (21)	$ 733
Net income attributable to Willis Group Holdings	137	164	301
Consolidating adjustments			
Operating (loss) income	$ (32)	$ 32	$ —
Net loss attributable to Willis Group Holdings	(529)	(235)	(764)

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2012			
Willis Group Holdings			
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ —	$ (552)
The Other Guarantors			
Comprehensive loss attributable to Willis Group Holdings	$ (486)	$ (8)	$ (494)
The Issuer			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (528)	$ —	$ (528)
Other			
Comprehensive loss attributable to Willis Group Holdings	$ (226)	$ (306)	$ (532)
Consolidating adjustments			
Comprehensive income attributable to Willis Group Holdings	$ 1,240	$ 314	$ 1,554

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of comprehensive income for the year ended 31 December 2011			
Willis Group Holdings			
Comprehensive income attributable to Willis Group Holdings	$ 1	$ —	$ 1
The Other Guarantors			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (24)	$ 72	$ 48
The Issuer			
Comprehensive income attributable to Willis Group Holdings	$ 21	$ (1)	$ 20
Other			
Comprehensive (loss) income attributable to Willis Group Holdings	$ (65)	$ 164	$ 99
Consolidating adjustments			
Comprehensive income (loss) attributable to Willis Group Holdings	$ 68	$ (235)	$ (167)

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating balance sheet at 31 December 2012			
Willis Group Holdings			
Total assets	$ 2,557	$ 1,541	$ 4,098
Total liabilities	858	1,541	2,399
Total equity	1,699	—	1,699
The Other Guarantors			
Total assets	$ (208)	$ 5,618	$ 5,410
Total liabilities	1,367	5,704	7,071
Total equity	(1,575)	(86)	(1,661)
The Issuer			
Total assets	$ 2,861	$ 408	$ 3,269
Total liabilities	300	492	792
Total equity	2,561	(84)	2,477
Other			
Total assets	$ 17,125	$ (1,483)	$ 15,642
Total liabilities	11,851	720	12,571
Total equity	5,274	(2,203)	3,071
Consolidating adjustments			
Total assets	$ (7,223)	$ (6,084)	$ (13,307)
Total liabilities	(989)	(8,457)	(9,446)
Total equity	(6,234)	2,373	(3,861)

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2012			
Willis Group Holdings			
Net cash (used in) provided by operating activities	$ (42)	$ 19	$ (23)
Net cash provided by investing activities	—	256	256
Net cash provided by (used in) financing activities	43	(275)	(232)
The Other Guarantors			
Net cash provided by operating activities	$ 1,869	$ 524	$ 2,393
Net cash used in investing activities	(26)	(21)	(47)
Net cash used in financing activities	(2,006)	(503)	(2,509)
The Issuer			
Net cash provided by operating activities	$ 1,269	$ 87	$ 1,356
Net cash used in investing activities	—	(53)	(53)
Net cash (used in) provided by financing activities	(1,269)	(34)	(1,303)
Other			
Net cash provided by (used in) operating activities	$ 431	$ (528)	$ (97)
Net cash (used in) provided by investing activities	(146)	1,149	1,003
Net cash used in financing activities	(61)	(621)	(682)
Consolidating adjustments			
Net cash used in operating activities	$ (3,002)	$ (102)	$ (3,104)
Net cash used in investing activities	—	(1,331)	(1,331)
Net cash provided by financing activities	3,002	1,433	4,435

	As previously reported	Reclassifications	As Reclassified
		(millions)	
Condensed consolidating statement of cash flows for the year ended 31 December 2011			
Willis Group Holdings			
Net cash (used in) provided by operating activities	$ (41)	$ 85	$ 44
Net cash used in investing activities	—	(711)	(711)
Net cash provided by financing activities	41	626	667
The Other Guarantors			
Net cash provided by (used in) operating activities	$ 209	$ (568)	$ (359)
Net cash used in investing activities	(25)	(33)	(58)
Net cash (used in) provided by financing activities	(97)	601	504
The Issuer			
Net cash provided by operating activities	$ 110	$ 746	$ 856
Net cash used in investing activities	—	(292)	(292)
Net cash used in financing activities	(110)	(454)	(564)
Other			
Net cash provided by (used in) operating activities	$ 1,269	$ (1,138)	$ 131
Net cash (used in) provided by investing activities	(76)	123	47
Net cash (used in) provided by financing activities	(1,156)	1,015	(141)
Consolidating adjustments			
Net cash (used in) provided by operating activities	$ (1,108)	$ 875	$ (233)
Net cash provided by investing activities	—	913	913
Net cash provided by (used in) financing activities	1,108	(1,788)	(680)

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ 8	$ —	$ 3,625	$ —	$ 3,633
Investment income	—	—	—	15	—	15
Other income	—	—	—	7	—	7
Total revenues	—	8	—	3,647	—	3,655
EXPENSES						
Salaries and benefits	(1)	(103)	—	(2,103)	—	(2,207)
Other operating expenses	—	(235)	(1)	(380)	—	(616)
Depreciation expense	—	(23)	—	(71)	—	(94)
Amortization of intangible assets	—	—	—	(55)	—	(55)
Net gain on disposal of operations	—	—	—	12	(10)	2
Total expenses	(1)	(361)	(1)	(2,597)	(10)	(2,970)
OPERATING (LOSS) INCOME	(1)	(353)	(1)	1,050	(10)	685
Income from Group undertakings	—	491	68	86	(645)	—
Expenses due to Group undertakings	(10)	(153)	(26)	(456)	645	—
Loss from extinguishment of debt	—	(60)	—	—	—	(60)
Interest expense	(42)	(61)	(18)	(5)	—	(126)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(53)	(136)	23	675	(10)	499
Income taxes	—	29	(6)	(145)	—	(122)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(53)	(107)	17	530	(10)	377
Interest in earnings of associates, net of tax	—	9	—	(9)	—	—
Equity account for subsidiaries	418	515	344	—	(1,277)	—
INCOME FROM CONTINUING OPERATIONS	365	417	361	521	(1,287)	377
Discontinued operations, net of tax	—	—	—	—	—	—
NET INCOME	365	417	361	521	(1,287)	377
Less: Net income attributable to noncontrolling interests	—	—	—	(12)	—	(12)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 365	$ 417	$ 361	$ 509	$ (1,287)	$ 365

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 522	$ 565	$ 504	$ 636	$ (1,693)	$ 534
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(12)	—	(12)
Comprehensive income attributable to Willis Group Holdings	$ 522	$ 565	$ 504	$ 624	$ (1,693)	$ 522

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 3,458	$ —	$ 3,458
Investment income	—	1	—	17	—	18
Other income	—	—	—	4	—	4
Total revenues	—	1	—	3,479	—	3,480
EXPENSES						
Salaries and benefits	(2)	(96)	—	(2,377)	—	(2,475)
Other operating expenses	(4)	(162)	1	(416)	—	(581)
Depreciation expense	—	(16)	—	(63)	—	(79)
Amortization of intangible assets	—	—	—	(59)	—	(59)
Goodwill impairment	—	—	—	(492)	—	(492)
Net loss on disposal of operations	—	—	—	(3)	—	(3)
Total expenses	(6)	(274)	1	(3,410)	—	(3,689)
OPERATING (LOSS) INCOME	(6)	(273)	1	69	—	(209)
Income from Group undertakings	—	436	79	111	(626)	—
Expenses due to Group undertakings	—	(185)	(27)	(414)	626	—
Interest expense	(43)	(69)	(8)	(8)	—	(128)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(49)	(91)	45	(242)	—	(337)
Income taxes	—	76	(11)	(166)	—	(101)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(49)	(15)	34	(408)	—	(438)
Interest in earnings of associates, net of tax	—	8	—	(3)	—	5
Equity account for subsidiaries	(397)	(390)	(461)	—	1,248	—
LOSS FROM CONTINUING OPERATIONS	(446)	(397)	(427)	(411)	1,248	(433)
Discontinued operations, net of tax	—	—	—	—	—	—
NET LOSS	(446)	(397)	(427)	(411)	1,248	(433)
Less: Net income attributable to noncontrolling interests	—	—	—	(13)	—	(13)
NET LOSS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (446)	$ (397)	$ (427)	$ (424)	$ 1,248	$ (446)

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive loss	$ (552)	$ (494)	$ (528)	$ (519)	$ 1,554	$ (539)
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(13)	—	(13)
Comprehensive loss attributable to Willis Group Holdings	$ (552)	$ (494)	$ (528)	$ (532)	$ 1,554	$ (552)

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 3,414	$ —	$ 3,414
Investment income	—	2	—	29	—	31
Other income	—	—	—	2	—	2
Total revenues	—	2	—	3,445	—	3,447
EXPENSES						
Salaries and benefits	(3)	(69)	—	(2,015)	—	(2,087)
Other operating expenses	(17)	(70)	4	(573)	—	(656)
Depreciation expense	—	(14)	—	(60)	—	(74)
Amortization of intangible assets	—	—	—	(68)	—	(68)
Net gain on disposal of operations	—	—	—	4	—	4
Total expenses	(20)	(153)	4	(2,712)	—	(2,881)
OPERATING (LOSS) INCOME	(20)	(151)	4	733	—	566
Income from Group undertakings	—	438	64	119	(621)	—
Expenses due to Group undertakings	—	(180)	(26)	(415)	621	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	—	(171)	—	—	(171)
Interest expense	(34)	(99)	(15)	(8)	—	(156)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(54)	8	(144)	429	—	239
Income taxes	—	47	39	(117)	(1)	(32)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(54)	55	(105)	312	(1)	207
Interest in earnings of associates, net of tax	—	8	—	4	—	12
Equity account for subsidiaries	258	183	322	—	(763)	—
INCOME FROM CONTINUING OPERATIONS	204	246	217	316	(764)	219
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME	204	246	217	317	(764)	220
Less: Net income attributable to noncontrolling interests	—	—	—	(16)	—	(16)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 204	$ 246	$ 217	$ 301	$ (764)	$ 204

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Comprehensive Income

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 1	$ 48	$ 20	$ 114	$ (167)	$ 16
Less: Comprehensive income attributable to noncontrolling interests	—	—	—	(15)	—	(15)
Comprehensive income attributable to Willis Group Holdings	$ 1	$ 48	$ 20	$ 99	$ (167)	$ 1

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 3	$ 3	$ —	$ 790	$ —	$ 796
Accounts receivable, net	—	4	—	1,037	—	1,041
Fiduciary assets	—	—	—	8,412	—	8,412
Deferred tax assets	—	—	—	16	(1)	15
Other current assets	1	36	1	186	(27)	197
Amounts due from group undertakings	4,051	975	793	1,484	(7,303)	—
Total current assets	4,055	1,018	794	11,925	(7,331)	10,461
NON-CURRENT ASSETS						
Investments in subsidiaries	—	3,716	2,705	—	(6,421)	—
Fixed assets, net	—	66	—	415	—	481
Goodwill	—	—	—	2,838	—	2,838
Other intangible assets, net	—	—	—	353	—	353
Investments in associates	—	156	—	20	—	176
Deferred tax assets	—	—	—	7	—	7
Pension benefits asset	—	—	—	278	—	278
Other non-current assets	4	5	9	188	—	206
Non-current amounts due from group undertakings	—	1,113	518	—	(1,631)	—
Total non-current assets	4	5,056	3,232	4,099	(8,052)	4,339
TOTAL ASSETS	$ 4,059	$ 6,074	$ 4,026	$ 16,024	$ (15,383)	$ 14,800
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 8,412	$ —	$ 8,412
Deferred revenue and accrued expenses	2	29	—	555	—	586
Income taxes payable	—	4	5	39	(27)	21
Short-term debt and current portion of long-term debt	—	—	15	—	—	15
Deferred tax liabilities	—	—	—	25	—	25
Other current liabilities	62	42	11	300	—	415
Amounts due to group undertakings	—	5,813	157	1,333	(7,303)	—
Total current liabilities	64	5,888	188	10,664	(7,330)	9,474
NON-CURRENT LIABILITIES						
Investments in subsidiaries	985	—	—	—	(985)	—
Long-term debt	795	733	782	1	—	2,311
Liabilities for pension benefits	—	—	—	136	—	136
Deferred tax liabilities	—	1	—	55	—	56
Provisions for liabilities	—	—	—	206	—	206
Other non-current liabilities	—	48	—	326	—	374
Non-current amounts due to group undertakings	—	518	423	690	(1,631)	—
Total non-current liabilities	1,780	1,300	1,205	1,414	(2,616)	3,083
TOTAL LIABILITIES	$ 1,844	$ 7,188	$ 1,393	$ 12,078	$ (9,946)	$ 12,557

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
EQUITY						
Total Willis Group Holdings stockholders' equity	2,215	(1,114)	2,633	3,918	(5,437)	2,215
Noncontrolling interests	—	—	—	28	—	28
Total equity	2,215	(1,114)	2,633	3,946	(5,437)	2,243
TOTAL LIABILITIES AND EQUITY	$ 4,059	$ 6,074	$ 4,026	$ 16,024	$ (15,383)	$ 14,800

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1	$ —	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	—	933	—	933
Fiduciary assets	—	—	—	9,271	—	9,271
Deferred tax assets	—	—	—	13	—	13
Other current assets	1	79	1	114	(14)	181
Amounts due from group undertakings	4,091	1,070	801	864	(6,826)	—
Total current assets	4,093	1,149	802	11,694	(6,840)	10,898
NON-CURRENT ASSETS						
Investments in subsidiaries	—	2,939	2,464	—	(5,403)	—
Fixed assets, net	—	74	—	394	—	468
Goodwill	—	—	—	2,827	—	2,827
Other intangible assets, net	—	—	—	385	—	385
Investments in associates	—	143	—	31	—	174
Deferred tax assets	—	—	—	18	—	18
Pension benefits asset	—	—	—	136	—	136
Other non-current assets	5	41	3	157	—	206
Non-current amounts due from group undertakings	—	1,064	—	—	(1,064)	—
Total non-current assets	5	4,261	2,467	3,948	(6,467)	4,214
TOTAL ASSETS	$ 4,098	$ 5,410	$ 3,269	$ 15,642	$ (13,307)	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 9,271	$ —	$ 9,271
Deferred revenue and accrued expenses	2	—	—	539	—	541
Income taxes payable	—	4	11	18	(14)	19
Short-term debt and current portion of long-term debt	—	—	15	—	—	15
Deferred tax liabilities	—	—	—	21	—	21
Other current liabilities	60	73	—	194	—	327
Amounts due to group undertakings	—	5,714	69	1,043	(6,826)	—
Total current liabilities	62	5,791	95	11,086	(6,840)	10,194
NON-CURRENT LIABILITIES						
Investments in subsidiaries	1,542	—	—	—	(1,542)	—
Long-term debt	795	1,268	274	1	—	2,338
Liabilities for pension benefits	—	—	—	282	—	282
Deferred tax liabilities	—	—	—	18	—	18
Provisions for liabilities	—	—	—	180	—	180
Other non-current liabilities	—	12	—	363	—	375
Non-current amounts due to group undertakings	—	—	423	641	(1,064)	—
Total non-current liabilities	2,337	1,280	697	1,485	(2,606)	3,193
TOTAL LIABILITIES	$ 2,399	$ 7,071	$ 792	$ 12,571	$ (9,446)	$ 13,387

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
EQUITY						
Total Willis Group Holdings stockholders' equity	1,699	(1,661)	2,477	3,045	(3,861)	1,699
Noncontrolling interests	—	—	—	26	—	26
Total equity	1,699	(1,661)	2,477	3,071	(3,861)	1,725
TOTAL LIABILITIES AND EQUITY	$ 4,098	$ 5,410	$ 3,269	$ 15,642	$ (13,307)	$ 15,112

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32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 4	$ 399	$ 63	$ 662	$ (567)	$ 561
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	3	—	9	—	12
Additions to fixed assets	—	(18)	—	(94)	—	(112)
Additions to intangible assets	—	—	—	(7)	—	(7)
Acquisitions of subsidiaries, net of cash acquired	—	(237)	—	(30)	237	(30)
Payments to acquire other investments	—	—	—	(7)	—	(7)
Proceeds from sale of associates	—	—	—	4	—	4
Proceeds from sale of operations, net of cash disposed	—	—	—	257	(237)	20
Proceeds from intercompany investing activities	383	160	132	60	(735)	—
Repayments of intercompany investing activities	(347)	(120)	(442)	(780)	1,689	—
Net cash provided by (used in) investing activities	36	(212)	(310)	(588)	954	(120)
CASH FLOWS FROM FINANCING ACTIVITIES						
Senior notes issued	—	—	522	—	—	522
Debt issuance costs	—	—	(8)	—	—	(8)
Repayments of debt	—	(521)	(15)	—	—	(536)
Tender premium on extinguishment of senior notes	—	(65)	—	—	—	(65)
Proceeds from issue of shares	155	—	—	—	—	155
Excess tax benefits from share-based payment arrangement	—	—	—	2	—	2
Dividends paid	(193)	(230)	(330)	(7)	567	(193)
Acquisition of noncontrolling interests	—	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	—	(10)	—	(10)
Proceeds from intercompany financing activities	—	1,075	147	467	(1,689)	—
Repayments of intercompany financing activities	—	(443)	(69)	(223)	735	—
Net cash (used in) provided by financing activities	(38)	(184)	247	225	(387)	(137)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2	3	—	299	—	304
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(8)	—	(8)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1	—	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 3	$ 3	$ —	$ 790	$ —	$ 796

Willis Group Holdings plc

32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (23)	$ 2,393	$ 1,356	$ (97)	$ (3,104)	$ 525
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	5	—	5
Additions to fixed assets	—	(26)	—	(109)	—	(135)
Additions to intangible assets	—	—	—	(2)	—	(2)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(33)	—	(33)
Payments to acquire other investments	—	—	—	(7)	—	(7)
Proceeds from sale of operations, net of cash disposed	—	—	—	—	—	—
Proceeds from intercompany investing activities	256	176	78	1,230	(1,740)	—
Repayments of intercompany investing activities	—	(197)	(131)	(81)	409	—
Net cash provided by (used in) investing activities	256	(47)	(53)	1,003	(1,331)	(172)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of debt	—	(4)	(11)	—	—	(15)
Proceeds from issue of other debt	—	—	1	—	—	1
Repurchase of shares	(100)	—	—	—	—	(100)
Proceeds from issue of shares	53	—	—	—	—	53
Excess tax benefits from share-based payment arrangement	—	—	—	2	—	2
Dividends paid	(185)	(1,220)	(1,069)	(815)	3,104	(185)
Proceeds from sale of noncontrolling interests	—	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	—	(39)	—	(39)
Dividends paid to noncontrolling interests	—	—	—	(11)	—	(11)
Proceeds from intercompany financing activities	—	81	—	328	(409)	—
Repayments of intercompany financing activities	—	(1,366)	(224)	(150)	1,740	—
Net cash used in financing activities	(232)	(2,509)	(1,303)	(682)	4,435	(291)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	(163)	—	224	—	62
Effect of exchange rate changes on cash and cash equivalents	—	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	163	—	273	—	436
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 1	$ —	$ —	$ 499	$ —	$ 500

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32. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year Ended December 31, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	$ 44	$ (359)	$ 856	$ 131	$ (233)	$ 439
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	13	—	13
Additions to fixed assets	—	(25)	—	(86)	—	(111)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(10)	—	(10)
Acquisitions of investments in associates	—	—	—	(2)	—	(2)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Proceeds from sale of operations, net of cash disposed	—	—	—	14	—	14
Proceeds from intercompany investing activities	—	105	—	224	(329)	—
Repayments of intercompany investing activities	(711)	(138)	(292)	(101)	1,242	—
Net cash (used in) investing activities	(711)	(58)	(292)	47	913	(101)
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of revolving credit facility	—	(90)	—	—	—	(90)
Senior notes issued	794	—	—	—	—	794
Debt issuance costs	(7)	—	(5)	—	—	(12)
Repayments of debt	—	(411)	(500)	—	—	(911)
Proceeds from issue of term loan	—	—	300	—	—	300
Make-whole on repurchase and redemption of senior notes	—	—	(158)	—	—	(158)
Proceeds from issue of shares	60	—	—	—	—	60
Excess tax benefits from share-based payment arrangements	—	—	—	5	—	5
Dividends paid	(180)	(47)	—	(186)	233	(180)
Acquisition of noncontrolling interests	—	(4)	—	(5)	—	(9)
Dividends paid to noncontrolling interests	—	—	—	(13)	—	(13)
Proceeds from intercompany financing activities	—	1,088	—	154	(1,242)	—
Repayments of intercompany financing activities	—	(32)	(201)	(96)	329	—
Net cash provided by (used in) financing activities	667	504	(564)	(141)	(680)	(214)
INCREASE IN CASH AND CASH EQUIVALENTS	—	87	—	37	—	124
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(4)	—	(4)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	76	—	240	—	316
CASH AND CASH EQUIVALENTS, END OF YEAR	$ —	$ 163	$ —	$ 273	$ —	$ 436

33. QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly financial data for 2013 and 2012 were as follows:

	Three Months Ended			
	March 31,	June 30,	September 30,	December 31,
	(millions, except per share data)			
2013				
Total revenues	$ 1,051	$ 890	$ 795	$ 919
Total expenses	(764)	(719)	(720)	(767)
Net income (loss)	223	107	(27)	74
Net income (loss) attributable to Willis Group Holdings	219	105	(27)	68
Earnings per share — continuing operations				
— Basic	$ 1.27	$ 0.60	$ (0.15)	$ 0.38
— Diluted	$ 1.24	$ 0.59	$ (0.15)	$ 0.37
2012				
Total revenues	$ 1,013	$ 842	$ 754	$ 871
Total expenses	(696)	(663)	(684)	(1,646)
Net income (loss)	232	110	26	(801)
Net income (loss) attributable to Willis Group Holdings	225	108	26	(805)
Earnings per share — continuing operations				
— Basic	$ 1.29	$ 0.62	$ 0.15	$ (4.65)
— Diluted	$ 1.28	$ 0.61	$ 0.15	$ (4.65)

Item 9 — Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

Item 9A — Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of December 31, 2013, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Group Chief Financial Officer concluded that, as of that date, the Company's disclosure controls and procedures as defined in Rule 13a-15(e) are effective.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2013, based on the criteria related to internal control over financial reporting described in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation, management concluded that our internal control over financial reporting was effective as of December 31, 2013.

Our independent registered public accountants, Deloitte LLP, who have audited and reported on our financial statements, have undertaken an assessment of the Company's internal control over financial reporting. Deloitte's report is presented below.

February 27, 2014.

Willis Group Holdings plc

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of Willis Group Holdings Public Limited Company,

Dublin, Ireland

We have audited the internal control over financial reporting of Willis Group Holdings Public Limited Company and subsidiaries (the 'Company') as of December 31, 2013, based on criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2013, based on the criteria established in *Internal Control — Integrated Framework (1992)* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements as of and for the year ended December 31, 2013 of the Company and our report dated February 27, 2014 expressed an unqualified opinion on those financial statements.

/s/ Deloitte LLP
London, United Kingdom
February 27, 2014

Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal controls over financial reporting during the three months ended December 31, 2013 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B — Other Information

None.

Willis Group Holdings plc

PART III

Item 10—Directors, Executive Officers and Corporate Governance

Except for the information regarding executive officers required by Item 401 of Regulation S-K which is set forth below as of February 14, 2014, the information required by this item with respect to our directors and executive officers, code of ethics, procedures for recommending nominees, audit committee, audit committee financial experts and compliance with Section 16(a) of the Exchange Act will be provided in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Celia Brown - Ms. Brown, age 59, was appointed an executive officer on January 23, 2012. Ms. Brown joined the Willis Group in 2010 and serves as the Willis Group Human Resources Director. Prior to joining the Willis Group, Ms. Brown spent over 20 years at XL Group plc where she held a number of senior roles. Ms. Brown served from 2006 to 2009 as the Executive Vice President, Head of Global HR and Corporate Relations at XL Group plc. Following XL Group plc, Ms. Brown formed an independent management consultancy, providing human resources services to not-for-profit, corporate and individual clients.

Dominic Casserley - Mr. Casserley, age 56, was appointed as Chief Executive Officer of Willis Group Holdings plc and as a member of the Board on January 7, 2013. Prior to joining Willis, Mr. Casserley, was a senior partner of McKinsey & Company, which he joined in New York in 1983. During his 29 years at McKinsey, Mr. Casserley led the firm's Greater China Practice and its UK and Ireland Practice. Mr. Casserley had been a member of the McKinsey Shareholders Council, the firm's global board, since 1999 and for four years served as the Chairman of the Finance Committee of that board. Mr. Casserley is a graduate of Cambridge University.

Stephen Hearn - Mr. Hearn, age 47, was appointed an executive officer on January 1, 2012. Mr. Hearn joined the Willis Group in 2008 and was named Chairman and CEO of Willis Global in 2011, CEO of Willis Limited in 2012 and Group Deputy CEO in 2013. Since joining the Willis Group, Mr. Hearn has served as Chairman of Special Contingency Risk, Chairman of Willis Facultative and Chairman and CEO of Glencairn Limited. From 2009 until 2011 he led Faber & Dumas, Global Markets International and Willis Facultative. Prior to joining the Willis Group, Mr. Hearn served as Chairman and CEO of the Glencairn Group Limited and as President and CEO of Marsh Affinity Europe.

Todd Jones - Mr. Jones, age 49, was appointed an executive officer and CEO of Willis North America on July 1, 2013. Mr. Jones joined Willis in 2003 as the North American Practice Leader for Willis's Executive Risks Practice and served as the President of Willis North America from 2010 to 2013. Mr. Jones also served as a National Partner for the Northeast Region. Prior to joining Willis, Mr. Jones held various leadership roles in the insurance brokerage industry. Before entering the brokerage industry, he was a financial analyst and corporate banker for a regional bank that is now part of Wells Fargo, focusing on the telecommunications industry.

Michael K. Neborak - Mr. Neborak, age 57, was appointed an executive officer and Group Chief Financial Officer on July 6, 2010. Mr. Neborak joined Willis from MSCI Inc., a NYSE listed company, where he was Chief Financial Officer. With more than 30 years of experience in finance and accounting, Mr. Neborak also held senior positions with Citigroup, including divisional CFO and co-head of Corporate Strategy & Business Development, from 2000 to 2006, and prior to that, in the investment banking group at Salomon Smith Barney from 1982 to 2000. He began his career as an accountant with Arthur Andersen & Co.

Adam L. Rosman -Mr. Rosman, age 48, was appointed Group General Counsel on May 7, 2012 and is responsible for legal, corporate secretary, compliance, audit and risk management. He joined Willis in 2009 and served for three years as the company's Deputy Group General Counsel, responsible for Willis' worldwide legal operations. Before joining Willis, Adam was Senior Vice President and Associate General Counsel at Cablevision Systems Corporation in Bethpage, NY, and before that he was a partner at the Washington D.C.-based law firm of Zuckerman Spaeder LLP, where he advised public companies and senior executives on a range of topics, including Sarbanes-Oxley. Between 1997 and 2003, Adam was an Assistant United States Attorney in Washington, D.C., where he prosecuted a wide range of matters. He also worked in 2000 and 2001 as Deputy Assistant to the President and Deputy Staff Secretary for President Clinton.

David Shalders - Mr. Shalders, age 47, was appointed an executive officer and Group Operations & Technology Director on November 4, 2013. Prior to joining Willis, Mr. Shalders spent over a decade in senior operations and IT roles at the Royal Bank of Scotland Group, most recently as Global COO for Global Banking and Markets. Mr. Shalders also held roles as Head of London & Asia Operations and Head of Derivative Operations for NatWest at RBS.

Directors and Officers

Timothy D. Wright - Mr. Wright, age 52, was appointed an executive officer in 2008 and in 2012 was appointed CEO of Willis International. Mr. Wright served as Group Chief Operating Officer from 2008 to 2012. Prior to joining the Willis Group, he was a Partner of Bain & Company where he led their Financial Services practice in London. Mr. Wright was previously UK Managing Partner of Booz Allen & Hamilton and led their insurance work globally. He has more than 20 years of experience in the insurance and financial service industries internationally.

Item 11 — Executive Compensation

The information required by this Item with respect to executive officer and director compensation will be provided in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information required by this Item with respect to security ownership of certain beneficial owners and management equity and securities authorized for issuance under equity compensation plans will be provided in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Item 13 — Certain Relationships and Related Transactions, and Director Independence

The information required by this Item with respect to transactions with related persons, the review, approval or ratification of such transactions and director independence will be provided in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Item 14 — Principal Accounting Fees and Services

The information required by this Item with respect to auditors' services and fees will be provided in accordance with Instruction G(3) to Form 10-K no later than April 30, 2014.

Willis Group Holdings plc

PART IV

Item 15 — Exhibits, Financial Statement Schedules

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

(1) Consolidated Financial Statements of the Company consisting of:

(a) Report of Independent Registered Public Accounting Firm.

(b) Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting.

(c) Consolidated Statements of Operations for each of the three years in the period ended December 31, 2013.

(d) Consolidated Statements of Comprehensive Income for each of the three years in the period ended December 31, 2013.

(e) Consolidated Balance Sheets as of December 31, 2013 and 2012.

(f) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2013.

(g) Consolidated Statements of Changes in Equity for each of the three years in the period ended December 31, 2013.

(h) Notes to the Consolidated Financial Statements.

All other schedules are omitted because they are not applicable, or not required, or because the required information is included in the Consolidated Financial Statements or the Notes thereto.

(2) Exhibits:

1.1	Underwriting Agreement, dated August 8, 2013, among Trinity Acquisition plc, as issuer, the guarantors named therein and Barclays Capital Inc. and Morgan Stanley & Co. LLC, as representatives of the several underwriters named therein (incorporated herein by reference to Exhibit No. 1.1 to the Company's Form 8-K filed on August 12, 2013 (SEC File No. 001-16503))
2.1	Scheme of Arrangement between Willis Group Holdings Limited and the Scheme Shareholders (incorporated by reference to Annex A to Willis Group Holdings Limited's Definitive Proxy Statement on Schedule 14A filed on November 2, 2009 (SEC File No. 001-16503))
3.1	Memorandum and Articles of Association of Willis Group Holdings Public Limited Company (incorporated herein by reference to Exhibit No. 3.1 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))
3.2	Certificate of Incorporation of Willis Group Holdings Public Limited Company (incorporated by reference to Exhibit No. 3.2 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))
4.1	Senior Indenture dated as of July 1, 2005, and First Supplemental Indenture, dated as of July 1, 2005, among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Limited, as the Guarantors, and The Bank of New York (f/k/a JPMorgan Chase Bank, N.A.), as the Trustee, for the issuance of the 5.625% senior notes due 2015 (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Limited's Form 8-K filed on July 1, 2005 (SEC File No. 001-16503))
4.2	Second Supplemental Indenture dated as of March 28, 2007 among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Limited, as the Guarantors, and The Bank of New York, as the Trustee, to the Indenture dated as of July 1, 2005, for the issuance of the 6.200% senior notes due 2017 (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Limited's Form 8-K filed on March 30, 2007 (SEC File No. 001-16503))
4.3	Third Supplemental Indenture dated as of October 1, 2008 among Willis North America Inc., as the Issuer, Willis Group Holdings Limited, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Limited, as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of July 1, 2005 (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Limited's Form 10-Q filed on November 10, 2008 (SEC File No. 001-16503))

4.4	Fourth Supplemental Indenture dated as of September 29, 2009 among Willis North America Inc., as the Issuer, Willis Group Holdings Limited, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Public Limited Company, as the Guarantors, and The Bank of New York, as the Trustee, to the Indenture dated as of July 1, 2005, for the issuance of the 7.000% senior notes due 2019 (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Limited's Form 8-K filed on September 29, 2009 (SEC File No. 001-16503))
4.5	Fifth Supplemental Indenture dated as of December 31, 2009 among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, Willis Group Holdings Limited, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Limited, as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of July 1, 2005 (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))
4.6	Sixth Supplemental Indenture dated as of December 22, 2010 among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, Trinity Acquisition plc, TA IV Limited and Willis Group Limited, as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of July 1, 2005 (incorporated by reference to Exhibit 4.1 to the Company's Form 10-K filed on February 28, 2011 (SEC File No. 001-16503))
4.7	Indenture, dated as of March 17, 2011, among Willis Group Holdings Public Limited Company, as issuer, Willis Netherlands Holdings B.V., Willis Investment Holdings UK Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America Inc., as Guarantors, and The Bank of New York Mellon, as Trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on March 17, 2011 (SEC File No. 001-16503))
4.8	First Supplemental Indenture, dated as of March 17, 2011, among Willis Group Holdings Public Limited Company, as Issuer, Willis Netherlands Holdings B.V., Willis Investment Holdings UK Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America Inc., as guarantors, and The Bank of New York Mellon, as trustee, to the Indenture dated March 17, 2011, for the issuance of the 4.125% senior notes due 2016 and the 5.750% senior notes due 2021 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on March 17, 2011 (SEC File No. 001-16503))
4.9	Indenture, dated as of August 15, 2013, among Trinity Acquisition plc, as issuer, Willis Group Holdings Public Limited Company, Willis Netherlands Holdings B.V., Willis North America Inc., Willis Investment Holdings UK Limited, TA I Limited and Willis Group Limited, as guarantors, and Wells Fargo Bank, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Company's Form 8-K filed on August 15, 2013 (SEC File No. 001-16503))
4.10	First Supplemental Indenture, dated as of August 15, 2013, among Trinity Acquisition plc, as issuer, Willis Group Holdings Public Limited Company, Willis Netherlands Holdings B.V., Willis North America Inc., Willis Investment Holdings UK Limited, TA I Limited and Willis Group Limited, as guarantors, and Wells Fargo Bank, National Association, as trustee, to the Indenture dated August 15, 2013, for the issuance of 4.625% senior notes due 2023 and 6.125% senior notes due 2043 (incorporated by reference to Exhibit 4.2 to the Company's Form 8-K filed on August 15, 2013 (SEC File No. 001-16503)).
10.1	Credit Agreement, dated as of December 16, 2011, among Trinity Acquisition plc, Willis Group Holdings Public Limited Company, the Lenders party thereto, Barclays Bank PLC, as Administrative Agent, Swing Line Lender and as an L/C Issuer (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on December 20, 2011 (SEC File No. 001-16503))
10.2	First Amendment to Credit Agreement, dated as of July 23, 2013, to the Credit Agreement, dated as of December 12, 2011, among Trinity Acquisition PLC, Willis Group Holdings Public Limited Company, the lenders party thereto and Barclays Bank PLC, as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on July 25, 2013 (SEC File No. 001-16503))
10.3	Guaranty Agreement, dated as of December 16, 2011, among Trinity Acquisition plc, Willis Group Holdings Public Limited Company, Barclays Bank PLC, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on December 20, 2011 (SEC File No. 001-16503))
10.4	Deed Poll of Assumption dated as of December 31, 2009 between Willis Group Holdings Limited and Willis Group Holdings Public Limited Company (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.5	Willis Group Senior Management Incentive Plan (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†

Willis Group Holdings plc

10.6	Willis Group Holdings 2010 North America Employee Share Purchase Plan (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on April 27, 2010 (SEC File No. 001-16503))†
10.7	Willis Group Holdings 2001 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.9 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.8	Form of Performance-Based Option Agreement under the Willis Group Holdings 2001 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on May 10, 2010 (SEC File No. 001-16503))†
10.9	Form of Time-Based Option Agreement under the Willis Group Holdings 2001 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.16 the Company's Form 10-K filed on February 28, 2011 (SEC File No. 001-16503))†
10.10	Form of Time-Based Restricted Share Unit Award Agreement under the Willis Group Holdings 2001 Share Purchase and Option Plan (for executive officers) (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.11	Form of Restricted Share Unit Award Agreement for Non-employee Directors under the Willis Group Holdings 2001 Share Purchase Option Plan (incorporated by reference to Exhibit 10.14 to the Company's Form 10-K filed February 29, 2012 (SEC File No. 001-16503))†
10.12	Form of Performance-Based Option Agreement - 2011 Long Term Incentive Program under the Willis Group Holdings 2001 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on May 3, 2011 (SEC File No. 001-16503))†
10.13	Form of 2011 Long Term Incentive Program Agreement of Restrictive Covenants and Other Obligations (for US employees) (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on May 3, 2011 (SEC File No. 001-16503))†
10.14	Form of 2011 Long Term Incentive Program Agreement of Restrictive Covenants and Other Obligations (for UK employees) (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on May 3, 2011 (SEC File No. 001-16503))†
10.15	Form of 2011 Long Term Incentive Program Cash Award Agreement (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on December 20, 2011 (SEC File No. 001-16503))†
10.16	Rules of the Willis Group Holdings Sharesave Plan 2001 for the United Kingdom (incorporated by reference to Exhibit 10.13 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.17	The Willis Group Holdings Irish Sharesave Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on May 5, 2010 (SEC File No. 001-16503))†
10.18	Willis Group Holdings 2008 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.16 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.19	Form of Performance-Based Restricted Share Units Award Agreement under the Willis Group Holdings 2008 Share Purchase and Option Plan (for executive officers) (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.20	Form of Performance-Based Option Award Agreement under the Willis Group Holdings 2008 Share Purchase and Option Plan (for executive officers) (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.21	Hilb Rogal and Hamilton Company 2000 Share Incentive Plan (incorporated by reference to Exhibit 10.18 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.22	Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (incorporated by reference to Exhibit 10.19 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.23	Form of Time-Based Restricted Share Unit Award Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on August 6, 2010 (SEC File No. 001-16503))†
10.24	Form of Performance-Based Restricted Share Unit Award Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.25	Form of Time-Based Option Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on August 6, 2010 (SEC File No. 001-16503))†

10.26	Form of Performance-Based Option Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.27	Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's 8-K filed on April 30, 2012 (SEC File No. 001-16503))†
10.28	Form of Time Based Share Option Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on August 9, 2012 (SEC File No. 001-16503))†
10.29	Form of Performance Based Share Option Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.2 to the Company's Form 10-Q filed on August 9, 2012 (SEC File No. 001-16503))†
10.30	Form of Time Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on August 9, 2012 (SEC File No. 001-16503))†
10.31	Form of Performance Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed on August 9, 2012 (SEC File No. 001-16503))†
10.32	Form of Time Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (for Non-Employee Directors) (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q filed on August 9, 2012 (SEC File No. 001-16503))†
10.33	Form of Performance-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan for the 2013 Long-Term Incentive Program*†
10.34	Rules of the Willis Group Holdings Public Limited Company 2012 Sharesave Sub-Plan for the United Kingdom to the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit 10.32 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.35	Form of 2012 Long Term Incentive Program Agreement of Restrictive Covenants and Other Obligations (for US employees) Plan (incorporated by reference to Exhibit 10.36 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.36	Form of 2012 Long Term Incentive Program Agreement of Restrictive Covenants and Other Obligations (for UK employees) Plan (incorporated by reference to Exhibit 10.37 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.37	Amended and Restated Willis US 2005 Deferred Compensation Plan (incorporated by reference to Exhibit 10.21 to the Company's Form 8-K filed on November 20, 2009 (SEC File No. 001-16503))†
10.38	First Amendment to the Amended and Restated Willis U.S. 2005 Deferred Compensation Plan, effective June 1, 2011 (incorporated by reference to Exhibit 10.1 to the Company's Form 10-Q filed on August 9, 2011 (SEC File No. 001-16503))†
10.39	Second Amendment to the Amended and Restated Willis US 2005 Deferred Compensation Plan (incorporated by reference to Exhibit 10.6 to the Company's Form 10-Q filed on November 5, 2013 (SEC File No. 001-16503))†
10.40	Instrument Comprising A Guarantee In Favour of Willis Pension Trustees Limited in Respect of the Willis Pension Scheme (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on April 5 2012 (SEC File No. 001-16503))†
10.41	Schedule of Contributions for the Willis Pension Scheme (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on April 5, 2012 (SEC File No. 001-16503))†
10.42	Form of Deed of Indemnity of Willis Group Holdings Public Limited Company with directors and officers (incorporated by reference to Exhibit 10.20 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†
10.43	Form of Indemnification Agreement of Willis North America Inc. with directors and officers (incorporated by reference to Exhibit 10.21 to the Company's Form 8-K filed on January 4, 2010 (SEC File No. 001-16503))†

Willis Group Holdings plc

10.44	Willis Group Holdings Public Limited Company Compensation Policy for Non-Employee Directors (incorporated by reference to Exhibit 10. 1 to the Company's Form 10-Q filed on November 5, 2013 (SEC File No. 001-16503))†
10.45	2010 Amended and Restated Employment Agreement, dated as of January 1, 2010, by and between Willis North America, Inc. and Joseph J. Plumeri (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on January 22, 2010 (SEC File No. 001-16503))†
10.46	First Amendment to Employment Agreement, dated as of October 16, 2012, by and between Willis North America Inc., a subsidiary of Willis Group Holdings Public Limited Company, and Joseph J. Plumeri (incorporated by reference to Exhibit 10.5 to the Company's Form 8-K filed on October 19, 2012 (SEC File No. 001-16503))†
10.47	Employment Agreement, dated as of October 16, 2012, by and between Willis Group Holdings Public Limited Company and Dominic Casserley (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on October 19, 2012 (SEC File No. 001-16503))†
10.48	Letter agreement, dated January 31, 2014, by and between Willis Group Holdings plc and Dominic Casserley.*†
10.49	Form of Time-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company (incorporated by reference to Exhibit 10.3 to the Company's Form 10-Q filed on November 5, 2013 (SEC File No. 001-16503))†
10.50	Form of Performance-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company (incorporated by reference to Exhibit 10.4 to the Company's Form 10-Q filed on November 5, 2013 (SEC File No. 001-16503))†
10.51	Form of Time-Based Share Option Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company (incorporated by reference to Exhibit 10.5 to the Company's Form 10-Q filed on November 5, 2013 (SEC File No. 001-16503))†
10.52	Offer Letter dated June 22, 2010 and Form of Employment Agreement between Willis North America, Inc. and Michael K. Neborak (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on June 23, 2010 (SEC File No. 001-16503))†
10.53	Agreement of Restrictive Covenants and Other Obligations dated as of August 2, 2010 between the Company and Michael K. Neborak (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Public Limited Company's Form 10-K filed on February 28, 2011 (SEC File No. 001-16503))†
10.54	Second Restated Employment Agreement, effective as of December 3, 2010, between Willis North America Inc. and Victor Krauze (incorporated by reference to Exhibit 10.45 to the Company's Form 10-K filed on February 29, 2012 (SEC File No. 001-16503))†
10.55	First Amendment to Offer of Promotion dated as of October 16, 2012, by and between Willis North America Inc., a subsidiary of Willis Group Holdings Public Limited Company, and Victor P. Krauze. (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K filed on October 19, 2012 (SEC File No. 001-16503))†
10.56	Agreement by and between Victor P. Krauze and Willis North America, Inc., a subsidiary of Willis Group Holdings Public Limited Company, dated July 1, 2013 (incorporated by reference to Exhibit 10.7 to the Company's Form 8-K filed on July 1, 2013 (SEC File No. 001-16503))†
10.57	Contract of Employment, dated as of February 28, 2011 by and between Willis Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Stephen P. Hearn (incorporated by reference to Exhibit 10.52 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.58	Amendment, dated July 19, 2012, to the Contract of Employment, dated as of February 28, 2011 by and between Willis Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Stephen P. Hearn (incorporated by reference to Exhibit 10.53 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.59	Contract of Employment, dated as of October 16, 2012 by and between Willis Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Stephen P. Hearn (incorporated by reference to Exhibit 10.6 to the Company's Form 8-K filed on October 19, 2012 (SEC File No. 001-16503))†

10.60	Contract of Employment, dated as of December 17, 2007 by and between Willis Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Tim Wright (incorporated by reference to Exhibit 10.55 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.61	Amendment, dated July 19, 2012, to the Contract of Employment, dated as of December 17, 2007 by and between Willis Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Tim Wright (incorporated by reference to Exhibit 10.56 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.62	Confidentiality Agreement dated as of January 17, 2008 between the Willis Group Limited, a subsidiary of Willis Group Holdings Public Limited Company, and Tim Wright (incorporated by reference to Exhibit 10.57 to the Company's Form 10-K filed on February 28, 2013 (SEC File No. 001-16503))†
10.63	Employment Agreement, dated September 15, 2003 between Willis Americas Administration, Inc. and Todd J. Jones*†
10.64	Letter Agreement, dated August 1, 2013, between Willis North America Inc., a subsidiary of Willis Group Holdings Public Limited Company, and Todd J. Jones*†
10.65	Nominating Agreement, dated April 25, 2013, by and among Willis Group Holdings Public Limited Company, ValueAct Capital Master Fund, L.P., VA Partners I, LLC, ValueAct Capital Management, L.P., ValueAct Capital Management, LLC, ValueAct Holdings, L.P., ValueAct Holdings GP, LLC and their respective affiliates (incorporated by reference to Exhibit 10.1 to the Company’s Form 8-K filed on April 26, 2013 ((SEC File No. 001-16503))
10.66	Investment and Share Purchase Agreement dated as of November 18, 2009 by and among Willis Europe BV, Astorg Partners, Soleil, Alcee, the Lucas family shareholders, the Gras family shareholders, key managers of Gras Savoye & Cie and other minority shareholders of Gras Savoye (incorporated by reference to Exhibit 10.37 to the Company's Form 10-K filed on March 1, 2010 (SEC File No. 001-16503))
10.67	Shareholders Agreement dated as of December 17, 2009 by and among Willis Europe BV, Astorg Partners, Soleil, Alcee, the Lucas family shareholders, the Gras family shareholders, key managers of Gras Savoye & Cie and other minority shareholders of Gras Savoye (incorporated by reference to Exhibit 10.38 to the Company's Form 10-K filed on March 1, 2010 (SEC File No. 001-16503))
10.68	Amended and Restated Shareholders' Agreement, dated as of April 15, 2013, by and among Willis Europe BV, Willis Netherlands Holdings BV, Astorg Partners, GS & Cie Group, Alcee, the Lucas family shareholders, the Gras family shareholders, key managers of Gras Savoye & Cie and other minority shareholders of Gras Savoye (incorporated by reference to Exhibit 10.60 to the Company's Form 10-Q filed on May 8, 2013 (SEC File No. 001-16503))
12.1	Statement regarding Computation of Ratio of Earnings to Fixed Charges.*
21.1	List of subsidiaries*
23.1	Consent of Deloitte LLP*
31.1	Certification Pursuant to Rule 13a-14(a)*
31.2	Certification Pursuant to Rule 13a-14(a)*
32.1	Certification Pursuant to 18 USC. Section 1350*
32.2	Certification Pursuant to 18 USC. Section 1350*
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

† Management contract or compensatory plan or arrangement.

Willis Group Holdings plc

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WILLIS GROUP HOLDINGS PLC
(REGISTRANT)

By: /s/ MICHAEL K. NEBORAK

Michael K. Neborak
Group Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: February 27, 2014

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 27th day of February 2014.

/s/ DOMINIC CASSERLEY	/s/ ANNA C. CATALANO
Dominic Casserley *Chief Executive Officer and Director* *(Principal Executive Officer)*	Anna C. Catalano *Director*
/s/ SIR ROY GARDNER	/s/ THE RT. HON. SIR JEREMY HANLEY, KCMG
Sir Roy Gardner *Director*	The Rt. Hon. Sir Jeremy Hanley, KCMG *Director*
/s/ ROBYN S. KRAVIT	/s/ WENDY E. LANE
Robyn S. Kravit *Director*	Wendy E. Lane *Director*
/s/ FRANCISCO LUZÓN	/s/ JAMES F. McCANN
Francisco Luzón *Director*	James F. McCann *Director*
/s/ JAYMIN B. PATEL	/s/ DOUGLAS B. ROBERTS
Jaymin B. Patel *Director*	Douglas B. Roberts *Director*
/s/ MICHAEL J. SOMERS	/s/ JEFFREY W. UBBEN
Michael J. Somers *Director*	Jeffrey W. Ubben *Director*

Willis Group Holdings Public Limited Company
2012 Equity Incentive Plan

PERFORMANCE BASED RESTRICTED SHARE UNIT AWARD AGREEMENT

THIS PERFORMANCE BASED RESTRICTED SHARE UNIT AWARD AGREEMENT (this "Agreement"), is made by and between Willis Group Holdings Public Limited Company and any successor thereto (the "Company") and the individual (the "Associate") who has signed or electronically accepted this Agreement (including the Schedules attached hereto) in the manner specified in the Associate's online account with the Company's designated broker/stock plan administrator.

WHEREAS, the Company wishes to carry out the Plan (as hereinafter defined), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as defined in the Plan) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant an award of Performance-Based Restricted Share Units (as hereinafter defined) provided for herein to the Associate as an incentive for increased efforts during the Associate's employment with the Company, its Subsidiaries (as defined in the Plan) or its Designated Associate Companies (as defined in the Plan), and has advised the Company thereof and instructed the undersigned officer to prepare said Agreement;

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I
DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

Section 1.1- Adjusted Earnings for LTIP

"Adjusted Earnings for LTIP" shall mean Earnings Before Interest and Taxes plus income for associates and income for non-controlling interests; calculated on an actual currency basis, subject to adjustments.

Section 1.2 - Cause

"Cause" shall mean (i) the Associate's continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries or Designated Associate Companies after having been provided reasonable notice of such failure and a period of at least ten days after the Associate's receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Associate in connection with the Associate's employment which is injurious to the Company or its Subsidiaries or Designated Associate Companies (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Associate to the Company or its Subsidiaries or Designated Associate Companies), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Associate's restrictive covenants and other obligations as provided in Schedule B to this Agreement (if applicable), in the Associate's employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Associate and the Company or any of its Subsidiaries or Designated Associate Companies (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Associate's receipt of such notice.

Section 1.3 - Earned Date

“Earned Date” shall mean the date that the Committee certifies the attainment of the Performance Objectives.

Section 1.4 - Earned Performance Shares
“Earned Performance Shares” shall mean Shares subject to the PRSUs in respect of which the applicable Performance Objectives, as set out in Schedule C to the Agreement, have been achieved and shall become eligible for vesting and payment as set out in Section 3.2.

Section 1.5 - Grant Date
“Grant Date” shall mean the date set forth in a schedule to the Agreement or communicated to the Associate through his or her online account with the Company’s designated broker/stock plan administrator.

Section 1.6 - LTIP
“Long-Term Incentive Program” or “LTIP” is a program adopted calendar 2013 by the Committee under which equity awards and/or cash awards may be granted to certain eligible employees of the Willis Group.

Section 1.7 - Organic Commissions and Fees Growth for LTIP
“Organic Commissions and Fees Growth for LTIP” shall mean the growth in commissions and fees, including market driven income, calculated on a constant currency basis, as adjusted.

Section 1.8 - Performance-Based Restricted Share Units
“Performance Based Restricted Share Units” or “PRSUs” shall mean a conditional right to receive Shares, pursuant to the terms of the Plan and this Agreement upon vesting and settlement, subject to the attainment of certain Performance Objectives and the Associate’s continued employment through the Vesting Date.

Section 1.9 - Performance Period
“Performance Period” shall mean January 1, 2013 - December 31, 2015.

Section 1.10 - Performance Objectives
“Performance Objectives” shall mean the performance objectives based on Adjusted Earnings for LTIP and Organic Commissions and Fees Growth for LTIP that are set forth in Schedule C to this Agreement.

Section 1.11 - Plan
“Plan” shall mean the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time.

Section 1.12 - Pronouns
The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 1.13 - Shares

“Shares” shall mean Ordinary Shares of the Company, Nominal Value of $0.000115 each, which may be authorized but unissued.

Section 1.14 - Vesting Date

“Vesting Date” shall mean March 5, 2016; provided however, that if the Vesting Date falls on a date that the Company determines the Associate is not permitted to sell Shares on the open market for any reason, including under the Company’s Insider Trading Policy (or any successor policy), then the Vesting Date instead shall be the later of the first business day in the next occurring open “window period” applicable to the Associate or the next business day that the Company determines the Associate is not prohibited from selling Shares on the open market.

ARTICLE II

GRANT OF PERFORMANCE-BASED RESTRICTED SHARE UNITS

Section 2.1 - Grant of the Performance-Based Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement including any country-specific provisions set forth in Schedule A to this Agreement, and, if applicable, the restrictive covenants set forth in Schedule B to the Agreement, the Company hereby grants to the Associate the target number of PRSUs specified in a schedule to the Agreement or as stated in the Associate's online account with the Company's designated broker/stock plan administrator. In circumstances where the Associate is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule B, the Associate agrees that the grant of PRSUs pursuant to this Agreement is sufficient consideration for the Associate entering into such agreement.

Section 2.2 - PRSU Payment

In accordance with Section 7(d)(ii) of the Plan, the Shares to be issued upon settlement of the PRSUs must be fully paid up prior to issuance of Shares by payment of the Nominal Value per Share. The Committee shall ensure that payment of the Nominal Value for any Shares underlying the PRSUs is received by it on behalf of the Associate at the time the PRSUs are settled from a non-Irish Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

Section 2.3 - Employment or Service Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations, where applicable, the rights and obligations of the Associate under the terms of his office or employment with the Company, or any Subsidiary or Designated Associate Company shall not be affected by his participation in the Plan or any right which he may have to participate in it. The PRSUs and the Associate's participation in the Plan will not be interpreted to form an employment agreement or service contract with the Company or any Subsidiary or a Designated Associate Company. The Associate hereby waives any and all rights to compensation or damages in consequence of his Termination of Service for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn or vest in his PRSUs as a result of such Termination of Service. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Associate shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

Section 2.4 - Adjustments in PRSUs Pursuant to Change of Control or Similar Event, etc.

Subject to Sections 12 and 13 of the Plan, in the event that the outstanding Shares subject to the PRSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, substitute or adjust proportionally (i) the number and kind of Shares subject to the PRSUs; or (ii) the terms and conditions of the PRSUs (including without limitation, any applicable Performance Objectives with respect thereto). An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their Nominal Value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares. Any such adjustment or determination made by the Committee shall be final and binding upon the Associate, the Company and all other interested persons.

Section 2.5 - Tax Withholding

The Associate acknowledges that, regardless of any action taken by the Company or, if different, Associate's employer (the "Employer") the ultimate liability for all Tax-Related Items related to the Associate's participation in the Plan and legally applicable to the Associate or deemed by the Company or the Employer, in their discretion, to be an appropriate charge to the Associate even if legally applicable to the Company or the Employer, is and remains the Associate's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Associate further acknowledges that the Company and/or the Employer (1) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PRSUs, including, but not limited to, the grant, vesting or settlement of the PRSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PRSUs to reduce or eliminate the Associate's liability for Tax-Related Items or achieve any particular tax result. Further, if the Associate is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Associate acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Associate agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items.

In this regard, the Associate authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following (provided the Committee does not indicate that alternative (iii) is unavailable):

(i) withholding from the Associate's wages or other cash compensation paid to the Associate by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Shares issued upon vesting of the PRSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Associate's behalf pursuant to this authorization without further consent); or

(iii) withholding in Shares to be issued upon settlement of the PRSU unless the Committee, it its sole discretion, indicates that this method of withholding is not available prior to the applicable taxable or tax withholding event.

Provided, however, that if the Associate is an officer of the Company under Section 16 of the Exchange Act ("Section 16 Officer"), such Section 16 Officer is entitled to elect the method of withholding from alternatives (i) through (iii) above, provided, that the Committee does not indicate that alternative (iii) is unavailable.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Associate will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Associate is deemed to have been issued the full number of Shares subject to the vested PRSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Associate agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Associate's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Associate fails to comply with the Associate's obligations in connection with the Tax-Related Items.

Section 2.6 - Clawback Policy

The Company may cancel all or part of the PRSUs or require payment by the Associate to the Company of all or part of any amount or Shares acquired by the Associate upon vesting and settlement of the PRSUs pursuant to the Company's Clawback Policy, as stated in Section 10 of the Plan.

ARTICLE III

PERFORMANCE-BASED AND TIME-BASED VESTING REQUIREMENTS

Section 3.1 - Earned Performance Shares

(a) Subject to Sections 3.1(b) through 3.1(c) below, the Shares subject to the PRSUs shall become Earned Performance Shares and shall become eligible to vest in accordance with the provisions of Section 3.2 as of the Earned Date to the extent the Committee determines (and based on the level of attainment) that the Organic Commissions and Fee Growth for LTIP Performance Goal (applicable to 50% of Target Number of Shares) and Adjusted Earnings for LTIP Performance Goal (applicable to 50% of Target Number of Shares) set forth in Schedule C to this Agreement are attained pursuant to Section 3.1(b).

(b) As of the Earned Date, the Committee shall certify the attainment level of applicable Performance Objectives, and based on such certification, shall declare the number of Shares subject to the PRSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Schedule C to this Agreement notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the PRSUs that will become Earned Performance Shares.

(c) The Associate understands and agrees that the terms under which the PRSUs shall become Earned Performance Shares (as described in Section 3.1 above and in Schedule C) is confidential and the Associate agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Associate's employment with the Company, its Subsidiaries or a Designated Associate Company, without the prior written consent of the Company. The Associate's failure to abide by this condition may result in the immediate cancellation of the PRSUs.

(d) If, prior to the end of the Performance Period, (i) the Associate experiences a Termination of Service for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion, deem the Performance Objectives to be attained at the level (not to exceed 100% of the target level) determined by the Committee as to all or part of the unearned Shares underlying the PRSUs and deem them to be Earned Performance Shares.

(e) The Performance Objectives may be adjusted as the Committee, in its sole discretion, deems appropriate.

(f) Any Shares subject to the PRSUs that are not declared by the Committee to be Earned Performance Shares on the Earned Date shall be forfeited immediately.

Section 3.2 - Vesting/Settlement

(a) Subject to the Associate's continued employment with the Company or any Subsidiary or Designated Associate Company through the Vesting Date and Sections 3.2(b), 3.2(c), 3.2(e) and 3.2(g), the Earned Performance Shares shall vest on the Vesting Date and become payable in accordance with Section 3.2(h) below:

(b) In the event of the Associate's Termination of Service with the Company or any Subsidiary or Designated Associate Company, any unvested Earned Performance Shares will be forfeited immediately by the Associate, subject to, and except as otherwise specified in, and subject to the terms and conditions of, Section 3.2(c) below.

(c) In the event of the Associate's Termination of Service for reasons other than Cause, the Committee may, in its sole discretion accelerate the vesting of the PRSUs over Earned Performance Shares as to all or a portion of the Earned Performance Shares subject thereto. If no determination is made as of the Termination Date, then the Earned Performance Shares shall, to the extent not then vested, be immediately forfeited by the Associate.

(d) Unless otherwise determined by the Committee, in its sole discretion, the Termination Date for purposes of this Section 3.2 and the Agreement will be the later of (i) the last day of the Associate's active employment with the Company, its Subsidiaries or any Designated Associate Company or (ii) the last day of any notice period or garden leave, as provided for under the Associate's employment or service contract or local law, provided, however, that in the case of U.S. taxpayers, the Termination Date shall mean a date that will allow the RSU to be exempt from Section 409A of the Code under the "short-term deferral exception."

(e) In the event of a Change of Control, the PRSUs shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

(f) The Associate agrees to execute and deliver or electronically accept, in the manner and within the period specified in the Associate's online account with the Company's designated broker/stock plan administrator, the Agreement including any applicable schedules thereto.

(g) The Committee may, in its sole discretion, cancel the PRSUs if the Associate fails to execute and deliver or electronically accept the Agreement and documents within the period set forth in Section 3.2(g).

(h) Earned Performance Shares that become vested in accordance with this Section 3.2 shall be delivered within one month following the Vesting Date or such earlier date that the Earned Performance Shares become vested on an accelerated basis pursuant to Section 3.2 hereof (which payment schedule is intended to comply with the "short-term deferral" exception from the application of Section 409A of the Code).

Section 3.3 - Conditions to Issuance of Shares

The Earned Performance Shares to be delivered hereunder shall be previously authorized but unissued Shares. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the PRSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code for United States taxpayers:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The Associate has paid or made arrangements to pay the Tax-Related Items pursuant to Section 2.5.

Without limiting the generality of the foregoing, the Committee may in the case of United States resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of PRSUs does not violate the Exchange Act and may issue stop-transfer orders in the United States covering such Shares.

Section 3.4 - Rights as Shareholder

The Associate shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the PRSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Associate.

Section 3.5 - Limitation on Obligations

The Company's obligation with respect to the PRSUs granted hereunder is limited solely to the delivery to the Associate of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The PRSUs shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Associate for damages relating to any delays in issuing the share certificates or its electronic equivalent to the Associate (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Associate (or his designated entities) or in the certificates themselves.

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE PRSUs

Section 4.1 - Nature of Award

In accepting the PRSUs, the Associate acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the PRSU award is voluntary and occasional and does not create any contractual or other right to receive future PRSU awards, or benefits in lieu of PRSU awards, even if PRSUs have been granted in the past;

(c) all decisions with respect to future PRSUs or other grants, if any, will be at the sole discretion of the Company;

(d) the Associate's participation in the Plan is voluntary;

(e) the PRSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(f) the PRSUs and any Shares acquired under the Plan and the income and the value of the same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(g) the future value of the Shares underlying the PRSUs is unknown, indeterminable, and cannot be predicted with certainty;

(h) no claim or entitlement to compensation or damages shall arise from forfeiture of the PRSUs or the underlying Shares resulting from the Associate's Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Associate is employed or the terms of his employment agreement, if any), and in consideration of the PRSU award to which the Associate is otherwise not entitled, the Associate irrevocably agrees never to institute any claim against the Company, any Subsidiary or Designated Associate Company or the Employer, waives the Associate's ability, if any, to bring any such claim, and releases the Company, its Subsidiaries or Designated Associate Companies and the Employer from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Associate shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim;

(i) unless otherwise provided in the Plan or by the Company in its discretion, the PRSUs and the benefits evidenced by this Agreement do not create any entitlement to have the PRSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Change of Control or similar event affecting the Shares of the Company; and

(j) if the Associate is providing services outside the United States the Associate acknowledges and agrees that neither the Company, the Employer nor any Subsidiary or Designated Associate Company shall be liable for any foreign exchange rate fluctuation between the Associate's local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to the Associate pursuant to the settlement of the PRSUs or the subsequent sale of any Shares acquired upon settlement.

Section 4.2 - No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Associate's participation in the Plan, the issuance of Shares upon vesting of the PRSUs or sale of the Shares. The Associate is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

Section 5 - Data Privacy

(a) The Associate hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Associate's personal data as described in this Agreement and any other PRSU materials ("Data") by and among, as applicable, the Employer, the Company, its Subsidiaries and Designated Associate Companies for the exclusive purpose of implementing, administering and managing the Associate's participation in the Plan.

(b) The Associate understands that the Company and the Employer may hold certain personal information about the Associate, including, but not limited to, the Associate's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all PRSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Associate's favor, for the exclusive purpose of implementing, administering and managing the Plan.

(c) The Associate understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Associate understands that the recipients of the Data may be located in the Associate's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Associate's country. The Associate understands that, if he lives outside of the United States, he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Associate authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Associate understands that Data will be held only as long as is necessary to implement, administer and manage the Associate's participation in the Plan. The Associate understands that if he resides outside the United States, he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. Further, the Associate understands that he is providing the consents herein on a purely voluntary basis. If the Associate does not consent, or if the Associate later seeks to revoke his consent, his employment status or service and career with the Employer will not be adversely affected; the only adverse consequence of refusing or withdrawing the Associate's consent is that the Company would not be able to grant the Associate PRSUs or other equity awards or administer or maintain such awards. Therefore, the Associate understands that refusing or withdrawing his consent may affect the Associate's ability to participate in the Plan. For more information on the consequences of the Associate's refusal to consent or withdrawal of consent, the Associate understands that he may contact his local human resources representative.

ARTICLE VI

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

Section 6 - Restrictive Covenants and Other Obligations

In consideration of the grant of PRSUs, the Associate shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule B. In the event the Associate does not sign and return or electronically accept the Agreement of Restrictive Covenants and Other Obligations in the manner specified within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the PRSUs. If no such agreement is required, Schedule B shall state none or not applicable.

ARTICLE VII

MISCELLANEOUS

Section 7.1 - Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Associate, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the PRSUs. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

Section 7.2 - PRSUs Not Transferable

Neither the PRSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Associate or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 7.3 - Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

Section 7.4 - Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company
c/o Willis Group Limited
51 Lime Street
London England EC3M 7DQ
Attention: Share Plans

and any notice to be given to the Associate shall be at his or her address.

By a notice given pursuant to this Section 7.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Associate shall, if the Associate is then deceased, be given to the Associate's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 7.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Associate resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

Section 7.5 - Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 7.6 - Applicability of Plan

The PRSUs and the Shares underlying the PRSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the PRSUs and the underlying Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Section 7.7 - Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

Section 7.8 - Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflicts of law provisions; provided, however, that the Agreement of Restrictive Covenants and Other Obligations as set forth in Schedule B, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement without regard to conflicts of law provisions.

Section 7.9 - Jurisdiction

The State and Federal courts located in the County of New York, State of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts; provided, however, where applicable that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreements shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

Section 7.10 - Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Associate hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party broker/stock plan administrator designated by the Company. Further, to the extent that this Agreement has been executed on behalf of the Company electronically, the Associate accepts the electronic signature of the Company.

Section 7.11 - Language

If the Associate has received this Agreement, or any other document related to the PRSUs and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

Section 7.12 - Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Section 7.13 - Schedule A

The PRSUs shall be subject to any special provisions set forth in Schedule A for the Associate's country of residence, if any. If the Associate relocates to one of the countries included in Schedule A during prior to the vesting of the PRSUs, the special provisions for such country shall apply to the Associate, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. Schedule A constitutes part of this Agreement.

Section 7.14 - Imposition of Other Requirements

The Company reserves the right to impose other requirements on the PRSUs and the Shares acquired upon vesting of the PRSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Associate to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 7.15 - Waiver

The Associate acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Associate or any other Participant of the Plan.

Section 7.16 - Counterparts.

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 7.17 - Code Section 409A.

For purposes of United States taxpayers, it is intended that the terms of the PRSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Associate to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Associate, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related United States Department of Treasury guidance. In that light, the Company, its Subsidiaries and any Designated Associate Companies make no representation or covenant to ensure that the PRSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto. Nothing in the Agreement shall provide a basis for any person to take action against the Willis Group based on matters covered by Section 409A of the Code, including the tax treatment of any Shares or other payments made under the PRSUs granted hereunder, and the Company, its Subsidiaries and any Designated Associate Company shall not under any circumstances have any liability to the Director or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A of the Code.

By the Associate's execution or electronic acceptance of this Agreement (including the Schedules attached hereto) in the manner specified in the Associate's online account with the Company's designated broker/stock plan administrator, the Associate and the Company have agreed that the PRSUs are granted under and governed by the terms and conditions of the Plan and this Agreement (including the Schedules attached hereto).

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

/s/ Adam Rosman
Name: Adam Rosman
Title: Group General Counsel

Schedule A

COUNTRY-SPECIFIC APPENDIX TO RESTRICTED SHARE UNIT AWARD AGREEMENT
(Performance and Time-Based Restricted Share Units)

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

Terms and Conditions

This Schedule A includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Associate under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time (the "Plan") and the Associates applicable Time-Based Restricted Share Unit Agreement or Performance-Based Restricted Share Unit Agreement (collectively referred to as the "Agreement") if the Associate resides in one of the countries listed below. This Schedule A forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

Notifications

This Schedule A also includes information based on the securities, exchange control and other laws in effect in the Associate's country as of November 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Associate not rely on the information noted herein as the only source of information relating to the consequences of the Associate's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Associate with any tax advice with respect to the RSUs. The information provided below may not apply to the Associate's particular situation, and the Company is not in a position to assure the Associate of any particular result. *Accordingly, the Associate is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Associate's country apply to the Associate's situation.*

Finally, if the Associate is a citizen or resident of a country other than the one in which the Associate is currently working, transfers employment after the Grant Date, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Associate, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Associate.

ARGENTINA

Notifications

Securities Law Information
Neither the RSUs nor the Shares underlying the RSUs are publicly offered or listed on any stock exchange in Argentina. The offer is private and not subject to the supervision of any Argentine governmental authority.

Exchange Control Information
If the Associate transfers proceeds from the sale of Shares or the receipt of any dividends paid on such Shares into Argentina within ten (10) days of receipt (i.e., the proceeds have not been held in the offshore bank or brokerage account for at least ten (10) days prior to transfer), the Associate must deposit 30% of the proceeds into a non-interest bearing account in Argentina for 365 days. If, however, the Associate has satisfied the ten-day holding obligation, the Argentine bank handling the transaction may still request certain documentation in connection with his or her request to transfer proceeds into Argentina, including evidence of the sale or dividend payment and proof that no funds were remitted out of Argentina to acquire the Shares. If the bank determines that the ten-day rule or any other rule or regulation promulgated by the Argentine Central Bank has not been satisfied, it will require that

30% of the proceeds be placed in a non-interest bearing dollar denominated mandatory deposit account for a holding period of 365 days.

Please note that exchange control regulations in Argentina are subject to frequent change. The Associate should consult with his or her personal legal advisor regarding any exchange control obligations the Associate may have in connection with participation in the Plan.

Tax Reporting Information
The Associate must report any Shares acquired and held by him or her on December 31 of each year on his or her annual tax return for that year. In addition, certain periodic reporting obligations also apply; specifically, when the Associate acquires, sells, transfers or otherwise disposes of Shares, the Associate must register the transaction with the Federal Tax Administration through its website (www.afip.gov.ar). The Associate must complete the online registration within 10 business days of the relevant transaction.

AUSTRALIA

Notifications

Securities Law Information
If the Associate acquires Shares under the Plan upon the vesting of the RSUs and subsequently offers the Shares for sale to a person or entity resident in Australia, such an offer may be subject to disclosure requirements under Australian law, and the Associate should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

BELGIUM

Notifications

Tax Reporting Information
The Associate is required to report any taxable income attributable to the vesting of the RSUs on his or her annual tax return. In addition, the Associate is required to report any bank accounts opened and maintained outside Belgium on his or her annual tax return.

BERMUDA

There are no country-specific provisions.

Brazil

Terms and Conditions

Compliance with the Law
In accepting the grant of the RSUs, the Associate acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the RSUs and the sale of the Shares acquired under the Plan.

Notifications

Exchange Control Information
If the Associate holds assets and rights outside Brazil with an aggregate value exceeding US$100,000, he or she will be required to prepare and submit to the Central Bank of Brazil an annual declaration of such assets and rights, including: (i) bank deposits; (ii) loans; (iii) financing transactions; (iv) leases; (v) direct investments; (vi) portfolio investments, including Shares acquired under the Plan; (vii) financial derivatives investments; and (viii) other investments, including real estate and other assets. Please note that foreign individuals holding Brazilian visas are considered Brazilian residents for purposes of this reporting requirement and must declare at least the assets held

abroad that were acquired subsequent to the date of admittance as a resident of Brazil. Individuals holding assets and rights outside Brazil valued at less than US$100,000 are not required to submit a declaration. Please note that the US$100,000 threshold may be changed annually.

CANADA

Terms and Conditions

RSU Payment
This provision supplements Section 2.2 of the Agreement:

The RSUs do not provide any right for the Associate to receive a cash payment and the RSUs will be settled in Shares only.

Vesting Schedule and Forfeiture Provisions
This provision supplements Section 3.1 of the Time-Based Restricted Share Unit Agreement and Section 3.2 of the Performance-Based Restricted Share Unit Agreement:

In the event of the Associate's Termination of Service (whether or not in breach of contract or local labor laws), the Associate's right to vest in the RSUs under the Plan, if any, will terminate effective as of the date that is the earlier of: (1) the date the Associate receives notice of termination of the Associate's employment from the Company or the Employer, or (2) the Termination Date defined in the Agreement regardless of any notice period or period of pay in lieu of such notice required under Canadian provincial employment law or under any employment agreement (including but not limited to statutory law, regulatory law and/or common law). The Committee shall have the exclusive discretion to determine when the Associate has ceased to provide services and the Termination Date for purposes of the Agreement.

The Following Provisions Apply for Associates Resident in Quebec:

Language Consent
The parties acknowledge that it is their express wish that the Agreement, including this Schedule A, as well as all documents, notices, and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Consentement relatif à la langue utilisée
Les parties reconnaissent avoir exigé la rédaction en anglais de cette convention, ainsi que de tous documents, avis et procédures judiciaires, exécutés, donnés ou intentés en vertu de, ou liés directement ou indirectement à, la présente convention.

Data Privacy
This provision supplements Article V of the Agreement:

The Associate hereby authorizes the Company and the Company's representatives to discuss with and obtain all relevant information from all personnel, professional or not, involved in the administration and operation of the Plan. The Associate further authorizes the Company, its Subsidiaries and any stock plan service provider that may be selected by the Company to assist with the Plan to disclose and discuss the Plan with their respective advisors. The Associate further authorizes the Company and its Subsidiaries to record such information and to keep such information in the Associate's employee file.

Notifications

Securities Law Information

The Associate is permitted to sell Shares acquired through the Plan through the designated broker appointed under the Plan, if any, provided the resale of Shares acquired under the Plan takes place outside of Canada through the facilities of a stock exchange on which the Shares are listed (*i.e.*, the New York Stock Exchange).

Tax Reporting Information
The Associate is required to report any foreign property (including RSUs and Shares) on form T1135 (Foreign Income Verification Statement) if the total fair market value of the Associate's foreign property exceeds C$100,000 at any time in the year. The form must be filed by April 30 of the following year.

CHILE

Terms and Conditions

Nature of Grant
The following provisions replace Sections 4.1(a) and (b) of the Agreement if the Associate is granted Performance-Based RSUs:

The Associate's right to participate in and receive benefits under the Plan is conditioned upon meeting the requirements established by the Committee. The performance-based RSUs are a discretionary award that the Company has granted to benefit key employees of the Company and its Subsidiaries in 2013. The Committee may or may not offer this or similar grants to employees in the future, and should it offer such a grants, the Committee may decide that the Associate may or may not be eligible to participate. Should the Company offer additional programs or benefits to the Associate, it will communicate its decision to the Associate in a timely manner. Accordingly, the parties to the Agreement acknowledge that the benefits, if any, derived from the performance-based RSUs under the Plan refer exclusively to the Associate's activities during the Performance Period (i.e., the 2013 calendar year).

Further, the RSUs shall become an Earned Performance Shares as of the Earned Date upon the attainment of the pre-determined Performance Objectives set out in Targets 1 and 2 in Schedule C to the Performance-Based RSU Agreement. The determination of whether or not such predetermined Performance Objectives have been attained, in whole or in part, shall be exclusively that of the Committee.

To vest in any performance-based RSUs and receive Earned Performance Shares, the Associate's employment contract must be in full force and effect at the time of vesting as set forth in Section 3.2 of the Agreement. In the event the Associate terminates employment prior to the settlement date and is not otherwise entitled to an accelerated vesting under Section 3.2(b)-(c), the Associate understands and agrees that all rights to the performance-based RSUs and the Shares thereunder shall be forfeited the date his employment contract is no longer in force, notwithstanding the Associate's rendering of services or other contributions over the Performance Period or thereafter.

The performance-based RSUs and the Shares issued at vesting of the performance-based RSUs shall not be considered as part of the Associate's remuneration for purposes of determining the calculation base of future indemnities, whether statutory or contractual, for years of service (severance) or in lieu of prior notice, pursuant to Article 172 of the Chilean Labor Code.

Notifications

Securities Law Information
Neither the Company nor Shares purchased under the Plan are registered with the Chilean Registry of Securities or under the control of the Chilean Superintendence of Securities.

Exchange Control and Tax Reporting Information
The Associate is not required to repatriate funds obtained from the sale of Shares or the receipt of any dividends. However, if the Associate decides to repatriate such funds, he or she must do so through the Formal Exchange

Market (*i.e.,* a commercial bank or registered foreign exchange office) if the funds exceed US$10,000. In such case, the Associate must report the payment to a commercial bank or registered foreign exchange office receiving the funds. The commercial bank or registered foreign exchange office will then submit an affidavit to the Central Bank within a day of receipt of the foreign currency.

If the Associate does not repatriate funds following the sale of Shares and such amounts are in excess of US $10,000, the Associate must comply with Chapter XII of the Foreign Exchange Regulations and must report the transaction directly to the Central Bank within 10 days.

If the Associate aggregates investments held outside of Chile exceed US$5,000,000 (including the investments made under the Plan), he or she must report the investments to the Central Bank. Annex 3.1 of Chapter XII of the Foreign Exchange Regulations must be used to file this report.

Colombia

Terms and Conditions

Labor Law Acknowledgement
The Associate acknowledges that pursuant to Article 128 of the Colombia Labor Code, the Plan and related benefits do not constitute a component of "salary" for any purposes.

Notifications

Exchange Control Information
Investments in assets located abroad (including Shares) are subject to registration with the Central Bank (Banco de la Republica) if the Associate's aggregate investments held abroad (as of December 31 of the applicable calendar year) equal or exceed US$500,000. If funds are remitted from Colombia through an authorized local financial institution, the authorized financial institution will automatically register the investment. Upon the sale of any Shares that are registered with the Central Bank, the Associate must cancel the registration by March 31 of the following year. The Associate may be subject to fines for failing to cancel such registration.

Denmark

Terms and Conditions

Stock Options Act
The Associate acknowledges that he or she received the below Employer Statement in Danish which sets forth the terms of his or her RSUs under the Act on Stock Options.

Notifications

Exchange Control and Tax Reporting Information
The Associate may hold Shares acquired under the Plan in a safety-deposit account (*e.g.*, a brokerage account) with either a Danish bank or with an approved foreign broker or bank. If the Shares are held with a non-Danish broker or bank, the Associate is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, the Associate must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. The Declaration V must be signed by the Associate and may be signed by the bank/broker. In the event that the applicable broker or bank with which the safety-deposit account is held does not sign the Declaration V, the Associate acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account and any Shares acquired at vesting and held in such account to the Danish Tax Administration as part of the Associate's annual income tax return. By signing the Form V, the Associate authorizes the Danish Tax Administration to examine the account. A sample of the Declaration V can be found at the following website: www.skat.dk/SKAT.aspx?oId=90030&vId=0.

In addition, when the Associate opens a deposit account or a brokerage account other foreign bank for the purpose of holding cash outside of Denmark, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, the Associate must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both the Associate and the bank/broker must sign the Declaration K. By signing the Declaration K, the bank/broker undertakes an obligation, without further request each year, not later than on February 1 of the year following the calendar year to which the information relates, to forward certain information to the Danish Tax Administration concerning the content of the deposit account. In the event that the applicable financial institution (broker or bank) with which the account is held, does not wish to, or, pursuant to the laws of the country in question, is not allowed to assume such obligation to report, the Associate acknowledges that he or she is solely responsible for providing certain details regarding the foreign brokerage or bank account to the Danish Tax Administration as part of the Associate's annual income tax return. By signing the Declaration K, the Associate authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/SKAT.aspx?oId=73346&vId=0.

SPECIAL NOTICE FOR PARTICIPANTS IN DENMARK

EMPLOYER STATEMENT

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Act"), the participant (the "Participant") is entitled to receive the following information regarding Willis Group Holdings Public Limited Company's (the "Company's") offering of time-based or performance-based share options ("Options") and/or time-based or performance-based restricted share units ("RSUs" and collectively with Options, "Awards") under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (the "Plan") in a separate written statement.

This statement contains information mentioned in the Stock Option Act. Additional terms and conditions of the Awards are described in detail in the Plan, the Participant's applicable award agreement (including any Schedules thereto) and any other grant materials, which have been made available to the Participant (the "Award Documents"). In the event of a conflict between a provision contained in this Employer Statement and provisions contained in the Award Documents, this Employer Statement shall prevail. Capitalized terms used but not defined herein, shall have the same meaning as terms defined in the Plan or the Participant's applicable Award Documents.

1. Grant Date

The grant date of an Award is the date that the Committee, or an authorized delegatee, approved the grant of an Award for the Participant and determined it would be effective.

2. Terms or conditions for grant of Awards

The grant of Awards under the Plan is made at the sole discretion of the Committee. The Committee has very broad powers to determine who will receive Awards and when, and to set the terms of the Awards. The Company may decide, in its sole discretion, not to make any grants of Awards to the Participant in the future. Under the terms of the Award Documents, the Participant has no entitlement or claim to receive future Awards.

3. Exercise/Vesting Date or Period

The Participant's Awards shall vest over time and/or upon achievement of certain performance criteria, provided that the Participant continues as an employee of the Company, its Subsidiaries or a Designated Associate Company, unless otherwise affected by the Act. The exact vesting conditions applicable to the Participant's applicable Award will be set forth in his or her applicable Award Documents. A vested Option is generally exercisable any time after vesting and before the Option terminates or expires, except as otherwise provided in the Participant's applicable Award Documents.

4. Exercise Price/Purchase Price

During the exercise period, an Option can be exercised to purchase Shares in the Company at a price corresponding to the Exercise Price per Share underlying the Option, as determined by the Committee, which generally shall not be less than 100% of the Fair Market Value of the Company's Shares on the grant date.

The purchase price for RSUs shall be the Nominal Value ($0.000115) per Share underlying the RSUs. The Committee shall ensure that payment of the Nominal Value for any Shares underlying the RSUs is received by it on behalf of the Participant at the time the RSUs vest from a non-Irish Subsidiary or other source.

5. Rights upon Termination of Employment

Pursuant to the Act, the treatment of the Participant's Award rights upon termination of his or her employment with the Company, its Subsidiaries or a Designated Associate Company will be determined under Sections 4 and 5 of the Act unless the terms contained in the Award Documents are more favorable to the Participant than Sections 4 and 5 of the Act. If the terms contained in the Award Documents are more favorable to the Participant, then such terms will govern the treatment of the Participant's Award rights upon a termination of employment.

6. Financial Aspects of Awards

The offering of Awards has no immediate financial consequences for the Participant. The value of the Shares the Participant acquires under the Plan is not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Shares are financial instruments and investing in shares will always have financial risk. The possibility of profit at the time the Participant sells his or her Shares will not only be dependent on the Company's financial development, but also on the general development of the stock market, among other things. In addition, in the case of Options, if the Participant exercises his or her Option and purchase Shares, the Shares could decrease in value even below the exercise price.

Willis Group Holdings Public Limited Company

SÆRLIG MEDDELELSE TIL DELTAGERE I DANMARK

ARBEJDSGIVERERKLÆRING

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret mv. i ansættelsesforhold ("Aktieoptionsloven") er deltageren ("Deltageren") berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger vedrørende Willis Group Holdings Public Limited Companys ("Selskabets") tildeling af tids- eller performancebaserede aktieoptioner ("Optioner") og/eller tids- eller performancebaserede betingede aktieenheder (restricted stock units ("RSU'er") - disse og Optionerne er samlet benævnt "Tildelinger") i henhold til Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan ("Ordningen").

Denne erklæring indeholder de oplysninger, der er nævnt i Aktieoptionsloven. De øvrige vilkår og betingelser for Tildelingerne er nærmere beskrevet i Ordningen, i den for Deltageren gældende aftale om tildeling (inklusive eventuelle Tillæg dertil) og det øvrige tildelingsmateriale, som er blevet udleveret til Deltageren ("Tildelingsdokumenterne"). I tilfælde af uoverensstemmelse mellem en bestemmelse i denne Arbejdsgivererklæring og bestemmelserne i Tildelingsdokumenterne har denne Arbejdsgivererklæring forrang. Begreber, der står med stort begyndelsesbogstav i denne Arbejdsgivererklæring, men som ikke er defineret heri, har samme betydning som de begreber, der er defineret i Ordningen eller i de for Deltageren gældende Tildelingsdokumenter.

1. Tildelingstidspunkt

Tidspunktet for Tildeling er den dag, hvor Udvalget, eller en behørigt godkendt delegeret, godkendte en Tildeling til Deltageren og besluttede, at den skulle træde i kraft.

2. Vilkår for Tildelinger

Tildelinger i henhold til Ordningen sker alene efter Udvalgets skøn. Udvalget har meget vide beføjelser til at bestemme, hvem der kan modtage Tildelinger og hvornår, og til at fastsætte betingelserne for Tildelingerne. Selskabet kan frit vælge fremover ikke at give Deltageren Tildelinger. I henhold til Tildelingsdokumenterne har Deltageren ikke ret til eller krav på at modtage Tildelinger i fremtiden.

3. Udnyttelses-/modningstidspunkt eller -periode

Deltagerens Tildelinger modnes over tid og/eller ved opfyldelse af visse performance-kriterier, forudsat at Deltageren stadig er ansat i Selskabet, dets Datterselskaber, medmindre andet følger af Aktieoptionsloven. De nærmere modningsbetingelser, som gælder for Tildelingen til Deltageren, fremgår af de for Deltageren gældende Tildelingsdokumenter. Modnede Optioner kan generelt udnyttes på et hvilket som helst tidspunkt efter modningen, så længe de ikke er opsagt eller udløbet, medmindre andet fremgår af de for Deltageren gældende Tildelingsdokumenter.

4. Udnyttelseskurs/købskurs

I udnyttelsesperioden kan Optionerne udnyttes til køb af Aktier i Selskabet til en kurs, der svarer til Udnyttelseskursen pr. underliggende Aktie, som fastsat af Udvalget, almindeligvis ikke under 100 % af Markedskursen på Aktier i Selskabet på tildelingstidspunktet.

Købskursen for RSU'er er nominel værdi ($0,000115) pr. underliggende Aktie. Udvalget skal sikre, at betaling af nominel værdi for enhver Aktie, der underligger RSU'er, er modtaget af Udvalget på Deltagerens vegne på det tidspunkt RSU'erne modnes fra et ikke-irsk Datterselskab eller anden kilde.

5. Retsstilling i forbindelse med fratræden

I henhold til Aktieoptionsloven vil retten til Tildelingerne i tilfælde af, at Deltagerens ansættelse i Selskabet, dets Datterselskaber ophører, blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre vilkårene i Tildelingsdokumenterne er mere fordelagtige for Deltageren end §§ 4 og 5 i Aktieoptionsloven. Hvis vilkårene i Tildelingsdokumenterne er mere fordelagtige for Deltageren, vil det være disse vilkår, der er gældende for, hvordan Deltagerens ret til Tildelinger behandles i forbindelse med fratræden.

6. Økonomiske aspekter ved Tildelinger

Tildelingerne har ingen umiddelbare økonomiske konsekvenser for Deltageren. Værdien af de Aktier, som Deltageren erhverver i henhold til Ordningen, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige lovpligtige, vederlagsafhængige ydelser.

Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor Deltageren sælger sine Aktier, afhænger ikke alene af Selskabets økonomiske udvikling, men også af bl.a. den generelle udvikling på aktiemarkedet. For så vidt angår Optioner, gælder det desuden, at hvis Deltageren udnytter Optionerne og køber Aktier, vil værdien af Aktierne kunne falde til en værdi, der måske endda ligger under udnyttelseskursen.

Willis Group Holdings Public Limited Company

<u>DUBAI/UAE</u>

Notifications

Securities Law Information
The RSUs granted under the Plan is being offered only to eligible employees of the Company and its Subsidiaries or Designated Associate Companies or the Employer and is in the nature of providing equity incentives to eligible

employees of the Company, a Subsidiary, a Designated Associate Company or the Employer. Any documents related to the RSUs, including the Plan, the Agreement (including the Schedules thereto) and any other grant documents ("Grant Documents"), are intended for distribution only to such eligible employees and must not be delivered to, or relied on by, any other person.

The United Arab Emirates securities or financial/economic authorities have no responsibility for reviewing or verifying any Grant Documents and have not approved the Grant Documents nor taken steps to verify the information set out in them, and thus, are not responsible for their content.

The Associate is aware that the Associate should, as a prospective stockholder, conduct his or her own due diligence on the securities. The Associate acknowledges that if he does not understand the contents of the Grant Documents, the Associate should consult an authorized financial advisor.

FINLAND

There are no country-specific provisions.

FRANCE

Terms and Conditions

Language Consent
By accepting the RSUs, the Associate confirms having read and understood the documents relating to this grant (the Plan, the Agreement and this Schedule A) which were provided in English language. The Associate accepts the terms of those documents accordingly.

En acceptant l'attribution, vous confirmez ainsi avoir lu et compris les documents relatifs à cette attribution (le Plan, le contrat et cette Annexe A) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

Notifications

Tax Information
The RSUs are not granted under the specific tax and social security regime under Section L.225 177 to L.225 186-1 of the French Commercial Code, as amended.

Exchange Control Information
If the Associate maintains a foreign bank account, the Associate is required to report such to the French tax authorities when filing his or her annual tax return.

Germany

Notifications

Exchange Control Information
Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Associate receives a cross-border payment in excess of €12,500 in connection with the sale of Shares acquired under the Plan, the Associate is responsible for obtaining the appropriate form from a German bank and complying with the applicable reporting requirements.

Hong Kong

Terms and Conditions

RSU Payment
This provision supplements Section 2.2 of the Agreement:

Notwithstanding any discretion in the Plan, the Grant Notice or the Agreement to the contrary, upon vesting of the RSUs, Shares will be issued as set forth in this section. In no event will the Award be paid to Participant in the form of cash.

Conditions to Issuance of Shares
This provision supplements Section 3.2 of the Time-Based Restricted Share Unit Agreement and Section 3.3 of the Performance-Based Restricted Share Unit Agreement:

Notwithstanding anything contrary in the Agreement or the Plan, in the event the RSUs vest and Shares are issued to the Associate within six months of the Grant Date, the Associate agrees that the Associate will not dispose of any Shares acquired prior to the six-month anniversary of the Grant Date.

Securities Warning:
The RSU Award and the issuance of Shares upon vesting of the RSUs do not constitute a public offer of securities under Hong Kong law and are available only to employees. The Agreement, Plan, and other communication materials that the Associate may receive have not been prepared in accordance with and are not intended to constitute a "prospectus" for a public offering of securities under applicable securities laws in Hong Kong. Furthermore, none of the documents relating to the Plan have been reviewed by any regulatory authority in Hong Kong. The RSUs are intended only for the personal use of each eligible employee of the Employer, the Company and its Subsidiaries and may not be distributed to any other person. The Associate is advised to exercise caution in relation to the offer. If the Associate is in any doubt about any of the contents of the Agreement, Plan or any other communication materials, the Associate should obtain independent professional advice.

Notifications

Nature of Scheme
The Company specifically intends that the Plan will not be an occupational retirement scheme for purposes of the Occupational Retirement Schemes Ordinance.

INDIA

Notifications

Exchange Control Information
The Associate must repatriate the proceeds from the sale of Shares and any dividends or dividend equivalents received in relation to the Shares to India within a reasonable amount of time (*i.e.*, within 90 days after receipt). The Associate must maintain the foreign inward remittance certificate received from the bank where the foreign currency is deposited in the event that the Reserve Bank of India or the Employer requests proof of repatriation. It is the Associate's responsibility to comply with applicable exchange control laws in India.

Foreign Asset Reporting Information
The Associate is required to declare his or her foreign bank accounts and any foreign financial assets (including Shares held outside India) in his or her annual tax return. It is the Associate's responsibility to comply with this reporting obligation and the Associate should consult with his or her personal tax advisor in this regard.

IRELAND

Terms and Conditions

RSU Payment
This provision supplements Section 2.2 of the Agreement:

The RSUs do not provide any right for the Associate to receive a cash payment and the RSUs will be settled in Shares only.

Notifications

Director Reporting Obligation
If the Associate is a director, shadow director A shadow director is an individual who is not on the board of directors of the Company or an Irish Subsidiary but who has sufficient control so that the board of directors of the Company or Irish Subsidiary, as applicable, acts in accordance with the directions and instructions of the individual. or secretary of the Company or an Irish Subsidiary, he or she must notify the Company or the Irish Subsidiary, as applicable, in writing within five (5) business days of receiving or disposing of an interest in the Company (*e.g*., RSUs, Shares, etc.), or within five (5) business days of becoming aware of the event giving rise to the notification requirement, or within five (5) business days of becoming a director or secretary if such an interest exists at the time. This notification requirement also applies with respect to the interests of a spouse or minor children (whose interests will be attributed to the director, shadow director or secretary).

Italy

Terms and Conditions

Data Privacy
This provision replaces the Article V of the Agreement:

The Associate understands that the Company and the Employer are the Privacy Representative of the Company in Italy and may hold certain personal information about the Associate ("Personal Data"), including, but not limited to, the Associate's name, home address and telephone number, date of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Subsidiary or Designated Associate Company, details of all RSUs or any other entitlement to Shares awarded, canceled, vested, unvested or outstanding in the Associate's favor, and that the Company and the Employer will process said data and other data lawfully received from third parties for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. The Associate also understands that providing the Company with Personal Data is mandatory for compliance with laws and is necessary for the performance of the Plan and that the Associate's denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Associate's ability to participate in the Plan. The Associate understands that Personal Data will not be publicized, but it may be accessible by the Employer as the Privacy Representative of the Company and within the Employer's organization by its internal and external personnel in charge of processing, and by Morgan Stanley Smith Barney or any other data processor appointed by the Company. The updated list of Processors and of the subjects to which Data are communicated will remain available upon request from the Employer. Furthermore, Personal Data may be transferred to banks, other financial institutions or brokers involved in the management and administration of the Plan. The Associate understands that Personal Data may also be transferred to the independent registered public accounting firm engaged by the Company, and also to the legitimate addressees under applicable laws. The Associate further understands that the Company and its Subsidiaries will transfer Personal Data amongst themselves as necessary for the purpose of implementation, administration and management of the Associate's participation in the Plan, and that the Company and its Subsidiaries may each further transfer Personal Data to third parties assisting the Company in the implementation, administration and management of the Plan, including any requisite transfer of Personal Data to Morgan Stanley Smith Barney or other third party with whom the Associate may elect to deposit any Shares acquired under the Plan or any proceeds from the sale of such Shares. Such recipients may receive, possess, use, retain and transfer Personal

Data in electronic or other form, for the purposes of implementing, administering and managing the Associate's participation in the Plan. The Associate understands that these recipients may be acting as Controllers, Processors or persons in charge of processing, as the case may be, according to applicable privacy laws, and that they may be located in or outside the European Economic Area, such as in the United States or elsewhere, in countries that do not provide an adequate level of data protection as intended under Italian privacy law.

Should the Company exercise its discretion in suspending all necessary legal obligations connected with the management and administration of the Plan, it will delete Personal Data as soon as it has accomplished all the necessary legal obligations connected with the management and administration of the Plan.

The Associate understands that Personal Data processing related to the purposes specified above shall take place under automated or non-automated conditions, anonymously when possible, that comply with the purposes for which Personal Data is collected and with confidentiality and security provisions as set forth by applicable laws and regulations, with specific reference to Legislative Decree no. 196/2003.

The processing activity, including communication, the transfer of Personal Data abroad, including outside of the European Economic Area, as specified herein and pursuant to applicable laws and regulations, does not require the Associate's consent thereto as the processing is necessary to performance of law and contractual obligations related to implementation, administration and management of the Plan. The Associate understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, the Associate has the right at any moment to, including, but not limited to, obtain confirmation that Personal Data exists or not, access, verify its contents, origin and accuracy, delete, update, integrate, correct, blocked or stop, for legitimate reason, the Personal Data processing. To exercise privacy rights, the Associate should contact the Employer. Furthermore, the Associate is aware that Personal Data will not be used for direct marketing purposes. In addition, Personal Data provided can be reviewed and questions or complaints can be addressed by contacting the Associate's human resources department.

Plan Document Acknowledgement
The Associate acknowledges that the Associate has read and specifically and expressly approves of the following sections of the Agreement: Article I: Definitions, Article II: Grant of the Restricted Share Units; Article III: Period of Vesting; Article IV: Additional Terms and Conditions of the RSU; Article VI: Agreement for Restrictive Covenants and Other Obligations; Section 7.2: RSUs Not Transferable; Section 7.7: Amendment, Section 7.8: Governing Law; Section 7.9: Jurisdiction, Section 7.10: Electronic Delivery and Acceptance; Section 7.11: Language; Section 7.12: Severability, Section 7.13: Schedule A; Section 7.14: Imposition of Other Requirements; Section 7.15: Waiver; the Data Privacy section of this Schedule A; Schedule B and; any other terms and conditions set forth in the schedules to this Agreement (including performance targets set forth in Schedule C to any Performance-Based RSU Agreement).

Notifications

Exchange Control Information
The Associate is required to report in his or her annual tax return: (a) any transfers of cash or Shares to or from Italy exceeding €10,000; (b) any foreign investments or investments held outside of Italy at the end of the calendar year if such investments (including cash, Shares) combined with other foreign assets exceeds €10,000; and (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on the Associate's foreign investments or investments held outside of Italy to the extent the overall amount exceeds €10,000. The Associate is exempt from the formalities in (a) if the investments are made through an authorized broker resident in Italy, as the broker will comply with the reporting obligation on the Associate's behalf.

Tax on Foreign Financial Assets
A tax on the value of the financial assets held outside of Italy by individuals resident of Italy is levied at an annual rate of 1.5 per thousand (0.15%). The taxable amount will be the fair market value of the financial assets (including Shares) assessed at the end of the calendar year.

Japan

Notifications

Foreign Asset Reporting Information
Pursuant to a new law, the Associate will be required to report details of any assets held outside of Japan as of December 31 (including Shares acquired under the Plan), to the extent such assets have a total net fair market value exceeding ¥50 million. Such report will be due by March 15 each year. The Associate should consult with his or her personal tax advisor as to whether the reporting obligation applies to him or her and whether the Associate will be required to report details of his or her outstanding RSUs, as well as Shares, in the report.

Mexico

Terms and Conditions

The following provisions supplement Sections 2.2 and 4.1 of the Agreement:

Modification
By accepting the RSUs, the Associate understands and agrees that any modification of the Plan or the Agreement or its termination shall not constitute a change or impairment of the terms and conditions of employment.

Policy Statement
The RSUs grant the Company is making under the Plan is unilateral and discretionary and, therefore, the Company reserves the absolute right to amend it and discontinue it at any time without any liability.

The Company, with offices at 51 Lime Street, London EC3M, 7DQ, England, is solely responsible for the administration of the Plan, and participation in the Plan and the grant of the RSUs does not, in any way, establish an employment relationship between the Associate and the Company since the Associate is participating in the Plan on a wholly commercial basis and the sole employer is Willis México Retail, nor does it establish any rights between the Associate and the Employer.

Plan Document Acknowledgment.
By accepting the RSUs, the Associate acknowledges that the Associate has received copies of the Plan, has reviewed the Plan and the Agreement in their entirety, and fully understands and accepts all provisions of the Plan and the Agreement.

In addition, the Associate further acknowledges that the Associate has read and specifically and expressly approves the terms and conditions in Sections 2.2 and 4.1 of the Agreement, in which the following is clearly described and established: (i) participation in the Plan does not constitute an acquired right; (ii) the Plan and participation in the Plan is offered by the Company on a wholly discretionary basis; (iii) participation in the Plan is voluntary; and (iv) the Company, any Subsidiary or Designated Associate Company and the Employer are not responsible for any decrease in the value of the Shares acquired upon vesting of the RSUs.

Finally, the Associate hereby declares that he or she does not reserve any action or right to bring any claim against the Company for any compensation or damages as a result of the Associate's participation in the Plan and therefore grant a full and broad release to the Employer, the Company and Subsidiaries with respect to any claim that may arise under the Plan.

Spanish Translation

Condiciones y duración

Sin derecho a reclamo o compensación*: La siguiente sección complementa la Sección 2.2 y 4.1 de este Acuerdo:*

Modificación*: Al aceptar las Unidades de Acción Restringida, el Asociado entiende y acuerda que cualquier modificación del Plan o del Acuerdo o su extinción, no constituirá un cambio o disminución de los términos y condiciones de empleo.*

Declaración de Política*: El otorgamiento de Unidades de Acción Restringida que la Compañía realiza bajo este Plan es unilateral y discrecional y, por lo tanto, la Compañía se reserva el derecho absoluto de modificar y discontinuar el Plan en cualquier momento sin responsabilidad alguna hacia el Asociado.*

*La Compañía, con oficinas en 51 Lime Street, Londres EC3M, 7DQ, Inglaterra es la única responsable de la administración del Plan y de la participación en el mismo, el otorgamamiento de Unidades de Acción Restringida no establece de forma alguna una relación de trabajo entre el Asociado y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es Willis México Retail****,*** *así como tampoco establece ningún derecho entre el Asociado y el Empleador.*

Reconocimiento del Documento del Plan. *Al aceptar las Unidades de Acción Restringida , el Asociado reconoce que ha recibido copias del Plan, ha revisado los mismos, al igual que la totalidad del Acuerdo y, que ha entendido y aceptado completamente todas las disposiciones contenidas en el Plan y en el Acuerdo.*

Además, el Asociado reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección Naturaleza del Orotgamiento en el cual se encuentra claramente descripto y establecido lo siguiente: (i) la participación en el Plan no constituye un derecho adquirido; (ii) el Plan y la participación en los mismos es ofrecida por la Compañía de forma enteramente discrecional; (iii) la participación en el Plan es voluntaria; y (iv) la Compañía, y/o cualquier Subsidiaria no son responsables por cualquier disminución en el valor de las Acciones adquiridas a través del conferimiento de Unidades de Acción Restringida.

Finalmente, el Asociado declara que no se reserva ninguna acción o derecho para interponer una demanda en contra de la Compañía por compensación, daño o perjuicio alguno como resultado de su participación en el Plan y, en consecuencia, otorga el más amplio finiquito al Empleador, así como a la Compañía, sus Subsidiariascon respecto a cualquier demanda que pudiera originarse en virtud de los Plan.

Netherlands

Notifications

Securities Law Information
The Associate should be aware of the Dutch insider-trading rules, which may impact the sale of Shares acquired under the Plan. In particular, the Associate may be prohibited from effectuating certain transactions if the Associate has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “inside information” related to an issuing company is prohibited from effectuating a transaction in securities in or from the Netherlands. “Inside information” is defined as knowledge of specific information concerning the issuing company to which the securities relate or the trade in securities issued by such company, which has not been made public and which, if published, would reasonably be expected to affect the share price, regardless of the development of the price. The insider could be any employee of a Subsidiary or Designated Associate Company in the Netherlands who has inside information as described herein.

Given the broad scope of the definition of inside information, certain employees working at a Subsidiary or Designated Associate Company in the Netherlands may have inside information and, thus, would be prohibited from effectuating a transaction in securities in the Netherlands at a time when the Associate has such inside information.

If the Associate is uncertain whether the insider-trading rules apply to him or her, the Associate should consult his or her personal legal advisor.

NORWAY

There are no country-specific provisions.

PERU

Notifications

Securities Law Information
The RSU Award is considered a private offering in Peru; therefore, it is not subject to registration.

Portugal

Terms and Conditions

Language Consent
The following provision supplements Section 7.11 of the Agreement:

The Associate hereby expressly declares that he or she has full knowledge of the English language and has read, understood and fully accepted and agreed with the terms and conditions established in the Plan and Agreement.

Conhecimento da Lingua

O Contratado, pelo presente instrumento, declara expressamente que tem pleno conhecimento da língua inglesa e que leu, compreendeu e livremente aceitou e concordou com os termos e condições estabelecidas no Plano e no Acordo de Atribuição (Agreement em inglês).

Notifications

Exchange Control Information
If the Associate acquires Shares under the Plan and does not hold the Shares with a Portuguese financial intermediary, he or she must file a report with the Portuguese Central Bank. If the Shares are held by a Portuguese financial intermediary, it will file the report for the Associate.

Singapore

Notifications

Securities Law Information
The RSUs are being granted to the Associate pursuant to the "Qualifying Person" exemption under section 273(1)(f) of the Singapore Securities and Futures Act (Chapter 289, 2006 Ed.) ("SFA"). The Plan has not been lodged or registered as a prospectus with the Monetary Authority of Singapore. The Associate should note that such RSU is subject to section 257 of the SFA and the Associate will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares underlying the RSU unless such sale or offer in Singapore is made pursuant to the exemptions under Part XIII Division (1) Subdivision (4) (other than section 280) of the SFA.

Director Notification Obligation
If the Associate is a director, associate director or shadow director of a Singapore Subsidiary or Designated Associate Company, the Associate is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Subsidiary or Designated Associate Company in writing when the Associate receives an interest (*e.g*., RSUs, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, the Associate must notify the Singapore Subsidiary or Designated Associate Company when the Associate sells any Shares (including when the Associate sells the Shares acquired under the Plan). These notifications must be made within two days of

acquiring or disposing of any interest in the Company or any related company. In addition, a notification must be made of the Associate's interests in the Company or any related company within two days of becoming a director.

Insider Trading Information
The Associate should be aware of the Singapore insider trading rules, which may impact the acquisition or disposal of Shares or rights to Shares under the Plan. Under the Singapore insider-trading rules, the Associate is prohibited from selling Shares when he or she is in possession of information concerning the Company, which is not generally available and which the Associate knows or should know will have a material effect on the price of Shares once such information is generally available.

SOUTH AFRICA

Term and Conditions

Tax Reporting Information
By accepting the RSUs, the Associate agrees to notify his or her Employer of the amount of income realized at vesting of the RSUs. If the Associate fails to advise his or her Employer of the income at vesting, he or she may be liable for a fine. The Associate will be responsible for paying any difference between the actual tax liability and the amount withheld.

Notifications

Exchange Control Information
The Associate should consult his or her personal advisor to ensure compliance with applicable exchange control regulations in South Africa, as such regulations are subject to frequent change. The Associate is responsible for ensuring compliance with all exchange control laws in South Africa.

Spain

Terms and Conditions

Nature of Grant
This provision supplements Sections 2.2 and 4.1 of the Agreement:

In accepting the RSUs, the Associate acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Associate understands and agrees that, as a condition of the grant of the RSUs, except as provided for in Section 3.1 of the Agreement, the Associate's Termination of Service for any reason (including for the reasons listed below) will automatically result in the forfeiture the RSUs and loss of the Shares that may have been granted to the Associate and that have not vested on the Termination Date.

In particular, the Associate understands and agrees that the RSUs will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a the Associate's Termination of Service prior to vesting by reason of, including, but not limited to: resignation, retirement, disciplinary dismissal adjudged to be with cause, disciplinary dismissal adjudged or recognized to be without cause, individual or collective layoff on objective grounds, whether adjudged to be with cause or adjudged or recognized to be without cause, material modification of the terms of employment under Article 41 of the Workers' Statute, relocation under Article 40 of the Workers' Statute, Article 50 of the Workers' Statute, unilateral withdrawal by the Employer, and under Article 10.3 of Royal Decree 1382/1985.

Furthermore, the Associate understands that the Company has unilaterally, gratuitously and discretionally decided to grant the RSUs under the Plan to individuals who may be employees of the Company, its Subsidiaries or a Designated Associate Company. The decision is a limited decision that is entered into upon the express assumption and condition that any grant will not economically or otherwise bind the Willis Group on an ongoing basis. Consequently, the Associate understands that the RSUs are granted on the assumption and condition that the RSUs and the Shares underlying the RSUs shall not become a part of any employment or service contract (either with the Company, the Employer or any Subsidiary or Designated Associate Company) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Associate understands that the RSUs would not be granted to the Associate but for the assumptions and conditions referred to above; thus, the Associate acknowledges and freely accepts that should any or all of the assumptions be mistaken or should any of the conditions not be met for any reason, then any RSU Award granted to the Associate shall be null and void.

Notifications

Securities Law Information
The RSUs described in the Agreement and this Schedule A do not qualify under Spanish regulations as securities. No "offer of securities to the public," as defined under Spanish law, has taken place or will take place in the Spanish territory in connection with the grant of the RSUs. The Agreement (including this Schedule A) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and does not constitute a public offering prospectus.

Exchange Control Information
The Associate must declare the acquisition of Shares under the Plan, for statistical purposes, to the *Spanish Dirección General de Comercio e Inversiones* (the "DGCI"), the Bureau for Commerce and Investments, which is a department of the Ministry of Economy and Competiveness. The Associate must declare the ownership of any Shares to the DGCI each January while the Shares are owned.

When receiving foreign currency payments derived from the ownership of Shares (*i.e*., dividends or sale proceeds), the Associate must inform the financial institution receiving the payment of the basis upon which such payment is made if the payment exceeds €50,000. The Associate will need to provide the institution with the following information: (i) the Associate's name, address, and tax identification number; (ii) the name and corporate domicile of the Company; (iii) the amount of the payment; the currency used; (iv) the country of origin; (v) the reasons for the payment; and (vi) further information that may be required.

Foreign Asset Reporting Information
Effective January 1, 2013, the Associate is required to declare electronically to the Bank of Spain any securities accounts (including brokerage accounts held abroad), any foreign instruments (*e.g*., Shares) and any transactions with non-Spanish residents (including any payments of cash or shares made to the Associate by the Company or U.S. broker) if the balances in such accounts together with the value of such instruments as of December 31, or the volume of transactions with non-Spanish residents during the prior or current year, exceed €1,000,000.

Effective January 1, 2013, to the extent that the Associate holds rights or assets (*e.g.*, Shares or cash held in a bank or brokerage account) outside of Spain with a value in excess of €50,000 per type of right or asset (*e.g.*, Shares, cash, etc.) as of December 31 each year, he or she will be required to report information on such rights and assets on his or her tax return (Form 720) for such year. After such rights and assets are initially reported, the reporting obligation will apply for subsequent years only if the value of any previously-reported rights or assets increases by more than €20,000.

SWEDEN

There are no country-specific provisions.

<u>Switzerland</u>

Notifications

Securities Law Information
The RSU Award is considered a private offering in Switzerland; therefore, it is not subject to registration.

<u>United Kingdom</u>

Terms and Conditions

RSU Payment
This provision supplements Section 2.2 of the Agreement:

The RSUs do not provide any right for the Associate to receive a cash payment and the RSUs will be settled in Shares only.

Tax Withholding Obligations
The following provisions supplement Section 2.5 of the Agreement:

The Associate agrees that if he or she does not pay or the Employer or the Company does not withhold from the Associate the full amount of Tax-Related Items that the Associate owes at vesting, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), then the amount of the uncollected income tax shall constitute a loan owed by the Associate to the Employer. The Associate agrees that the loan will bear interest at the official rate of HM Revenue & Customs ("HMRC") and will be immediately due and repayable by the Associate, and the Company and/or the Employer may recover it at any time thereafter by withholding the funds from salary, bonus or any other funds due to the Associate by the Employer, by withholding in Shares issued at vesting or from the cash proceeds from the sale of Shares or by demanding cash or a check from the Associate. The Associate acknowledges that the Company or the Employer may recover any such additional income tax and National Insurance Contributions ("NICs") (including Employer NICs) at any time thereafter by any of the means referred to in Section 2.5 of the Agreement, although the Associate acknowledges that the Associate ultimately will be responsible for reporting any income tax due on this additional benefit directly to HMRC under the self-assessment regime.

Notwithstanding the foregoing, the Associate understands and agrees that if he or she is an officer or Director (as within the meaning of Section 13(k) of the Exchange Act), the Associate will not be eligible for such a loan to cover the income tax. In the event that the Associate is a Director or executive officer and the income tax is not collected from or paid by him or her by the Due Date, the Associate understands that the amount of any uncollected Tax-Related Items will constitute a benefit to him on which additional income tax and NICs (including Employer NICs) will be payable. The Associate understands and agrees that he will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or the Employer (as appropriate) for the value of any NICs due on this additional benefit.

<u>UNITED STATES OF AMERICA</u>

Notifications

Exchange Control Information
Under the Foreign Account Tax Compliance Act ("FATCA"), United States taxpayers who hold Shares or rights to acquire Shares (*i.e.*, RSUs) may be required to report certain information related to their holdings to the extent the aggregate value of the RSUs/Shares exceeds certain thresholds (depending on the Associate's filing status) with the

Associate's annual tax return. The Associate is advised to consult with his or her personal tax or legal advisor regarding any FATCA reporting requirements with respect to the RSUs or any Shares acquired under the Plan.

SCHEDULE B

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS FOR EMPLOYEES IN THE UNITED STATES

This Agreement of Restrictive Covenants and Other Obligations for Employees in the United States (the "RCA") is entered into by and between Willis Group Holdings Public Limited Company (the "Company") and the participant (the "Participant") to be effective as of the date the Participant signs or electronically accepts this RCA.

RECITALS

Whereas, Participant is employed by a Subsidiary of the Company;

Whereas, subject to approval by the Committee or the Company's Share Award Committee, the Participant has been designated to receive a grant of performance-based share options, time-based share options, performance-based restricted share units ("RSUs") or time-based RSUs under the Company's 2012 Equity Incentive Plan (the "Plan") and/or performance or time-based cash awards ("Cash Awards" and collectively with time-based or performance-based share options and time-based or performance-based RSUs under the Plan, "Awards");

Whereas, any share option or RSU Award is subject to the terms and conditions of the Plan, the applicable award agreement (including any country specific terms thereto), and this RCA and in consideration of the applicable share option and/or RSU Award, the Participant shall enter into and acknowledge his or her agreement to the terms and conditions of the Plan, the award agreement and this RCA;

Whereas, the Cash Awards are subject to the applicable award agreement (including any country specific terms thereto) and any other terms and conditions the Company may impose, including the requirement to enter into this RCA in order to be eligible to receive a Cash Award;

Whereas, any Award granted to the Participant is subject to the terms and conditions of the Plan and/or the award agreement applicable to the Participant's Award (including any country specific terms thereto), and this RCA and in consideration of the Award, the Participant shall enter into and acknowledge his or her agreement to the terms and conditions of the Plan, the award agreement and this RCA;

Whereas, the Participant acknowledges and agrees that he or she desires to receive the Award and understands and agrees any Award is subject to the terms and conditions set forth in the Plan, the applicable award agreement and this RCA.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, in particular the Award, the receipt and sufficiency of which is hereby acknowledged in this recital and within Section 6.4 below, the Parties hereto agree, with the intent to be bound, as follows:

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS FOR EMPLOYEES IN THE UNITED STATES

Section 1 - Recitals

The Recitals set forth above are an integral part of this RCA, and are incorporated herein by reference.

Section 2 - Definitions

2.1 "**Award**" shall have the meaning as set forth in the recitals.

2.2 "**Business**" shall mean insurance brokerage, reinsurance brokerage, surety brokerage, bond brokerage, insurance agency, underwriting agency, managing general agency, risk management, claims administration, self-insurance, risk management consulting or other business performed by the Restricted Group.

2.3 "**Committee**" shall have the same meaning as set forth in the Plan or the applicable award agreement.

2.4 "**Competitor**" shall mean any business principally engaged in insurance brokerage, reinsurance brokerage, surety brokerage, bond brokerage, insurance agency, underwriting agency, managing general agency, risk management, claims administration, self-insurance, risk management consulting or other business which is either performed by the Restricted Group or is a business in which the Restricted Group has taken steps toward engaging.

2.5 "**Confidential Information**" shall mean all trade secrets and non-public information concerning the financial data, strategic business plans, and other non-public, proprietary, and confidential information of the Restricted Group. Confidential Information includes, but is not limited to, the following information: identities of Relevant Clients and Relevant Prospects; identities of companies from which any Subsidiary obtains insurance coverage for Relevant Clients and Relevant Prospects; policy terms, conditions, rates and expiration dates pertaining to Relevant Clients and Relevant Prospects; risk characteristics of Relevant Clients and Relevant Prospects; and non-public information of the Restricted Group concerning insurance markets for particular risks. Confidential Information shall not include information that is within public domain, provided that Participant was not responsible, directly or indirectly, for such information entering the public domain without the Restricted Group's consent.

2.6 "**Directly or indirectly**" shall mean the Participant acting either alone or jointly with or on behalf of or by means of or in concert with any other person, firm or company (whether as principal, partner, manager, employee, contractor, director, consultant, investor or similar capacity) or otherwise.

2.7 "**Employer**" shall mean the Subsidiary that employs the Participant. If the Company ever becomes an employer of the Participant, then the term Employer shall refer to the Company.

2.8 "**Employment Agreement**" shall mean the contractual terms and conditions which govern the employment of the Participant by Employer.

2.9 "**Key Personnel**" shall mean any person who is at the date the Participant ceases to be an employee of Employer or was (i) at any time during the period of twelve (12) months prior to that date employed by the Restricted Group, (ii) an employee with whom Participant had dealings, and (iii) employed by or engaged in the Business in a managerial capacity, or was an employee with insurance, reinsurance or other technical expertise.

2.10 "**Plan**" shall have the meaning set forth in the recitals.

2.11 "**Relevant Area**" shall mean the counties, parishes, districts, municipalities, cities, metropolitan regions, localities and similar geographic and political subdivisions, within and outside of the United States of America, in which the Employer, the Company or any of its Subsidiaries has carried on Business in which the Participant has been involved or concerned or working on at any time during the period of twelve (12) months prior to the date on which the Participant ceases to be an employed by Employer

2.12 "**Relevant Client**" shall mean any person, firm or company who or which at any time during the period of twelve (12) months prior to the date on which the Participant ceases to be employed by Employer is or was a client or customer of the Employer, the Company or any of its Subsidiaries or was in the habit and/or practice of dealing under contract with the Employer, the Company or any of its Subsidiaries and with whom or which the Participant had dealings related to the Business) or for whose relationship with the Employer, the Company or any of its Subsidiaries the Participant had responsibility at any time during the said period.

2.13 "**Relevant Period**" shall mean the period of twenty four (24) months following the date on which the Participant ceases to be employed by Employer.

2.14 "**Relevant Prospect**" shall mean any person, firm or company who or which at any time during the period of six (6) months prior to the date on which the Participant ceases to be employed by Employer was an active prospective client of the Employer, the Company or any of its Subsidiaries with whom or with which the Participant had dealings related to the Business (other than in a minimal and non-material way).

2.15 "**Restricted Group**" shall mean the Company and its Subsidiaries, including the Employer, as in existence during the Participant's employment with Employer and as of the date such employment ceases.

2.16 "**Subsidiary**" shall mean a direct and/or indirect subsidiary of the Company as well as any associate company which is designated by the Company as being eligible for participation in the Plan.

Section 3 - Non-Solicit and Other Obligations

3.1 The Participant acknowledges that by virtue of his or her management position and as an employee of Employer, the Participant has acquired and will acquire knowledge of Confidential Information of the Restricted Group and their Business. The Participant further acknowledges that the Confidential Information which the Restricted Group has provided and will provide to the Participant would give the Participant a significant advantage if the Participant were to directly or indirectly be engaged in any Business at a Competitor of the Restricted Group.

3.2 Without the Company's prior written consent, the Participant shall not directly or indirectly, at any time during or after the Participant's employment with any Employer, disclose any Confidential Information and shall use the Participant's best efforts to prevent the taking or disclosure of any Confidential Information to a Competitor, or otherwise, except as reasonably may be required to be disclosed by the Participant in the ordinary performance of his or her duties for Employer or as required by law.

3.3 The Participant shall not, for the Relevant Period, directly or indirectly for a Competitor or otherwise:

3.3.1 within the Relevant Area, solicit any Relevant Client or Relevant Prospect for the purposes of any Business which competes or will compete or seeks to compete with the Restricted Group;

3.3.2 within the Relevant Area, accept, perform services for, or deal with any Relevant Client or Relevant Prospect for the purposes of any Business which competes or will compete or seeks to compete with the Restricted Group;

3. 3.3 solicit for employment or entice away from the Restricted Group any Key Personnel; or

3. 3.4 employ or engage or endeavour to employ or engage any Key Personnel.

3.4 To the extent the Participant is a party to an Employment Agreement or other agreement with the Employer, the Company or any Subsidiary that contains post-employment covenants and restrictions, those post-employment covenants and restrictions shall be separate and apart and independent from the covenants and restrictions set forth in Sections 3.2 and 3.3 herein.

3.5 Participant recognizes and agrees that the payment of damages will not be an adequate remedy for any breach by Participant of any of the covenants set forth in Section 3 of this RCA. Participant recognizes that irreparable injury will result to Company and/or its Subsidiaries in the event of any such breach and therefore Participant agrees that Company may, in addition to recovering damages, proceed in equity to enjoin Participant from violating any such covenant.

3. 6 The Participant acknowledges that the provisions of this Section 3 are fair, reasonable and necessary to

protect the goodwill and interests of the Restricted Group.

Section 4 - Governing Law & Jurisdiction

4.1 This RCA shall be governed by and construed in accordance with the laws of the state of New York, without regard to its conflicts of law principles.

4.2 Any suit, action or proceeding arising out of or relating to this RCA shall only be brought in the State and Federal Courts located in the County of New York, State of New York and the Parties hereto irrevocably and unconditionally submit accordingly to the exclusive jurisdiction of such courts for the purpose of any such suit, action or proceeding. The Participant hereby irrevocably and unconditionally waives any objections he or she may now have or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this RCA in the foregoing courts. The Participant further acknowledges that for purposes of N.Y.C.P.L.R. 327(b) and N.Y. G.O.L. Section 5-1402, the value of the Plan is in excess of One Million Dollars ($1,000,000) and the Participant hereby further irrevocably and unconditionally waives any claim that any such suit, action or proceeding brought in the foregoing courts has been brought in an inconvenient forum.

Section 5 - Consideration, Severability, Beneficiaries & Effect on other agreements

5.1 The Parties acknowledge that the provisions of this RCA are severable. If any part or provision of this RCA shall be determined by any court or tribunal to be invalid, then such partial invalidity shall not cause the remainder of this RCA to be or become invalid. If any provision hereof is held unenforceable on the basis that it exceeds what is reasonable for the protection of the goodwill and interests of the Restricted Group, but would be valid if part of the wording were modified or deleted, as permitted by applicable law, then such restriction or obligation shall apply with such deletions or modifications as may be necessary to make it enforceable.

5.2 The Participant acknowledges that he or she remains bound by any Employment Agreement or any other agreement currently in effect by and between the Participant, on the one hand, and the Employer, the Company or any Subsidiary, on the other hand, including but not limited to any post-employment covenants and restrictions, and this RCA shall be in addition to, and not in place of any such agreements.

5.3 Nothing contained in this RCA constitutes a promise or agreement to employ the Participant for a guaranteed term or otherwise modify the terms and conditions of the Participant's employment with the Employer.

Section 6 - Miscellaneous

6.1 This RCA, and the provisions hereof, may not be modified, amended, terminated, or limited in any fashion except by written agreement signed by both parties hereto, which specifically states that it is modifying, amending or terminating this RCA.

6.2 The rights and remedies of the Restricted Group under this RCA shall inure to the benefit of any and all of its/their successors, assigns, parent companies, sister companies, subsidiaries and other affiliated corporations, and the successors and assigns of each of them.

6.3 The waiver by either party of any breach of this RCA shall not operate or be construed as a waiver of that party's rights on any subsequent breach.

6.4 The Participant acknowledges that the Award constitutes adequate consideration to support the covenants and promises made by the Participant within this RCA regardless of whether such Award is ultimately beneficial to Participant.

6.5 The Participant acknowledges and agrees that the Participant shall be obliged to draw the provisions of Section 3 of this RCA to the attention of any third party who may, at any time before or after the termination of the Participant's employment with Employer, offer to employ or engage him or her and for or with whom Participant intends to work within the Relevant Period.

6.6 The various section headings contained in this RCA are for the purpose of convenience only and are not intended to define or limit the contents of such sections.

6.7 This RCA may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document. This RCA will be binding, notwithstanding that either party's signature is displayed only on a facsimile or electronic copy of the signature page.

6.8 Any provisions which by their nature survive termination of this RCA, including the obligations set forth in Sections 3 and 4, shall survive termination of this RCA.

6.9This RCA has been executed on behalf of the Company electronically and the Participant accepts the electronic signature of the Company.

By the Participant's execution or electronic acceptance of this RCA in the manner specified in the Participant's online account with the Company's designated broker/stock plan administrator, the Participant and the Company have agreed to the terms and conditions of this RCA in connection with the Participant's Award.

Signed for and on behalf of
Willis Group Holdings Public Limited Company by:

/s/ Adam Rosman
Name: Adam Rosman
Title: Group General Counsel

Participant:

Signature: ____

Print Name: ____

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS FOR EMPLOYEES OUTSIDE OF THE UNITED STATES

This Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States (the “Non-U.S. RCA”) is entered into by and between Willis Group Holdings Public Limited Company (the “Company”) and the participant (the “Participant”) to be effective as of the date the Participant signs or electronically accepts this RCA.

RECITALS

Whereas, Participant is employed by a Subsidiary of the Company;

Whereas, subject to approval by the Committee or the Company’s Share Award Committee, the Participant has been designated to receive a grant of performance-based share options, time-based share options, performance-based restricted share units (“RSUs”) or time-based RSUs under the Company’s 2012 Equity Incentive Plan (the “Plan”) and/or performance or time-based cash awards (“Cash Awards” and collectively with time-based or performance-based share options and time-based or performance-based RSUs under the Plan, “Awards”);

Whereas, any share option or RSU Award is subject to the terms and conditions of the Plan, the applicable award agreement (including any country-specific terms thereto), and this Non-U.S. RCA and in consideration of the applicable share option and/or RSU Award, the Participant shall enter into and acknowledge his or her agreement to the terms and conditions of the Plan, the award agreement and this non-U.S. RCA;

Whereas, the Cash Awards are subject to the applicable award agreement (including any country-specific terms thereto) and any other terms and conditions the Company may impose, including the requirement to enter into this Non-U.S. RCA in order to be eligible to receive a Cash Award;

Whereas, the Participant acknowledges and agrees that he or she desires to receive the Award and understands and agrees such Award is subject to the terms and conditions set forth in the applicable Plan, the award agreement and this Non-U.S. RCA and such other written agreements and documentation as the Company or the Employer may require;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, in particular the Awards, the sufficiency of which is acknowledged in this recital and within Section 5.4 below, the parties hereby agree as follows:

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS FOR EMPLOYEES OUTSIDE OF THE UNITED STATES

Section 1 - Recitals

The Recitals set forth above are an integral part of this Non-U.S. RCA, and are incorporated herein by reference.

Section 2 - Definitions

2.1 “**Award**” shall have the meaning as set forth in the recitals.

2.2 "**Business**" shall mean insurance brokerage, reinsurance brokerage, surety brokerage, bond brokerage, insurance agency, underwriting agency, managing general agency, risk management, claims administration, self-insurance, risk management consulting or other business performed by the Restricted Group.

2.3 "**Committee**" shall have the same meaning as set forth in the Plan or the applicable award agreement.

2.4 "**Competitor**" shall mean any business principally engaged in insurance brokerage, reinsurance brokerage, surety brokerage, bond brokerage, insurance agency, underwriting agency, managing general agency, risk management, claims administration, self-insurance, risk management consulting or other business which is either performed by the Restricted Group or is a business in which the Restricted Group has taken steps toward engaging. It is further provided that Competitor includes, but is not limited to, the following businesses and their respective subsidiaries and/or other affiliates: Aon Corporation, Arthur J Gallagher & Co and Marsh Incorporated.

2.5 "**Confidential Information**" shall mean all trade secrets and non-public information concerning the financial data, strategic business plans, and other non-public, proprietary, and confidential information of the Company or any of its Subsidiaries.

2.6 "**directly or indirectly**" shall mean the Participant acting either alone or jointly with or on behalf of or by means of any other person, firm or company (whether as principal, partner, manager, employee, contractor, director, consultant, investor or similar capacity).

2.7 "**Employer**" shall mean the Subsidiary that employs the Participant. If the Company ever becomes an employer of the Participant, then the term Employer shall refer to the Company.

2.8 "**Employment Agreement**" shall mean the contractual terms and conditions which govern the employment of the Participant by Employer.

2.9 "**Garden Leave**" shall mean any period during any notice period where Employer requires the Participant to remain available to respond to questions and requests from the Employer, but not to enter into the office(s) of the Restricted Group without the prior written consent of Employer.

2.10 "**Key Personnel**" shall mean any person who is at the date the Participant ceases to be an employee of Employer or was at any time during the period of twelve months prior to that date employed by the Restricted Group and who was an employee with whom the Participant had dealings other than in a minimal and non-material way and who was employed by or engaged in the Business in an executive or senior managerial capacity, or was an employee with insurance, reinsurance or other technical expertise.

2.11 "**Plan**" shall have the meaning set forth in the recitals.

2.12 "**Relevant Area**" shall mean: such country or countries in which the Participant has carried on Business on behalf of the Company or any of its Subsidiaries in which the Participant has been involved or concerned or worked on other than in a minimal and non-material way at any time during the period of 12 months prior to the date on which the Participant ceases to be employed by Employer.

2.13 "**Relevant Client**" shall mean any person, firm or company who or which at any time during the period of twelve months prior to the date on which the Participant ceases to be employed by Employer is or was a client or customer of the Company or any of its Subsidiaries or was in the habit and/or practice of dealing under contract with the Company or any of its Subsidiaries and with whom or which the Participant had dealings related to the Business (other than in a minimal and non-material way) or for whose relationship with the Company or any of its Subsidiaries the Participant had responsibility at any time during the said period.

2.14 **"Relevant Period"** shall mean the period of twelve months following the date on which the Participant ceases to be employed by Employer reduced by the length of any period of Garden Leave (if applicable) observed by the Participant at the instruction of Employer.

2.15 "**Relevant Prospect**" shall mean any person, firm or company who or which at any time during the period of twelve months prior to the date on which the Participant ceases to be employed by Employer was an active prospective client of the Company or any of its Subsidiaries with whom or with which the Participant had dealings related to the Business (other than in a minimal and non-material way).

2.16 "**Restricted Group**" shall mean the Company and its Subsidiaries, as in existence during the Participant's employment with Employer and as of the date such employment ceases.

2.17 "**Subsidiary**" shall mean a direct and/or indirect subsidiary of the Company as well as any associate company which is designated by the Company as being eligible for participation in the Plan.

Section 3 - Non-Solicit and Other Obligations

3.1 The Participant acknowledges that by virtue of his or her senior management position and as an employee of Employer, the Participant has acquired and will acquire knowledge of Confidential Information of the Restricted Group and their Business. The Participant further acknowledges that the Confidential Information which the Restricted Group has provided and will provide to the Participant would give the Participant a significant advantage if the Participant were to directly or indirectly be engaged in any Business at a Competitor of the Restricted Group.

3.2 Without the Company's prior written consent, the Participant shall not directly or indirectly, at any time during or after the Participant's employment with any Employer, disclose any Confidential Information and shall use the Participant's best efforts to prevent the taking or disclosure of any Confidential Information, except as reasonably may be required to be disclosed by the Participant in the ordinary performance of his or her duties for Employer or as required by law.

3.3 The Participant shall provide a minimum of three months notice or such notice contained in the Participant's Employment Agreement, whichever is the longer, in the event of his or her resignation from employment with Employer. The Participant shall provide a written resignation letter to Employer prior to the commencement of any such notice period. To the extent allowed by applicable law, the Participant may be placed on Garden Leave for all or any portion of any notice period. During the notice period, whether or not the Participant is on Garden Leave, the Participant shall remain an employee of Employer and shall continue to receive the Participant's full salary and benefits.

3.4 The Company or Employer shall have the discretion to apply a shorter period than the three-month period set forth in 3.3.

3.5 The Participant shall not, for the Relevant Period, directly or indirectly:

3.5.1 within the Relevant Area, solicit any Relevant Client or Relevant Prospect for the purposes of any Business which competes or will compete or seeks to compete with the Restricted Group;

3.5.2 within the Relevant Area, accept, perform services for, or deal with any Relevant Client or Relevant Prospect for the purposes of any Business which competes or will compete or seeks to compete with the Restricted Group;

3.5.3 solicit for employment or entice away from the Restricted Group any Key Personnel; or

3.5.4 employ or engage or endeavour to employ or engage any Key Personnel.

3.6 To the extent the Participant is a party to an Employment Agreement or other agreement with the Restricted Group that contains post-employment restrictions, those post-employment restrictions shall run concurrently with the post-employment restrictions contained in this Section 3.

3.7 The Participant acknowledges that the provisions of this Section 3 are fair, reasonable and necessary to protect the goodwill and interests of the Restricted Group.

Section 4 - Governing Law & Jurisdiction

4.1 This Non-U.S. RCA shall be governed by and construed in accordance with the laws of the jurisdiction in which Participant is employed by Employer, without regard to its conflict of laws.

4.2 The courts of the jurisdiction in which the Participant is employed by Employer shall have jurisdiction to hear any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Non-U.S. RCA and for such purposes the parties hereto irrevocably submit to the jurisdiction of such courts.

Section 5 - Consideration, Severability, Beneficiaries & Effect on other agreements

5.1 The Participant acknowledges that the covenants and undertakings he or she has made herein, including those made in Section 3, are being given for the benefit of the Restricted Group, including Employer, and may be enforced by the Company and/or by its Subsidiaries, including for avoidance of doubt, Employer, on behalf of all or any of them and that such Subsidiaries are intended beneficiaries of this Non-U.S. RCA.

5.2 The parties acknowledge that the provisions of this Non-U.S. RCA are severable. If any part or provision of this Non-U.S. RCA shall be determined by any court or tribunal to be invalid, then such partial invalidity shall not cause the remainder of this Non-U.S. RCA to be or become invalid. If any provision hereof is held unenforceable on the basis that it exceeds what is reasonable for the protection of the goodwill and interests of the Restricted Group, but would be valid if part of the wording were modified or deleted, as permitted by applicable law, then such restriction or obligation shall apply with such deletions or modifications as may be necessary to make it enforceable.

5.3 The Participant acknowledges that he or she remains bound by any Employment Agreement or any other agreement entered into by the Participant with the Restricted Group and this Non-U.S. RCA shall be in addition to, and not in place of any such agreements. The Participant further acknowledges that in the event of any breach by the Participant of any provision contained in such agreements or this Non-U.S. RCA, the Company and/or any Subsidiary, including for avoidance of doubt Employer, may, in their discretion, enforce any term and condition of those agreements and/or this Non-U.S. RCA.

5.4 The Participant acknowledges that any Awards, separately and/or together, constitute adequate consideration to support the covenants and promises made by the Participant within this Non-U.S. RCA.

Section 6 - Miscellaneous

6.1 This Non-U.S. RCA may not be modified except by written agreement signed by both parties hereto.

6.2 The rights of the Restricted Group under this Non-U.S. RCA shall inure to the benefit of any and all of its/their successors, assigns, parent companies, sister companies, subsidiaries and other affiliated corporations.

6.3 The waiver by either party of any breach of this Non-U.S. RCA shall not operate or be construed as a waiver of that party’s rights on any subsequent breach.

6.4 The Participant acknowledges and agrees that the Participant shall be obliged to draw the provisions of

Section 3 to the attention of any third party who may, at any time before or after the termination of the Participant's employment with Employer, offer to employ or engage him and for or with whom the Participant intends to work within the Relevant Period.

6.5 The various section headings contained in this Non-U.S. RCA are for the purpose of convenience only and are not intended to define or limit the contents of such sections.

6.6 This Non-U.S. RCA may be executed in one or more counterparts, each of which shall constitute an original and all of which taken together shall constitute one and the same document. This Non-U.S. RCA will be binding, notwithstanding that either party's signature is displayed only on a facsimile copy of the signature page.

6.7. Any provisions which by their nature survive termination of this Non-U.S. RCA, including the obligations set forth in Sections 3 and 4 shall survive termination of this Non-U.S. RCA.

By the Participant's execution or electronic acceptance of this RCA in the manner specified in the Participant's online account with the Company's designated broker/stock plan administrator, the Participant and the Company have agreed to the terms and conditions of this RCA in connection with the Participant's Award.

Signed for and on behalf of
Willis Group Holdings Public Limited Company by:

/s/ Adam Rosman
Name: Adam Rosman
Title: Group General Counsel

Participant:

Signature: ____

Print Name: ____

Willis

REPLY TO:
Celia R. Brown
Global Human Resources Director
Willis Group Holdings PLC
One World Financial Center
200 Liberty Street, 7th Floor
New York, NY 10281
Direct Line: 212-915-8556
E-mail: celia brown@willis com

Dear Dominic

I refer to my letter dated 30 November 2012 wherein I informed you that for the duration of the Period (as that term is defined in that letter) Willis Group Services Limited ('WGS') had agreed to provide your remuneration and benefits described in your Employment Agreement with WGH and, for the purposes of compliance with its statutory obligations during the Period, it would also be your employing company.

As you know, the Period expired on 6 January 2014. However, I am pleased to inform you that WGS has agreed to extend its employment of you until 6 July 2014 (the 'Extended Period'). I am therefore able once again to advise that, pursuant to its power contained in Clause 1ofyour Employment Agreement, up to and including the Extended Period WGS will continue to provide your remuneration and benefits described in the Employment Agreement and will be your employing company and, for the purposes of compliance with its statutory obligations during the Extended Period, WGS will also adopt the terms and conditions of your Employment Agreement with WGH.

As also mentioned in my earlier letter, Clause 1(b)(i) of your Employment Agreement provides for payment of your salary in US Dollars. During the Extended Period at your request (which is confirmed by your counter-signature to this letter) your salary will be paid to you in British Pounds Sterling and WGS shall apply the rate of currency exchange between the GB Pound and the US Dollar published in the Financial Times (London Edition) on the working day immediately prior to the usual monthly UK payroll cut-off date for payment of your salary in accordance with the payment provisions of the Agreement.

In addition, clause 1(b)(iii) of the Agreement provides for payment of a transition payment of $1,500,000 on the first anniversary which you have agreed will be paid to you on 31 January 2014 in GB Pounds on the UK payroll using the currency exchange above.

By counter-signing this letter you agree to the terms set out above.
Yours sincerely

Celia Brown
Executive Vice President
Group Human Resources Director

I have read, understood and accept the above terms and variation to the Agreement.

Dominic Casserley

EMPLOYMENT AGREEMENT

This EMPLOYMENT AGREEMENT ("Agreement") is made effective as of the 15th day of September 2003 between **Willis Americas Administration, Inc.** ("Employer"), and **Todd Jones** ("Employee").

In consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment, Compensation and Benefits. Employer will pay Employee such compensation and benefits as are set forth in the offer letter attached as Exhibit A. Such compensation and benefits may be changed by Employer pursuant to its normal compensation and benefit review procedures or from time to time.

2. Confidential Information and Work for Hire.
a. Employer shall provide Employee with access to nonpublic Employer/Willis[1] information to the extent reasonably necessary to the performance of Employee's job duties. Employee acknowledges that all non-public information (including, but not limited to, information regarding Employer's clients), owned or possessed by Employer/Willis (collectively, "Confidential Information") constitutes a valuable, special and unique asset of the business of Employer/Willis. Employee shall not, during or after the period of his/her employment with Employer (i) disclose, in whole or in part, such Confidential information to any third party without the consent of Employer or (ii) use any such Confidential Information for his/her own purposes or for the benefit of any third party. These restrictions shall not apply to any information in the public domain provided that Employee was not responsible, directly or indirectly, for such information entering the public domain without the Employer's consent. Upon termination of Employee's employment hereunder, Employee shall promptly return to Employer all Employer/Willis materials, information and other property (including all files, computer discs and manuals) as may then be in Employee's possession or control.

b. Any work prepared by Employee as an employee of Employer including written and/or electronic repo1ts and other documents and materials shall be "work for hire" and shall be the exclusive property of the Employer. If, and to the extent that, any rights to such work do not vest in Employer automatically, by operation of law, Employee shall be deemed to hereby unconditionally and irrevocably assign to Employer all rights to such work and Employee shall cooperate fully with Employer's efforts to establish and protect its rights to such work.

3. Employee Loyalty, Non-competition and Non-solicitation. Employee understands that Employee owes a duty of loyalty to Employer and, while in Employer's employ, shall devote Employee's entire business time and best good faith efforts to the furtherance of Employer's legitimate business interests. All business activity participated in by Employee as an employee of Employer shall be undertaken solely for the benefit of Employer. Employee shall have no right to share in any commission or fee resulting from such business activity other than the compensation referred to in paragraph 1. While this Agreement is in effect and for a period of two years following termination of Employee's employment with Employer, Employee shall not, within the "Territories" described below:

a. directly or indirectly solicit, accept, or perform, other than on Employer's behalf, insurance brokerage,

[1]As stated above, other than in our Human Capital practice, we have not accepted contingent commissions from carriers.

insurance agency, risk management, claims administration, consulting or other business performed by the Employer from or with respect to (i) clients of Employer/Willis with whom Employee had business contact or provided services to, either alone or with others, while employed by Employer and, further provided, such clients were clients of Employer/Willis either on the date of termination of Employee's employment with Employer or within twelve (12) months prior to such termination (the "Restricted Clients") and (ii) active prospective clients of Employer/Willis with whom Employee had business contacts regarding the business of the Employer within six (6) months prior to termination of Employee's employment with Employer (the "Restricted Prospects").

b. directly or indirectly (i) solicit any employee of Employer/Willis ("Protected Employees") to work for Employee or any third party, including any competitor (whether an individual or a competing company) of Employer or (ii) induce any such employee of Employer/Willis to leave the employ of Employer/Willis.
For purposes of this paragraph 3, "Territories" shall refer to those counties where the Restricted Clients, Restricted Prospects, or Protected Employees of Employer/Willis are present and available for solicitation.

4. Term and Termination. This Agreement shall conmence upon the effective date first set forth above and shall continue until terminated (i) by either party, with or without cause, upon fifteen calendar days prior written notice, (ii) immediately by Employer upon any willful misconduct or material breach by Employee of this Agreement, or (iii) immediately upon the Employee's death or disability (as *disability* is defined in Employer's Long Term Disability Benefits Plan). Should Employer give Employee fifteen days notice of termination, (i) Employee will not, thereafter, be entitled to access to the office premises of Employer and (ii) said fifteen calendar days shall be treated as two weeks' pay for purposes of severance arrangen1ents and/or calculating pay in lieu of prior notice. Paragraphs 2, 3, 5 and 7 shall survive termination of this Agreement.

5. Mandatory Binding Arbitration. Except for a claim beginning with a request for injunctive relief by Employer, Employer and Employee agree that any dispute arising either under this Agreement or from the employment relationship shall be resolved by arbitration. Each party expressly waives any right, whether pursuant to any applicable federal, state, or local statute, to a jury trial and/or to have a court of law determine rights and award damages with respect to any such dispute. The party invoking arbitration shall notify the other party in writing (the "Written Notice"). The parties shall exercise their best efforts, in good faith, to agree upon selection of a single arbitrator. If the parties are unable to agree upon selection of a single arbitrator, they shall so notify the American Arbitration Association ("AAA") or another agreed upon arbitration administrator and request that the arbitration provider work with the parties to select a single arbitrator. The arbitration shall be (i) conducted in accordance with the American Arbitration Association's National Rules for the Resolution of Employment Disputes, (ii) held at a location reasonably convenient to that office of the Employer at which the Employee had most recently been assigned and (iii) completed within six months (or within such other time as the parties may mutually agree) of the receipt of Written Notice by the party being notified. The arbitrator shall have no authority to assess punitive or exemplary damages as to any dispute arising out of or concerning the provisions of this Agreement or otherwise arising out of the employment relationship, except as and unless such damages are expressly authorized by otherwise applicable and controlling statutes. The arbitrator's decision shall be final and binding and enforceable in any court of competent jurisdiction. To the extent permitted by applicable law, each party shall bear its own costs, including attorneys' fees, and share all costs of the arbitration equally. Nothing provided herein shall interfere with either party's right to seek or receive damages or costs as may be allowed by applicable statutory law.

6. Representations and Warranties. Employee represents and warrants:

a. except as specifically provided by Employee to Employer in writing, Employee is not subject to either an agreement with any former employer or otherwise or any court order, judgment or decree which places restrictions on Employee's business activities and that if employee i$ subject to any of the foregoing, Employee will, by the earlier of the commencement date of employment or execution of the Agreement provide Employer with a copy of such agreement, order, judgment, or decree; and

b. Employee has reviewed and will abide by the Employer/Willis Code of Ethics.

7. Miscellaneous. This Agreement sets forth the entire agreement between the parties and supersedes any and all prior agreements and understandings regarding the subject matter herein. This Agreement may only be modified by a written instrument signed by both parties. If any term of this Agreement is rendered invalid or unenforceable by judicial, legislative or administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Except for notices by Employer to Employee which Employer chooses to hand deliver to Employee, any notices given pursuant to this Agreement shall be sent by first class US postal service or overnight courier service to the addresses set forth below (or, to the then current address of a party, with both patties agreeing to promptly provide the other party with written notice of any change in address). This Agreement shall be governed by the law of the state in which Employee is assigned a regular office location by Employer,
without giving effect to that state's conflicts of law principles. The waiver by either party of any breach of this Agreement shall not operate or be construed as a waiver of that party's rights upon any subsequent breach. This Agreement shall inure to the benefit of and be binding upon and enforceable against the heirs, legal representatives and assigns of Employee and the successors and assigns of Employer. Should Employee be transferred or reassigned from Employer to a parent company or affiliate of Employer, this Agreement shall be deemed to be automatically assigned by Employer to such new employer. Employee's acceptance of Employee's first payment of compensation from such new employer shall be deemed as Employee's acknowledgment of such assignment. Monetary damages may not be an adequate remedy for Employee's breach of paragraphs 2 or 3 of this Agreement and Employer may, in addition to recovering legal damages (including lost commissions and fees), proceed in equity to enjoin Employee
from violating any of the provisions. Upon the commencement by the Employee of employment with any third party, during the two (2) year period following termination of employment hereunder, the Employee shall promptly inform such new employer of the substance of paragraphs 2 and 3 of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement to become effective as of the date first above written.

EMPLOYER: Willis Americas Administration, Inc.   EMPLOYEE: Todd Jones
7 Hanover Square
New York, NY 10004

RESTATED EMPLOYMENT AGREEMENT

This **RESTATED EMPLOYMENT AGREEMENT** ("Agreement") is made effective **July 1, 2013** by and between Willis North America Inc. ("Employer") and Todd J. Jones ("Employee").

WHEREAS, Employee's execution of this Agreement will result in Employee's promotion to the position of *Chief Executive Officer* of Employer as of July 1, 2013; and

WHEREAS, Employee's execution of this Agreement will result in a significant increase in Employee's overall compensation package including his base salary and incentive compensation as detailed in the Letter Agreement which is attached hereto as Exhibit A.

NOW THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. Employment, Compensation and Benefits. Employer will pay Employee such compensation and benefits as are set forth in the Letter Agreement attached hereto and incorporated into this Agreement as Exhibit A. Such compensation and benefits may be changed by Employer pursuant to its normal compensation and benefit review procedures or from time to time. Employee's job title, position and duties are also subject to review and change by Employer pursuant to its normal job position and performance review procedures or from time to time.

2. Confidential Information and Work for Hire.

a. Employer shall provide Employee with access to nonpublic Employer/Willis[1] information to the extent reasonably necessary to the performance of Employee's job duties. Employee acknowledges that all non-public information (including, but not limited to, information regarding Employer's clients), owned or
possessed by Employer/Willis (collectively, "Confidential Information") constitutes a valuable, special and unique asset of the business of Employer/Willis. Employee shall not, during or after the period of his/her employment with Employer (i) disclose, in whole or in part, such Confidential Information to any third party without the consent of Employer or (ii) use any such Confidential Information for his/her own purposes or for the benefit of any third party. These restrictions shall not apply to any information in the public domain provided that Employee was not responsible, directly or indirectly, for such information entering the public domain without the Employer's consent. Upon termination of Employee's employment hereunder, Employee shall promptly return to Employer all Employer/Willis materials, information and other property (including all files, computer discs and manuals) as may then be in Employee's possession or control.

b. Any work prepared by Employee as an employee of Employer including written and/or electronic reports and other documents and materials shall be "work for hire" and shall be the exclusive property of the Employer. If, and to the extent that, any rights to such work do not vest in Employer automatically, by operation of law, Employee shall be deemed to hereby unconditionally and irrevocably assign to Employer all rights to such work and Employee shall cooperate fully with Employer's efforts to establish and protect its rights to such work.

3. Employee Loyalty, Non-competition and Non-solicitation. Employee understands that Employee owes a duty of loyalty to Employer and, while in Employer's employ, shall devote Employee's entire business time and best good faith efforts to the furtherance of Employer's legitimate business interests. All business activity participated in by Employee as an employee of Employer shall be undertaken solely for the benefit of Employer. Employee shall have no right to share in any commission or fee resulting from such business activity other than the compensation referred to in paragraph 1. While this Agreement is in effect and for a period of two years following termination of

[1] All references in this Employment Agreement to "Employer/Willis" shall be understood to refer to Employer and/or Employer's parent companies and other affiliates, as well as their successors and assigns.

Employee's employment with Employer, Employee shall not, within the "Territories" described below:

a. directly or indirectly solicit, accept, or perform, other than on Employer's behalf, insurance brokerage, insurance agency, risk management, claims administration, consulting or other business performed by the Employer/Willis from or with respect to (i) clients of Employer/Willis with whom Employee had business contact or provided services to, either alone or with others, while employed by either Employer or any affiliate of Employer and, further provided, such clients were clients of Employer/Willis either on the date of termination of Employee's employment with Employer or within twelve (12) months prior to such termination (the "Restricted Clients") and (ii) active prospective clients of Employer/Willis with whom Employee had business contacts regarding the business of the Employer/Willis within six (6) months prior to termination of Employee's employment with Employer (the "Restricted Prospects").

b. directly or indirectly (i) solicit any employee of Employer/Willis ("Protected Employees") to work for Employee or any third party, including any competitor (whether an individual or a competing company) of Employer/Willis or (ii) induce any such employee of Employer/Willis to leave the employ of Employer/Willis.

For purposes of this paragraph 3, "Territories" shall refer to those counties where the Restricted Clients, Restricted Prospects, or Protected Employees of Employer/Willis are present and available for solicitation.

4. <u>Term and Termination</u>. This Agreement shall commence upon the effective date first set forth above and shall continue until terminated (i) by either party, with or without cause, upon thirty calendar days prior written notice, (ii) immediately by Employer upon any willful misconduct or material breach by Employee of this Agreement, or (iii) immediately upon the Employee's death or disability (as *disability* is defined in Employer's Long Term Disability Benefits Plan). Should Employer give Employee thirty days notice of termination, (i) Employee will not, thereafter, be entitled to access to the office premises of Employer and (ii) said thirty calendar days shall be treated as four weeks' pay for purposes of severance arrangements and/or calculating pay in lieu of prior notice. Paragraphs 2, 3, 5 and 7 shall survive termination of this Agreement.

5. <u>Mandatory Binding Arbitration</u>. Except for a claim beginning with a request for injunctive relief brought by Employer or Employee, Employer and Employee agree that any dispute arising either under this Agreement or from the employment relationship shall be resolved by arbitration - it is understood that disputes arising either under this Agreement or from the employment relationship shall be understood to include, but not be limited to, any and all disputes concerning any claim by the Employee against the Employer/Willis concerning or relating to (i) alleged illegal discrimination against the Employee in the terms and conditions of employment (including but not limited to any claim of alleged illegal discrimination on the basis of race, color, religion, sex, gender, national origin, age, physical disability and/or mental disability), (ii) alleged public policy violations, (iii) alleged wrongful employment termination and/or (iv) any other disputes arising from or in connection with the employment relationship. Each party expressly waives any right, whether pursuant to any applicable federal, state, or local statute, to a jury trial and/or to have a court of law determine rights and award damages with respect to any such dispute. The party invoking arbitration shall notify the other party in writing (the "Written Notice"). The parties shall exercise their best efforts, in good faith, to agree upon selection of a single arbitrator. If the parties are unable to agree upon selection of a single arbitrator, they shall so notify the American Arbitration Association ("AAA") or another agreed upon arbitration administrator and request that the arbitration provider work with the parties to select a single arbitrator. The arbitration shall be (i) conducted in accordance with the American Arbitration Association's National Rules for the Resolution of Employment Disputes, (ii) held at a location reasonably convenient to that office of the Employer at which the Employee had most recently been assigned and (iii) completed within six months (or within such other time as the parties may mutually agree) of the receipt of Written Notice by the party being notified. The arbitrator shall have no authority to assess punitive or exemplary damages as to any dispute arising out of or concerning the provisions of this Agreement or otherwise arising out of the employment relationship, except as and unless such damages are expressly authorized by otherwise applicable and controlling statutes. The arbitrator's

decision shall be final and binding and enforceable in any court of competent jurisdiction. To the extent permitted by applicable law, each party shall bear its own costs, including attorneys' fees, and share all costs of the arbitration equally. Nothing provided herein shall interfere with either party's right to seek or receive damages or costs as may be allowed by applicable statutory law.

6. Representations and Warranties. Employee represents and warrants that Employee has reviewed and will abide by the Employer/Willis Code of Ethics.

7. Miscellaneous. Except as set forth below, this Agreement sets forth the entire agreement between the parties and supersedes any and all prior agreements and understandings regarding the subject matter herein; provided further that this Agreement shall be in addition to, and not in lieu of: (i) the Deferred Compensation Agreement by and between Employee and "Willis Americas Admin"[2] that became effective as of May 1, 2009 (and by signing below, Employee acknowledges, understands and agrees that pursuant to the automatic assignment language as contained in paragraph 4 of this Deferred Compensation Agreement, Employer can enforce the provisions and terms of the Deferred Compensation Agreement); and (ii) any written agreement, if any, as may have previously been entered into by the Employee with either the Employer or with a parent or other affiliated company of the Employer in connection with any share purchase and option plan and/or any equity award (such agreement to be governed in all respects by that agreement's own terms and conditions). This Agreement may only be modified by a written instrument signed by both parties. If any term of this Agreement is rendered invalid or unenforceable by judicial, legislative or administrative action, the remaining provisions hereof shall remain in full force and effect and shall in no way be affected, impaired or invalidated. Except for notices by Employer to Employee which Employer chooses to hand deliver to Employee, any notices given pursuant to this Agreement shall be sent by first class US postal service or overnight courier service to the addresses set forth below (or, to the then current address of a party, with both parties agreeing to promptly provide the other party with written notice of any change in address). This Agreement shall be governed by the law of the state in which Employee is assigned a regular office location by Employer, without giving effect to that state's conflicts of law principles. The waiver by either party of any breach of this Agreement shall not operate or be construed as a waiver of that party's rights upon any subsequent breach. This Agreement shall inure to the benefit of and be binding upon and enforceable against the heirs, legal representatives and assigns of Employee and the successors and assigns of Employer. Should Employee be transferred or reassigned from Employer to a parent company or affiliate of Employer, this Agreement shall be deemed to be automatically assigned by Employer to such new employer. Employee's acceptance of Employee's first payment of compensation from such new employer shall be deemed as Employee's acknowledgment of (i) such assignment and (ii) the continuation of Employee's employment pursuant to the terms and conditions of this Agreement. Employee acknowledges and agrees that (i) the consideration provided to Employee by Employer as set forth in this Agreement (inclusive of Exhibit A hereto) is sufficient to support covenants made by Employee to Employer within this Agreement and (ii) following Employee's execution of this Agreement, Employee will at no time challenge the sufficiency and/or adequacy of the consideration provided in exchange for the various covenants provided by Employee to Employer within this Agreement. Monetary damages may not be an adequate remedy for Employee's breach of paragraphs 2 or 3 of this Agreement and Employer may, in addition to recovering legal damages (including lost commissions and fees), proceed in equity to enjoin Employee from violating any of the provisions. Upon the commencement by the Employee of employment with any third party, during the two (2) year period following termination of employment hereunder, the Employee shall promptly inform such new employer of the substance of paragraphs 2 and 3 of this Agreement.

[2] It is understood and agreed that the reference to "Willis Americas Admin" in the May 1, 2009 Deferred Compensation Award Agreement is intended to be a reference to "Willis Americas Administration, Inc.".

IN WITNESS WHEREOF, the parties hereto have executed this Employment Agreement to become effective as of the date first above written.

EMPLOYER:
Willis North America Inc.
One World Financial Center
200 Liberty Street
New York, NY 10281-1003
/s/ Celia Brown
Title: Group Human Resources Director

EMPLOYEE: Todd J. Jones
/s/ Todd Jones
Date: 8/22/13

EXHIBIT A-LETTER AGREEMENT

Willis
REPLY TO:
Celia R. Brown
Global Human Resources Director
Willis Group Holdings PLC
One World Financial Center
200 Liberty Street, 7th Floor
New York, NY 10281
Direct line: 212-915-8556
E-mail: celia.brown©vJillis.com

August 1, 2013
Todd J. Jones

Dear Todd:

We are delighted to provide this Letter Agreement[1] to confirm our offer and your acceptance of the position of *Chief Executive Officer* of Willis North America Inc. (which is referred to hereafter as the "Company" or "Willis"). This offer is conditioned upon you signing and returning to me, both this letter and the enclosed July 1, 2013 Restated Employment Agreement no later than August 30, 2013 (the "Signing Requirements"). Subject to satisfaction of the Signing Requirements, you shall be promoted to the position of *Chief Executive Officer* of Willis North America Inc. effective July 1, 2013.

<u>Compensation and benefits</u>:

• <u>Base Salary</u>: Subject to satisfaction of the Signing Requirements, effective July 1, 2013, your salary will become $50,000 per month (to be paid less applicable withholdings). This monthly rate is equivalent to $600,000 on an annual basis. You acknowledge that such monthly salary rate is a substantial increase in your monthly salary rate (i.e., as compared to your monthly salary rate prior to July 1, 2013). You will be eligible for an annual salary review, with your next salary review to occur on or about April 1, 2014. Your compensation (including your base salary and any incentive compensation) and benefits may be adjusted, in accordance with the Company's normal compensation and benefits administration procedures, upon your annual review or from time to time.

• <u>General Benefits</u>: You will continue to participate in those Company employee benefit programs which are generally made available to the Company's associates, in accordance with and subject to the normal terms and conditions of those programs.

• <u>Annual Incentive Plan ("AIP")</u>: You will continue to participate in the Willis Annual Incentive Plan (the terms of which may be modified by the Company from time to time) under which you may become eligible to receive an annual bonus payment. Any bonus distributions to you under the AlP shall rest in the discretion of the Company and will be subject to applicable withholdings. To the extent you are eligible to receive AlP, your target AlP amount will be equal to 125% of your applicable base salary on an annualized basis. It is further provided that, at the Company's discretion, any AlP bonus distribution to you may be made, in whole or in part, in the form of (i) restricted stock units of Willis Group Holdings issued to you.

[1]This letter shall supersede and replace any prior employment offer or transfer letter that the Company may have

Public Limited Company or other instruments (including, but not limited to, other forms of security instruments), any and or all of which may be a form of deferred compensation and/or subject to vesting schedules and/or (ii) a restricted cash payment that is subject to a vesting schedule and/or repayment obligation under such circumstances as Willis may specify. Each of the foregoing forms of compensation will be subject to such other terms and conditions as Willis specifies, in accordance with Willis' usual compensation practices and procedures (as may be modified from time to time). Your participation in the AlP shall be subject to the other terms and conditions of such plan. Among other conditions, you must be in the active employ of the Company at the time that any bonus payment is normally paid in order to be eligible to receive such bonus payment.

• Long Term Incentive Plan: The Company will award you a Long Term Incentive Plan ("LTIP") target equity grant award equal to $750,000. Any equity award to you will be made at the same time with the same terms, including performance conditions as other similarly situated executives. Any LTIP participation shall be subject to the usual terms and conditions of the L TIP and of the Company's applicable share plans, any and all of which may be amended from time to time. Being offered an L TIP equity grant award in a given year will not obligate the Company to offer or provide any equity grant award in any subsequent year.

• Termination without Good Cause/Good Reason: Pursuant to the terms of your July 1, 2013 Restated Employment Agreement, the Company or you may terminate your employment at any time without cause by providing thirty days prior written notice of termination (which thirty days days shall be treated as four weeks' pay for severance purposes). Provided further that, if your employment is terminated by the Company without "Good Cause" (as defined below) or if you resign your employment for "Good Reason" (as defined below) and subject to you executing a Severance Agreement and Release in such form and content as Willis provides, you will thereafter receive severance pay equivalent to (1) twelve months' base salary[2] (subject to applicable withholdings) paid over twelve months in equal semi-monthly installment payments and (2) a one-time payment of your applicable target award under the Company's Annual Incentive Plan (subject to applicable withholdings) paid at the time the Company terminates your employment.

All other compensation and other benefits shall cease following such employment termination (except for any accrued salary due with respect to service provided prior to employment termination and except for any accrued and vested pension benefits, if any, or other vested benefits, if any, payable in the future). If you ever become eligible to receive any severance payments described in this offer letter, you agree that (i) such severance payments will be subject to discontinuance at the Company's discretion if you violate the terms of any surviving written restrictive covenants you may have with the Company and/or with its affiliates and (ii) your acceptance of any such payments shall constitute your knowing and voluntary waiver of any right or claim to receive severance benefits from the Company (or any of its affiliates) pursuant to any severance benefit plan (if any) that the Company (or any of its affiliates) may, at the time of your employment termination, maintain.

"Good Cause" for purposes of this Letter Agreement is defined as (i) your gross and/or chronic neglect of your duties, (ii} your conviction of a felony or misdemeanor involving moral turpitude, (iii) dishonesty, embezzlement, fraud or other material willful misconduct by you in connection with your employment, (iv) the issuance of any final order for your removal as an associate of the Company by any state or federal regulatory agency, (v) your violation of the restrictive covenant provisions contained in your Employment Agreement or other agreement with the Company or any of its affiliates, (vi) your material breach of any duty owed to the Company or any of its affiliates, including, without limitation, the duty of loyalty, (vii) your material breach of any of your other material obligations under your Employment Agreement or other agreement with the Company or any of its affiliates, or (viii) any material breach of the Company's Code of Ethics by you. Good Cause shall not include an immaterial, isolated instance of ordinary negligence or failure to act, whether due to an error in judgment or otherwise, if you have exercised substantial efforts in good faith to perform the duties reasonably assigned or appropriate to your position. You will not be entitled to severance pay of any type from the Company following employment termination for Good Cause.

[2]For purposes of calculating any such severance pay, the Company shall apply your monthly base salary rate as in effect immediately prior to your employment termination.

"Good Reason" for purposes of this Letter Agreement is defined as one of the following events which has occurred without your written consent: (i) a material diminution in your status, title, position, authority or responsibilities, (ii) a reduction in your monthly base salary, (iii} a material breach by the Company of any material provision of this
Letter Agreement, (iv) a requirement that you relocate your office outside of a radius of 35 miles from the current office location of One World Financial Center at 200 Liberty Street in New York City. You may not resign or otherwise terminate your employment for any reason set forth above as Good Reason unless you first notify the Company in writing describing such Good Reason, and thereafter, such Good Reason is not corrected by the Company within thirty days of the Company's receipt of such notice.

Todd, we look forward to your continuing work with, and contributions to, the Willis team!

Sincerely,

Celia Brown
Executive Vice President, Willis Group Human Resources Director
Enclosure

I, Todd J. Jones, sign below to provide my agreement to accept the position described above and to be employed pursuant to the terms and conditions set forth above:

Exhibit 12.1

COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

	Year ended December 31,				
	2013	2012	2011	2010	2009
	(millions except ratios)				
Income (loss) from continuing operations before income taxes, interest in earnings of associates and noncontrolling interests	$ 499	$ (337)	$ 239	$ 587	$ 516
Add back fixed charges:					
Total fixed charges	168	169	197	208	224
Dividends from associates	3	3	7	5	12
Less:					
Capitalized interest	—	—	—	—	—
Income (loss) as adjusted	$ 670	$ (165)	$ 443	$ 800	$ 752
Fixed charges					
Interest expense	$ 126	$ 128	$ 156	$ 166	$ 174
Portions of rents representative of interest factor	42	41	41	42	50
Total fixed charges	$ 168	$ 169	$ 197	$ 208	$ 224
Ratio of earnings to fixed charges	4.0	(1.0)	2.2	3.8	3.4

COMPUTATION OF RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

	Year ended December 31,				
	2013	2012	2011	2010	2009
	(millions except ratios)				
Income (loss) from continuing operations before income taxes, interest in earnings of associates and noncontrolling interests	$ 499	$ (337)	$ 239	$ 587	$ 516
Add back fixed charges:					
Total fixed charges	168	169	197	208	224
Dividends from associates	3	3	7	5	12
Less:					
Capitalized interest	—	—	—	—	—
Income (loss) as adjusted	$ 670	$ (165)	$ 443	$ 800	$ 752
Fixed charges and preferred stock dividends					
Interest expense	$ 126	$ 128	$ 156	$ 166	$ 174
Portions of rents representative of interest factor	42	$ 41	$ 41	$ 42	$ 50
Total fixed charges	168	$ 169	$ 197	$ 208	$ 224
Preferred stock dividends	—	$ —	$ —	$ —	$ —
Total fixed charges and preferred stock dividends	$ 168	$ 169	$ 197	$ 208	$ 224
Ratio of earnings to fixed charges and preferred stock dividends	4.0	(1.0)	2.2	3.8	3.4

Exhibit 21.1

SUBSIDIARIES OF WILLIS GROUP HOLDINGS PLC

Company Name	Country of Registration
AF Willis Bahrain E.C.	Bahrain
AF Willis Bahrain W.L.L.	Bahrain
Al-Futtaim Willis Co. L.L.C.	Dubai
Amabubesi Consulting Services	South Africa
Anclamar S.A.	Spain
Asesorauto 911, C.A.	Venezuela
Asifina S.A.	Argentina
Asmarin Verwaltungs AG	Switzerland
Attain Consulting Limited	Ireland
Barnfield Swift & Keating LLP	England & Wales
Bolgey Holding S.A.	Spain
Brokerskie Centrum Ubezpieczeniowe AMA SP. Z O.O.	Poland
C.A. Prima Corretaje de Seguros	Venezuela
Claim Management Administrator, S.L.	Spain
CORRE Partnership LLP	England & Wales
Devonport Underwriting Agency Limited	England & Wales
Dream Management 1	France
Dream Management 2	France
Erimus Holdings Teesside Limited (shareholding to be reduced shortly)	England & Wales
Faber & Dumas Limited	England & Wales
Faber Global Limited	England & Wales
Freberg Environmental, Inc.	U.S.A.
Friars Street Insurance Limited	Guernsey
Friars Street Trustees Limited	England & Wales
Glencairn Bermuda Limited	Bermuda
Glencairn Group Limited	England & Wales
Glencairn Insurance Brokers LLC (Russia) (Pending liquidation)	Russia
Glencairn LLC (Russia) (pending liquidation)	Russia
Glencairn UK Holdings Limited	England & Wales
Goodhale Limited	England & Wales
Gras Savoye Willis Net Trust Insurance Brokers SA	Greece
Gras Savoye Willis S.A.	Greece
Greyfriars Insurance Company Limited	England & Wales
GS & Cie Groupe	France
Hamilton & Hamilton 1972 Limited	Ireland
Hilb Rogal & Hobbs UK Holdings Limited	England & Wales
HRH (London) Limited	England & Wales
HRH Reinsurance Brokers Limited	England & Wales
Hunt Insurance Group, LLC	U.S.A.
InsuranceNoodle, Inc.	U.S.A.

InterRisk Risiko-Management-Beratung GmbH	Germany
J.R.C. Metropolitan Trust Holdings Limited	Cyprus
Johnson Puddifoot & Last Limited	England & Wales
JWA Marine GmbH	Germany
K Evans & Associates Limited	England & Wales
Lees Preston Fairy (Holdings) Limited	England & Wales
Lime Street Insurance PCC Limited	Malta
MacLean, Oddy & Associates, Inc.	U.S.A.
Matthews Wrightson & Co Limited	England & Wales
McGuire Insurances Limited	Northern Ireland
Meridian Insurance Company Limited	Bermuda
Motheo Reinsurance Consultants (Pty) Limited	South Africa
Multi Risk Consultants (Thailand) Limited	Thailand
NIB (Holdings) Limited	England & Wales
NIB (UK) Limited	England & Wales
Oakley Holdings Limited	England & Wales
Opus Holdings Limited	England & Wales
Opus Insurance Services Limited	England & Wales
Opus London Market Limited	England & Wales
Philadelphia Benefits LLC	U.S.A.
Plan Administrativo Rontarca Salud, C.A.	Venezuela
PPH Limited	Bermuda
Premium Funding Associates, Inc.	U.S.A.
Prime Professions Limited	England & Wales
PT Willis Indonesia	Indonesia
Queenswood Properties Inc	U.S.A.
RCCM Limited	England & Wales
Richard Oliver International Limited	England & Wales
Richard Oliver Underwriting Managers Pty Limited	Australia
Risco S.A.	Argentina
Rontarca Prima Willis, C.A.	Venezuela
Rontarca-Prima Consultores C.A.	Venezuela
Ropepath Limited	England & Wales
Run-Off 1997 Limited	England & Wales
Sailgold Limited	England & Wales
Scheuer Verzekeringen B.V.	Netherlands
Sertec Servicos Tecnicos de Inspecao, Levantamentos e Avaliacoes Ltda	Brazil
Smith, Bell & Thompson, Inc.	U.S.A.
Sovereign Insurance (UK) Limited	England & Wales
Sovereign Marine & General Insurance Company Limited	England & Wales
Special Contingency Risks Limited	England & Wales
Stewart Wrightson (Regional Offices) Limited	England & Wales
Stewart Wrightson International Group Limited	England & Wales
The CORRE Partnership Holdings Limited	England & Wales
Thirdreel Limited	England & Wales
Trinity Processing Services (Australia) Pty Limited	Australia

Trinity Processing Services Limited	England & Wales
Trinity Square Insurance Limited	Gibraltar
Trustee Principles Limited	Ireland
VEAGIS Limited	England & Wales
Venture Reinsurance Company Limited	England & Wales
Venture Reinsurance Company Limited	Barbados
W.I.R.E. Limited	England & Wales
W.I.R.E. Risk Information Limited	England & Wales
WCYC (London) Limited	England & Wales
Westport Financial Services, LLC	U.S.A.
Westport HRH, LLC	U.S.A.
WFB Corretora de Seguros Ltda	Brazil
WFD Servicios S.A. de C.V.	Mexico
WFD Servicios S.A. de C.V.	Mexico
Willconsulting Srl	Italy
Willis Re S.A.	France
Willis (Bermuda) 2 Limited	Bermuda
Willis (Bermuda) Limited	Bermuda
Willis (Malaysia) Sdn Bhd	Malaysia
Willis (Singapore) Pte Limited	Singapore
Willis (Taiwan) Limited	Taiwan
Willis A/S	Denmark
Willis AB	Sweden
Willis Administradora de Beneficios Ltda	Brazil
Willis Administration (Isle of Man) Limited	Isle of Man
Willis Administrative Services Corporation	U.S.A.
Willis Affinity Corretores de Seguros Limitada	Brazil
Willis Affinity SL	Spain
Willis AG	Switzerland
Willis Agente de Seguros y Fianzas, S.A. de C.V.	Mexico
Willis Americas Administration, Inc.	U.S.A.
Willis Argentina S.A.	Argentina
Willis AS	Norway
Willis Asia Pacific Limited	England & Wales
Willis Assekuranz GmbH	Germany
Willis Australia Group Services Pty Limited	Australia
Willis Australia Holdings Limited	Australia
Willis Australia Limited	Australia
Willis B.V.	Netherlands
Willis Benefits of Pennsylvania, Inc.	U.S.A.
Willis Canada Inc.	Canada
Willis Capital Markets & Advisory (Hong Kong) Limited	Hong Kong
Willis Capital Markets & Advisory Limited	England & Wales
Willis Chile Limitada	Chile
Willis China Limited	England & Wales
Willis CIS Insurance Broker LLC	Russia

Willis Colombia Corredores de Seguros S.A.	Colombia
Willis Consulting K.K.	Japan
Willis Consulting Limited	England & Wales
Willis Consulting S.L.	Spain
Willis Consulting Services Private Limited	India
Willis Corporate Director Services Limited	England & Wales
Willis Corredores de Reaseguro Limitada	Chile
Willis Corredores de Reaseguros S.A.	Colombia
Willis Corredores de Reaseguros SA	Argentina
Willis Corredores de Reaseguros SA	Peru
Willis Corredores de Seguros SA	Peru
Willis Corretaje de Reaseguros S.A.	Venezuela
Willis Corretora de Resseguros Limitada	Brazil
Willis Corretores de Seguros Limitada	Brazil
Willis Corretores de Seguros SA	Portugal
Willis Corroon (FR) Limited	England & Wales
Willis Corroon Aerospace of Canada Limited	Canada
Willis Corroon Financial Planning Limited	England & Wales
Willis Corroon Licensing Limited	England & Wales
Willis Corroon Management (Luxembourg) S.A.	Luxembourg
Willis Corroon Nominees Limited	England & Wales
Willis Employee Benefits Limited	England & Wales
Willis Employee Benefits Pty Limited	Australia
Willis ESOP Management Limited	Jersey
Willis Europe B.V.	Netherlands
Willis Faber & Dumas Limited	England & Wales
Willis Faber (Underwriting Management) Limited	England & Wales
Willis Faber AG	Switzerland
Willis Faber Limited	England & Wales
Willis Faber UK Group Limited	England & Wales
Willis Faber Underwriting Agencies Limited	England & Wales
Willis Faber Underwriting Services Limited	England & Wales
Willis Finance Limited	England & Wales
Willis Financial Limited	England & Wales
Willis Finansradgivning I/S	Denmark
Willis Finanzkonzepte GmbH	Germany
Willis Føroyar I/S	Faroe Islands
Willis Forsikringspartner AS	Norway
Willis Forsikringsservice I/S	Denmark
Willis France Holdings SAS	France
Willis Galicia Correduria de Seguros S.A.	Spain
Willis Giaconia Life, LLC	U.S.A.
Willis Global Markets B.V.	Netherlands
Willis GmbH	Austria
Willis GmbH & Co., K.G.	Germany
Willis Group Limited	England & Wales

Willis Group Medical Trust Limited	England & Wales
Willis Group Services Limited	England & Wales
Willis Holding AB	Sweden
Willis Holding Company of Canada Inc	Canada
Willis Holding GmbH	Germany
Willis Hong Kong Limited	Hong Kong
Willis HRH Inc.	U.S.A.
Willis I/S	Denmark
Willis Iberia Correduria de Seguros y Reaseguros SA	Spain
Willis Insurance Agency I/S	
Willis Insurance Brokerage of Utah, Inc.	U.S.A.
Willis Insurance Brokers (B) Sdn Bhd	Brunei
Willis Insurance Brokers Co. Ltd.	China, PRC
Willis Insurance Brokers LLC	Ukraine
Willis Insurance Services of California, Inc.	U.S.A.
Willis Insurance Services of Georgia, Inc.	U.S.A.
Willis Insurance Services S.A.	Chile
Willis International Limited	England & Wales
Willis Investment Holding (Bermuda) Limited	Bermuda
Willis Italia S.p.A	Italy
Willis Japan Holdings K.K.	Japan
Willis Japan Limited	England & Wales
Willis Japan Services K.K.	Japan
Willis Kendriki SA	Greece
Willis Kft	Hungary
Willis Korea Limited	Korea
Willis Limited	England & Wales
Willis Management (Barbados) Limited	Barbados
Willis Management (Bermuda) Limited	Bermuda
Willis Management (Cayman) Limited	Cayman Islands
Willis Management (Dublin) Limited	Eire
Willis Management (Gibraltar) Limited	Gibraltar
Willis Management (Guernsey) Limited	Guernsey
Willis Management (HK) Pty Limited	Hong Kong
Willis Management (Isle of Man) imited	Isle of Man
Willis Management (Labuan) Limited	Malaysia
Willis Management (Malta) Limited	Malta
Willis Management (Singapore) Pte Ltd	Singapore
Willis Management (Stockholm) AB	Sweden
Willis Management (Vermont) Limited	U.S.A
Willis Mexico Intermediario de Reaseguro S.A. de C.V.	Mexico
Willis Nederland B.V.	Netherlands
Willis New Zealand Limited	New Zealand
Willis North America Inc.	U.S.A.
Willis North American Holding Company	U.S.A.
Willis of Alabama, Inc.	U.S.A.

Willis of Arizona, Inc.	U.S.A.
Willis of Colorado, Inc.	U.S.A.
Willis of Connecticut, LLC	U.S.A.
Willis of Delaware, Inc.	U.S.A.
Willis of Florida, Inc.	U.S.A.
Willis of Greater Kansas, Inc.	U.S.A.
Willis of Illinois, Inc.	U.S.A.
Willis of Louisiana, Inc.	U.S.A.
Willis of Maryland, Inc.	U.S.A.
Willis of Massachusetts, Inc.	U.S.A.
Willis of Michigan, Inc.	U.S.A.
Willis of Minnesota, Inc.	U.S.A.
Willis of Mississippi, Inc.	U.S.A.
Willis of New Hampshire, Inc.	U.S.A.
Willis of New Jersey, Inc.	U.S.A.
Willis of New York, Inc.	U.S.A.
Willis of North Carolina, Inc.	U.S.A.
Willis of Northern New England, Inc.	U.S.A.
Willis of Ohio, Inc.	U.S.A.
Willis of Oklahoma, Inc.	U.S.A.
Willis of Oregon, Inc.	U.S.A.
Willis of Pennsylvania, Inc.	U.S.A.
Willis of Seattle, Inc.	U.S.A.
Willis of Tennessee, Inc.	U.S.A.
Willis of Texas, Inc.	U.S.A.
Willis of Virginia, Inc.	U.S.A.
Willis of Wisconsin, Inc.	U.S.A.
Willis of Wyoming, Inc.	U.S.A.
Willis Overseas Brokers Limited	England & Wales
Willis Overseas Investments Limited	England & Wales
Willis Overseas Limited	England & Wales
Willis OY AB	Finland
Willis Pension Trustees Limited	England & Wales
Willis Personal Lines, LLC	U.S.A.
Willis Polska S.A.	Poland
Willis Processing Services (India) Pvt. Ltd	India
Willis Processing Services, Inc.	U.S.A.
Willis Programs of Connecticut Inc.	U.S.A.
Willis Re (Pty) Limited	South Africa
Willis Re Bermuda Limited	Bermuda
Willis Re Beteiligungsgesellschaft mbH	Germany
Willis Re Canada Inc.	Canada
Willis Re GmbH & Co., K.G.	Germany
Willis Re Inc.	U.S.A.
Willis Re Japan K.K.	Japan
Willis Re Labuan Limited	Malaysia

Willis Re Nordic Reinsurance Broking (Denmark) A/S	Denmark
Willis Re Nordic Reinsurance Broking (Norway) AS	Norway
Willis Re Southern Europe S.p.A	Italy
Willis Reinsurance Australia Limited	Australia
Willis Risk Management (Ireland) Limited	Ireland
Willis Risk Management (Malaysia) Sdn. Bhd.	Malaysia
Willis Risk Services (Ireland) Ltd	Ireland
Willis Risk Services Holdings (Ireland) Limited	Ireland
Willis S & C c Correduria de Seguros y Reaseguros SA (Barcelona)	Spain
Willis Saudi Arabia Company LLC	Saudi Arabia
Willis Schadensmanagement GmbH	Germany
Willis Securities, Inc.	U.S.A.
Willis Services (Malta) Limited	Malta
Willis Services LLC	U.S.A.
Willis Services sp. z o.o.	Poland
Willis South Africa (Pty) Limited	South Africa
Willis sro	Czech Republic
Willis Structured Financial Solutions Limited	England & Wales
Willis Trustsure limited	Ireland
Willis Tryggingartaenasta Foroyar I/S	Faroe Islands
Willis UK Investments	England & Wales
Willis UK Limited	England & Wales
Willis US Holding Company, Inc.	U.S.A.
York Vale Corretora e Administradora de Seguros Limitada	Brazil

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-153769 and 333-184515 on Form S-3 and in Registration Statements No. 333-62780, No. 333-63186, No. 333-130605, No. 333-153202, No. 333-153770, No. 333-169961 and No. 333-181150 on Form S-8 of our reports dated February 27, 2014 relating to the consolidated financial statements of Willis Group Holdings Public Limited Company and subsidiaries (which expressed an unqualified opinion on those financial statements and included an explanatory paragraph regarding the restatement of condensed consolidating financial information as discussed in Notes 30 to 32) and the effectiveness of Willis Group Holdings Public Limited Company and subsidiaries' internal control over financial reporting, appearing in this Annual Report on Form 10-K of Willis Group Holdings Public Limited Company and subsidiaries for the year ended December 31, 2013.

/s/ Deloitte LLP
London, United Kingdom
February 27, 2014

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Dominic Casserley, certify that:

1. I have reviewed this Annual report on Form 10- K for the year ended December 31, 2013 of Willis Group Holdings plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

By: /s/ DOMINIC CASSERLEY

Dominic Casserley

Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Michael K. Neborak, certify that:

1. I have reviewed this Annual report on Form 10-K for the year ended December 31, 2013 of Willis Group Holdings plc;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2014

By: /s/ MICHAEL K. NEBORAK

Michael K. Neborak

Group Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K for the year ended December 31, 2013, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dominic Casserley, Chief Executive Officer of the Company, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) 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 the Company.

Date: February 27, 2014

By: /s/ DOMINIC CASSERLEY

Dominic Casserley

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Annual Report on Form 10-K for the year ended December 31, 2013, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael K. Neborak, Group Chief Financial Officer of the Company, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) 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 the Company.

Date: February 27, 2014

By: /s/ MICHAEL K. NEBORAK

Michael K. Neborak

Group Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.