

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, 2010

or

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
*(Jurisdiction of
incorporation or organization)*

98-0352587
*(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

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

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

Indicate by check mark whether the Registrant has submitted electronically 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

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 definitions of 'large accelerated filer,' 'accelerated filer' and 'smaller reporting company' in Rule 12b-2 of the Exchange Act. (Check one):

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

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

As of February 18, 2011, the aggregate market value of the voting stock held by non-affiliates of the Registrant was approximately \$6,651,075,613.

As of February 18, 2011, there were outstanding 171,257,649 ordinary shares, nominal value \$0.000115 per share and 40,000 ordinary shares, nominal value €1, of the Registrant.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of Willis Group Holdings Public Limited Company's Proxy Statement for its 2011 Annual Meeting of Shareholders are incorporated by reference into Part I and Part III of this Form 10-K.

Certain Definitions

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

'We', 'Us', 'Company', 'Group', 'Willis' or 'Our'	Willis-Ireland and its subsidiaries and, prior to the effective time of the redomicile of the parent company discussed in Note 2 to the Notes to the Consolidated Financial Statements, Willis-Bermuda and its subsidiaries.
'Willis Group Holdings' or 'Willis-Ireland'	Willis Group Holdings Public Limited Company, a company organized under the laws of Ireland.
'Willis-Bermuda'	Willis Group Holdings Limited, a company organized under the laws of Bermuda.
'shares'	The ordinary shares of Willis-Ireland, nominal value \$0.000115 per share, and prior to the redomicile of the parent company, the common shares of Willis-Bermuda, par value \$0.000115 per share.
'HRH'	Hilb Rogal & Hobbs Company.
'Effective Time'	6.59 p.m. EST on December 31, 2009.

Table Of Contents

	<u>Page</u>
Forward-looking statements	4
PART I	6
Item 1	6
Item 1A	14
Item 1B	24
Item 2	25
Item 3	26
PART II	27
Item 5	27
Item 6	29
Item 7	31
Item 7A	62
Item 8	66
Item 9	142
Item 9A	142
Item 9B	144
PART III	145
Item 10	145
Item 11	147
Item 12	147
Item 13	147
Item 14	147
PART IV	148
Item 15	148
Signatures	148
EX-4.6	154
EX-4.11	
EX-10.16	
EX-10.17	
EX-10.38	
EX-10.44	
EX-21.1	
EX-23.1	
EX-31.1	
EX-31.2	
EX-32.1	
EX-32.2	
EX-101 INSTANCE DOCUMENT	
EX-101 SCHEMA DOCUMENT	
EX-101 CALCULATION LINKBASE DOCUMENT	
EX-101 LABELS LINKBASE DOCUMENT	
EX-101 PRESENTATION LINKBASE DOCUMENT	
EX-101 DEFINITION LINKBASE DOCUMENT	

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 and regulatory conditions on our global business operations;
 - the impact of current financial market conditions on our results of operations and financial condition, including as a result of any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions;
 - our ability to continue to manage our significant indebtedness;
 - our ability to compete effectively in our industry;
 - our ability to implement and realize anticipated benefits of the 2011 operational review, the Willis Cause or any other initiative we pursue;
 - 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, or otherwise;
 - the volatility or declines in other insurance markets and premiums on which our commissions are based, but which we do not control;
 - our ability to retain key employees and clients and attract new business;
 - the timing or ability to carry out share repurchases, refinancings 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;
 - any fluctuations in exchange and interest rates that could affect expenses and revenue;
 - rating agency actions that could inhibit our ability to borrow funds or the pricing thereof;
 - a significant decline in the value of investments that fund our pension plans or changes in our pension plan funding obligations;
 - our ability to achieve the expected strategic benefits of transactions;
 - our ability to receive dividends or other distributions in needed amounts from our subsidiaries;
 - changes in the tax or accounting treatment of our operations;
 - any potential impact from the US healthcare reform legislation;
 - 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;
 - our involvements in and the results of any regulatory investigations, legal proceedings and other contingencies;
 - risks associated with non-core operations including underwriting, advisory or reputational;
 - 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 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.

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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 the Effective Time, 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

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

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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.

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, 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 risk 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

Business Strategy

Since 2008, we have launched a series of initiatives to drive profitable growth, including Shaping Our Future, Right Sizing Willis, and Funding for Growth. In 2011, we are realigning our business model to further grow the company and deliver the Willis Cause — our value proposition to clients.

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

services range from strategic risk consulting (including providing actuarial analyses), 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 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 20,000 employees around the world (including approximately 3,000 at our associate companies) and a network in excess of 400 offices in some 100 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.

The Willis Cause is our pledge that:

- we thoroughly understand our clients' needs and their industries;
- we develop client solutions with the best markets, price and terms;
- we relentlessly deliver quality client service; and
- we get claims paid quickly.

contact. We organize our business into three segments: North America and International, which together comprise our principal retail operations, and Global. In 2010 and 2009, approximately 50 percent of our total revenue was generated from within the US, with no other country contributing in

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excess of 20 percent. For information regarding revenues, operating income and total assets per

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 around 190 countries, primarily from offices in the United Kingdom, although we also serve clients from offices in the United States, Continental Europe and Asia.

The Global business is divided into:

- Global Specialties;
- Willis Re;
- London Market Wholesale; and
- Willis Capital Markets & Advisory.

Effective January 1, 2011, we have changed our internal reporting structure; Global Markets International, previously reported within our International segment, is now reported in our Global division.

Global Specialties

Global Specialties has strong global positions in Aerospace, Energy, Marine, Construction, Financial and Executive Risks as well as Financial Solutions.

• *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

segment, see Note 26 of the Consolidated Financial Statements contained herein.

third of the world's airlines. The specialist Inspace division is also prominent in supplying the space industry through providing insurance and risk management services to approximately 40 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.

• *Construction*

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 many of the leading global construction firms.

• *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 and professional firms.

- **Financial Solutions**

Financial Solutions is a global business unit which incorporates our political risk unit, as well as structured finance and credit teams. It also places structured crime and specialist liability insurance for clients across the broad spectrum of financial institutions as well as specializing in strategic risk assessment and transactional risk transfer solutions.

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.

London Market Wholesale

This business unit was created on January 1, 2011 and amalgamates Faber & Dumas and Global Markets International.

- **Faber & Dumas**

Faber & Dumas, our wholesale brokerage division, comprises London-based operation, Glencairn, together with our Fine Art, Jewelry and Specie, Special Contingency Risk and Hughes-Gibb units.

Retail operations

Our North America and International retail operations provide services to small, medium and

North America

Our North America business provides risk management, insurance brokerage, related risk

- Glencairn principally provides property, energy, casualty and personal accident insurance to independent wholesaler brokers worldwide who wish to access the London, European and Bermudan markets.

- The Fine Art, Jewelry and Specie unit provides specialist risk management and insurance services to fine art, diamond and jewelry businesses and operators of armored cars. Coverage is also obtained for vault and bullion risks.

- The Special Contingency Risks unit specializes in producing packages to protect corporations, groups and individuals against special contingencies such as kidnap and ransom, extortion, detention and political repatriation.

- The Hughes-Gibb unit principally services the insurance and reinsurance needs of the horse racing and horse breeding industry.

- **Global Markets International**

Global Markets International works closely with our Global business segment to further develop access for our retail clients to global markets, and provide structuring and placing skills in the relevant areas of property, casualty, terrorism, accident & health, facultative and captives.

Willis Capital Markets & Advisory

Willis Capital Markets & Advisory, with offices in New York and London, 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.

major corporate clients, accessing Global's specialist expertise when required.

services, and employee benefits brokerage and consulting to a wide array of industry and client

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segments in the United States and Canada. With around 120 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.

- *North America 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 around 25 percent of the *Engineering News Record* Top 400 contractors (a listing of the largest 400 North American contractors based on revenue). In addition, this practice group has expertise in owner-controlled insurance programs for large projects and insurance for national homebuilders.

- *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

Effective January 1, 2011, we have changed our internal reporting structure; Global Markets International, previously reported within our International segment, is now reported in our Global division.

- *Employee Benefits*

Willis Employee Benefits, fully integrated into the North America platform, is our 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 internet 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. The group also works with financial institutions to confirm their loans are properly insured and their interests are adequately protected.

Our International business comprises our operations in Eastern and Western Europe, the United Kingdom and Ireland, Asia-Pacific, Russia, the Middle East, South Africa and Latin America.

Our offices provide services to businesses locally in over 100 countries around the world, making use of

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.

We believe the combined total revenues of our International subsidiaries and associates provide an indication of the spread and capability of our International network. The team generated over 30 percent of the Group's total consolidated commissions and fees in 2010.

As part of our on-going strategy, we look for opportunities to strengthen our International market share through acquisitions and strategic investments. We have acquired a controlling interest in a broad geographic spread of other brokers. A list of significant subsidiaries is included in Exhibit 21.1 to this document.

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

Competition

We face competition in all fields in which we operate based on global capability, product breadth, innovation, quality of service and price. According to the Directory of Agents and Brokers published by Business Insurance in July 2010, the 136 largest commercial insurance brokers globally reported brokerage revenues totaling \$38 billion in 2009, of which Marsh & McLennan Companies Inc. had approximately 28 percent, Aon Corporation had approximately 20 percent and Willis had approximately 9 percent.

We compete with Marsh & McLennan and Aon as well as with numerous specialist, regional and local firms.

We have also invested in associate companies; our significant associates at December 31, 2010 were GS & Cie Groupe ('Gras Savoye'), France (31 percent holding) and Al-Futtaim Willis Co. LLC, 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. In addition, in certain instances our co-shareholders have a right, typically based on some price formula of revenues or earnings, to put some or all of their shares to us. On December 17, 2009 as part of a reorganization of the share capital of Gras Savoye our interest in that company reduced from 48 percent to 31 percent. In addition, we have the option to acquire a 100 percent interest in the capital of Gras Savoye in 2015. For further information on the Gras Savoye capital reorganization see 'Item 8 — Financial Statements and Supplementary Data — Note 13 — Investments in Associates'.

dates back over 100 years. No one client accounted for more than 10 percent of revenues for fiscal year 2010. Additionally, we place insurance with over 5,000 insurance carriers, none of which individually accounted for more than 10 percent of the total premiums we placed on behalf of our clients in 2010.

Insurance companies also compete with brokers by directly soliciting insureds without the assistance of an independent broker or agent.

Competition for business is intense in all our business lines and in every insurance market. 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, many insureds have been retaining a greater proportion of their risk portfolios than previously. Industrial and commercial companies are increasingly relying upon captive insurance companies, self-insurance pools, risk retention

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groups, mutual insurance companies and other mechanisms for funding their risks, rather than buying 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.

In 2005, we, along with Marsh & McLennan and Aon, agreed to implement certain business reforms which included codification of our voluntary termination of contingent commission arrangements with insurers. However, most other special, regional and local insurance brokers continued to accept contingent compensation and did not disclose the compensation received in connection with providing policy placement services to its customers. In February 2010, we entered into the Amended and Restated Assurance of Discontinuance with the Attorney General of the State of New York and the Amended and Restated Stipulation with the

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.

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

Superintendent of Insurance of the State of New York which ended many of the requirements previously imposed upon us. The new agreement no longer limits the type of compensation we can receive and lowers the compensation disclosure requirements we must make to our clients.

We continue to refuse to accept contingent commissions from carriers in our retail brokerage business. To our knowledge, we are the only insurance broker that takes this stance. We seek to increase revenue through higher commissions and fees that we disclose to our clients, and to generate profitable revenue growth by focusing on the provision of value-added risk advisory services beyond traditional brokerage activities. Although we continue to believe in the success of our strategy, we cannot be certain that such steps will help us to continue to generate profitable organic revenue growth.

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, the statutory body is the Financial Services Authority ('FSA'). The FSA has prescribed the methods by which our insurance and reinsurance operations are to conduct business, and has a wide range of rule-making, investigatory and enforcement powers aimed at meeting its overall aim of promoting efficient, orderly and fair markets and helping retail consumers achieve a fair deal. The FSA conducts monitoring visits to assess our compliance with regulatory requirements.

Certain of our activities are governed by other regulatory bodies, such as investment and securities licensing authorities. In the United States, Willis Capital Markets & Advisory 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

Employees

As of December 31, 2010 we had approximately 17,000 employees worldwide of whom approximately 3,400 were employed in the United Kingdom and 6,500 in the United States, with the balance being

in the EU through our wholly-owned subsidiary Willis Structured Financial Solutions Limited, which is authorized and regulated by the FSA.

Our failure, or that of our employees, to satisfy the regulators that we are in compliance 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.

employed across the rest of the world. In addition, our associates had approximately 3,000 employees, all of whom were located outside the United Kingdom and the United States.

Willis Group Holdings plc

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.

Our business and operating results are materially affected by worldwide economic conditions. Current global economic conditions coupled with declining customer and business confidence, increasing energy prices, and other challenges, may have a significant negative impact on the buying behavior of some of our clients as their businesses suffer from these conditions. In particular, financial institutions, construction, aviation, and logistics businesses such as marine cargo are most likely to be affected. Further, the global economic downturn is also negatively affecting some of the international economies that have supported the strong growth in our International operations. Our employee benefits practice may also be adversely affected as businesses continue to downsize during this period of economic turmoil. In addition, a growing number of insolvencies associated with an economic downturn, especially insolvencies in the insurance industry, could adversely affect our brokerage business through the loss of clients or by hampering our ability to place insurance and reinsurance business. While it is difficult to predict 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.

The potential for a significant insurer to fail 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 could also result in errors and omissions claims by clients.

Since 2008, we have launched certain initiatives, such as the Company's recently announced 2011 review of operations, the Willis Cause, Right Sizing Willis, Funding for Growth, and Shaping Our Future, to achieve cost-savings or fund our future growth plans. In light of the global economic uncertainty, we continue to vigorously manage our cost base in order to fund further growth initiatives, but we cannot be certain whether we will be able to realize any further benefits from these initiatives or any new initiatives that we may implement.

While we focus on our core retail and specialist broking operations, we do have certain other businesses that are not material to the Group as a whole but which, in any period, could have a material affect on our results of operations.

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. We

do not determine insurance premiums on which our commissions are generally based. Premiums are

cyclical in nature and may vary widely based on market conditions. From the late 1980s through late 2000, insurance premium rates generally declined as a result of a number of factors, including the expanded underwriting capacity of insurance carriers; consolidation of both insurance intermediaries and insurance carriers; and increased competition among insurance carriers. From 2000 to 2003, we benefitted from a 'hard' market with premium rates stable or increasing. During 2004, we saw a rapid transition from a hard market, with premium rates stable or increasing, to a 'soft' market, with premium rates falling in most markets. The soft market continued to have an adverse impact on our commission revenues and operating margin from 2005 through 2008. Rates continued to decline in most sectors through 2005 and 2006, with the exception of catastrophe-exposed markets. In 2007, the market softened further with decreases in many of the market sectors in which we operated and this continued into 2008 with further premium rate declines across our market sectors. In 2009, the stabilization of rates in the reinsurance market and some specialty markets was offset by the continuing

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 other providers of global risk management services, as well as with numerous specialist, regional and local firms. Competition for business is intense in all our business lines and in every insurance market, and the other two providers of global risk management services 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, many insureds have been retaining a greater proportion of their risk portfolios than previously. Industrial and commercial companies have been increasingly relying upon their own subsidiary insurance companies, known as captive insurance companies,

soft market in other sectors and the adverse impact of the weakened economic environment across the globe. Our North America and UK and Irish retail operations have been particularly impacted by the weakened economic climate and continued soft market throughout both 2009 and 2010 with no material improvement in rates across most sectors. This resulted in declines in 2009 revenues in these operations with only modest improvement in 2010, particularly amongst our smaller clients who have been especially vulnerable to the economic downturn.

In addition, as traditional risk-bearing insurance carriers continue to outsource the production of premium revenue to non-affiliated agents or brokers such as ourselves, those insurance carriers may seek to reduce further their expenses by reducing the commission rates payable to those insurance agents or brokers. The reduction of these commission rates, along with general volatility and/or declines in premiums, may significantly undermine our profitability.

self-insurance pools, risk retention groups, mutual insurance companies and other mechanisms for funding their risks, rather than buying 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.

In 2005, we, along with Marsh & McLennan and Aon, agreed to implement certain business reforms which included codification of our voluntary termination of contingent commission arrangements with insurers. However, most other special, regional and local insurance brokers continued to accept contingent compensation and did not disclose the compensation received in connection with providing policy placement services to its customers. In February 2010, we entered into the Amended and Restated Assurance of Discontinuance with the Attorney General of the State of New York and the

Willis Group Holdings plc

Amended and Restated Stipulation with the Superintendent of Insurance of the State of New York which ended many of the requirements previously imposed upon us. The new agreement no longer limits the type of compensation we will receive and lowers the compensation disclosure requirements we must make to our clients.

We continue to refuse to accept contingent commissions from carriers in our retail brokerage business. To our knowledge, we are the only insurance broker that takes this stance. We seek to increase revenue through higher commissions and fees that we disclose to our clients, and to generate

Dependence on Key Personnel — The loss of our Chairman and 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 Chairman and 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. Our success depends to a substantial extent not only on the ability and experience of our Chairman and Chief Executive Officer, Joseph J. Plumeri 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

Legal and Regulatory Risks

Our compliance systems and controls cannot guarantee that we are in compliance 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 and 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 general increase in focus and developments in these laws and regulations. Compliance with laws

profitable revenue growth by focusing on the provision of value-added risk advisory services beyond traditional brokerage activities. Although we continue to believe in the success of our strategy, we cannot be certain that such steps will help us to continue to generate profitable organic revenue growth. If we are unable to compete effectively against our competitors who are accepting or may accept contingent commissions, we may suffer lower revenue, reduced operating margins and loss of market share which could materially and adversely affect our business.

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.

and regulations that are applicable to our operations is complex and may increase our cost of doing business. These laws and regulations include insurance industry regulations, economic and trade sanctions and laws against financial crimes such as money laundering, bribery or other corruption, such as the U.S. Foreign Corrupt Practices Act. 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, fines, injunctions, revocation of licenses or approvals, suspension of individuals, limitations on business activities or redress to clients.

Given the increased interest expressed by UK and US regulators in the effectiveness of compliance controls relating to financial crime in our market sector in particular, we began a voluntary internal review of our policies and controls four years ago. This review includes analysis and advice from external experts on best practices, review of public regulatory decisions, and discussions with government regulators in the UK and US. In

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

addition, the U.K. Financial Services Authority is conducting an investigation of some of our compliance systems and controls between 2005 and 2009. While we are fully cooperating with our regulators, we are unable to predict at this time when these matters will be concluded. We do not believe that such matters will result in any material fines or sanctions from UK or US regulators, but there can be no assurance that any resolution will not have an adverse impact on our ability to conduct our business in certain jurisdictions. While we believe 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.

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. The material actual or potential claims, lawsuits and proceedings to which we are currently subject, including but not limited to errors and omissions claims, are: (1) potential claims arising out of various legal proceedings between reinsurers, reinsureds and their reinsurance brokers relating to personal accident excess of loss reinsurance placements for the years 1993 to 1998; and (2) claims relating to the collapse of The Stanford Financial Group, for which we acted as brokers of record on certain lines of insurance.

Willis Group Holdings plc

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

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 and to develop new systems in order to keep pace with continuing changes in information processing technology or evolving industry and regulatory standards. The acquisition of HRH and additional information systems has added

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

Improper disclosure of personal data could result in legal liability or harm our reputation.

One of our significant responsibilities is to maintain the security and privacy of our clients' confidential

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.

to this exposure. 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.

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.

and proprietary information and the personal data of their employees. 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 improper access to or disclosure of personally identifiable information. Our technology may fail to adequately secure the private information we maintain in our databases and protect it from theft or inadvertent loss. In such circumstances, we may be held liable to our clients, which could result in legal liability or impairment to

Financial Risks

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

As of December 31, 2010, we had total consolidated debt outstanding of approximately \$2.3 billion and interest expense was \$166 million. Although management believes that our cash flows will be more than adequate 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

Our pension liabilities may increase which could require us to make additional cash contributions to our pension plans.

We have two principal defined benefit plans: one in the United Kingdom and the other in the United States. Cash contributions of approximately \$119 million will be required in 2011 for these pension plans, although we may elect to contribute more. Total cash contributions to these defined benefit

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.

- 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 adjusted EBITDA to consolidated fixed charges 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.

pension plans in 2010 were \$118 million. Future estimates are based on certain assumptions, including discount rates, interest rates, fair value of assets and expected return on plan assets. In the UK, we are required to agree a funding strategy for our UK defined benefit plan with the plan's trustees.

Willis Group Holdings plc

In February 2009, we agreed to make full year contributions to the UK plan of \$39 million for 2009 through 2012, excluding amounts in respect of the salary sacrifice scheme. In addition, if certain funding targets were not met at the beginning of any of the following years, 2010 through 2012, a further contribution of \$39 million would be required for that year. In 2010, the additional funding requirement was triggered and we expect to make a similar additional contribution in 2011. A similar, additional contribution may also be required for 2012, depending on actual performance against funding targets at the beginning of 2012. 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.

The determinations of pension expense and pension funding are 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. Our future required cash contributions to our US and UK defined benefit pension plans may increase based on the funding reform provisions that were enacted into law. Further, a significant decline in the value of investments that fund our pension plan, if not offset

We could incur substantial losses 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. As the fallout from the credit crisis persists, the financial strength of these institutions may continue to decline. We maintain cash balances at various US depository institutions that are significantly in excess of the US Federal Deposit Insurance Corporation insurance

or mitigated by a decline in our liabilities, may significantly differ from or alter the values and actuarial assumptions used to calculate our future pension expense and we could be required to fund our plan with significant amounts of cash. In addition, if the US Pension Benefit Guaranty Corporation requires additional contributions to such plans or if other actuarial assumptions are modified, our future required cash contributions could increase. The need to make these cash contributions may reduce the cash available to meet our other obligations, including the payment obligations under our credit facilities and other long-term debt, or to meet the needs of our business.

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 and the related net periodic costs or credits may occur in the future due to any variance of actual results from our assumptions and changes in the number of participating employees. As a result, there can be no assurance that we will not experience future decreases in stockholders equity, net income, cash flow and liquidity or that we will not be required to make additional cash contributions in the future beyond those which have been estimated.

limits. We also maintain cash balances in foreign financial institutions. 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.

A downgrade in the credit ratings of our outstanding debt may adversely affect our borrowing costs and financial flexibility.

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

6.2% senior notes due 2017 and our 7.0% 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.

We face certain risks associated with the acquisition or disposition of business or reorganization of existing investments.

In pursuing our corporate strategy, we may acquire or dispose of or exit businesses or reorganize existing investments. The success of this 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 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. 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

Willis Group Holdings plc

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 2010.

	US Dollars	Pounds Sterling	Euros	Other currencies
Revenues	60%	8%	13%	19%
Expenses	53%	23%	9%	15%

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

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 are increasingly expanding into new regions throughout the world, including emerging markets, and we expect this trend to continue. 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, for example, the recent devaluation of the Venezuelan Bolivar;
- the imposition of controls or limitations on the conversion of foreign currencies or remittance of

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. Our results may also be adversely impacted if we are holding a net sterling position in our US dollar denominated London market operations: if the pound sterling weakens any net sterling asset we are holding will be less 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 possible, we hedge part of our operating exposure to exchange rate movements, but such mitigating attempts may not be successful.

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;
- difficulties in controlling operations and monitoring employees in geographically dispersed locations; and
- 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 US business operations abroad, including rules relating to 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.

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.

Willis Group Holdings plc

Our non-core operations pose certain underwriting, advisory or reputational risks.

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.

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 and we sub-let the 10-story adjoining building.

North America

In North America, outside of New York and Chicago, we lease approximately 2.0 million square feet over 130 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 (formerly the Sears Tower), under a lease expiring February 2025.

Nashville

In 2010 we renegotiated our lease and began a major restack of our operations facility in Nashville. The first stage was completed in December 2010 and the remainder will be complete by May 2011. We reduced our square footage from 327,000 square feet to 160,000 square feet eliminating sublet space.

Rest of World

Outside of North America and London we lease approximately 1.3 million square feet of office space in over 190 locations.

Willis Group Holdings plc

Item 3 — Legal Proceedings

Information regarding legal proceedings is set forth in Note 20 'Commitments and Contingencies' to the Consolidated Financial Statements appearing under Part II, Item 8 of this report.

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, including trading of the common shares of Willis-Bermuda through December 31, 2009 and trading of the ordinary shares of Willis Group Holdings after that date.

	Price Range of Shares	
	High	Low
2009:		
First Quarter	\$ 26.32	\$ 18.52
Second Quarter	\$ 28.50	\$ 21.12
Third Quarter	\$ 28.67	\$ 23.88
Fourth Quarter	\$ 28.54	\$ 25.06
2010:		
First Quarter	\$ 32.14	\$ 26.07
Second Quarter	\$ 34.98	\$ 28.94
Third Quarter	\$ 32.29	\$ 28.91
Fourth Quarter	\$ 34.71	\$ 30.55
2011:		
Through February 18, 2011	\$ 39.73	\$ 34.37

On February 18, 2011, the last reported sale price of our shares as reported by the NYSE was \$39.68 per share. As of February 18, 2011 there were approximately 1,846 shareholders of 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 16, 2009	\$ 0.260
April 13, 2009	\$ 0.260
July 13, 2009	\$ 0.260
October 12, 2009	\$ 0.260
January 15, 2010	\$ 0.260
April 16, 2010	\$ 0.260
July 16, 2010	\$ 0.260
October 15, 2010	\$ 0.260
January 14, 2011	\$ 0.260

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.

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 exempted 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 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. An exception to this position applies where a shareholder holds shares in the Company through a branch or agency in Ireland through which a trade is carried on.

With respect to non-corporate US shareholders, certain dividends received before January 1, 2011 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

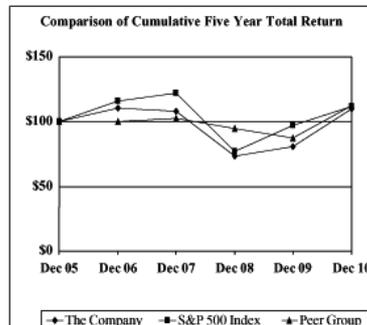
Willis Group Holdings plc

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, 2005, assuming full dividend reinvestment.



Unregistered Sales of Equity Securities and Use Of Proceeds

During the quarter ended December 31, 2010, 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

Under a share buyback program approved by the Board of Directors, the Company may purchase up to one billion shares, from time to time in the open market. The authorization to make purchases of Company shares on the open market will expire on June 30, 2011 unless varied, revoked or renewed by a resolution of the shareholders in accordance with Irish law. The Company may also purchase shares through negotiated trades with persons who are not affiliates of the Company. These negotiated trade purchases are effected by way of share redemption and do not require Shareholder approval. The authorization in

respect of open market purchases provides that the cost of the acquisition of the Company's shares (whether by redemption or on the open market) may not exceed \$925 million. During the year ended December 31, 2010, there were no shares repurchased.

The information under 'Securities Authorized for Issuance Under Equity Compensation Plans' under Part III, Item 12 'Security Ownership of Certain Beneficial Owner and Management and Related Stockholder Matters' is incorporated herein by reference.

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, 2010 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,				
	2010	2009	2008(i)	2007	2006
	(millions, except per share data)				
Statement of Operations Data					
Total revenues	\$ 3,339	\$ 3,263	\$ 2,827	\$ 2,578	\$ 2,428
Operating income	753	694	503	620	552
Income from continuing operations before income taxes and interest in earnings of associates	587	520	398	554	514
Income from continuing operations	470	457	323	426	467
Discontinued operations, net of tax	—	2	1	—	—
Net income attributable to Willis Group Holdings	\$ 455	\$ 438	\$ 303	\$ 409	\$ 449
Earnings per share on continuing operations — basic	\$ 2.68	\$ 2.60	\$ 2.04	\$ 2.82	\$ 2.86
Earnings per share on continuing operations — diluted	\$ 2.66	\$ 2.58	\$ 2.04	\$ 2.78	\$ 2.84
Average number of shares outstanding					
— basic	170	168	148	145	157
— diluted	171	169	148	147	158
Balance Sheet Data (as of year end)					
Goodwill	\$ 3,294	\$ 3,277	\$ 3,275	\$ 1,648	\$ 1,564
Other intangible assets, net	492	572	682	78	92
Total assets(ii)	15,847	15,625	16,402	12,969	13,378
Net assets	2,608	2,229	1,895	1,395	1,496
Total long-term debt	2,157	2,165	1,865	1,250	800
Shares and additional paid-in capital	985	918	886	41	388
Total stockholders' equity	2,577	2,180	1,845	1,347	1,454
Other Financial Data					
Capital expenditures (excluding capital leases)	\$ 83	\$ 96	\$ 94	\$ 185	\$ 55
Cash dividends declared per share	\$ 1.04	\$ 1.04	\$ 1.04	\$ 1.00	\$ 0.94

(i) On October 1, 2008, we completed the acquisition of HRH, at the time the eighth largest insurance and risk management intermediary in the United States. The acquisition has significantly enhanced our North America revenues and the combined operations have critical mass in key markets across the US. We recognized goodwill and other intangible assets on the HRH acquisition of approximately \$1.6 billion and \$651 million, respectively.

(ii) 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 on behalf of insureds. Effective December 31, 2010, uncollected premiums from insureds and uncollected claims or refunds from insurers, previously held within accounts receivable, are recorded as fiduciary assets on the Company's consolidated balance sheets. Unremitted insurance premiums and claims ('fiduciary funds') are also recorded within fiduciary assets. Fiduciary funds represent unremitted premiums.

Willis Group Holdings plc

received from insureds and unremitted claims 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 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.

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, 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 revenue growth and organic growth in commissions and fees exclude the impact of acquisitions and disposals, year over year movements in foreign currency translation, legacy contingent commissions assumed as part of the HRH acquisition, and investment and other income from reported revenues. We believe organic revenue growth and organic growth in commissions and fees provide measures that the investment community may find helpful in assessing the performance of

operations that were part of our operations in both the current and prior periods, and provide measures against which our businesses may be assessed in the future. These financial measures should be viewed in addition to, not in lieu of, the consolidated financial statements for the year ended December 31, 2010.

This discussion includes forward-looking statements, including under the headings 'Business Overview and Market Outlook', 'Executive Summary', 'Operating Results — Group', 'Operating Results — Segment Information' and 'Liquidity and Capital Resources'. 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 the forward-looking statements.

BUSINESS OVERVIEW AND MARKET OUTLOOK

We provide a broad range of insurance broking, risk management and consulting services to our clients worldwide. Our core specialty businesses include Aerospace; Energy; Marine; Construction; Financial and Executive Risks; Fine Art, Jewelry and Specie; Special Contingency Risks; and Reinsurance. Our retail operations provide services to small, medium and major corporations and the employee benefits 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 risk 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. Fluctuations in these premiums charged by the insurance carriers

have a direct and potentially material impact on our results of operations. Commission levels generally follow the same trend as premium levels as they are derived from a percentage of the premiums paid by the insureds. Due to the cyclical nature of the insurance market and the impact of other market conditions on insurance premiums, they may vary widely between accounting periods. Reductions in premium rates, leading to downward pressure on commission revenues (a 'soft' market), can have a potentially material adverse impact on our commission revenues and operating margin.

A 'hard' market occurs when premium uplifting factors, including a greater than anticipated loss experience or capital shortages, more than offset any downward pressures on premiums. This usually has a favorable impact on our commission revenues and operating margin.

From 2000 through 2003 we benefited from a hard market with premium rates stable or increasing. During 2004, we saw a rapid transition from a hard market to a soft market, with premium rates falling in most markets. Rates continued to decline in most sectors through 2005 and 2006, with the exception

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of catastrophe-exposed markets. In 2007, the market softened further with decreases in many of the market sectors in which we operated and this continued into 2008 with further premium rate declines across our markets. The soft market had an adverse impact on our commission revenues and operating margin from 2005 through 2008.

In 2009, modest stabilization of rates in the reinsurance market and some specialty markets was offset by the continuing soft market in other sectors and the adverse impact of the weakened economic environment across the globe.

In 2010, the soft market continued across many sectors including the reinsurance market.

Our North America and UK and Irish retail operations have been particularly impacted by the weakened economic climate and continued soft market throughout both 2009 and 2010 with no material improvement in rates across most sectors.

EXECUTIVE SUMMARY

Overview

Despite the difficult market conditions during the year, we reported total revenue growth of 2 percent in 2010 mainly reflecting 4 percent organic growth in commissions and fees partly offset by a negative 1 percent impact from foreign currency translation.

Organic revenue growth was driven by our Global and International operations which both reported 6 percent organic growth, whilst revenues in our North America operations were broadly in line with 2009, as this segment continued to be adversely

This resulted in declines in 2009 revenues in these operations with only modest improvement in 2010, particularly amongst our smaller clients who have been especially vulnerable to the economic downturn.

In 2011, our main priorities will include:

- execution of the Willis Cause — aiming to become the broker and risk adviser of choice globally by aligning our business model to the needs of each client segment and maintaining a focus on growth;
- continued investment in technology, advanced analytics, product innovation and industry talent and expertise to support our growth strategy;
- reviewing all businesses to better align resources with our growth strategies and enable related long-term expense savings; and
- review of our debt profile.

impacted by the soft market and difficult economic conditions.

Operating margin was 23 percent in 2010, compared with 21 percent in 2009. The year on year improvement mainly reflected the benefit of organic growth in commissions and fees, continuing disciplined management of costs and a small favorable effect from foreign currency movements, partly offset by increased incentive costs.

Results from continuing operations: 2010 compared with 2009

Net income from continuing operations in 2010 was \$455 million, or \$2.66 per diluted share, compared with \$436 million, or \$2.58 per diluted share, in 2009.

Total revenues from continuing operations at \$3,339 million for 2010 were \$76 million, or 2 percent, higher than in 2009, reflecting organic commissions and fees growth of 4 percent, partly offset by an adverse impact from foreign currency translation, a \$16 million decrease attributable to the year over year reduction in contingent

commissions assumed as part of the HRH acquisition and a \$14 million decrease in investment and other income.

Organic commissions and fees growth of 4 percent comprised 6 percent net new business growth (which constitutes the revenue growth from business won over the course of the year net of the revenue from existing business lost) and a 2 percent negative impact from declining premium rates and other market factors.

Operating margin at 23 percent was 2 percentage points higher than in 2009 with the increase mainly reflecting:

- 4 percent organic growth in commissions and fees;
- a favorable year over year impact from foreign currency translation, excluding the impact from the devaluation of the Venezuelan currency. This reflects the net benefit of: significantly lower losses on our forward rate hedging program and a weaker year over year Pound Sterling which decreases the US dollar value of our net Pound Sterling expense base; partly offset by the weakening of the Euro against the US dollar, reducing the US dollar value of our net Euro income;
- an \$18 million reduction in amortization of intangible assets, equivalent to approximately 1 percentage point;
- the release of a previously established \$7 million legal reserve; and
- rigorous expense management;

partly offset by

- a \$60 million increase in incentive expenses including: a \$31 million increase in the amortization of cash retention awards; and a \$29 million increase in the accrual for producer and other incentive compensation reflecting improved performance across many regions;
- a \$16 million reduction in legacy contingent commissions assumed on the acquisition of HRH;

Results from continuing operations: 2009 compared with 2008

Net income from continuing operations in 2009 was \$436 million, or \$2.58 per diluted share, compared with \$302 million, or \$2.04 per diluted share, in 2008. This increase included organic growth in commissions and fees, a reduction in costs associated with our 2008 expense review from \$0.45 per diluted share in 2008 to \$0.11 per diluted share for severance costs in 2009 and a one-time tax release in 2009 relating to a change in UK tax law in 2009 equivalent to \$0.16 per diluted share.

- investment in initiatives to support current and future growth;
- a charge of \$12 million relating to the devaluation of the Venezuelan currency in January 2010;
- a \$12 million reduction in investment income driven by lower average interest rates and a reduced contribution to investment income from our hedging program, in 2010 compared with 2009, with other interest rates across the globe remaining consistently low, and
- an \$8 million increase in share-based compensation charge, largely due to the non-recurrence of a \$5 million credit in first quarter 2009.

Interest expense in 2010 was \$166 million, \$8 million lower than in 2009, as the benefit of the interest expense savings arising from the year over year reduction in average term loan and revolving credit facility balances was partly offset by the effect of the higher coupon payable on the \$500 million of 12.875% senior unsecured notes issued in March 2009.

Income tax expense for 2010 was \$140 million compared with \$96 million in 2009. Both years benefited from a release of provisions for uncertain tax positions and 2009 additionally benefited from a \$27 million tax credit following a change to UK tax law.

Earnings from associates were \$23 million in 2010 compared with \$33 million in 2009 with the decrease primarily reflecting our reduced ownership of Gras Savoye.

Total revenues from continuing operations at \$3,263 million for 2009 were \$436 million, or 15 percent, higher than in 2008. Organic revenue growth of 2 percent and a 19 percent benefit from net acquisitions and disposals in 2009, driven by the fourth quarter 2008 acquisition of HRH, were partly offset by a negative 4 percent impact from foreign currency translation and a \$31 million decrease in investment income compared to 2008.

Organic revenue growth of 2 percent comprised 5 percent net new business growth (which

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constitutes the revenue growth from business won over the course of the year net of the revenue from existing business lost) and a 3 percent negative impact from declining premium rates and other market factors.

Operating margin at 21 percent was 3 percentage points higher than in 2008 with the increase mainly reflecting:

- 2 percent organic growth in commissions and fees;
- the realization of savings from prior years' Shaping Our Future initiatives and disciplined cost control; and

2011 Operational review

Willis aims to be the broker and risk adviser of choice globally by aligning our business model to the needs of each client segment and maintaining a focus on growth: this is our value proposition which we call the 'Willis Cause'.

We expect 2011 salaries and benefits expense to include an increase of approximately \$100 million compared with 2010 as a result of the following:

- an approximately \$65 million increase due to higher amortization of cash retention payments;
- the reinstatement of annual salary reviews for all employees from April of this year; and
- the reinstatement of a 401(k) match for North American employees.

We estimate that of those items noted above, approximately \$20 million to \$25 million will continue through to 2012 as incremental expense: reflecting a further but significantly lower increase in the amortization of cash retention awards in 2012

Outlook

As a result of the 2011 operational review and the continued investment in our business model, we expect to deliver:

- modest adjusted margin expansion (operating margin excluding net gains and losses on disposals and other one-time items) and modest

- a favorable year over year impact from foreign currency translation, equivalent to 3 percentage points.

partly offset by

- a \$66 million increase in pension costs, mainly driven by lower asset levels in our UK pension plan and excluding the \$12 million US curtailment gain and the impact of the UK salary sacrifice scheme;
- a \$31 million reduction in investment income; and
- a \$64 million increase in the amortization of intangible assets, including additional charges in respect of intangible assets recognized on the HRH acquisition.

compared with 2011, and the full year impact of the 2011 annual salary review.

In addition to these costs, we will continue to invest in technology, advanced analytics, product innovation, and industry talent and expertise to support the growth strategy and continued execution of the Willis Cause through 2011 and beyond.

In order to fund the higher anticipated salaries and benefits expense and these investments, we are undertaking a review of all our businesses to better align our resources with our growth strategies. We expect to complete this review in the first quarter of 2011.

In connection with this review, we anticipate that we will incur pre-tax charges of approximately \$110 million to \$130 million, primarily recorded in the first quarter of 2011. We also anticipate that the operational review will result in cost savings of approximately \$65 million to \$80 million in 2011, reaching annualized savings of approximately \$90 million to \$100 million in 2012.

adjusted earnings per diluted share (diluted earnings per share excluding net gains and losses on disposals and other one-time items) growth in 2011; and

- significantly accelerated adjusted margin and adjusted diluted earnings per share growth in 2012 and beyond.

The statements under '2011 Operational Review' and 'Outlook' constitute forward-looking statements.

Venezuela currency devaluation

With effect from January 1, 2010 the Venezuelan economy was designated as hyper-inflationary. The Venezuelan government also devalued the Bolivar Fuerte in January 2010. As a result of these actions,

Acquisitions

During 2010, we acquired:

- an additional 39 percent of our Chinese operations at a total cost of approximately \$17 million, bringing our ownership to 90 percent as at December 31, 2010; and

Cash and financing

Cash at December 31, 2010 was \$316 million, \$95 million higher than at December 31, 2009. This increase in cash was partly attributable to additional cash balances being held in our main UK regulated company.

Net cash generated from operating activities in 2010 was \$489 million compared with \$419 million in 2009.

Net cash generated from operating activities in 2010 of \$489 million was used to fund debt repayments of \$209 million; dividends to stockholders of \$176 million; and fixed asset additions of \$83 million.

In August 2010, we entered into a new revolving credit facility agreement under which a further \$200 million is available. This facility is in addition to the remaining availability under our previously existing \$300 million revolving credit facility.

In addition, in June 2010, we entered into an additional facility solely for the use of our main UK

Liquidity

Our principal sources of liquidity are cash from operations, cash and cash equivalents of \$316 million at December 31, 2010 and

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 the forward-looking statements.

we recorded a \$12 million charge in other expenses in 2010 to reflect the re-measurement of our net assets denominated in Venezuelan Bolivar Fuerte at January 1, 2010.

- an additional 15 percent of our Colombian operations at a total cost of approximately \$7 million, bringing our ownership to 80 percent as at December 31, 2010.

regulated entity under which a further \$20 million would be available in certain exceptional circumstances. This facility is secured against the freehold of the UK regulated entity's freehold property in Ipswich.

At December 31, 2010, we have \$nil outstanding under both the \$200 million and the \$20 million facilities and \$90 million outstanding under our pre-existing \$300 million facility.

Total debt, total equity and the capitalization ratio at December 31, 2010 were as follows:

	December 31, 2010	December 31, 2009
	(millions, except percentages)	
Long-term debt	\$ 2,157	\$ 2,165
Short-term debt and current portion of long-term debt	110	209
Total debt	\$ 2,267	\$ 2,374
Total equity	\$ 2,608	\$ 2,229
Capitalization ratio	47%	52%

\$430 million remaining availability under our revolving credit facilities.

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We remain committed to our previously stated goals of ongoing debt repayment and returning capital to shareholders.

Consistent with this strategy, we are currently reviewing our debt profile and, subject to prevailing market conditions, may seek to take advantage of attractive financing rates to reduce the cost and extend the maturity profile of our existing debt.

Such actions may include redemption of the entire \$500 million in aggregate principal amount of

12.875% senior notes due 2016. If the 2016 senior notes are redeemed, we anticipate that we would incur a one-time pre-tax charge of approximately \$180 million relating to the make-whole premium provided under the terms of the indenture governing the notes, as calculated at December 31, 2010.

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 at least the next 12 months.

Management structure

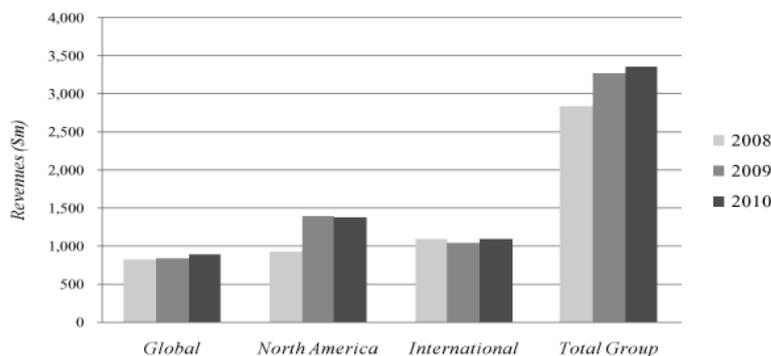
Effective January 1, 2011, we have changed our internal reporting structure; Global Markets International, previously reported within our International segment, is now reported in our Global

division. In addition, Mexico, which was previously reported within our International segment, is now reported in our North America segment.

OPERATING RESULTS — GROUP

Revenues

Total revenues for the Group and by operating segment for the years ended December 31, 2010, 2009 and 2008 are shown below:



2010 compared with 2009

	2010		% Change	Change attributable to:			
	(millions)			Foreign currency translation	Acquisitions and disposals	Contingent Commissions(b)	Organic revenue growth(a)
Global	\$ 873	\$ 822	6%	—%	—%	—%	6%
North America(c)	1,359	1,368	(1)%	—%	—%	(1)%	—%
International	1,068	1,020	5%	(2)%	1%	—%	6%
Commissions and fees	\$ 3,300	\$ 3,210	3%	(1)%	—%	—%	4%
Investment income	38	50	(24)%				
Other income	1	3	(67)%				
Total revenues	\$ 3,339	\$ 3,263	2%				

(a) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of \$11 million in 2010, compared with \$27 million in 2009.

(c) Reported commissions and fees included a favorable impact from a change in accounting methodology in a specialty business in North America of \$7 million in the year ended December 31, 2010.

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

Revenues for 2010 at \$3,339 million were \$76 million, or 2 percent higher than in 2009, reflecting organic growth in commissions and fees of 4 percent, offset by a 1 percent adverse year over year impact from foreign currency translation and decreased investment and other income.

Investment income was \$38 million for 2010, \$12 million lower than 2009 with the impact on investment income of lower interest rates across the globe, particularly on our Euro-denominated deposits, only partially mitigated by our forward hedging program. While we expect this forward hedging program to generate additional income in 2011 compared to current LIBOR based rates, there will be a lower benefit than in 2010 as older, more beneficial hedges, continue to expire. Consequently, we expect investment income to be closer to \$30 million in 2011.

Our International and Global operations earn a significant portion of their revenues in currencies other than the US dollar, including the Euro and Pound Sterling. For the year ended December 31,

2010, reported revenues were adversely impacted by the year over year effect of foreign currency translation: in particular due to the strengthening of the US dollar against the Euro, Venezuelan Bolivar Fuerte and Pound Sterling, partly offset by its weakening against the Australian dollar.

Organic growth in commissions and fees was 4 percent for 2010. Global achieved 6 percent growth, driven by good growth in our Reinsurance, Willis Capital Markets & Advisory (WCMA) and Global Specialties businesses. International also achieved 6 percent growth driven by double digit organic growth in Latin America and Asia, together with solid growth in Europe. North America organic revenue growth was flat, as the benefits of double digit new business growth and a change in accounting policy in an acquired specialty business, were offset by the impact of the continued soft market and ongoing weakened economic conditions.

Organic revenue growth by segment is discussed further in 'Operating Results — Segment Information' below.

Willis Group Holdings plc

2009 compared with 2008

	2009		% Change	Foreign currency translation	Change attributable to:		Organic revenue growth ^(a)
	(millions)	2008			Acquisitions and disposals	Contingent Commissions ^(b)	
Global	\$ 822	\$ 784	5%	(3)%	4%	—%	4%
North America	1,368	905	51%	—%	57%	(3)%	(3)%
International	1,020	1,055	(3)%	(8)%	1%	—%	4%
Commissions and fees	\$ 3,210	\$ 2,744	17%	(4)%	20%	(1)%	2%
Investment income	50	81	(38)%				
Other income	3	2	50%				
Total revenues	\$ 3,263	\$ 2,827	15%				

(a) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of \$27 million in 2009, compared with \$50 million in 2008.

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

Revenues for 2009 at \$3,263 million were \$436 million, or 15 percent higher than in 2008, reflecting a 20 percent benefit from net acquisitions and disposals, principally attributable to HRH, and organic growth in commissions and fees of 2 percent, offset by a 4 percent adverse year over year impact from foreign currency translation, a reduction in legacy HRH contingent commissions and lower investment income.

Investment income was \$50 million for 2009, \$31 million lower than 2008, with the decrease reflecting significantly lower average interest rates in 2009. The impact of rate decreases on our investment income was partially mitigated by our forward hedging program.

Our International and Global operations earn a significant portion of their revenues in currencies

other than the US dollar. For the year ended December 31, 2009, reported revenues were adversely impacted by the year over year effect of foreign currency translation: in particular due to the strengthening of the US dollar against the Pound Sterling and against the Euro, compared with 2008.

Organic growth in commissions and fees was 2 percent for 2009, despite a negative 3 percent impact from declining premium rates and other market factors. Our overall organic growth comprised good growth in our Global operations and many of our International operations, partly offset by declines in our North America, UK and Irish retail operations reflecting the weak economic environments and soft market conditions experienced in these territories.

General and administrative expenses

	2010	2009	2008
	(millions, except percentages)		
Salaries and benefits	\$ 1,873	\$ 1,827	\$ 1,638
Other	566	595	603
General and administrative expenses	\$ 2,439	\$ 2,422	\$ 2,241
Salaries and benefits as a percentage of revenues	56%	56%	58%
Other as a percentage of revenues	17%	18%	21%

2010 compared with 2009**Salaries and benefits**

Salaries and benefits were 56 percent of revenues for both 2010 and 2009, as the benefits of:

- a \$9 million reduction in severance costs to \$15 million from \$24 million: whilst approximately 550 positions were eliminated in 2010 compared with 450 positions in 2009 as part of our continued focus on managing expense, the average cost per eliminated position was lower in 2010; and
- a year over year net benefit from foreign currency translation driven primarily by the strengthening of the US dollar against the Pound Sterling (in which our London Market based operations incur the majority of their expenses);

were offset by

- a \$60 million increase in incentive expenses including: a \$31 million increase in the amortization of cash retention payments; and a \$29 million increase in the accrual for incentive compensation reflecting increased headcount and improved performance across many regions;
- an \$8 million increase in share-based compensation mainly reflecting the non-recurrence of a \$5 million credit in first quarter 2009. The credit in 2009 related to accumulated compensation expense for certain 2008 awards which were dependent upon performance targets which the Company did not achieve; and
- investment in new client-facing hires and spending on other growth initiatives.

Other expenses

Other expenses were 17 percent of revenues in 2010, compared with 18 percent in 2009, reflecting the benefits of:

- significantly lower losses on our forward rate hedging program in 2010 of \$15 million, compared with \$40 million in 2009;
- the release of a previously established \$7 million legal reserve; and

Cash retention awards

We have a cash retention award program in place. We started making cash retention awards in 2005 to a small number of employees. With the success of the program, we have expanded it over time to include more staff and we believe it is a contributing factor to the reduction in employee turnover we have seen in recent years.

Salaries and benefits do not reflect the unamortized portion of annual cash retention awards made to employees. Employees must repay a proportionate amount of these cash retention awards if they voluntarily leave our employ (other than in the event of retirement or permanent disability) before a certain time period, currently three years. We make cash payments to our employees in the year we grant these retention awards and recognize these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made. A significant majority of the Company's incentive compensation for non-production compensation is paid in the form of a retention payment versus bonus awards which typically are made for prior service and accrued over the prior service period.

During 2010, we made \$196 million of cash retention payments compared with \$148 million in 2009. Salaries and benefits in 2010 include \$119 million of amortization of cash retention payments made on or before December 31, 2010 compared with \$88 million in 2009. As of December 31, 2010 and December 31, 2009, we included \$173 million and \$98 million, respectively, in other assets on the balance sheet, which represented the unamortized portion of cash retention payments made on or before those dates.

- continued disciplined management of discretionary expenses;
- partly offset by
- the \$12 million first quarter 2010 charge relating to the devaluation of the Venezuelan currency; and
 - increases in travel and entertaining expenses in support of our revenue growth initiatives.

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2009 compared with 2008

Salaries and benefits

Salaries and benefits were 56 percent of revenues for 2009, compared with 58 percent in 2008 reflecting the benefits of:

- good cost controls, including our previous Shaping our Future and 2008 expense review initiatives, together with the initial benefits from our Right Sizing Willis initiatives in 2009;
- the non-recurrence of \$66 million of costs incurred as part of the 2008 expense review;
- a year over year benefit from foreign currency translation driven primarily by the significant strengthening of the US dollar against the Pound Sterling (in which our London market based operations incur the majority of their expenses); and
- a \$12 million curtailment gain realized on the closure of our US defined benefit pension plan to accrual of benefit for future service (see below);

UK salary sacrifice scheme

With effect from April 2009, the Company offered UK employees an alternative basis on which to fund contributions into the UK pension plans. UK employees can now agree to sacrifice an amount of their salary and in return the Company makes additional pension contributions on their behalf, equivalent to the value of the salary sacrificed.

Other expenses

Other expenses were 18 percent of revenues for 2009 compared with 21 percent in 2008, reflecting the benefit of:

- the non-recurrence of \$26 million of costs incurred as part of the 2008 expense review;
- a reduction in discretionary expenses including travel and entertaining, advertising, printing and a number of other areas, driven by our Right Sizing Willis initiatives; and
- lower foreign exchange losses relating to the UK sterling pension asset;

partly offset by

partly offset by

- a \$66 million increase in pension costs, mainly driven by lower asset levels in our UK pension plan and excluding the \$12 million US curtailment gain and the \$8 million impact of the introduction of a UK salary sacrifice scheme. The increase attributable to the salary sacrifice scheme was marginally more than offset by a reduction in salaries and payroll taxes.

Effective May 15, 2009, we closed our US defined benefit pension plan to future accrual and recognized a curtailment gain of \$12 million in second quarter 2009. As a result the full year 2009 charge for the US plan was \$7 million compared with an expected \$39 million charge had the plan not been closed to future accrual.

We also suspended the company match for our US 401(k) plan which benefited 2009 by \$9 million compared with 2008.

From a payroll tax perspective, this is a more efficient method of making pension contributions.

As a result of this change, the Company made additional pension contributions of \$10 million in 2010 and \$8 million in 2009, with marginally higher savings in salaries and payroll taxes.

- foreign currency translation losses on our forward rate hedging program of \$40 million, compared with losses on the equivalent program in 2008 of \$12 million.

We have a program that hedges our sterling cash outflows from our London market operations, a part of which hedges the sterling denominated cash contributions into the UK pension plan. However, we do not hedge against the pension benefits asset or liability recognized for accounting purposes.

The effects of the above increases were partly mitigated by the benefits of our continued focus on cost controls.

Amortization of intangible assets

Amortization of intangible assets of \$82 million in 2010 was \$18 million lower than in 2009.

The decrease primarily reflects: the year over year benefit of the 2009 accelerated amortization of \$7 million relating to the HRH brand name; and the declining charge for the amortization of the HRH customer relationship intangible, which is being amortized in line with the underlying discounted cash flows.

We expect the amortization of intangible assets expense in 2011 to further decrease to approximately \$65 million.

Amortization of intangible assets of \$100 million in 2009 was \$64 million higher than in 2008. The

significant year over year increase was primarily attributable to additional charges of \$58 million in 2009 in respect of intangible assets recognized on the HRH acquisition, including \$7 million of accelerated amortization relating to the HRH brand name. Following the success of our integration of HRH into our previously existing North America operations, we announced on October 1, 2009 that we were changing the name of our North America operations from Willis HRH to Willis North America. Consequently the intangible asset recognized on the acquisition of HRH relating to the HRH brand name was fully amortized.

Operating income and margin (operating income as a percentage of revenues)

	2010	2009	2008
	(millions, except percentages)		
Revenues	\$ 3,339	\$ 3,263	\$ 2,827
Operating income	753	694	503
Operating margin or operating income as a percentage of revenues	23%	21%	18%

2010 compared with 2009

Operating margin was 23 percent for 2010, compared with 21 percent for 2009, reflecting the benefits of:

- 4 percent organic growth in commissions and fees;
- a favorable year over year impact from foreign currency translation, excluding the impact from the devaluation of the Venezuelan currency. This reflects the net benefit of: significantly lower losses on our forward rate hedging program and a weaker year over year Pound Sterling which decreases the US dollar value of our net Pound Sterling expense base; partly offset by the weakening of the Euro against the US dollar, reducing the US dollar value of our net Euro income;
- an \$18 million reduction in amortization of intangible assets, as explained above, equivalent to approximately 1 percentage point;
- the release of a previously established \$7 million legal reserve; and

- rigorous expense management;
- partly offset by
- a \$60 million increase in incentive expenses including: a \$31 million increase in the amortization of cash retention awards; and a \$29 million increase in the accrual for incentive compensation reflecting producer and other improved performance across many regions;
 - a \$16 million reduction in legacy contingent commissions assumed on the acquisition of HRH;
 - investment in initiatives to support current and future growth;
 - a charge of \$12 million relating to the devaluation of the Venezuelan currency in January 2010;
 - a \$12 million reduction in investment income driven by lower average interest rates, particularly on Euro denominated deposits, in 2010 compared with 2009, with other interest rates across the globe remaining consistently low, and

Willis Group Holdings plc

- an \$8 million increase in share-based compensation charge, largely due to the non-

recurrence of a \$5 million credit in first quarter 2009.

2009 compared with 2008

Operating margin was 21 percent for 2009 compared with 18 percent for 2008. This increase reflected the benefit of:

- the year over year benefit of \$92 million of costs incurred in 2008 associated with our 2008 expense review;
- 2 percent organic growth in commissions and fees;
- the \$12 million US pension curtailment gain recognized in second quarter 2009; and
- disciplined cost control;

partly offset by

- a \$66 million increase in pension costs, excluding the \$12 million US curtailment gain and the \$8 million impact of the UK salary sacrifice scheme discussed above;
- a \$64 million increase in amortization of intangible assets, principally attributable to HRH;
- a \$31 million year over year decline in investment income, reflecting the impact of the significant decline in global interest rates; and
- \$24 million of severance expense in 2009 relating to our Right Sizing Willis initiative.

Interest expense

Interest expense

Interest expense in 2010 of \$166 million was \$8 lower than in 2009, as the benefit of the interest expense savings arising from the year over year reduction in average term loan and revolving credit facility balances was partly offset by the effect of the higher coupon payable on the \$500 million of 12.875% senior unsecured notes issued in March 2009.

We are reviewing our current debt profile to identify opportunities to reduce our financing costs by taking advantage of current low global interest rates.

Interest expense in 2009 of \$174 million was \$69 million higher than in 2008. This increase primarily reflects higher average debt levels following the HRH acquisition, but also includes \$5 million of premium and costs relating to the early repurchase in September 2009 of \$160 million of our 5.125% senior notes due July 2010 at a premium of \$27.50 per \$1,000 face value.

	2010	2009 (millions)	2008
Interest expense	\$166	\$174	\$105

Income taxes

Income from continuing operations before taxes

Income tax charge

Effective tax rate

	2010	2009 (millions, except percentages)	2008
Income from continuing operations before taxes	\$ 587	\$ 520	\$ 398
Income tax charge	140	96	97
Effective tax rate	24%	18%	24%

2010 compared with 2009

The effective tax rate for 2010 of 24 percent was impacted by:

- a \$22 million benefit from prior year tax adjustments;

- an adverse impact from the \$12 million charge relating to the devaluation of the Venezuelan currency for which no tax credits are available; and

- the tax impact of the net loss on disposal of operations.

2009 compared with 2008

The effective tax rate in 2009 was 18 percent compared with 24 percent in 2008. The decrease in rate reflects:

- a \$27 million release relating to a 2009 change in tax law. As at June 30, 2009 we held a provision of \$27 million relating to tax that would potentially be payable should the unremitted earnings of our foreign subsidiaries be repatriated. Following a change in UK tax law effective in third quarter 2009, these earnings may now be

Interest in earnings of associates

Interest in earnings of associates, net of tax, in 2010 of \$23 million was \$10 million lower than in 2009. This fall is primarily driven by the reduction from 49 percent to 31 percent in our ownership interest in Gras Savoye, as part of the reorganization of their capital structure in December 2009. Interest receivable on the vendor financing we provided as part of the capital reorganization is also recorded under this caption.

Net income and diluted earnings per share from continuing operations

	2010	2009	2008
	(millions, except per share data)		
Net income from continuing operations	\$ 455	\$ 436	\$ 302
Diluted earnings per share from continuing operations	\$ 2.66	\$ 2.58	\$ 2.04
Average diluted number of shares outstanding	171	169	148

2010 compared with 2009

Net income from continuing operations for 2010 was \$455 million compared with \$436 million in 2009, reflecting the benefits of:

- the \$59 million net increase in operating income discussed above; and
- an \$8 million decrease in interest expense, largely reflecting a year over year reduction in the outstanding balances on our term loan and revolving credit facility debt;

Excluding these items, the underlying effective tax rate for 2010 was broadly in line with 2009.

repatriated without additional tax cost and, consequently, the provision was released; and

- an \$11 million release relating to uncertain tax positions due to the closure of the statute of limitations on assessments for previously unrecognized tax benefits. There was a similar \$5 million release of uncertain tax positions in 2008.

Excluding the benefit of these items, the underlying effective tax rate for 2009 was 26 percent.

Interest in earnings of associates, net of tax, was \$33 million in 2009, \$11 million higher than in 2008, reflecting a year over year increased ownership share in Gras Savoye. As described above, our interest in Gras Savoye subsequently reduced in December 2009 following the reorganization of that company's capital.

partly offset by

- the year over year increase in tax charge of \$44 million, primarily attributable to the 2009 one-off tax benefits of \$38 million;
- a reduction in earnings from associates of \$10 million; and
- a reduction in noncontrolling interests share of net income.

Diluted earnings per share from continuing operations for 2010 increased to \$2.66 compared to \$2.58 in 2009.

Willis Group Holdings plc

Foreign currency translation, excluding the impact of the Venezuelan currency devaluation, had a \$0.04 favorable impact on diluted earnings per share. This was more than offset by the \$0.07 per diluted share negative impact from the Venezuela currency devaluation in January 2010.

2009 compared with 2008

Net income from continuing operations for 2009 was \$436 million compared with \$302 million in 2008. The \$134 million increase primarily reflected the \$191 million increase in operating income, discussed above, partly offset by the \$69 million increase in interest expense.

Diluted earnings per share from continuing operations for 2009 increased to \$2.58 compared to \$2.04 in 2008 as the benefit of the increased net

Average share count for 2010 was 171 million compared with 169 million in 2009. The increased share count had a negative \$0.03 impact on diluted earnings per share.

income was partly offset by a 21 million increase in average diluted shares outstanding due primarily to the shares issued on October 1, 2008 for the HRH acquisition. The additional shares issued had a negative \$0.36 impact on earnings per diluted share in 2009.

Foreign currency translation had a year over year \$0.27 positive impact on earnings per diluted share in 2009.

OPERATING RESULTS — SEGMENT INFORMATION

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, 2010:

	2010			2009			2008		
	Revenues	Operating Income	Operating Margin	Revenues	Operating Income	Operating Margin	Revenues	Operating Income	Operating Margin
	(millions)			(millions)			(millions)		
Global	\$ 880	\$ 262	30%	\$ 835	\$ 255	31%	\$ 814	\$ 240	29%
North America	1,375	319	23%	1,386	328	24%	922	142	15%
International	1,084	285	26%	1,042	276	27%	1,091	306	28%
Total Retail	2,459	604	25%	2,428	604	25%	2,013	448	22%
Corporate & Other	—	(113)	n/a	—	(165)	n/a	—	(185)	n/a
Total Consolidated	\$ 3,339	\$ 753	23%	\$ 3,263	\$ 694	21%	\$ 2,827	\$ 503	18%

Global

Our Global business comprise Global Specialties, Willis Re, London Market Wholesale, and as of 2010, Willis Capital Markets & Advisory (WCMA).

Faber & Dumas includes Glencairn, our London-based wholesale brokerage operation and our Fine Art, Jewelry and Specie; Special Contingency Risk and Hughes-Gibb units. WCMA provides financial

advice on mergers and acquisitions and capital markets products and may place or underwrite securities.

The following table sets out revenues, organic revenue growth and operating income and margin for the three years ended December 31, 2010:

Business discussion

	2010	2009	2008
	(millions, except percentages)		
Commissions and fees	\$ 873	\$ 822	\$ 784
Investment income	7	13	30
Total revenues	<u>\$ 880</u>	<u>\$ 835</u>	<u>\$ 814</u>
Operating income	\$ 262	\$ 255	\$ 240
Organic revenue growth ^(a)	6%	4%	2%
Operating margin	30%	31%	29%

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

Revenues

2010 compared with 2009

Commissions and fees of \$873 million were \$51 million, or 6 percent, higher in 2010 compared with 2009 which was driven by 6 percent organic revenue growth, with a 1 percent benefit from acquisitions and disposals offset by the impact of foreign currency translation.

Our Reinsurance and Global Specialties businesses both reported mid-single digit organic growth in 2010, driven by good net new business generation despite the adverse impact of the continued difficult rate environment and soft market in many of the specialty classes.

Reinsurance reported strong new business growth across all segments in 2010 and client retention levels remained high. Despite high loss levels earlier in the year, rates remain soft except for Marine and Energy.

Organic growth in Global Specialties was led by strong contributions from Financial and Executive Risks, Construction and Energy, reflecting strong new business, improved retention, targeted hiring of producer talent and global connectivity. However, the operating environment remains tough with depressed world trade and transit volumes, industry

consolidation and pressure on financing of construction projects still evident.

As a result of strong reinsurance underwriting profits in 2009, with the exception of marine and energy, there has been a general but disciplined softening of rates in 2010 which remain a significant headwind for growth.

Our WCMA business also contributed to positive organic revenue growth in 2010, substantially due to a \$9 million fee on a single capital markets transaction in the second quarter. WCMA is a transaction oriented business and its results are more variable than some of our other businesses.

Faber & Dumas revenues were slightly lower than 2009, mainly reflecting the soft wholesale market, together with continued pressure on the most economically sensitive lines such as bloodstock, jewelry and fine arts.

Productivity in Global, measured in terms of revenue per FTE employee, increased to \$365,000 for 2010 compared with \$358,000 for 2009.

Client retention levels remained high at 90 percent for 2010, in line with 2009.

2009 compared with 2008

Commissions and fees of \$822 million were \$38 million, or 5 percent, higher in 2009 compared with 2008 of which 4 percent was attributable to the acquisition of the HRH UK wholesale business, Glencairn and 4 percent to organic revenue growth.

These were partly offset by a 3 percent negative impact from foreign exchange movements.

Net new business growth was 5 percent and there was a 1 percent adverse impact from rates and other market factors. Reinsurance led the growth in net new business. Global Specialties organic revenues

Willis Group Holdings plc

were slightly higher than in 2008, as growth in Marine, Aerospace and Financial and Executive Risks was offset by reductions elsewhere. There was continued softness in most specialty rates although there were some signs of stabilization and firming in some areas, including Aerospace and Energy. The

Operating margin

2010 compared with 2009

Operating margin was 30 percent in 2010 compared with 31 percent in 2009. This decrease primarily reflected the adverse impact of foreign currency translation, as the positive effect on our Pound Sterling expense base of a strengthening US dollar, was more than offset by the adverse impact of foreign currency movements on sterling-denominated balances.

Operating margin in Global is impacted by foreign exchange movements as the London Market businesses within our Global operations earn

2009 compared with 2008

Operating margin was 31 percent in 2009 compared with 29 percent in 2008. This improvement reflected a significant benefit from foreign currency translation, together with organic revenue growth, particularly driven by our Reinsurance business, and

Faber & Dumas businesses continue to be adversely impacted by the weakening economic environment.

There was a sharp decline in investment income in 2009 compared with 2008 as global interest rates fell markedly in the latter half of 2008 and early 2009.

revenues in US dollars, Pounds Sterling and Euros and primarily incur expenses in Pounds Sterling. In addition, they are exposed to exchange risk on certain sterling-denominated balances.

Excluding the impact of this foreign currency translation, Global's operating margin remained flat as the benefits of good organic revenue growth and disciplined cost control were offset by the impact of costs associated with continued support of current and future growth.

good cost controls including a reduction in discretionary expenses.

The benefit of these was partly offset by a significant increase in the UK pension expense and a sharp reduction in investment income.

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.

The following table sets out revenues, organic revenue growth and operating income and margin for the three years ended December 31, 2010:

	2010	2009	2008
	(millions, except percentages)		
Commissions and fees(a)(b)	\$ 1,359	\$ 1,368	\$ 905
Investment income	15	15	15
Other income	1	3	2
Total revenues	<u>\$ 1,375</u>	<u>\$ 1,386</u>	<u>\$ 922</u>
Operating income	<u>\$ 319</u>	<u>\$ 328</u>	<u>\$ 142</u>
Organic revenue growth(c)	0%	(3)%	(1)%
Operating margin	23%	24%	15%

(a) Included in North America reported commissions and fees were legacy HRH contingent commissions of \$11 million in 2010, compared with \$27 million in 2009 and \$50 million in 2008.

(b) Reported commissions and fees included a favorable impact from a change in accounting methodology in a specialty business in North America of \$7 million in the year ended December 31, 2010.

(c) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition and that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.

Revenues

2010 compared with 2009

Commissions and fees of \$1,359 million were \$9 million, or 1 percent, lower for 2010 compared with 2009.

Excluding the \$16 million decrease in legacy contingency commissions assumed as part of the HRH acquisition, there was a modest increase in commissions and fees.

Organic revenue growth was flat for 2010 as the benefits of:

- strong growth in our specialty businesses, driven by good growth in the business, together with a \$7 million increase in commissions and fees from a change in accounting of an acquired specialty business in North America to conform with Group accounting policy;
- 3 per cent growth in our employee benefits practice, which represents approximately 25 percent of North America's commission and fee base, despite the soft labor market; and

- good net new business generation, with improved client retention;

partly offset by

- a negative 2 percent impact from rate declines and other market factors;
- a further decline in our Construction business, which represents approximately 10 percent of North America's commission and fee base, reflecting the ongoing challenges in that sector. However, declines in commissions and fees were single digits in 2010 compared with the double digit declines experienced in 2009; and
- smaller declines elsewhere reflecting the impact of the continued soft market conditions and weak US economy.

Net new business growth includes the benefit of higher standard commissions where these have been negotiated in lieu of contingent commissions. These

Willis Group Holdings plc

higher standard commissions however may not have been negotiated at the same level or be received in the same periods as the related contingent commissions. Furthermore, the business to which they related may not have been renewed.

2009 compared with 2008

Commissions and fees in North America were 51 percent higher in 2009 compared with 2008 reflecting the uplift from the additional revenues of HRH, partly offset by 3 percent negative organic growth. Our North America operations were significantly adversely impacted by soft market conditions, the weakened US economy and a reduction in project based revenues which more than offset a positive impact from net new business. In particular, our Construction division saw significant declines.

Operating margin

2010 compared with 2009

Operating margin in North America was 23 percent in 2010 compared with 24 percent in 2009, as the benefits of:

- continued disciplined cost control; and
- lower pension expense in 2010, excluding the second quarter 2009 curtailment gain, following the closure of the US pension plan to future accrual in second quarter 2009;

were more than offset by

2009 compared with 2008

Operating margin in North America was 24 percent in 2009 compared with 15 percent in 2008. The higher margin reflected:

- the acquisition of HRH and the synergies and cost savings achieved from the integration of HRH with our existing North America operations;
- a reduction in underlying expense base reflecting the benefits of our 2008 Expense Review and Right Sizing Willis initiatives; and

Despite the small decline in revenues, productivity in North America, measured in terms of revenue per FTE employee, increased to \$238,000 for 2010 compared with \$227,000 for 2009.

Client retention levels increased to 92 percent for 2010, compared with 91 percent for 2009.

Our primary focus in North America in 2009 was the integration of HRH into our existing operations and the improvement of margin. Additionally, in the second half of the year we refocused our efforts on revenue growth and we believe this led to double digit new business generation in parts of the business during that time period.

Despite the significant decline in revenues, our productivity measured in terms of revenue per FTE employee remained high, with a marginal increase to \$227,000 for 2009 compared with \$225,000 for 2008.

- the reduction in legacy HRH contingent commissions of \$16 million in 2010;
- the non-recurrence of a \$9 million benefit in 2009 from the curtailment of the US pension plan relating to our North America retail employees; and
- increased incentive expense in 2010, including the impact of increased amortization of cash retention award payments.

- a \$9 million benefit from the curtailment of the US pension scheme relating to our North America retail employees;

partly offset by

- the decline in organic revenues against the backdrop of the soft market and weak economic conditions discussed above.

International

Our International business comprises our retail operations in Eastern and Western Europe, the United Kingdom and Ireland, Asia-Pacific, Russia, 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, organic revenue growth and operating income and margin for the three years ended December 31, 2010:

	2010	2009	2008
	(millions, except percentages)		
Commissions and fees	\$ 1,068	\$ 1,020	\$ 1,055
Investment income	16	22	36
Total revenues	<u>\$ 1,084</u>	<u>\$ 1,042</u>	<u>\$ 1,091</u>
Operating income	285	276	306
Organic revenue growth ^(a)	6%	4%	9%
Operating margin	26%	26%	28%

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

Revenues

2010 compared with 2009

Commissions and fees of \$1,068 million were \$48 million, or 5 percent, higher for 2010 compared with 2009, as the benefits of 6 percent organic revenue growth and 1 percent from the net effect of acquisitions and disposals was partly offset by a 2 percent adverse impact from foreign currency translation. Net new business growth was 9 percent and there was a negative 3 percent impact from rates and other market factors.

A significant part of International's revenues are earned in currencies other than the US dollar. The US dollar has strengthened against a number of these currencies in 2010 compared with 2009, most notably the Euro, Venezuelan Bolivar Fuerte, Danish Kroner and Pound Sterling. The adverse impact of this strengthening was partly offset by the weakening of the US dollar against the Australian dollar. The net impact of these movements was a 2 percent reduction in 2010 revenues compared to 2009.

There were strong contributions to our organic growth from most regions, led by growth in Latin

America, Asia and Europe. In particular, there was good growth in:

- Venezuela, Argentina, Brazil and Chile in Latin America;
- China, Indonesia and Korea in Asia; and
- Germany, Spain and Denmark in continental Europe, despite the challenging economic environment in this region.

There was further positive growth in our Eastern Europe operations in 2010, driven by a strong contribution from Russia.

Organic revenue growth was also positive in our UK and Irish retail operations, driven by new business growth in the UK as we begin to see signs of an improving economy. Our employee benefits practice, which represents approximately 10 percent of International commissions and fees, continued to perform well in 2010 with growth in the mid single digits.

Productivity in our International business, measured in terms of revenue per FTE employee, increased to

Willis Group Holdings plc

\$160,000 for 2010 compared with \$156,000 for 2009.

Client retention levels remained high at 92 percent for 2010.

2009 compared with 2008

Commissions and fees in International were \$35 million, or 3 percent, lower in 2009 compared with 2008 as double digit new business generation in many of our International units was more than offset by an adverse impact from foreign exchange of 8 percent, a 3 percent adverse impact from rates and other market factors, and significantly lower revenues in our UK and Irish retail operations.

A significant part of International's revenues are earned in currencies other than the US dollar which strengthened significantly in 2009 on a year over year basis against a number of these currencies, most notably the Euro, Pound Sterling, Danish kroner and Australian dollar, consequently reducing

Operating margin

2010 compared with 2009

Operating margin in International was 26 percent in both 2010 and 2009, as the benefits of:

- 6 percent organic revenue growth; and
- continued focus on disciplined expense management to drive future growth;

were offset by

- an adverse impact from foreign currency translation, reflecting the negative impact of the weakening of the Euro and other currencies in

2009 compared with 2008

Operating margin in International was 26 percent in 2009 compared with 28 percent in 2008, as the benefits of:

- strong organic revenue growth outside of Ireland; and
- focused expense management including savings in discretionary costs driven by our Right Sizing Willis initiatives;

International revenues on a year over year basis when reported in US dollars.

Despite the slowdown of the global economy, International continued its organic growth. Excluding our UK and Irish retail divisions, organic revenue growth was 8 percent in 2009, with Latin America and Asia, led by Brazil, Columbia and China, all reporting strong organic growth. However, our UK and Irish retail division saw a 6 percent revenue decline, reflecting weak local economic conditions.

Client retention levels remained high at approximately 90 percent for 2009.

which we earn a significant portion of our operating income against the US dollar;

- increased incentive expenses, including amortization of cash retention award payments;
- a reduction in investment income, driven by lower interest rates, particularly in the Euro zone; and
- spending on initiatives to drive future growth, including a year on year increase in International headcount of approximately 200.

were more than offset by

- increased pension expense for the UK pension plan;
- a sharp reduction in investment income reflecting lower global interest rates; and
- a weak performance by our Irish retail operations reflecting their difficult market conditions.

Corporate & Other

Corporate & Other includes the following:

	2010	2009 (millions)	2008
Amortization of intangible assets	\$ (82)	\$ (100)	\$ (36)
Foreign exchange hedging	(16)	(42)	(13)
Foreign exchange on the UK pension plan asset	3	(6)	(34)
HRH integration costs	—	(18)	(5)
Net (loss) gain on disposal of operations	(2)	13	—
2008 expense review	—	—	(92)
Gain on disposal of London headquarters	—	—	7
Venezuela currency devaluation	(12)	—	—
Release of previously established legal provision	7	—	—
Redomicile of parent company costs	—	(6)	—
Other	(11)	(6)	(12)
	<u>\$ (113)</u>	<u>\$ (165)</u>	<u>\$ (185)</u>

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. 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 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 entrants in the UK 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. We also have smaller defined benefit schemes in Ireland, Germany, Norway and the Netherlands. These International schemes have combined total assets of \$125 million and a combined net liability for pension benefits of \$10 million as of December 31, 2010. Elsewhere, pension benefits are typically provided through defined contribution 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.

We recorded a net pension charge on our UK and US defined benefit pension plans in 2010 of \$29 million, compared with \$32 million in 2009, a decrease of \$3 million.

On our International defined benefit pension plans, we recorded a net pension charge of \$6 million in 2010, compared with \$10 million in 2009, a decrease of \$4 million.

The UK plan charge was \$3 million higher as the benefit of higher asset returns from higher asset levels was more than offset by:

- a higher service cost reflecting higher inflation, the first full year of the salary sacrifice arrangement and a lower discount rate;

Willis Group Holdings plc

- higher amortization of prior period losses; and
- an increased interest cost.

The US pension charge was \$6 million lower in 2010 compared with 2009 reflecting:

- an increased asset return from a higher asset base;
- a reduction in amortization of prior period losses; and

- the first full year's benefit from closing the scheme to future accrual in May 2009; partly offset by
- the non-recurrence of a \$12 million curtailment gain in 2009.

Based on December 31, 2010 assumptions, we expect the net pension charge in 2011 to decrease by: \$20 million for the UK plan; \$1 million for the US plan; and a net \$2 million for the International plans.

UK plan

Estimated 2011 expense
Projected benefit obligation at December 31, 2010

As disclosed using December 31, 2010 assumptions ⁽ⁱ⁾	Impact of a 0.50 percentage point increase in the expected rate of return on assets ⁽ⁱⁱ⁾	Impact of a 0.50 percentage point increase in the discount rate ⁽ⁱⁱ⁾	One year increase in mortality assumption ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾
(millions)			
\$ 8	\$ (10)	\$ (16)	\$ 6
1,906	n/a	(153)	39

- (i) Except for expected rate of return updated to 7.50%.
- (ii) With all other assumptions held constant.
- (iii) Assumes all plan participants are one year younger.

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 2010 remained unchanged at 7.8 percent, equivalent to an expected return in 2010 of \$141 million.

Effective January 1, 2011, the expected long-term rate of return was decreased to 7.50%, following a change in the underlying target asset mix.

The expected and actual returns on UK plan assets for the three years ended December 31, 2010 were as follows:

	Expected return on plan assets	Actual return on plan assets
	(millions)	
2010	\$ 141	\$ 245
2009	127	234
2008	184	(509)

During the latter half of 2008 the value of assets held by our UK pension plan was significantly adversely affected by the turmoil in worldwide markets. The holdings of equity securities were particularly affected in 2008, but have recovered, to some extent, in 2009 and 2010.

with the decrease reflecting a reduction in UK long-term bond rates in the latter part of 2010. This lower discount rate generated an actuarial loss of \$84 million at December 31, 2010.

Rates used to discount pension plan liabilities at December 31, 2010 were based on yields prevailing at that date of high quality corporate bonds of appropriate maturity. The selected rate used to discount UK plan liabilities was 5.5 percent compared with 5.8 percent at December 31, 2009

Mortality assumptions at December 31, 2010 were unchanged from December 31, 2009. The mortality assumption is the 100 percent PNA00 table without an age adjustment. As an indication of the longevity assumed, our calculations assume that a UK male retiree aged 65 at December 31, 2010 would have a life expectancy of 22 years.

US plan

	As disclosed using December 31, 2010 assumptions ⁽ⁱ⁾	Impact of a 0.50 percentage point increase in the expected rate of return on assets ⁽ⁱⁱ⁾	Impact of a 0.50 percentage point increase in the discount rate ⁽ⁱⁱⁱ⁾	One year increase in mortality assumption ⁽ⁱ⁾⁽ⁱⁱⁱ⁾
	(millions)			
Estimated 2011 expense	\$ —	\$ (3)	\$ (1)	\$ 2
Projected benefit obligation at December 31, 2010	756	n/a	(46)	22

- (i) Except for expected rate of return updated to 7.50%.
- (ii) With all other assumptions held constant.
- (iii) Assumes all plan participants are one year younger.

The expected long-term rate of return used for determining the net US pension scheme expense in 2010 was 8.0 percent, consistent with 2009. Effective January 1, 2011, the expected long-term rate of return was decreased to 7.50%, following a change in the underlying target asset mix.

The rate used to discount US plan liabilities at December 31, 2010 was 5.6 percent, determined

based on expected plan cash flows discounted using a corporate bond yield curve, a small reduction from 6.1 percent at December 31, 2009.

The expected and actual returns on US plan assets for the three years ended December 31, 2010 were as follows:

	Expected return on plan assets	Actual return on plan assets
	(millions)	
2010	\$ 42	\$70
2009	36	86
2008	47	(142)

As for the UK plan, the 2008 actual return on assets was adversely impacted by the turmoil in worldwide markets.

The mortality assumption at December 31, 2010 is the RP-2000 Mortality Table (blended for annuitants and non-annuitants), projected to 2011 by Scale AA

(December 31, 2009: projected to 2010 by Scale AA). As an indication of the longevity assumed, our calculations assume that a US male retiree aged 65 at December 31, 2010, 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’ includes client lists, client relationships, trade names and non-compete agreements; and
- ‘Contract-based, Technology and Other’ 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 percent 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.

To determine the allocation of intangible assets between goodwill and other intangible assets and the estimated useful lives in respect of the HRH

Willis Group Holdings plc

acquisition we considered a report produced by a qualified independent appraiser. The calculation of the allocation is subject to a number of estimates and assumptions. We base our allocation on

Goodwill impairment review

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

The fair value of each reporting unit is estimated using a discounted cash flow methodology and, in aggregate, validated against our market capitalization. This analysis requires significant judgments, including:

- estimation of future cash flows which is dependent on internal forecasts;

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, 2010, we had gross deferred tax assets of \$294 million (2009: \$390 million) against which a valuation allowance of \$87 million (2009: \$92 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;

assumptions we believe to be reasonable. However, changes in these estimates and assumptions could affect the allocation between goodwill and other intangible assets.

- estimation of the long-term rate of growth for our business;
- determination of our weighted average cost of capital.

We base our fair value estimates on assumptions we believe to be reasonable. However, changes in these estimates and assumptions could materially affect the determination of fair value and result in a goodwill impairment.

Our annual goodwill impairment analysis, which we performed during the fourth quarter of 2010, showed the estimated fair value of our reporting units was in excess of their carrying values, and therefore did not result in an impairment charge (2009: \$nil, 2008: \$nil).

- 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 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 has a greater than 50 percent 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 2010, \$7 million was released relating to uncertain tax positions due to the closure of the statute of limitations on assessments for previously unrecognized tax benefits. There was a similar

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

NEW ACCOUNTING STANDARDS

There were no new accounting standards issued during the year that would have a significant impact on the Company's reporting.

LIQUIDITY AND CAPITAL RESOURCES

Effective December 31, 2010, we changed the presentation of certain items on our balance sheet. Uncollected premiums from insureds and uncollected claims or refunds from insurers, previously reported within accounts receivable, are now recorded as fiduciary assets on the Company's consolidated balance sheets. Unremitted insurance premiums and

We remain committed to our previously stated goals of ongoing debt repayment and returning capital to shareholders.

Consistent with this strategy, we are reviewing our current debt profile and, subject to prevailing market conditions, may seek to take advantage of attractive financing rates to reduce the cost and extend the maturity profile of our existing debt.

Such actions may include redemption of the entire \$500 million in aggregate principal amount of 12.875 percent senior notes due 2016. If the 2016 senior notes are redeemed, we anticipate that we would incur a one-time pre-tax charge of approximately \$180 million relating to the make-whole premium provided under the terms of the

\$11 million release of uncertain tax positions in 2009. 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.

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.

claims ("fiduciary funds") are also recorded within fiduciary assets. The obligations to remit these funds, previously reported within accounts payable, are now recorded as fiduciary liabilities on the Company's consolidated balance sheets. Accordingly, prior year comparatives and commentary below have been recast to reflect this revised presentation.

indenture governing the notes, as calculated at December 31, 2010.

Total debt as of December 31, 2010 decreased to \$2.3 billion, compared with \$2.4 billion at December 31, 2009.

In 2010, we made \$110 million of mandatory repayments against the 5-year term loan, thereby reducing the outstanding balance as at December 31, 2010 to \$411 million. We also repurchased the remaining \$90 million of 5.125% senior notes due July 2010 and repaid in full a \$9 million fixed rate loan due 2010.

In August 2010, we entered into a new revolving credit facility agreement under which a further \$200 million is available. This facility is in addition

Willis Group Holdings plc

to the remaining availability under our previously existing \$300 million revolving credit facility.

In addition, in June 2010, we entered into an additional facility solely for the use of our main UK regulated entity under which a further \$20 million would be available in certain exceptional circumstances. This facility is secured against the freehold of the UK regulated entity's freehold property in Ipswich.

Liquidity

Our principal sources of liquidity are cash from operations, cash and cash equivalents of \$316 million at December 31, 2010 and remaining availability of \$430 million under our revolving credit facilities.

As of December 31, 2010, our short-term liquidity requirements consisted of:

- payment of interest on debt and \$110 million of mandatory repayments under our 5-year term loan;
- capital expenditure; and
- working capital.

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.

Own funds

As of December 31, 2010, we had cash and cash equivalents of \$316 million, compared with \$221 million at December 31, 2009 and \$430 million

Operating activities

2010 compared to 2009

Net cash provided by operations was \$489 million in 2010 compared with \$419 million in 2009.

At December 31, 2010, we have \$nil outstanding under both the \$200 million and the \$20 million facilities and \$90 million outstanding under our pre-existing \$300 million facility, compared with \$nil at December 31, 2009.

At December 31, 2010 the only mandatory debt repayments falling due over the next 12 months are scheduled repayments on our \$700 million 5-year term loan totaling \$110 million.

Our long-term liquidity requirements consist of:

- the principal amount of outstanding notes; and
- borrowings under our 5-year term loan and revolving credit facility.

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 at least the next 12 months.

We continue to identify and implement further actions to control costs and enhance our operating performance, including future cash flow.

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.

of the total \$520 million under our revolving credit facilities remained available to draw.

The \$70 million increase in 2010 compared with 2009 primarily reflected the benefits of:

- a \$141 million increase in net income from continuing operations before the non-cash charges for: amortization of intangible assets; amortization of cash retention award payments; provision for deferred taxation; the Venezuela currency devaluation in January 2010; and share-based compensation;

partly offset by

- increased pension scheme contributions of \$130 million in 2010, compared with \$82 million in 2009; and
- the timing of cash collections and other working capital movements.

2009 compared to 2008

Net cash provided by operations was \$419 million in 2009 compared with \$253 million in 2008. The \$166 million increase between 2008 and 2009 mainly reflects:

- a \$161 million increase in net income before the non-cash charges for: amortization of intangible assets; amortization of cash retention award payments; provision for deferred taxation; and share-based compensation; and

- a \$72 million reduction in pension scheme contributions to \$82 million in 2009, compared with \$154 million in 2008;

partly offset by

- the timing of cash collections and other working capital movements, including a year over year negative impact from foreign currency translation.

Pension contributions

UK Plan

We made total cash contributions to our UK defined benefit pension plan of \$88 million in 2010, (including amounts in respect of the salary sacrifice contributions) compared with \$49 million in 2009 and \$140 million in 2008.

The additional \$39 million cash contribution in 2010 reflects an additional payment required under the UK plan's funding strategy which we are required to agree with the plan's trustees.

The funding strategy was agreed in February 2009 and requires full year contributions to the UK plan of \$39 million for 2009 through 2012, excluding

amounts in respect of the salary sacrifice scheme. In addition, if certain funding targets were not met at the beginning of any of the following years, 2010 through 2012, a further contribution of \$39 million would be required for that year.

In 2010, the additional funding requirement was triggered and we expect to make a similar additional contribution in 2011. A similar, additional contribution may also be required for 2012, depending on actual performance against funding targets at the beginning of 2012.

US Plan

We made total cash contributions to our US defined benefit pension plan of \$30 million in 2010, compared with \$27 million in 2009 and \$8 million in 2008.

For the US plan, expected contributions are the contributions we will be required to make under

US pension legislation based on our December 31, 2010 balance sheet position. We currently expect to contribute \$30 million in 2011.

International Plans

We made cash contributions to our International defined benefit pension plans of \$12 million in 2010, compared with \$6 million in both 2009 and 2008.

In 2011, we expect to contribute approximately \$6 million to our International plans.

Willis Group Holdings plc

Investing activities

2010 compared to 2009

Total net cash outflow from investing activities was \$94 million in 2010 compared with an inflow of \$102 million in 2009 mainly reflecting:

- the \$155 million received in December 2009 from the reorganization of Gras Savoye, less a \$42 million payment in January 2009 for an additional investment in Gras Savoye made in December 2008;
- the year over year decrease of \$42 million in net proceeds from sale of operations, mainly

attributable to the second quarter 2009 disposal of Bliss & Glennon;

- the 2009 proceeds from the sale of short-term investments of \$21 million; and
- a \$21 million increase in cash payments in 2010 for acquisitions of subsidiaries, mainly reflecting payments in respect of prior year acquisitions.

2009 compared to 2008

Total net cash inflow from investing activities was \$102 million in 2009 compared with an outflow of \$1,033 million in 2008, primarily reflecting:

- the \$926 million net cash outflow attributable to the HRH acquisition in 2008;
- \$113 million cash received in 2009 in respect of investments in associates, compared with \$31 million paid in 2008. The 2009 receipt

includes \$155 million from the reorganization of Gras Savoye, less \$42 million settled in January 2009 for an additional investment in Gras Savoye made in December 2008; and

- a \$40 million increase in net proceeds from sale of operations, mainly attributable to the second quarter 2009 disposal of Bliss & Glennon.

Financing activities

2010 compared to 2009

Net cash used in financing activities was \$293 million in 2010 compared with \$516 million in 2009.

The net decrease in cash used in financing activities of \$223 million was mainly attributable to:

- a \$90 million increase in the drawdown against our revolving credit facilities; and
- a \$880 million reduction in debt repayments, largely due to the 2009 repayment/refinancing of

\$750 million of the then outstanding interim credit facility;

partly offset by

- the 2009 proceeds, net of issuance costs, from issuing senior notes of \$778 million to finance debt repayments.

2009 compared to 2008

Net cash used in financing activities was \$516 million in 2009 compared with an inflow of \$808 million in 2008.

In March 2009, we issued \$500 million of senior unsecured notes due 2016 at 12.875%.

We used the \$482 million net proceeds of the notes, together with \$208 million cash generated from operating activities and \$60 million cash in hand, to

pay down the \$750 million outstanding on our interim credit facility as of December 31, 2008.

In September 2009, we issued \$300 million of 7.0% senior notes due 2019. We then launched a tender offer on September 22, 2009 to repurchase any and all of our \$250 million 5.125% senior notes due July 2010 at a premium of \$27.50 per \$1,000 face value. Notes totaling approximately \$160 million were tendered and repurchased on September 29, 2009.

In December 2009, we applied the net cash proceeds of \$155 million from the Gras Savoye transaction, together with other cash in hand, to reduce the balance outstanding on the 5-year term loan by approximately \$180 million to

\$521 million, of which \$27 million related to our first mandatory debt repayment.

As of December 31, 2009, there were no amounts outstanding under our \$300 million revolving credit facility (2008: \$nil).

Share buybacks

We did not buyback any shares in 2010 or 2009. There remains \$925 million under the current buyback authorization.

In 2008, we repurchased 2.3 million shares at a cost of \$75 million.

In 2009, the Company filed a Tender Offer Statement with the SEC to repurchase for cash options to purchase Company shares. The tender offer expired on August 6, 2009. Approximately 1.6 million options to purchase Company shares were repurchased at an average per share price of \$2.04.

Dividends

Cash dividends paid in 2010 were \$176 million compared with \$174 million in 2009 and \$146 million in 2008.

The \$2 million increase in 2010, compared with 2009 is driven by the small increase in share count during the year.

The \$28 million increase in 2009, compared with 2008, primarily reflects dividend payments on the 24 million additional shares issued in connection with the fourth quarter 2008 acquisition of HRH.

In February 2011, we declared a quarterly cash dividend of \$0.26 per share, an annual rate of \$1.04 per share.

CONTRACTUAL OBLIGATIONS

The Company's contractual obligations as at December 31, 2010 are presented below:

Obligations	Total	2011	Payments due by 2012-2013 (millions)	2014-2015	After 2015
5-year term loan facility expires 2013	\$ 411	\$ 110	\$ 301	\$ —	\$ —
Interest on term loan	19	9	10	—	—
Revolving \$300 million credit facility	90	—	90	—	—
6.000% loan notes due 2012	4	—	4	—	—
5.625% senior notes due 2015	350	—	—	350	—
Fair value adjustments on 5.625% senior notes due 2015	12	—	—	12	—
12.875% senior notes due 2016	500	—	—	—	500
6.200% senior notes due 2017	600	—	—	—	600
7.000% senior notes due 2019	300	—	—	—	300
Interest on senior notes	867	142	285	285	155
Total debt and related interest	3,153	261	690	647	1,555
Operating leases ⁽ⁱ⁾	1,295	157	202	143	793
Pensions	417	119	238	60	—
Other contractual obligations ⁽ⁱⁱ⁾	127	32	7	12	76
Total contractual obligations	\$ 4,992	\$ 569	\$ 1,137	\$ 862	\$ 2,424

(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.

Willis Group Holdings plc

Debt obligations and facilities

The Company's debt and related interest obligations at December 31, 2010 are shown in the above table.

During 2010, the Company entered into a new revolving credit facility agreement under which a further \$200 million is available and a new UK facility under which a further \$20 million is available. As at December 31, 2010 no drawings had been made on either facility.

These facilities are in addition to the remaining availability of \$210 million (2009: \$300 million)

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, 2010, the aggregate future minimum rental commitments under all non-cancellable operating lease agreements are as follows:

	<u>Gross rental commitments</u>	<u>Rentals from subleases (millions)</u>	<u>Net rental commitments</u>
2011	\$ 157	\$ (16)	\$ 141
2012	115	(13)	102
2013	87	(11)	76
2014	73	(11)	62
2015	70	(10)	60
Thereafter	793	(42)	751
Total	\$ 1,295	\$ (103)	\$ 1,192

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

under the Company's previously existing \$300 million revolving credit facility.

The only mandatory repayment of debt over the next 12 months is the scheduled repayment of \$110 million current portion of the Company's 5-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.

The Company leases its London headquarters 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 \$744 million (2009: \$785 million). Annual rentals are \$31 million per year and the Company has subleased approximately 25 percent of the premises under leases up to 15 years. The amounts receivable from subleases, included in the table above, total \$87 million (2009: \$100 million; 2008: \$106 million).

Rent expense amounted to \$131 million for the year ended December 31, 2010 (2009: \$154 million; 2008: \$151 million). The Company's rental income from subleases was \$22 million for the year ended December 31, 2010 (2009: \$21 million; 2008: \$22 million).

plan's trustees. In February 2009, we agreed to make full year contributions to the UK plan of \$39 million for 2009 through 2012, excluding amounts in respect of the salary sacrifice scheme. In addition, if certain funding targets were not met at the beginning of any of the following years, 2010 through 2012, a further contribution of \$39 million would be required for that year. In 2010, the

additional funding requirement was triggered and we expect to make a similar additional contribution in 2011. A similar, additional contribution may also be required for 2012, depending on actual performance against funding targets at the beginning of 2012.

Guarantees

Guarantees issued by certain of Willis Group Holdings' subsidiaries with respect to the senior notes and revolving credit facilities are discussed in Note 18 — 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

The total contributions for all plans are currently estimated to be approximately \$125 million in 2011, including amounts in respect of the salary sacrifice scheme.

obligations subject to such guarantees amounted to \$855 million and \$903 million at December 31, 2010 and 2009, respectively.

In addition, the Company has given guarantees to bankers and other third parties relating principally to letters of credit amounting to \$11 million and \$5 million at December 31, 2010 and 2009, respectively. Willis Group Holdings also guarantees certain of its UK and Irish subsidiaries' obligations to fund the UK and Irish defined benefit pension 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 (a put option) their shares 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, the potential amount payable from these options is not expected to exceed \$40 million (2009: \$49 million).

In December 2009, the Company made a capital commitment of \$25 million to Trident V, LP, an investment fund managed by Stone Point Capital. In July 2010, we withdrew from Trident V, LP and subscribed to Trident V Parallel Fund, LP (with the total capital commitment remaining the same). As at December 31, 2010 there had been approximately \$1 million of capital contributions.

Other contractual obligations at December 31, 2010 also include the capital lease on the Company's Nashville property of \$63 million, payable from 2012 onwards.

OFF BALANCE SHEET TRANSACTIONS

Apart from commitments, guarantees and contingencies, as disclosed in Note 20 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.

Willis Group Holdings plc

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.

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.

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 pound 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.

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 24 — Derivative Financial Instruments and Hedging Activities.

The table below gives an approximate analysis of revenues and expenses by currency in 2010.

	<u>US Dollars</u>	<u>Pounds Sterling</u>	<u>Euros</u>	<u>Other currencies</u>
Revenues	60%	8%	13%	19%
Expenses	53%	23%	9%	15%

Our principal exposures to foreign exchange risk arise from:

- our London market operations; and
- translation.

Generally, it is our policy to hedge at least 25 percent of the next 12 months' exposure in significant currencies. We do not hedge exposures beyond three years.

In addition, we are also exposed to foreign exchange risk on any net sterling asset or liability position in our London market operations. Where this risk relates to short-term cash flows, we hedge all or part of the risk by forward purchases or sales.

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.

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.

December 31, 2010	Settlement date before December 31,					
	2011		2012		2013	
	Contract amount (millions)	Average contractual exchange rate	Contract amount (millions)	Average contractual exchange rate	Contract amount (millions)	Average contractual exchange rate
Foreign currency sold						
US dollars sold for sterling	\$ 209	\$ 1.53 = £1	\$ 91	\$ 1.51 = £1	\$ 15	\$ 1.49 = £1
Euro sold for US dollars	86	€ 1 = \$1.40	61	€ 1 = \$1.39	10	€ 1 = \$1.38
Japanese yen sold for US dollars	26	¥ 91.69 = \$1	23	¥ 86.38 = \$1	15	¥ 82.38 = \$1
Total	\$ 321		\$ 175		\$ 40	
Fair Value ⁽¹⁾	\$ 3		\$ 3		\$ —	

December 31, 2009	Settlement date before December 31,							
	2010		2011		2012		2013	
	Contract amount (millions)	Average contractual exchange rate	Contract amount (millions)	Average contractual exchange rate	Contract amount (millions)	Average contractual exchange rate	Contract amount (millions)	Average contractual exchange rate
Foreign currency sold								
US dollars sold for sterling	\$ 168	\$ 1.77 = £1	\$ 63	\$ 1.57 = £1	\$ 30	\$ 1.52 = £1	—	n/a
Euro sold for US dollars	84	€ 1 = \$1.42	63	€ 1 = \$1.41	38	€ 1 = \$1.42	—	n/a
Japanese yen sold for US dollars	24	¥ 97.03 = \$1	21	¥ 92.89 = \$1	11	¥ 88.73 = \$1	2	¥83.95 = \$1
Total	\$ 276		\$ 147		\$ 79		\$ 2	
Fair Value ⁽¹⁾	\$ (15)		\$ —		\$ 1		\$ —	

(1) 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, 2010 or 2009 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. The Company does not hedge net income earned within foreign subsidiaries outside of the UK.

Interest rate risk management

Our operations are financed principally by \$1,750 million fixed rate senior notes issued by subsidiaries and \$411 million under a 5-year term loan facility. Of the fixed rate senior notes,

\$350 million are due 2015, \$500 million are due 2016, \$600 million are due 2017 and \$300 million are due 2019. The 5-year term loan facility amortizes at the rate of \$27 million per quarter. As of

Willis Group Holdings plc

December 31, 2010 we had access to, \$520 million under revolving credit facilities of which \$90 million has been drawn. 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.

As a consequence of our insurance and reinsurance broking activities, there is a delay between the time we receive cash for premiums and claims and the time the cash needs to be paid. We earn interest on this float, which is included in our consolidated financial statements as investment income.

This float is regulated in terms of access and the instruments in which it may be invested, most of which are short-term in maturity. We manage the interest rate risk arising from this exposure primarily through the use of interest rate swaps. It is our policy that, for currencies with significant balances, a minimum of 25 percent of forecast income arising is hedged for each of the next three years.

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 has designated and accounts for these instruments as fair value hedges against its \$350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within the principal amount of the debt.

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 varies 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 hedges in place. Market rates are the rates prevailing at December 31, 2010 or 2009, as appropriate.

December 31, 2010	Expected to mature before December 31,					Thereafter	Total	Fair Value ⁽ⁱ⁾
	2011	2012	2013	2014	2015			
	(\$ millions, except percentages)							
Fixed rate debt								
Principal (\$)		4			350	1,400	1,754	2,059
Fixed rate payable		6.00%			5.63%	8.56%	8.14%	
Floating rate debt								
Principal (\$)	110	109	282				501	501
Variable rate payable	2.70%	3.05%	3.53%				3.36%	
Interest rate swaps								
Variable to Fixed⁽ⁱⁱ⁾								
Principal (\$)	240	40	225	220			725	11
Fixed rate receivable	4.14%	1.84%	2.31%	1.81%			2.44%	
Variable rate payable	0.65%	0.78%	1.07%	2.51%			1.33%	
Principal (€)	56	74	50	49			229	3
Fixed rate receivable	5.77%	4.18%	2.28%	2.44%			3.16%	
Variable rate payable	0.93%	1.52%	1.81%	2.86%			1.88%	
Principal (€)	53	31	46	25			155	1
Fixed rate receivable	4.19%	1.99%	1.86%	2.12%			2.18%	
Variable rate payable	1.30%	1.60%	1.74%	2.39%			1.81%	
Fixed to Variable⁽ⁱⁱⁱ⁾								
Principal (€)					350		350	14
Fixed rate payable					2.71%		2.71%	
Variable rate receivable					2.04%		2.04%	

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

(ii) Excludes accrued interest of \$3 million, which is recorded in prepayments and accrued income in other assets.

(iii) Excludes accrued interest of \$3 million, which is recorded in accrued interest payable in other liabilities.

December 31, 2009	Expected to mature before December 31,				Thereafter	Total	Fair Value ⁽ⁱ⁾
	2010	2011	2012	2013			
	(\$ millions, except percentages)						
Fixed rate debt							
Principal (\$)	99			4	1,750	1,853	2,088
Fixed rate payable	5.13%			6.00%	8.14%	8.12%	
Floating rate debt							
Principal (\$)	110	109	110	192		521	521
Variable rate payable	2.85%	3.54%	4.17%	4.54%		4.16%	
Interest rate swaps⁽ⁱⁱ⁾							
Principal (\$)	235	240	40	90		605	17
Fixed rate receivable	5.20%	4.37%	1.84%	2.80%		4.72%	
Variable rate payable	0.54%	1.10%	2.34%	2.77%		1.85%	
Principal (€)	77	58	61			196	7
Fixed rate receivable	5.21%	5.71%	4.90%			5.23%	
Variable rate payable	0.86%	1.25%	2.44%			1.78%	
Principal (€)	16	57	18			91	2
Fixed rate receivable	4.30%	4.08%	2.30%			3.55%	
Variable rate payable	1.19%	1.48%	2.22%			1.69%	

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

(ii) Excludes accrued interest of \$4 million, which is recorded in prepayments and accrued income in other assets.

Willis Group Holdings plc

Item 8 — Financial Statements and Supplementary Data

Index to Consolidated Financial Statements and Supplementary Data

	<u>Page</u>
Report of Independent Registered Public Accounting Firm	67
Consolidated Statements of Operations for each of the three years in the period ended December 31, 2010	68
Consolidated Balance Sheets as of December 31, 2010 and 2009	69
Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2010	71
Consolidated Statements of Changes in Equity and Comprehensive Income for each of the three years in the period ended December 31, 2010	73
Notes to the Consolidated Financial Statements	74

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, 2010 and 2009, and the related consolidated statements of operations, changes in equity and comprehensive income, and cash flows for each of the three years in the period ended December 31, 2010. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the 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, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

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, 2010, based on the criteria established in *Internal Control — Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 25, 2011 expressed an unqualified opinion on the Company's internal control over financial reporting.

Deloitte LLP
London, United Kingdom
February 25, 2011

Willis Group Holdings plc

CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Years ended December 31,		
		2010	2009	2008
(millions, except per share data)				
REVENUES				
Commissions and fees		\$ 3,300	\$ 3,210	\$ 2,744
Investment income		38	50	81
Other income		1	3	2
Total revenues		<u>3,339</u>	<u>3,263</u>	<u>2,827</u>
EXPENSES				
Salaries and benefits	3	(1,873)	(1,827)	(1,638)
Other operating expenses		(566)	(591)	(603)
Gain on disposal of London headquarters		—	—	7
Depreciation expense	10	(63)	(64)	(54)
Amortization of intangible assets	12	(82)	(100)	(36)
Net (loss) gain on disposal of operations	6	(2)	13	—
Total expenses		<u>(2,586)</u>	<u>(2,569)</u>	<u>(2,324)</u>
OPERATING INCOME				
Interest expense	18	(166)	(174)	(105)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES				
		587	520	398
Income taxes	7	(140)	(96)	(97)
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES				
Interest in earnings of associates, net of tax	13	23	33	22
INCOME FROM CONTINUING OPERATIONS				
Discontinued operations, net of tax		—	2	1
NET INCOME				
Less: net income attributable to noncontrolling interests		(15)	(21)	(21)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS				
		<u>\$ 455</u>	<u>\$ 438</u>	<u>\$ 303</u>
AMOUNTS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS SHAREHOLDERS				
Income from continuing operations, net of tax		\$ 455	\$ 436	\$ 302
Income from discontinued operations, net of tax		—	2	1
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS				
		<u>\$ 455</u>	<u>\$ 438</u>	<u>\$ 303</u>
EARNINGS PER SHARE — BASIC AND DILUTED				
BASIC EARNINGS PER SHARE				
— Continuing operations		<u>\$ 2.68</u>	<u>\$ 2.60</u>	<u>\$ 2.04</u>
DILUTED EARNINGS PER SHARE				
— Continuing operations		<u>\$ 2.66</u>	<u>\$ 2.58</u>	<u>\$ 2.04</u>
CASH DIVIDENDS DECLARED PER SHARE				
		<u>\$ 1.04</u>	<u>\$ 1.04</u>	<u>\$ 1.04</u>

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

CONSOLIDATED BALANCE SHEETS

	Note	December 31,	
		2010	2009 ⁽ⁱ⁾
(millions, except share data)			
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		\$ 316	\$ 221
Accounts receivable, net	16	839	816
Fiduciary assets	9	9,569	9,659
Deferred tax assets	7	36	81
Other current assets	14	340	198
Total current assets		11,100	10,975
NON-CURRENT ASSETS			
Fixed assets, net	10	381	352
Goodwill	11	3,294	3,277
Other intangible assets, net	12	492	572
Investments in associates	13	161	156
Deferred tax assets	7	7	3
Pension benefits asset	17	179	69
Other non-current assets	14	233	221
Total non-current assets		4,747	4,650
TOTAL ASSETS		\$ 15,847	\$ 15,625
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Fiduciary liabilities		\$ 9,569	\$ 9,659
Deferred revenue and accrued expenses		298	301
Income taxes payable		57	46
Short-term debt and current portion of long-term debt	18	110	209
Deferred tax liabilities	7	9	5
Other current liabilities	15	266	278
Total current liabilities		10,309	10,498
NON-CURRENT LIABILITIES			
Long-term debt	18	2,157	2,165
Liability for pension benefits	17	164	187
Deferred tax liabilities	7	83	26
Provisions for liabilities	19	179	226
Other non-current liabilities	15	347	294
Total non-current liabilities		2,930	2,898
Total Liabilities		13,239	13,396

(i) The 2009 balance sheet has been recast to conform to the current year presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

(Continued on next page)

Willis Group Holdings plc

CONSOLIDATED BALANCE SHEETS (Continued)

	Note	December 31,	
		2010	2009 ⁽ⁱ⁾
(millions, except share data)			
COMMITMENTS AND CONTINGENCIES	20		
EQUITY			
Shares, \$0.000115 nominal value; Authorized: 4,000,000,000; Issued and outstanding, 170,883,865 Shares in 2010 and 168,661,172 Shares in 2009. Shares, €1 nominal value; Authorized: 40,000; Issued and outstanding, 40,000 shares in 2010 and 2009		\$ —	\$ —
Additional paid-in capital		985	918
Retained earnings		2,136	1,859
Accumulated other comprehensive loss, net of tax	21	(541)	(594)
Treasury shares, at cost, 46,408 Shares in 2010 and 54,310 Shares in 2009 and 40,000 shares, €1 nominal value, in 2010 and 2009		(3)	(3)
Total Willis Group Holdings stockholders' equity		2,577	2,180
Noncontrolling interests	22	31	49
Total Equity		2,608	2,229
TOTAL LIABILITIES AND EQUITY		\$ 15,847	\$ 15,625

⁽ⁱ⁾ The 2009 balance sheet has been recast to conform to the current year presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Years ended December 31,		
		2010	2009 ⁽ⁱ⁾ (millions)	2008 ⁽ⁱ⁾
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income		\$ 470	\$ 459	\$ 324
Adjustments to reconcile net income to total net cash provided by operating activities:				
Income from discontinued operations		—	(2)	(1)
Net loss (gain) on disposal of operations, fixed and intangible assets and short-term investments		3	(14)	(2)
Gain on disposal of London headquarters		—	—	(7)
Depreciation expense		63	64	54
Amortization of intangible assets		82	100	36
Release of provision for doubtful accounts		—	(1)	(8)
Provision for deferred income taxes		77	(21)	46
Excess tax benefits from share-based payment arrangements		(2)	(1)	(6)
Share-based compensation	4	47	39	40
Undistributed earnings of associates		(18)	(21)	(13)
Non-cash Venezuela currency devaluation		12	—	—
Effect of exchange rate changes on net income		6	(4)	56
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:				
Fiduciary assets		70	773	(745)
Fiduciary liabilities		(70)	(773)	745
Other assets		(266)	(28)	(352)
Other liabilities		60	(192)	58
Movement on provisions		(45)	44	28
Net cash provided by continuing operating activities		489	422	253
Net cash used in discontinued operating activities		—	(3)	—
Total net cash provided by operating activities		489	419	253
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds on disposal of fixed and intangible assets		10	20	6
Additions to fixed assets		(83)	(96)	(94)
Acquisitions of subsidiaries, net of cash acquired		(21)	—	(940)
Acquisition of investments in associates		(1)	(42)	(31)
Investment in Trident V Parallel Fund, LP		(1)	—	—
Proceeds from reorganization of investments in associates	6	—	155	—
Proceeds from sale of continuing operations, net of cash disposed		2	4	11
Proceeds from sale of discontinued operations, net of cash disposed		—	40	—
Proceeds on sale of short-term investments		—	21	15
Total net cash (used in) provided by investing activities		(94)	102	(1,033)

(i) The 2009 and 2008 Consolidated Statements of Cash Flows have been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

(continued on next page)

Willis Group Holdings plc

CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Note	Years ended December 31,		
		2010	2009 ⁽ⁱ⁾ (millions)	2008 ⁽ⁱ⁾
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FROM OPERATING AND INVESTING ACTIVITIES				
		\$ 395	\$ 521	\$ (780)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from draw down of revolving credit facility	18	90	—	—
Proceeds from issue of short-term debt, net of debt issuance costs		—	—	1,026
Proceeds from issue of long-term debt, net of debt issuance costs		—	—	643
Repayments of debt	18	(209)	(1,089)	(641)
Senior notes issued, net of debt issuance costs		—	778	—
Repurchase of shares		—	—	(75)
Proceeds from issue of shares		36	18	15
Excess tax benefits from share-based payment arrangements		2	1	6
Dividends paid		(176)	(174)	(146)
Acquisition of noncontrolling interests		(10)	(33)	(7)
Dividends paid to noncontrolling interests		(26)	(17)	(13)
Total net cash (used in) provided by financing activities		(293)	(516)	808
INCREASE IN CASH AND CASH EQUIVALENTS		102	5	28
Effect of exchange rate changes on cash and cash equivalents		(7)	11	(23)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		221	205	200
CASH AND CASH EQUIVALENTS, END OF YEAR		<u>\$ 316</u>	<u>\$ 221</u>	<u>\$ 205</u>

⁽ⁱ⁾ The 2009 and 2008 Consolidated Statements of Cash Flows have been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details.

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

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
AND COMPREHENSIVE INCOME**

	Note	December 31,		
		2010	2009	2008
		(millions, except share data)		
SHARES OUTSTANDING (thousands)				
Balance, beginning of year		168,661	166,758	143,094
Shares issued		14	486	24,720
Repurchase of shares		—	—	(2,270)
Exercise of stock options and release of non-vested shares		2,209	1,417	1,214
Balance, end of year		<u>170,884</u>	<u>168,661</u>	<u>166,758</u>
ADDITIONAL PAID-IN CAPITAL				
Balance, beginning of year		\$ 918	\$ 886	\$ 41
Issue of shares under employee stock compensation plans and related tax benefits		37	18	20
Repurchase of shares		—	—	(55)
Issue of shares for acquisitions		1	12	840
Share-based compensation		47	39	40
Acquisition of noncontrolling interests		(18)	(33)	—
Repurchase of out of the money options		—	(4)	—
Balance, end of year		<u>985</u>	<u>918</u>	<u>886</u>
RETAINED EARNINGS				
Balance, beginning of year		1,859	1,593	1,463
Net income attributable to Willis Group Holdings ^(a)		455	438	303
Dividends		(178)	(172)	(154)
Repurchase of shares		—	—	(19)
Balance, end of year		<u>2,136</u>	<u>1,859</u>	<u>1,593</u>
ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX				
Balance, beginning of year		(594)	(630)	(153)
Foreign currency translation adjustment ^(b)		(6)	27	(89)
Unrealized holding gain (loss) ^(c)		2	(1)	—
Pension funding adjustment ^(d)		51	(33)	(355)
Net gain (loss) on derivative instruments ^(e)		6	43	(33)
Balance, end of year	21	<u>(541)</u>	<u>(594)</u>	<u>(630)</u>
TREASURY SHARES				
Balance, beginning of year		(3)	(4)	(4)
Shares reissued under stock compensation plans		—	1	—
Balance, end of year		<u>(3)</u>	<u>(3)</u>	<u>(4)</u>
TOTAL WILLIS GROUP HOLDINGS SHAREHOLDERS' EQUITY		<u>\$ 2,577</u>	<u>\$ 2,180</u>	<u>\$ 1,845</u>
NONCONTROLLING INTERESTS				
Balance, beginning of year		\$ 49	\$ 50	\$ 48
Net income		15	21	21
Dividends		(26)	(17)	(13)
Purchase of subsidiary shares from noncontrolling interests, net		(5)	(10)	(4)
Additional noncontrolling interests		—	5	—
Foreign currency translation		(2)	—	(2)
Balance, end of year		<u>31</u>	<u>49</u>	<u>50</u>
TOTAL EQUITY		<u>\$ 2,608</u>	<u>\$ 2,229</u>	<u>\$ 1,895</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS ^(a+b+c+d+e)		<u>\$ 508</u>	<u>\$ 474</u>	<u>\$ (174)</u>

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

Willis Group Holdings plc

1. NATURE OF OPERATIONS

Willis Group Holdings plc ('Willis Group Holdings') and subsidiaries (collectively, the 'Company' or the 'Group') provide 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 major corporates through its retail operations.

In its capacity as an advisor and insurance 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

Redomicile to Ireland

On September 24, 2009, Willis Group Holdings was incorporated in Ireland, in order to effectuate the change of the place of incorporation of the parent company of the Group. Willis Group Holdings operated as a wholly-owned subsidiary of Willis-Bermuda until December 31, 2009, when the outstanding common shares of Willis-Bermuda were canceled and Willis Group Holdings issued ordinary shares with substantially the same rights and preferences on a one-for-one basis to the holders of the Willis-Bermuda common shares that were canceled. Upon completion of this transaction, Willis Group Holdings replaced Willis-Bermuda as the ultimate parent company and Willis-Bermuda became a wholly-owned subsidiary of Willis Group Holdings. On July 29, 2010 Willis-Bermuda was liquidated.

This transaction was accounted for as a merger between entities under common control; accordingly, the historical financial statements of Willis-Bermuda for periods prior to this transaction are considered to be the historical financial statements of Willis Group Holdings. No changes in capital structure, assets or liabilities resulted from this transaction, other than Willis Group Holdings has provided a guarantee of amounts due under certain borrowing arrangements of one of its subsidiaries as described in Note 28.

Balance sheet presentation

Further to the Company's redomiciliation to Ireland at the end of 2009, the Group is required to file consolidated financial statements for fiscal year 2010 with the Irish regulator. These consolidated financial statements are prepared under US GAAP and also incorporate additional Irish Companies Act disclosures. To facilitate this process, the Group has decided to incorporate these requirements within its US filings and consequently has recast the presentation of its 2010 and 2009 consolidated balance sheets. In addition, the company has taken the opportunity to provide additional disclosure within the consolidated balance sheet of the Group's non-fiduciary balances and the further distinction between those assets and liabilities that are expected to be realized within or later than twelve months of the balance sheet date. The Company believes this amended presentation better reflects the Company's liquidity position and exposures to credit risk.

The 2009 and 2008 consolidated statements of cash flows have been recast to conform with the new balance sheet presentation.

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.

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

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 on behalf of insureds.

Fiduciary Assets

Effective December 31, 2010, the Company changed the presentation of its fiduciary balances. Uncollected premiums from insureds and uncollected claims or refunds from insurers, previously held within accounts receivable, are now recorded as fiduciary assets on the Company's consolidated balance sheets. Unremitted insurance premiums and claims ('fiduciary funds') are also recorded within fiduciary assets.

Willis Group Holdings plc

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

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 unless such balances are due to or from the same party and a right of offset exists, in which case the balances are recorded net.

Fiduciary Funds

Fiduciary funds represent unremitted premiums received from insureds and unremitted claims 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 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.

Included in fiduciary funds are cash and cash equivalents consisting primarily of time deposits. The debt securities are classified as available-for-sale. Accordingly, they are recorded at fair market value with unrealized holding gains and losses reported, net of tax, as a component of other comprehensive income.

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.

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.

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.

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

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

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of businesses acquired over the fair market 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:

	<u>Amortization basis</u>	<u>Expected life (years)</u>
Acquired intangible assets	Straight line	10
Acquired HRH customer relationships	In line with underlying cashflows	20
Acquired HRH non-compete agreements	Straight line	2
Acquired HRH trade names	Straight line	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

Willis Group Holdings plc

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

effective fair value hedge, the changes in the fair value of the derivative and of the hedged item attributable to the hedged risk are recognized in earnings. 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 liabilities of changes in tax rates is recognized in the statement of operations in the period in which the enactment date changes. 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 authorities, 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 recognized and the recoveries are likely to be 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 the majority of employees in the United States and United Kingdom. Both these plans are now closed to new entrants. New entrants in the

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

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. 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 of the employees.

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.

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 instead 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 as and when advised.

Fees for risk management and other services are recognized as the services are provided. Negotiated fee arrangements for an agreed period covering multiple insurance placements, the provision of risk management and/or other services are determined, contract by contract, on the basis of the relative fair value of the services completed and the services yet to be rendered. The Company establishes contract cancellation reserves where appropriate: at December 31, 2010, 2009 and 2008, such amounts were not material.

Investment income is recognized as earned.

Willis Group Holdings plc

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

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 (mainly books of business), 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,		
	2010	2009	2008
Global	3,810	3,657	3,510
North America	6,577	6,962	5,608
International	6,714	6,514	6,348
Total Retail	13,291	13,476	11,956
Total average number of employees for the year	17,101	17,133	15,466

Salaries and benefits expense comprises the following:

	Years ended December 31,		
	2010	2009 (millions)	2008
Salaries and other compensation awards including amortization of cash retention awards of \$119 million, \$88 million and \$58 million (see below)	\$ 1,623	\$ 1,570	\$ 1,446
Share-based compensation	47	39	40
Severance costs	15	24	26
Social security costs	119	117	109
Retirement benefits — defined benefit plan expense (income)	35	42	(19)
Retirement benefits — defined contribution plan expense	34	35	36
Total salaries and benefits expense	\$ 1,873	\$ 1,827	\$ 1,638

Severance Costs

The Company incurred severance costs of \$15 million in the year ended December 31, 2010 (2009: \$24 million; 2008: \$26 million) relating to approximately 550 positions (2009: 450 positions; 2008: 100 positions) that have been, or are in the process of being, eliminated as part of the Company's continuing focus on managing expense. Severance costs for these employees were recognized pursuant to the terms of their existing benefit arrangements or employment agreements.

Cash Retention Awards

The Company makes annual cash retention awards to its employees. Employees must repay a proportionate amount of these awards if they voluntarily leave the Company's employ (other than in the event of retirement or permanent disability) before a certain time period, currently up to three years. The Company makes cash payments to its employees in the year it grants these retention awards and recognizes these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made. The unamortized portion of cash retention awards is recorded within other assets.

3. EMPLOYEES (Continued)

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, 2010, 2009 and 2008:

	Years ended December 31,		
	2010	2009 (millions)	2008
Cash retention awards made	\$ 196	\$ 148	\$ 74
Amortization of cash retention awards included in salaries and benefits	119	88	58

Unamortized cash retention awards totaled \$173 million as of December 31, 2010 (2009: \$98 million; 2008: \$41 million).

4. SHARE-BASED COMPENSATION

On December 31, 2010, the Company had a number of open share-based compensation plans, which provide for the grant of time-based and performance-based options, 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, 2010 are described below. The compensation cost that has been charged against income for those plans for the year ended December 31, 2010 was \$47 million (2009: \$39 million; 2008: \$40 million). The total income tax benefit recognized in the statement of operations for share-based compensation arrangements for the year ended December 31, 2010 was \$14 million (2009: \$12 million; 2008: \$12 million).

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. There are 25,000,000 shares available for grant under this 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. The Board of Directors has adopted several sub-plans under the 2001 plan to provide employee sharesave schemes in the UK, Ireland and internationally. Unless terminated sooner by the Board of Directors, the 2001 Plan (and all sub-plans) will expire 10 years after the date of its adoption. That termination will not affect the validity of any grant 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. There are 8,000,000 shares available for grant under this plan. Options are exercisable on a variety of dates, including from the third, fourth or fifth anniversary of grant. Unless terminated sooner by the Board of Directors, the 2008 Plan will expire 10 years after the date of its adoption. That termination will not affect the validity of any grant outstanding at that date.

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.

Willis Group Holdings plc

4. SHARE-BASED COMPENSATION (Continued)

Employee Stock Purchase Plans

The Company has adopted the Willis Group Holdings 2001 North America Employee Share Purchase Plan, expiring May 31, 2011 and the Willis Group Holdings 2010 North America Employee Stock Purchase Plan. 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.

The Company may also issue 245,000 Shares to directors upon exercise of options.

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. With effect from January 1, 2006, the Company uses the simplified method set out in Accounting Standard Codification ('ASC') 718-10-S99 to derive the expected term of options granted. 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,		
	2010	2009	2008
Expected volatility	30.4%	32.4%	30.0%
Expected dividends	3.4%	3.9%	2.5%
Expected life (years)	5	5	4
Risk-free interest rate	2.2%	3.0%	3.9%

Notes to the financial statements

4. SHARE-BASED COMPENSATION (Continued)

A summary of option activity under the plans at December 31, 2010, and changes during the year then ended is presented below:

<u>(Options in thousands)</u>	<u>Options</u>	<u>Weighted Average Exercise Price⁽ⁱ⁾</u>	<u>Weighted Average Remaining Contractual Term</u>	<u>Aggregate Intrinsic Value (millions)</u>
Time-based stock options				
Balance, beginning of year	13,398	\$ 32.23		
Granted	466	\$ 27.41		
Exercised	(1,463)	\$ 26.25		
Forfeited	(831)	\$ 33.45		
Expired	(121)	\$ 29.89		
Balance, end of year	<u>11,449</u>	<u>\$ 32.73</u>	4 years	\$ 36
Options vested or expected to vest at December 31, 2010	11,183	\$ 32.85	4 years	\$ 34
Options exercisable at December 31, 2010	7,939	\$ 33.04	3 years	\$ 23
Performance-based stock options				
Balance, beginning of year	8,869	\$ 32.67		
Granted	1,252	\$ 28.17		
Exercised	(1)	\$ 3.12		
Forfeited	(671)	\$ 31.75		
Balance, end of year	<u>9,449</u>	<u>\$ 32.14</u>	6 years	\$ 31
Options vested or expected to vest at December 31, 2010	5,403	\$ 30.52	6 years	\$ 26
Options exercisable at December 31, 2010	—	—	—	\$ —

(i) Certain options are exercisable in pounds sterling and are converted to dollars using the exchange rate at December 31, 2010.

The weighted average grant-date fair value of time-based options granted during the year ended December 31, 2010 was \$5.25 (2009: \$5.87; 2008: \$6.20). The total intrinsic value of options exercised during the year ended December 31, 2010 was \$8 million (2009: \$3 million; 2008: \$7 million). At December 31, 2010 there was \$17 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 1 year.

The weighted average grant-date fair value of performance-based options granted during the year ended December 31, 2010 was \$7.11 (2009: \$5.89; 2008: \$9.37). The total intrinsic value of options exercised during the year ended December 31, 2010 was \$nil (2009: \$1 million; 2008: \$3 million). At December 31, 2010 there was \$37 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 2 years.

Willis Group Holdings plc

4. SHARE-BASED COMPENSATION (Continued)

A summary of restricted stock unit activity under the Plans at December 31, 2010, 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	2,204	\$ 28.88
Granted	466	\$ 32.32
Vested	(745)	\$ 31.17
Forfeited	(127)	\$ 28.89
Balance, end of year	<u>1,798</u>	<u>\$ 28.82</u>

The total number of restricted stock units vested during the year ended December 31, 2010, was 744,633 shares at an average share price of \$32.17 (2009: 550,224 shares at an average share price of \$24.53). At December 31, 2010 there was \$15 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 1 year.

Cash received from option exercises under all share-based payment arrangements for the year ended December 31, 2010 was \$37 million (2009: \$19 million; 2008: \$11 million). The actual tax benefit realized for the tax deductions from option exercises of the share-based payment arrangements totaled \$10 million for the year ended December 31, 2010 (2009: \$5 million; 2008: \$7 million).

5. AUDITORS' REMUNERATION

An analysis of auditors' remuneration is as follows:

	Years ended December 31,		
	2010	2009 (thousands)	2008
Audit fees(i)	\$ 6,024	\$ 5,981	\$ 5,767
Audit related fees(ii)	207	132	76
Tax fees(iii)	193	33	336
Other services provided by Group auditors(iv)	1,145	20	—
Total auditors' remuneration	<u>\$ 7,569</u>	<u>\$ 6,166</u>	<u>\$ 6,179</u>

(i) Fees for the audits of the Company's annual financial statements and reviews of the financial statements included in the Company's quarterly reports for that fiscal year, services relating to the Company's registration statements and US Generally Accepted Accounting Principles ("US GAAP") accounting consultations and Sarbanes-Oxley Section 404 work.

(ii) Audit related fees relate primarily to professional services such as employee benefit plan audits and non-statutory audits.

(iii) Tax fees comprise fees for various tax compliance engagements.

(iv) All other fees relate primarily to assistance with regulatory inquiries and other advisory services.

6. NET (LOSS) GAIN ON DISPOSAL OF OPERATIONS

Total proceeds for 2010 were \$4 million, comprising \$2 million relating to 2010 disposals of operations and \$2 million of deferred proceeds relating to prior year. A loss on disposal of \$2 million is recorded in the consolidated statements of operations for the year ended December 31, 2010.

Notes to the financial statements

6. NET (LOSS) GAIN ON DISPOSAL OF OPERATIONS (Continued)

Total proceeds from the disposal of operations for 2009 were \$315 million, including \$281 million for 18 percent of the Group's 49 percent interest in Gras Savoye and \$39 million for 100 percent of Bliss & Glennon. A gain on disposal of \$13 million is recorded in the statement of consolidated operations for the year ended December 31, 2009, of which \$10 million relates to Gras Savoye as shown below.

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"), its principal investment in associates. The Company, the family shareholders and Astorg now own equal stakes of 31 percent in 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.

As a result of the December 2009 leveraged transaction the Company recognized a gain of \$10 million in the consolidated statement of operations from the reduction of its interest in Gras Savoye from 49 percent to 31 percent. The Company received total proceeds of \$281 million, comprising cash and interest bearing vendor loans and convertible bonds issued by Gras Savoye. An analysis of the proceeds and the calculation of the gain is as follows:

	<u>(millions)</u>
Proceeds:	
Cash	\$ 155
Vendor Loans	47
Convertible Bonds	79
Net proceeds	281
Less net assets disposed of	(97)
Less interest in new liabilities of Gras Savoye	(174)
Gain on disposal	\$ 10

Total proceeds for 2008 were \$11 million, comprising \$7 million relating to 2008 disposal of operations and \$4 million of deferred proceeds relating to prior years. There was no net gain on disposal in the consolidated statement of operations.

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,		
	2010	2009 (millions)	2008
Ireland	\$ 3	\$ (2)	\$ 18
US	84	6	19
UK	183	204	125
Other jurisdictions	317	312	236
Income from continuing operations before incomes taxes and interest in earnings of associates	<u>\$ 587</u>	<u>\$ 520</u>	<u>\$ 398</u>

Willis Group Holdings plc

7. INCOME TAXES (Continued)

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

	Years ended December 31,		
	2010	2009	2008
	(millions)		
Current income taxes:			
Irish corporation tax	\$ 1	\$ —	\$ 2
US federal tax	(30)	41	(10)
US state and local taxes	—	18	2
UK corporation tax	54	17	(2)
Other jurisdictions	41	52	61
Total current taxes	66	128	53
Non-current taxes:			
US federal tax	(3)	(9)	(2)
US state and local taxes	(3)	(2)	—
Other jurisdictions	3	—	—
Total non-current taxes	(3)	(11)	(2)
Deferred taxes:			
US federal tax	57	(24)	10
US state and local taxes	9	(3)	—
UK corporation tax	3	1	38
Other jurisdictions	8	5	(2)
Total deferred taxes	77	(21)	46
Total income taxes	\$ 140	\$ 96	\$ 97

Notes to the financial statements

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,		
	2010	2009	2008
	(millions, except percentages)		
Income from continuing operations before income taxes and interest in earnings of associates	\$ 587	\$ 520	\$ 398
US federal statutory income tax rate	35%	35%	35%
Income tax expense at US federal tax rate	205	182	140
Adjustments to derive effective rate:			
Non-deductible expenditure	7	4	4
Movement in provision for non-current taxes	(3)	(11)	(2)
Release of provision for unremitted earnings	—	(27)	—
Impact of change in tax rate on deferred tax balances	(4)	—	—
Adjustment in respect of prior periods	(22)	(6)	1
Non-deductible Venezuelan foreign exchange loss	4	—	—
Non-taxable profit on disposal of Gras Savoye	1	(3)	—
Effect of foreign exchange and other differences	(15)	—	—
Other	—	2	(7)
Tax differentials of foreign earnings:			
UK earnings	(13)	(13)	(8)
Other jurisdictions and US state taxes	(20)	(32)	(31)
Provision for income taxes	\$ 140	\$ 96	\$ 97

Willis Group Holdings plc

7. INCOME TAXES (Continued)

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

	December 31,	
	2010	2009
	(millions)	
Deferred tax assets:		
Accrued expenses not currently deductible	\$ 34	\$ 131
US state net operating losses	47	34
UK net operating losses	2	2
Other net operating losses	3	—
UK capital losses	49	56
Accrued retirement benefits	62	52
Deferred compensation	46	68
Stock options	51	47
Gross deferred tax assets	294	390
Less: valuation allowance	(87)	(92)
Net Deferred tax assets	\$ 207	\$ 298
Deferred tax liabilities:		
Cost of intangible assets, net of related amortization	\$ 155	\$ 220
Cost of tangible assets, net of related depreciation	25	—
Prepaid retirement benefits	50	—
Accrued revenue not currently taxable	7	—
Cash retention award	10	—
Tax-leasing transactions	3	4
Financial derivative transactions	6	3
Other	—	18
Deferred tax liabilities	256	245
Net deferred tax (liabilities) assets	\$ (49)	\$ 53

Notes to the financial statements

7. INCOME TAXES (Continued)

	December 31,	
	2010	2009
	(millions)	
Balance sheet classifications:		
Current:		
Deferred tax assets	\$ 36	\$ 81
Deferred tax liabilities	(9)	(5)
Net current deferred tax assets	<u>27</u>	<u>76</u>
Non-current:		
Deferred tax assets	7	3
Deferred tax liabilities	(83)	(26)
Net non-current deferred tax liabilities	<u>(76)</u>	<u>(23)</u>
Net deferred tax (liability) asset	<u>\$ (49)</u>	<u>\$ 53</u>

At December 31, 2010, the Company had valuation allowances of \$87 million (2009: \$92 million) to reduce its deferred tax assets to estimated realizable value. The valuation allowances at December 31, 2010 relate to the deferred tax assets arising from UK capital loss carryforwards (\$49 million) and other net operating losses (\$1 million), which have no expiration date and to the deferred tax assets arising from US State net operating losses (\$37 million). 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	Deductions / Other movements (millions)	Foreign exchange differences	Balance at end of year
Year ended December 31, 2010					
Deferred tax valuation allowance	\$ 92	\$ —	\$ (4)	\$ (1)	\$ 87
Year ended December 31, 2009					
Deferred tax valuation allowance	85	—	2	5	92
Year ended December 31, 2008					
Deferred tax valuation allowance	<u>\$ 69</u>	<u>\$ 34</u>	<u>\$ —</u>	<u>\$ (18)</u>	<u>\$ 85</u>

At December 31, 2010, the Company had deferred tax assets of \$207 million (2009: \$298 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.

Willis Group Holdings plc

7. INCOME TAXES (Continued)

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, 2010, totaled \$13 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 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:

	2010	2009	2008
		(millions)	
Balance at January 1	\$ 17	\$ 33	\$ 20
Reductions due to a lapse of the applicable statute of limitation	(7)	(11)	(5)
Adjustment to assessment of acquired HRH balances	—	(8)	—
Increase of HRH opening balances	—	—	15
Other movements	3	3	3
Balance at December 31	<u>\$ 13</u>	<u>\$ 17</u>	<u>\$ 33</u>

All of the unrecognized tax benefits at December 31, 2010 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 2006 US tax year closed in 2010 upon the expiration of the statute of limitations on assessment. US tax returns have been filed timely. The Company has received notice that the IRS will be examining the 2009 tax return. 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 enquiries to obtain additional information. There are no material ongoing enquiries in relation to filed UK returns other than in relation to the quantification of foreign tax reliefs available on the remittance of foreign earnings.

8. 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.

For the year ended December 31, 2010, time-based and performance-based options to purchase 11.5 million and 9.4 million (2009: 13.4 million and 8.9 million; 2008: 16.9 million and 5.8 million) shares, respectively, and 1.8 million restricted stock units (2009: 2.2 million; 2008: 1.4 million), respectively, were outstanding.

Notes to the financial statements

8. EARNINGS PER SHARE (Continued)

Basic and diluted earnings per share are as follows:

	Years ended December 31,		
	2010	2009	2008
	(millions, except per share data)		
Net income attributable to Willis Group Holdings	\$ 455	\$ 438	\$ 303
Basic average number of shares outstanding	170	168	148
Dilutive effect of potentially issuable shares	1	1	—
Diluted average number of shares outstanding	171	169	148
Basic earnings per share:			
Continued operations	\$ 2.68	\$ 2.60	\$ 2.04
Discontinued operations	—	0.01	0.01
Net income attributable to Willis Group Holdings shareholders	\$ 2.68	\$ 2.61	\$ 2.05
Dilutive effect of potentially issuable shares	(0.02)	(0.02)	—
Diluted earnings per share:			
Continued operations	\$ 2.66	\$ 2.58	\$ 2.04
Discontinued operations	—	0.01	0.01
Net income attributable to Willis Group Holdings shareholders	\$ 2.66	\$ 2.59	\$ 2.05

Options to purchase 13.9 million shares for the year ended December 31, 2010 were not included in the computation of the dilutive effect of stock options because the effect was antidilutive (2009: 16.1 million shares; 2008: 22.1 million shares).

9. 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 on behalf of 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 sheets. Unremitted insurance premiums and claims ('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 \$1,764 million as of December 31, 2010 (2009: \$1,683 million). Accrued interest on funds is recorded as other assets.

Consolidation of fiduciary funds

The financial statements as at December 31, 2010 and 2009 reflect the consolidation of one Variable Interest Entity ('VIE'), a UK non-statutory trust that was established in January 2005 following the introduction of statutory regulation of insurance in the UK by the Financial Services Authority. The regulation requires that all fiduciary funds collected by an insurance broker such as the Company be paid into a non-statutory trust designed to give additional credit protection to the clients and insurance carriers of the Company. This trust restricts the financial instruments in which such funds may be invested and affects the timing of transferring commission from fiduciary funds to own funds.

Willis Group Holdings plc

9. FIDUCIARY ASSETS (Continued)

As of December 31, 2010, the fair value of the fiduciary funds in the VIE was \$976 million (2009: \$903 million) and the fair value of the associated liabilities was \$976 million (2009: \$903 million). There are no assets of the Company that serve as collateral for the VIE.

10. FIXED ASSETS, NET

An analysis of fixed asset activity for the years ended December 31, 2010 and 2009 are as follows:

	Land and buildings ⁽ⁱ⁾	Leasehold improvements (millions)	Furniture and equipment	Total
Cost: at January 1, 2009	\$ 41	\$ 148	\$ 359	\$ 548
Additions	—	23	73	96
Disposals	—	(8)	(65)	(73)
Foreign exchange	4	11	23	38
Cost: at December 31, 2009	45	174	390	609
Additions	24	13	69	106
Disposals	—	(4)	(45)	(49)
Foreign exchange	(2)	(1)	(9)	(12)
Cost: at December 31, 2010	\$ 67	\$ 182	\$ 405	\$ 654
Depreciation: at January 1, 2009	\$ (14)	\$ (27)	\$ (195)	\$ (236)
Depreciation expense provided	(2)	(12)	(50)	(64)
Disposals	—	5	56	61
Foreign exchange	(2)	(2)	(14)	(18)
Depreciation: at December 31, 2009	(18)	(36)	(203)	(257)
Depreciation expense provided	(2)	(12)	(49)	(63)
Disposals	—	2	39	41
Foreign exchange	1	—	5	6
Depreciation: at December 31, 2010	\$ (19)	\$ (46)	\$ (208)	\$ (273)
Net book value:				
At December 31, 2009	\$ 27	\$ 138	\$ 187	\$ 352
At December 31, 2010	\$ 48	\$ 136	\$ 197	\$ 381

⁽ⁱ⁾ Included within land and buildings are assets held under capital leases. At December 31, 2010, cost and accumulated depreciation were \$23 million and \$1 million respectively (2009: \$nil and \$nil respectively; 2008: \$nil and \$nil respectively). Depreciation in the year ended December 31, 2010 was \$1 million (2009: \$nil; 2008: \$nil).

11. GOODWILL

Goodwill represents the excess of the cost of businesses acquired over the fair market 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's annual goodwill impairment tests for 2010 and prior years have not resulted in an impairment charge (2009: \$nil; 2008: \$nil).

Notes to the financial statements

11. GOODWILL (Continued)

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 operating segment for the years ended December 31, 2010 and 2009 are as follows:

	Global	North America	International	Total
	(millions)			
Balance at January 1, 2009	\$ 1,046	\$ 1,810	\$ 419	\$ 3,275
Goodwill acquired during 2009	4	1	14	19
Purchase price allocation adjustments	24	(4)	—	20
Goodwill disposed of during 2009	—	(27)	(1)	(28)
Foreign exchange	(9)	—	—	(9)
Balance at December 31, 2009	\$ 1,065	\$ 1,780	\$ 432	\$ 3,277
Purchase price allocation adjustments	—	6	—	6
Other movements ⁽ⁱ⁾	—	(3)	—	(3)
Foreign exchange	(2)	—	16	14
Balance at December 31, 2010	<u>\$ 1,063</u>	<u>\$ 1,783</u>	<u>\$ 448</u>	<u>\$ 3,294</u>

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

12. 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; and
- ‘Contract based, Technology and Other’ includes all other purchased intangible assets.

The major classes of amortizable intangible assets are as follows:

	December 31, 2010			December 31, 2009		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	(millions)					
Customer and Marketing Related:						
Client Relationships	\$ 695	\$ (207)	\$ 488	\$ 691	\$ (138)	\$ 553
Client Lists	9	(7)	2	9	(6)	3
Non-compete Agreements	36	(36)	—	36	(23)	13
Trade Names	11	(10)	1	11	(10)	1
Total Customer and Marketing Related	<u>751</u>	<u>(260)</u>	<u>491</u>	<u>747</u>	<u>(177)</u>	<u>570</u>
Contract based, Technology and Other	4	(3)	1	4	(2)	2
Total amortizable intangible assets	<u>\$ 755</u>	<u>\$ (263)</u>	<u>\$ 492</u>	<u>\$ 751</u>	<u>\$ (179)</u>	<u>\$ 572</u>

Willis Group Holdings plc

12. OTHER INTANGIBLE ASSETS, NET (Continued)

The aggregate amortization of intangible assets for the year ended December 31, 2010 was \$82 million (2009: \$100 million; 2008: \$36 million). The estimated aggregate amortization of intangible assets for each of the next five years ended December 31 is as follows:

	(millions)
2011	\$ 67
2012	60
2013	52
2014	45
2015	38
Thereafter	230
Total	\$ 492

13. 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:

	Country	December 31,	
		2010	2009
Al-Futtaim Willis Co. L.L.C.	Dubai	49%	49%
GS & Cie Groupe	France	31%	31%

The Company's principal investment as of December 31, 2010 and 2009 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 31 percent in 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 canceled and the Company now has a new call option to purchase 100 percent of the capital of Gras Savoye. If the Company does not waive the new call option before April 30, 2014, then it must exercise the new call option in 2015 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 2015. At the end of this period, shareholders are entitled to pre-emptive and tag-along rights.

As a result of the December 2009 leveraged transaction the Company recognized a gain of \$10 million in the consolidated statement of operations for the year ended December 31, 2009 from the reduction of its interest in Gras Savoye from 49 percent to 31 percent. The Company received total proceeds of \$281 million, comprising cash and interest bearing vendor loans and convertible bonds issued by Gras Savoye. See Note 6 — Net (Loss) Gain on Disposal of Operations for an analysis of the proceeds and the calculation of the gain.

The carrying amount of the Gras Savoye investment as of December 31, 2010 includes goodwill of \$88 million (2009: \$94 million) and interest bearing vendor loans and convertible bonds issued by Gras Savoye of \$44 million and \$78 million respectively (2009: \$46 million and \$78 million, respectively).

Notes to the financial statements

13. INVESTMENTS IN ASSOCIATES (Continued)

As of December 31, 2010 and 2009, the Company's other investments in associates, individually and in the aggregate, were not material to the Company's operations.

Unaudited condensed financial information for associates, in the aggregate, as of and for the three years ended December 31, 2010, 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.

	2010	2009 (millions)	2008
Condensed statements of operations data(i):			
Total revenues	\$ 510	\$ 534	\$ 574
Income before income taxes	61	96	86
Net income	43	64	51
Condensed balance sheets data(i):			
Total assets	2,043	2,204	1,538
Total liabilities	(1,825)	(1,767)	(1,262)
Stockholders' equity	(218)	(437)	(276)

(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 2010.

For the year ended December 31, 2010, the Company recognized \$5 million (2009: \$12 million; 2008: \$9 million) in respect of dividends received from associates.

14. OTHER ASSETS

An analysis of other assets is as follows:

	December 31,	
	2010	2009
	(millions)	
Other current assets		
Unamortized cash retention awards	\$ 125	\$ 66
Prepayments and accrued income	73	59
Income taxes receivable	69	—
Derivatives	17	9
Debt issuance costs	8	8
Other receivables	48	56
Total other current assets	\$ 340	\$ 198
Other non-current assets		
Deferred compensation plan assets	\$ 114	\$ 107
Unamortized cash retention awards	48	32
Derivatives	30	26
Debt issuance costs	27	35
Other receivables	14	21
Total other non-current assets	\$ 233	\$ 221
Total other assets	\$ 573	\$ 419

Willis Group Holdings plc

15. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	December 31,	
	2010	2009
	(millions)	
Other current liabilities		
Accrued dividends payable	\$ 46	\$ 44
Other taxes payable	41	46
Accounts payable	39	27
Accrued interest payable	21	27
Derivatives	6	18
Other payables	113	116
Total other current liabilities	<u>\$ 266</u>	<u>\$ 278</u>
Other non-current liabilities		
Incentives from lessors	\$ 150	\$ 133
Deferred compensation plan liability	120	115
Capital lease obligation	23	—
Derivatives	6	5
Other payables	48	41
Total other non-current liabilities	<u>\$ 347</u>	<u>\$ 294</u>
Total other liabilities	<u>\$ 613</u>	<u>\$ 572</u>

16. 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 (millions)	Foreign exchange differences	Balance at end of year
Year ended December 31, 2010					
Allowance for doubtful accounts	\$ 16	\$ —	\$ (4)	\$ —	\$ 12
Year ended December 31, 2009					
Allowance for doubtful accounts	\$ 20	\$ (1)	\$ (4)	\$ 1	\$ 16
Year ended December 31, 2008					
Allowance for doubtful accounts	\$ 20	\$ (3)	\$ 7	\$ (4)	\$ 20

17. PENSION PLANS

The Company maintains two principal defined benefit pension plans that cover the majority of our employees in the United States and United Kingdom. Both of these plans are now closed to new entrants. New entrants 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

Notes to the financial statements

17. PENSION PLANS (Continued)

which it operates. 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.

Effective May 15, 2009, the Company closed the US defined benefit plan to future accrual. Consequently, a curtailment gain of \$12 million was recognized during the year ended December 31, 2009.

At December 31, 2010, the Company recorded, on the Consolidated Balance Sheets:

- a pension benefit asset of \$179 million (2009: \$69 million) in respect of the UK defined benefit pension plan; and
- a total liability for pension benefits of \$164 million (2009: \$187 million) representing:
 - \$154 million (2009: \$157 million) in respect of the US defined benefit pension plan; and
 - \$10 million (2009: \$30 million) in respect of the International defined benefit pension plans.

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	
	2010	2009	2010	2009
	(millions)			
Change in benefit obligation:				
Benefit obligation, beginning of year	\$ 1,811	\$ 1,386	\$ 686	\$ 649
Service cost	37	28	—	7
Interest cost	100	96	40	40
Employee contributions	2	4	—	—
Actuarial loss	84	208	57	19
Benefits paid	(72)	(62)	(27)	(25)
Foreign currency changes	(56)	151	—	—
Curtailment	—	—	—	(4)
Benefit obligations, end of year	<u>1,906</u>	<u>1,811</u>	<u>756</u>	<u>686</u>
Change in plan assets:				
Fair value of plan assets, beginning of year	1,880	1,497	529	441
Actual return on plan assets	245	234	70	86
Employee contributions	2	4	—	—
Employer contributions	88	47	30	27
Benefits paid	(72)	(62)	(27)	(25)
Foreign currency changes	(58)	160	—	—
Fair value of plan assets, end of year	<u>2,085</u>	<u>1,880</u>	<u>602</u>	<u>529</u>
Funded status at end of year	<u>\$ 179</u>	<u>\$ 69</u>	<u>\$ (154)</u>	<u>\$ (157)</u>
Components on the Consolidated Balance Sheets:				
Pension benefits asset	\$ 179	\$ 69	\$ —	\$ —
Liability for pension benefits	—	—	(154)	(157)

Willis Group Holdings plc

17. PENSION PLANS (Continued)

Amounts recognized in accumulated other comprehensive loss consist of:

	UK Pension Benefits		US Pension Benefits	
	2010	2009	2010	2009
Net actuarial loss	\$ 571	\$ 648	\$ 169	\$ 143
Prior service gain	(30)	(36)	—	—

The accumulated benefit obligations for the Company's UK and US defined benefit pension plans were \$1,906 million and \$756 million, respectively (2009: \$1,811 million and \$686 million, respectively).

The components of the net periodic benefit 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		
	2010	2009	2008	2010	2009	2008
	(millions)					
Components of net periodic benefit cost:						
Service cost	\$ 37	\$ 28	\$ 35	\$ —	\$ 7	\$ 23
Interest cost	100	96	114	40	40	38
Expected return on plan assets	(141)	(127)	(184)	(42)	(36)	(47)
Amortization of unrecognized prior service gain	(5)	(5)	(3)	—	—	(1)
Amortization of unrecognized actuarial loss	37	33	—	3	8	—
Curtailment gain	—	—	—	—	(12)	—
Net periodic benefit cost (income)	\$ 28	\$ 25	\$ (38)	\$ 1	\$ 7	\$ 13
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss):						
Net actuarial (gain) loss	\$ (20)	\$ 102	\$ 445	\$ 29	\$ (31)	\$ 165
Amortization of unrecognized actuarial loss ⁽ⁱ⁾	(37)	(33)	—	(3)	(12)	—
Prior service gain	—	—	(33)	—	—	(6)
Amortization of unrecognized prior service gain	5	5	3	—	—	1
Curtailment gain	—	—	—	—	12	—
Total recognized in other comprehensive (loss) income	\$ (52)	\$ 74	\$ 415	\$ 26	\$ (31)	\$ 160
Total recognized in net periodic benefit cost and other comprehensive income	\$ (24)	\$ 99	\$ 377	\$ 27	\$ (24)	\$ 173

(i) 2009 US Pension Benefits figure includes \$4 million due to curtailment.

Notes to the financial statements

17. PENSION PLANS (Continued)

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	\$ 30	\$ 3
Prior service gain	5	—

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	
	2010	2009	2010	2009
Weighted-average assumptions to determine benefit obligations:				
Discount rate	5.5%	5.8%	5.6%	6.1%
Rate of compensation increase	2.6%	2.5%	N/A	N/A
Weighted-average assumptions to determine net periodic benefit cost:				
Discount rate	5.8%	6.5%	6.1%	6.3%
Expected return on plan assets	7.8%	7.8%	8.0%	8.0%
Rate of compensation increase	2.5%	3.5%	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 8.85 percent, debt securities 5.10 percent and real estate 5.80 percent. The expected returns on US plan assets are: US and foreign equities 10.25 percent and debt securities 4.75 percent.

The Company's pension plan asset allocations based on fair values were as follows:

Asset Category	Years Ended December 31,			
	UK Pension Benefits		US Pension Benefits	
	2010	2009	2010	2009
Equity securities	51%	57%	54%	58%
Debt securities	24%	25%	45%	42%
Hedge funds	20%	15%	—	—
Real estate	4%	3%	—	—
Cash	1%	—	1%	—
Total	100%	100%	100%	100%

The Company's investment policy includes a mandate to diversify assets and the Company invests in a variety of asset classes to achieve that goal. The UK plan's assets are divided into 10 separate portfolios according to asset class and managed by 11 investment managers. The broad target allocations are UK and foreign equities (59 percent), debt securities (20 percent), hedge funds (16 percent) and real estate (5 percent). 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 (61 percent) and debt securities (39 percent).

Willis Group Holdings plc

17. PENSION PLANS (Continued)

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.

The following tables present, at December 31, 2010 and 2009, 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.

December 31, 2010	UK Pension Plan			Total
	Level 1	Level 2	Level 3	
	(millions)			
Equity securities:				
US equities	\$ 421	\$ 90	\$ —	\$ 511
UK equities	303	97	—	400
Other equities	—	149	—	149
Fixed income securities:				
US Government bonds	49	—	—	49
UK Government bonds	348	—	—	348
Other Government bonds	17	—	—	17
UK corporate bonds	57	—	—	57
Other corporate bonds	14	—	—	14
Derivatives	—	22	—	22
Real estate	—	—	83	83
Cash	31	—	—	31
Other investments:				
Hedge funds	—	—	415	415
Other	—	(13)	2	(11)
Total	\$ 1,240	\$ 345	\$ 500	\$ 2,085

Notes to the financial statements

17. PENSION PLANS (Continued)

December 31, 2009	UK Pension Plan			Total
	Level 1	Level 2 (millions)	Level 3	
Equity securities:				
US equities	\$ 348	\$ 80	\$ —	\$ 428
UK equities	264	302	—	566
Other equities	—	83	—	83
Fixed income securities:				
US Government bonds	51	—	—	51
UK Government bonds	330	—	—	330
Other Government bonds	21	—	—	21
UK corporate bonds	56	—	—	56
Other corporate bonds	16	—	—	16
Derivatives	—	(17)	—	(17)
Real estate	—	—	54	54
Cash	11	—	—	11
Other investments:				
Hedge funds	—	—	272	272
Other	—	7	2	9
Total	\$ 1,097	\$ 455	\$ 328	\$ 1,880

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, 2010 and 2009, 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.

December 31, 2010	US Pension Plan			Total
	Level 1	Level 2 (millions)	Level 3	
Equity securities:				
US equities	\$ 201	\$ —	\$ —	\$ 201
Non US equities	127	—	—	127
Fixed income securities:				
US Government bonds	112	—	—	112
US corporate bonds	111	—	—	111
Non US Government bonds	47	—	—	47
Cash	—	5	—	5
Other investments:				
Other	—	(1)	—	(1)
Total	\$ 598	\$ 4	\$ —	\$ 602

Willis Group Holdings plc

17. PENSION PLANS (Continued)

December 31, 2009	US Pension Plan			Total
	Level 1	Level 2 (millions)	Level 3	
Equity securities:				
US equities	\$ 162	\$ —	\$ —	\$ 162
Non US equities	145	—	—	145
Fixed income securities:				
US Government bonds	107	—	—	107
US corporate bonds	70	—	—	70
Non US Government bonds	44	—	—	44
Cash	—	2	—	2
Other investments:				
Other	—	(1)	—	(1)
Total	\$ 528	\$ 1	\$ —	\$ 529

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.

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, 2010 and 2009:

	UK Pension Plan Level 3 (millions)
Balance at January 1, 2009	\$ 213
Purchases, sales, issuances and settlements, net	68
Unrealized gains relating to instruments still held at end of year	33
Realized losses relating to investments disposed of during the year	(1)
Foreign exchange	15
Balance at December 31, 2009	\$ 328
Purchases, sales, issuances and settlements, net	156
Unrealized gains relating to instruments still held at end of year	22
Foreign exchange	(6)
Balance at December 31, 2010	\$ 500

In 2011, the Company expects to contribute \$89 million to the UK plan, of which \$11 million is in respect of salary sacrifice contributions, and \$30 million to the US plan.

Notes to the financial statements

17. PENSION PLANS (Continued)

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	US Pension
	Benefits	Benefits
	(millions)	
2011	\$ 78	\$ 30
2012	83	33
2013	86	36
2014	89	39
2015	90	41
2016-2020	496	240

Effective May 15, 2009, the Company closed the US defined benefit plan to future accrual. Consequently, a curtailment gain of \$12 million was recognized during the year ended December 31, 2009.

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 has 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 2010 were \$nil million (2009: \$5 million; 2008: \$8 million).

International 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.

A \$10 million pension benefit liability (2009: \$30 million) has been recognized in respect of these schemes.

Willis Group Holdings plc

17. PENSION PLANS (Continued)

The following schedules provide information concerning the Company's international defined benefit pension plans:

	International Pension Benefits	
	2010	2009
	(millions)	
Change in benefit obligation:		
Benefit obligation, beginning of year	\$ 150	\$ 118
Service cost	4	6
Interest cost	7	8
Actuarial (gain) loss	(4)	11
Benefits paid	(15)	(2)
Curtailement	1	—
Foreign currency changes	(8)	9
Benefit obligations, end of year	135	150
Change in plan assets:		
Fair value of plan assets, beginning of year	120	89
Actual return on plan assets	15	19
Employer contributions	12	8
Benefits paid	(15)	(2)
Foreign currency changes	(7)	6
Fair value of plan assets, end of year	125	120
Funded status at end of year	\$ (10)	\$ (30)
Components on the Consolidated Balance Sheets:		
Liability for pension benefits	\$ (10)	\$ (30)

Amounts recognized in accumulated other comprehensive loss consist of a net actuarial loss of \$10 million (2009: \$24 million).

The accumulated benefit obligation for the Company's international defined benefit pension plans was \$131 million (2009: \$133 million).

Notes to the financial statements

17. PENSION PLANS (Continued)

The components of the net periodic benefit cost and other amounts recognized in other comprehensive loss for the international defined benefit plans are as follows:

	International Pension Benefits		
	2010	2009 (millions)	2008
Components of net periodic benefit cost:			
Service cost	\$ 4	\$ 6	\$ 6
Interest cost	7	8	7
Expected return on plan assets	(6)	(6)	(8)
Amortization of unrecognized actuarial loss	—	2	—
Curtailement loss	1	—	—
Other	—	—	1
Net periodic benefit cost	<u>\$ 6</u>	<u>\$ 10</u>	<u>\$ 6</u>
Other changes in plan assets and benefit obligations recognized in other comprehensive income (loss):			
Amortization of unrecognized actuarial loss	\$ —	\$ (2)	\$ —
Net actuarial gain	(13)	(2)	31
Total recognized in other comprehensive loss	<u>(13)</u>	<u>(4)</u>	<u>31</u>
Total recognized in net periodic benefit cost and other comprehensive (loss) income	<u>\$ (7)</u>	<u>\$ 6</u>	<u>\$ 37</u>

The estimated net loss for the international defined benefit plans that will be amortized from accumulated other comprehensive loss into net periodic benefit cost over the next fiscal year is \$nil million.

The following schedule provides other information concerning the Company's international defined benefit pension plans:

	International Pension Benefits	
	2010	2009
Weighted-average assumptions to determine benefit obligations:		
Discount rate	4.00%–5.10%	5.00%–5.30%
Rate of compensation increase	2.50%–3.00%	2.00%–3.00%
Weighted-average assumptions to determine net periodic benefit cost:		
Discount rate	5.00%–5.30%	5.00%–6.50%
Expected return on plan assets	4.60%–6.31%	5.60%–6.50%
Rate of compensation increase	2.00%–3.00%	2.00%–4.50%

The determination of the expected long-term rate of return on the international 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.

Willis Group Holdings plc

17. PENSION PLANS (Continued)

The Company's international pension plan asset allocations at December 31, 2010 based on fair values were as follows:

Asset Category	International Pension Benefits	
	2010	2009
Equity securities	44%	39%
Debt securities	42%	44%
Real estate	4%	4%
Other	10%	13%
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, 2010 and 2009, for each of the fair value hierarchy levels, the Company's international pension plan assets that are measured at fair value on a recurring basis.

December 31, 2010	International Pension Plans			Total
	Level 1	Level 2 (millions)	Level 3	
Equity securities:				
US equities	\$ 23	\$ —	\$ —	\$ 23
UK equities	4	—	—	4
Overseas equities	21	—	—	21
Unit linked funds	7	—	—	7
Fixed income securities:				
Other Government bonds	30	2	—	32
Real estate	—	—	5	5
Cash	12	—	—	12
Other investments:				
Derivative instruments	—	21	—	21
Total	\$ 97	\$ 23	\$ 5	\$ 125

Notes to the financial statements

17. PENSION PLANS (Continued)

December 31, 2009	International Pension Plans			Total
	Level 1	Level 2 (millions)	Level 3	
Equity securities:				
US equities	\$ 14	\$ —	\$ —	\$ 14
UK equities	7	—	—	7
Overseas equities	6	—	—	6
Unit linked funds	24	—	—	24
Fixed income securities:				
Other Government bonds	31	2	—	33
Real estate	—	—	5	5
Cash	9	—	—	9
Other investments:				
Derivative instruments	—	22	—	22
Total	\$ 91	\$ 24	\$ 5	\$ 120

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, 2010. In 2011, the Company expects to contribute \$7 million to the international plans.

The following benefit payments, which reflect expected future service, as appropriate, are estimated to be paid by the international defined benefit pension plans:

Expected future benefit payments	International Pension Benefits (millions)
2011	\$ 3
2012	4
2013	4
2014	4
2015	4
2016-2020	25

Willis Group Holdings plc

18. DEBT

Short-term debt and current portion of the long-term debt consists of the following:

	December 31,	
	2010	2009
	(millions)	
Current portion of 5-year term loan facility	\$ 110	\$ 110
5.125% senior notes due 2010	—	90
6.000% loan notes due 2010	—	9
	<u>\$ 110</u>	<u>\$ 209</u>

Long-term debt consists of the following:

	December 31,	
	2010	2009
	(millions)	
5-year term loan facility	\$ 301	\$ 411
Revolving \$300 million credit facility	90	—
6.000% loan notes due 2012	4	4
5.625% senior notes due 2015	350	350
Fair value adjustment on 5.625% senior notes due 2015	12	—
12.875% senior notes due 2016	500	500
6.200% senior notes due 2017	600	600
7.000% senior notes due 2019	300	300
	<u>\$ 2,157</u>	<u>\$ 2,165</u>

Until December 22, 2010, all direct obligations under the 12.875% senior notes listed above were guaranteed by Willis Group Holdings, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America Inc., and all direct obligations under the 5.625%, 6.200% and 7.000% senior notes were guaranteed by Willis Group Holdings, Willis Netherland 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.

On that date and in connection with a group reorganization, TA II Limited, TA III Limited and TA IV Limited transferred their obligations as guarantors to the other Guarantor Companies. TA II Limited, TA III Limited and TA IV Limited entered member's voluntary liquidation on December 31, 2010.

Debt issuance

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 has designated and accounts for these instruments as fair value hedges against its \$350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within long-term debt.

The 5-year term loan facility bears interest at LIBOR plus 2.250% and is repayable at \$27 million per quarter, with a final payment of \$115 million due in the fourth quarter of 2013. Drawings under the revolving \$300 million credit facility bear interest at LIBOR plus 2.250% and the facility expires on October 1, 2013. On August 9, 2010, Willis North America, Inc. agreed an additional revolving credit facility for \$200 million. Drawings on this facility bear interest at LIBOR plus a margin of either 1.750% or 2.750% depending upon

18. DEBT (Continued)

the currency of the loan. This margin applies while the Company's debt rating remains BBB-/Baa3. This facility expires on October 1, 2013. As at December 31, 2010 no drawings had been made on the facility.

On June 22, 2010, a further revolving credit facility of \$20 million was put in place which bears interest at LIBOR plus 1.700% until 2012 and LIBOR plus 1.850% thereafter. The facility expires on December 22, 2012. As at December 31, 2010 no drawings had been made on the facility.

The \$20 million revolving credit facility put in place on June 22, 2010 is solely for the use of our main UK regulated entity and would be available in certain exceptional circumstances. This facility is secured against the freehold of the UK regulated entity's freehold property in Ipswich.

In March 2009, Trinity Acquisition plc issued 12.875% senior notes due 2016 in an aggregate principal amount of \$500 million to Goldman Sachs Mezzanine Partners which generated net proceeds of \$482 million. These proceeds were used to refinance part of an interim credit facility.

In September 2009, Willis North America, Inc. issued \$300 million of 7.000% senior notes due 2019. A tender offer was launched on September 22, 2009, to repurchase any and all of the \$250 million 5.125% senior notes due July 2010 at a premium of \$27.50 per \$1,000 face value. Notes totaling approximately \$160 million were tendered and repurchased.

The agreements relating to our 5-year term loan facility and the Willis North America, Inc. revolving credit facility contain requirements to maintain maximum levels of consolidated funded indebtedness in relation to consolidated EBITDA and minimum levels of consolidated EBITDA to consolidated fixed charges, 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, 2010, the Company was in compliance with all covenants.

Lines of credit

The Company also has available \$2 million (2009: \$7 million) in lines of credit, of which \$nil was drawn as of December 31, 2010 (2009: \$nil).

Willis Group Holdings plc

18. 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,		
	2010	2009 (millions)	2008
5-year term loan facility	\$ 17	\$ 26	\$ 10
Revolving \$300 million credit facility	3	3	5
5.625% senior notes due 2015	14	20	20
12.875% senior notes due 2016	67	55	—
6.200% senior notes due 2017	38	38	38
7.000% senior notes due 2019	21	5	—
5.125% senior notes due 2010	3	16	13
Interim credit facility	—	7	17
Other	3	4	2
Total interest expense	\$ 166	\$ 174	\$ 105

19. PROVISIONS FOR LIABILITIES

An analysis of movements on provisions for liabilities is as follows:

	Claims, lawsuits and other proceedings ⁽ⁱ⁾	Other provisions (millions)	Total
	Balance at January 1, 2009	\$ 147	\$ 27
Net provisions made during the year	56	32	88
Utilised in the year	(30)	(14)	(44)
Foreign currency translation adjustment	5	3	8
Balance at December 31, 2009	\$ 178	\$ 48	\$ 226
Net provisions made during the year	19	(7)	12
Utilised in the year	(50)	(7)	(57)
Foreign currency translation adjustment	(2)	—	(2)
Balance at December 31, 2010	\$ 145	\$ 34	\$ 179

⁽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 recognised at December 31, 2010 amounted to \$15 million (2009: \$63 million).

20. COMMITMENTS AND CONTINGENCIES

The Company's contractual obligations as at December 31, 2010 are presented below:

Obligations	Total	2011	Payments due by 2012-2013 (millions)	2014-2015	After 2015
5-year term loan facility expires 2013	\$ 411	\$ 110	\$ 301	\$ —	\$ —
Interest on term loan	19	9	10	—	—
Revolving \$300 million credit facility	90	—	90	—	—
6.000% loan notes due 2012	4	—	4	—	—
5.625% senior notes due 2015	350	—	—	350	—
Fair value adjustments on 5.625% senior notes due 2015	12	—	—	12	—
12.875% senior notes due 2016	500	—	—	—	500
6.200% senior notes due 2017	600	—	—	—	600
7.000% senior notes due 2019	300	—	—	—	300
Interest on senior notes	867	142	285	285	155
Total debt and related interest	3,153	261	690	647	1,555
Operating leases ⁽ⁱ⁾	1,295	157	202	143	793
Pensions	417	119	238	60	—
Other contractual obligations ⁽ⁱⁱ⁾	127	32	7	12	76
Total contractual obligations	\$ 4,992	\$ 569	\$ 1,137	\$ 862	\$ 2,424

(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.

Debt obligations and facilities

The Company's debt and related interest obligations at December 31, 2010 are shown in the above table.

During 2010, the Company entered into a new revolving credit facility agreement under which a further \$200 million is available and a new UK facility under which a further \$20 million is available. As at December 31, 2010 no drawings had been made on either facility.

These facilities are in addition to the remaining availability of \$210 million (2009: \$300 million) under the Company's previously existing \$300 million revolving credit facility.

The only mandatory repayment of debt over the next 12 months is the scheduled repayment of \$110 million current portion of the Company's 5-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.

Willis Group Holdings plc

20. COMMITMENTS AND CONTINGENCIES (Continued)

As of December 31, 2010, the aggregate future minimum rental commitments under all non-cancellable operating lease agreements are as follows:

	<u>Gross rental commitments</u>	<u>Rentals from subleases (millions)</u>	<u>Net rental commitments</u>
2011	\$ 157	\$ (16)	\$ 141
2012	115	(13)	102
2013	87	(11)	76
2014	73	(11)	62
2015	70	(10)	60
Thereafter	793	(42)	751
Total	\$ 1,295	\$ (103)	\$ 1,192

The Company leases its London headquarters 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 \$744 million (2009: \$785 million). Annual rentals are \$31 million per year and the Company has subleased approximately 25 percent of the premises under leases up to 15 years. The amounts receivable from subleases, included in the table above, total \$87 million (2009: \$100 million; 2008: \$106 million).

Rent expense amounted to \$131 million for the year ended December 31, 2010 (2009: \$154 million; 2008: \$151 million). The Company's rental income from subleases was \$22 million for the year ended December 31, 2010 (2009: \$21 million; 2008: \$22 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 February 2009, we agreed to make full year contributions to the UK plan of \$39 million for 2009 through 2012, excluding amounts in respect of the salary sacrifice scheme. In addition, if certain funding targets were not met at the beginning of any of the following years, 2010 through 2012, a further contribution of \$39 million would be required for that year. In 2010, the additional funding requirement was triggered and we expect to make a similar additional contribution in 2011. A similar, additional contribution may also be required for 2012, depending on actual performance against funding targets at the beginning of 2012.

The total contributions for all plans are currently estimated to be approximately \$125 million in 2011, including amounts in respect of the salary sacrifice scheme.

Guarantees

Guarantees issued by certain of Willis Group Holdings' subsidiaries with respect to the senior notes and revolving credit facilities are discussed in Note 18 — 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 \$855 million and \$903 million at December 31, 2010 and 2009, respectively.

20. COMMITMENTS AND CONTINGENCIES (Continued)

In addition, the Company has given guarantees to bankers and other third parties relating principally to letters of credit amounting to \$11 million and \$5 million at December 31, 2010 and 2009, respectively. Willis Group Holdings also guarantees certain of its UK and Irish subsidiaries' obligations to fund the UK and Irish defined benefit pension 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 (a put option) their shares 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, the potential amount payable from these options is not expected to exceed \$40 million (2009: \$49 million).

In December 2009, the Company made a capital commitment of \$25 million to Trident V, LP, an investment fund managed by Stone Point Capital. In July 2010, we withdrew from Trident V, LP and subscribed to Trident V Parallel Fund, LP (with the total capital commitment remaining the same). As at December 31, 2010 there had been approximately \$1 million of capital contributions.

Other contractual obligations at December 31, 2010 also include the capital lease on the Company's Nashville property of \$63 million, payable from 2012 onwards.

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. In respect of 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:

Inquiries and Investigations

In connection with the investigation launched by the New York State Attorney General in April 2004 concerning, among other things, contingent commissions paid by insurers to insurance brokers, in April 2005, the Company entered into an Assurance of Discontinuance ('Original AOD') with the New York State Attorney General and the Superintendent of the New York Insurance Department and paid \$50 million to

Willis Group Holdings plc

20. COMMITMENTS AND CONTINGENCIES (Continued)

eligible clients. As part of the Original AOD, the Company also agreed not to accept contingent compensation and to disclose to customers any compensation the Company will receive in connection with providing policy placement services to the customer. The Company also resolved similar investigations launched by the Minnesota Attorney General, the Florida Attorney General, the Florida Department of Financial Services, and the Florida Office of Insurance Regulation for amounts that were not material to the Company.

Similarly, in August 2005 HRH entered into an agreement with the Attorney General of the State of Connecticut (the 'CT Attorney General') and the Insurance Commissioner of the State of Connecticut to resolve all issues related to their investigations into certain insurance brokerage and insurance agency practices and to settle a lawsuit brought in August 2005 by the CT Attorney General alleging violations of the Connecticut Unfair Trade Practices Act and the Connecticut Unfair Insurance Practices Act. As part of this settlement, HRH agreed to take certain actions including establishing a \$30 million national fund for distribution to certain clients; enhancing disclosure practices for agency and broker clients; and declining to accept contingent compensation on brokerage business. The Company has cooperated fully with other similar investigations by the regulators and/or attorneys general of other jurisdictions, some of which have been concluded with no indication of any finding of wrongdoing.

On February 16, 2010, the Company entered into the Amended and Restated Assurance of Discontinuance with the Attorney General of the State of New York and the Amended and Restated Stipulation with the Superintendent of Insurance of the State of New York (the 'Amended and Restated AOD') on behalf of itself and its subsidiaries named therein. The Amended and Restated AOD was effective February 11, 2010 and supersedes and replaces the Original AOD.

The Amended and Restated AOD specifically recognizes that the Company has substantially met its obligations under the Original AOD and ends many of the requirements previously imposed. It relieves the Company of a number of technical compliance obligations that have imposed significant administrative and financial burdens on its operations. The Amended and Restated AOD no longer limits the types of compensation the Company can receive and has lowered the compensation disclosure requirements.

The Amended and Restated AOD requires the Company to: (i) in New York, and each of the other 49 states of the United States, the District of Columbia and U.S. territories, provide compensation disclosure that will, at a minimum, comply with the terms of the applicable regulations, as may be amended from time to time, or the provisions of the AOD that existed prior to the adoption of the Amended and Restated AOD; and (ii) maintain its compliance programs and continue to provide appropriate training to relevant employees in business ethics, professional obligations, conflicts of interest, and antitrust and trade practices compliance. In addition, in placing, renewing, consulting on or servicing any insurance policy, it prohibits the Company from directly or indirectly (a) accepting from or requesting of any insurer any promise or commitment to use any of the Company's brokerage, agency, producing or consulting services in exchange for production of business to such insurer or (b) knowingly place, renew or consult on or service a client's insurance business through a wholesale broker in a manner that is contrary to the client's best interest.

In 2006, the European Commission issued questionnaires pursuant to its Sector Inquiry or, in respect of Norway, the European Free Trade Association Surveillance Authority, related to insurance business practices, including compensation arrangements for brokers, to at least 150 European brokers including our operations in nine European countries. The Company filed responses to the European Commission and the European Free Trade Association Surveillance Authority questionnaires. The European Commission reported on a final basis on September 25, 2007, expressing concerns over potential conflicts of interest in the industry relating to remuneration and binding authorities and also over the nature of the coinsurance market. The Company co-operated with both the European Free Trade Association Surveillance Authority and the European Commission to resolve issues raised in its final report regarding coinsurance as required of the industry by the European Commission.

20. COMMITMENTS AND CONTINGENCIES (Continued)

Since August 2004, the Company and HRH (along with various other brokers and insurers) have been named as defendants in purported class actions in various courts across the United States. All of these actions have been consolidated into a single action in the US District Court for the District of New Jersey ('MDL'). There are two amended complaints within the MDL, one that addresses employee benefits ('EB Complaint') and one that addresses all other lines of insurance ('Commercial Complaint'). HRH was a named defendant in the EB Complaint, but has since been voluntarily dismissed. HRH is a named defendant in the Commercial Complaint. The Company is a named defendant in both MDL complaints. Each of the EB Complaint and the Commercial Complaint seeks monetary damages, including punitive damages, and equitable relief and makes allegations regarding the practices and conduct that have been the subject of the investigation of state attorneys general and insurance commissioners, including allegations that the brokers have breached their duties to their clients by entering into contingent compensation agreements with either no disclosure or limited disclosure to clients and participated in other improper activities. The complaints also allege the existence of a conspiracy among insurance carriers and brokers and allege violations of federal antitrust laws, the federal Racketeer Influenced and Corrupt Organizations ('RICO') statute and the Employee Retirement Income Security Act of 1974 ('ERISA'). In separate decisions issued in August and September 2007, the antitrust and RICO Act claims were dismissed with prejudice and the state claims were dismissed without prejudice from the Commercial Complaint. In January 2008, the Judge dismissed the ERISA claims with prejudice from the EB Complaint and the state law claims without prejudice.

Plaintiffs filed a notice of appeal regarding the dismissal of the antitrust and RICO claims and oral arguments on this appeal were heard in April 2009. In August 2010, the United States Court of Appeals for the Third Circuit issued its decision on plaintiffs' appeal. The Court upheld the dismissal of all claims against HRH and the Company, with the exception of one RICO related claim. The Court remanded the RICO claim to the District Court for further consideration. The District Judge is allowing HRH and the Company (and the other affected defendants) to submit new motions to dismiss the remanded RICO claim. The motion has been filed, but a decision is not expected until sometime in 2011. Additional actions could be brought in the future by individual policyholders. The Company disputes the allegations in all of these suits and has been and intends to continue to defend itself vigorously against these actions. The outcomes of these lawsuits, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

Reinsurance Market Dispute

Various legal proceedings are pending, have concluded or may commence between reinsurers, reinsureds and in some cases their intermediaries, including reinsurance brokers, relating to personal accident excess of loss reinsurance for the years 1993 to 1998. The proceedings principally concern allegations by reinsurers that they have sustained substantial losses due to an alleged abnormal 'spiral' in the market in which the reinsurance contracts were placed, the existence and nature of which, as well as other information, was not disclosed to them by the reinsureds or their reinsurance broker.

A 'spiral' is a market term for a situation in which reinsureds and reinsurers reinsure each other with the effect that the same loss or portion of that loss moves through the market multiple times.

The reinsurers concerned have taken the position that, despite their decisions to underwrite risks or a group of risks, they are no longer bound by their reinsurance contracts. As a result, they have stopped settling claims and are seeking to recover claims already paid. The Company also understands that there have been arbitration awards in relation to a 'spiral', among other things, in which the reinsurer successfully argued that it was no longer bound by parts of its reinsurance program. Willis Limited, the Company's principal insurance brokerage subsidiary in the United Kingdom, acted as the reinsurance broker or otherwise as intermediary, but not as an underwriter, for numerous personal accident reinsurance contracts. Due to the small number of reinsurance brokers generally, Willis Limited also utilized other brokers active in this market as sub-agents, including brokers who are parties to the legal proceedings described above, for certain contracts and may be

Willis Group Holdings plc

20. COMMITMENTS AND CONTINGENCIES (Continued)

responsible for any errors and omissions they may have made. In July 2003, one of the reinsurers received a judgment in the English High Court against certain parties, including a sub-broker Willis Limited used to place two of the contracts involved in this trial. Although neither the Company nor any of its subsidiaries were a party to this proceeding or any arbitration, Willis Limited entered into tolling agreements with certain of the principals to the reinsurance contracts tolling the statute of limitations pending the outcome of proceedings between the reinsureds and reinsurers.

Two former clients of Willis Limited, American Reliable Insurance Company and one of its associated companies (collectively, 'ARIC'), and CNA Insurance Company Limited and two of its associated companies ('CNA') terminated their respective tolling agreements with Willis Limited and commenced litigation in September 2007 and January 2008, respectively, in the English Commercial Court against Willis Limited. ARIC alleged conspiracy between a former Willis Limited employee and the ARIC underwriter as well as negligence and CNA alleged deceit and negligence by the same Willis Limited employee both in connection with placements of personal accident reinsurance in the excess of loss market in London and elsewhere. On June 9, 2009, Willis Limited entered into a settlement agreement under which Willis Limited paid a total of \$139 million to ARIC, which was covered by errors and omissions insurance. On September 11, 2009, Willis Limited entered into a settlement agreement under which Willis Limited paid a total of \$130 million to CNA. The Company has substantially collected and believes it will collect in full the \$130 million required under the CNA settlement agreement from errors and omissions insurers. The settlements include no admission of wrongdoing by any party. Each party also realized and waived all claims it may have against any of the other parties arising out of or in connection with the subject matter of the litigation.

Various arbitrations relating to reinsurance continue and, from time to time, the principals request co-operation from the Company and suggest that claims may be asserted against the Company. Such claims may be made against the Company if reinsurers do not pay claims on policies issued by them. The Company cannot predict at this time whether any such claims will be made or the damages that may be alleged.

Gender Discrimination Class Action

In March 2008, the Company settled an action in the United States District Court for the Southern District of New York commenced against the Company in 2001 on behalf of an alleged nationwide class of present and former female officer and officer equivalent employees alleging that the Company discriminated against them on the basis of their gender and seeking injunctive relief, money damages, attorneys' fees and costs. Although the Court had denied plaintiffs' motions to certify a nationwide class or to grant nationwide discovery, it certified a class of approximately 200 female officers and officer equivalent employees based in the Company's offices in New York, New Jersey and Massachusetts. The settlement agreement provides for injunctive relief and a monetary payment, including the amount of attorney fees plaintiffs' counsel are entitled to receive, which was not material to the Company. In December 2006, a former female employee, whose motion to intervene in the class action was denied, filed a purported class action in the United States District Court, Southern District of New York, with almost identical allegations as those contained in the suit that was settled in 2008, except seeking a class period of 1998 to the time of trial (the class period in the settled suit was 1998 to the end of 2001). The Company's motion to dismiss this suit was denied and the Court did not grant the Company permission to immediately file an appeal from the denial of its motion to dismiss. The parties are in the discovery phase of the litigation. The suit was amended to include one additional plaintiff and another filed an arbitration demand that includes a class allegation.

In January 2011, the Company reached an agreement with plaintiffs on a monetary settlement to settle all class claims and the claims of the individual named plaintiffs as well as the plaintiff that filed an arbitration demand. The amount of this settlement is not material. However, before this matter can be settled in its entirety, the parties must reach agreement on any injunctive measures the Company will implement and the Court must approve all terms of the settlement.

20. COMMITMENTS AND CONTINGENCIES (Continued)**World Trade Center**

The Company acted as the insurance broker, but not as an underwriter, for the placement of both property and casualty insurance for a number of entities which were directly impacted by the September 11, 2001, destruction of the World Trade Center complex, including Silverstein Properties LLC, which acquired a 99-year leasehold interest in the twin towers and related facilities from the Port Authority of New York and New Jersey in July 2001. Although the World Trade Center complex insurance was bound at or before the July 2001 closing of the leasehold acquisition, consistent with standard industry practice, the final policy wording for the placements was still in the process of being finalized when the twin towers and other buildings in the complex were destroyed on September 11, 2001. There have been a number of lawsuits in the United States between the insured parties and the insurers for several placements and other disputes may arise in respect of insurance placed by us which could affect the Company including claims by one or more of the insureds that the Company made culpable errors or omissions in connection with our brokerage activities. However, the Company does not believe that our role as broker will lead to liabilities which in the aggregate would have a material adverse effect on our results of operations, financial condition or liquidity.

Stanford Financial Group

On July 2, 2009, a putative class action complaint, captioned *Troice, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01274-N, was filed in the U.S. District Court for the Northern District of Texas against Willis Group Holdings, Willis of Colorado, Inc. and a Willis associate, among others, 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 complaint generally alleged 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 complaint alleged 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 putative class consisted of Stanford investors in Mexico and the complaint asserted various claims under Texas statutory and common law and sought actual damages in excess of \$1 billion, punitive damages and costs. On August 12, 2009, the plaintiffs filed an amended complaint, which, notwithstanding the addition of certain factual allegations and Texas common law claims, largely mirrored the original and sought the same relief.

On July 17, 2009, a putative class action complaint, captioned *Ranni v. Willis of Colorado, Inc., et al.*, C.A. No. 09-22085, was filed against Willis Group Holdings and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida, relating to the same alleged course of conduct as the Troice complaint described above. Based on substantially the same allegations as the Troice complaint, but on behalf of a putative class of Venezuelan and other South American Stanford investors, the Ranni complaint asserts a claim under Section 10(b) of the Securities Exchange Act of 1934 and Rule 10b-5 thereunder, as well as various claims under Florida statutory and common law, and seeks damages in an amount to be determined at trial and costs.

On or about July 24, 2009, a motion was filed by certain individuals (collectively, the 'Movants') with the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML') to consolidate and coordinate in the Northern District of Texas nine separate putative class actions — including the Troice and Ranni actions described above, as well as other actions against various Stanford-related entities and individuals and the Commonwealth of Antigua and Barbuda — relating to Stanford and its allegedly fraudulent certificates of deposit.

On August 6, 2009, a putative class action complaint, captioned *Canabal, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01474-D, was filed against Willis Group Holdings, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas, relating to the same alleged course

Willis Group Holdings plc

20. COMMITMENTS AND CONTINGENCIES (Continued)

of conduct as the Troice complaint described above. Based on substantially the same allegations as the Troice complaint, but on behalf of a putative class of Venezuelan investors, the Canabal complaint asserted various claims under Texas statutory and common law and sought actual damages in excess of \$1 billion, punitive damages, attorneys' fees and costs.

On or about August 10, 2009, the Movants filed with the JPML a Notice of Related Action that referred the Canabal action to the JPML. On October 6, 2009, the JPML ruled on the transfer motion, transferring seven of the subject actions (including the Troice and Ranni actions) — i.e., the original nine actions minus two that had since been dismissed — for consolidation or coordination in the Northern District of Texas. On October 27, 2009, the parties to the Canabal action stipulated to the designation of that action as a related case and properly part of the new Stanford MDL proceeding in the Northern District of Texas.

On September 14, 2009, a complaint, captioned *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on behalf of 97 Stanford investors against Willis Group Holdings, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). Based on substantially the same allegations as the Troice complaint, the Rupert complaint asserts claims under the Securities Act of 1933, as well as various Texas statutory and common law claims, and seeks rescission, damages, special damages and consequential damages of \$79.1 million, treble damages of \$237.4 million under the Texas Insurance Code, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed the Rupert action to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this additional 'tag-along' 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. In November 2009, the JPML issued a conditional transfer order (the 'CTO') for the transfer of the Rupert action to the Northern District of Texas. On December 22, 2009, the plaintiffs filed a motion to vacate, or alternatively stay, the CTO, to which Willis of Colorado, Inc. responded on January 4, 2010. On April 1, 2010, the JPML denied the plaintiffs' motion to vacate the CTO and issued a final transfer order for the transfer of the Rupert action to the Northern District of Texas.

On December 18, 2009, the parties to the Troice and Canabal actions stipulated to the consolidation of those actions and, on December 31, 2009, the plaintiffs therein, collectively, filed a Second Amended Class Action Complaint, which largely mirrors the Troice and Canabal predecessor complaints, but seeks relief on behalf of a worldwide class of Stanford investors. Also on December 31, 2009, the plaintiffs in the Canabal action filed a Notice of Dismissal, dismissing the Canabal action without prejudice. On February 25, 2010, the defendants filed motions to dismiss the Second Amended Class Action Complaint in the consolidated Troice/Canabal action. Those motions are currently pending. On May 24, 2010, the plaintiffs in the consolidated Troice/Canabal action filed a motion for leave to file a Third Amended Class Action Complaint, which, among other things, adds several Texas statutory claims. That motion is also currently pending.

On September 16, 2010, a complaint, captioned *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-01862-O, was filed on behalf of seven Stanford investors against Willis Group Holdings, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. Although this is not a class action, the Casanova complaint is based on substantially the same allegations as the Second Amended Class Action Complaint in the consolidated Troice/Canabal action. The Casanova complaint asserts various 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 Ranni or Rupert or Casanova complaints.

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.

20. COMMITMENTS AND CONTINGENCIES (Continued)

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.

St. Jude

In January 2009, Willis of Minnesota, Inc. was named as a third party defendant in a lawsuit between American Insurance Company ('AIC') and St. Jude Medical, Inc. ('St. Jude') pending in the United States District Court, District of Minnesota, that arose out of a products liability insurance program for St. Jude in which AIC provided one layer of insurance and the Company acted as the broker. St. Jude sought a judgment against AIC requiring AIC to pay its policy limits of \$50 million plus interest and costs for certain personal injury claims filed against St. Jude and denied by AIC. To the extent there was a finding that AIC does not have to provide coverage for these claims, St. Jude alternatively alleged standard errors and omissions claims against the Company for the same amount.

On December 22, 2010, the parties to this suit entered into a settlement agreement that fully resolves all claims in the lawsuit. Under the settlement agreement, the Company agreed to make and has already made an immaterial one-time payment to St. Jude. As part of the settlement agreement, each party has also fully and completely released and waived all claims it may have against any of the other parties arising out of or in connection with the subject matter of the litigation. The settlement includes no admissions of wrongdoing by any party. The lawsuit was dismissed with prejudice on January 3, 2011.

21. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX

The components of comprehensive income (loss) are as follows:

	Years ended December 31,		
	2010	2009 (millions)	2008
Net income	\$ 470	\$ 459	\$ 324
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustment (net of tax of \$nil in 2010, 2009 and 2008)	(6)	27	(89)
Unrealized holding gain (loss) (net of tax of \$nil in 2010, 2009 and 2008)	2	(1)	—
Pension funding adjustment (net of tax of \$(12) million in 2010, \$6 million in 2009 and \$160 million in 2008)	51	(33)	(355)
Net gain (loss) on derivative instruments (net of tax of \$(3) million in 2010, \$(16) million in 2009 and \$13 million in 2008)	6	43	(33)
Other comprehensive income (loss) (net of tax of \$(15) million in 2010, \$(10) million in 2009 and \$173 million in 2008)	53	36	(477)
Comprehensive income (loss)	523	495	(153)
Noncontrolling interests	(15)	(21)	(21)
Comprehensive income (loss) attributable to Willis Group Holdings	\$ 508	\$ 474	\$ (174)

Willis Group Holdings plc

21. ACCUMULATED OTHER COMPREHENSIVE LOSS, NET OF TAX (Continued)

The components of accumulated other comprehensive loss, net of tax, are as follows:

	December 31,		
	2010	2009 (millions)	2008
Net foreign currency translation adjustment	\$ (52)	\$ (46)	\$ (73)
Net unrealized holding loss	—	(2)	(1)
Pension funding adjustment	(503)	(554)	(521)
Net unrealized gain (loss) on derivative instruments	14	8	(35)
Accumulated other comprehensive loss, attributable to Willis Group Holdings, net of tax	<u>\$ (541)</u>	<u>\$ (594)</u>	<u>\$ (630)</u>

22. EQUITY AND NONCONTROLLING INTERESTS

The components of equity and noncontrolling interests are as follows:

	December 31, 2010			December 31, 2009			December 31, 2008		
	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity	Willis Group Holdings' stockholders	Noncontrolling interests	Total equity
Balance at beginning of period	\$ 2,180	\$ 49	\$ 2,229	\$ 1,845	\$ 50	\$ 1,895	\$ 1,347	\$ 48	\$ 1,395
Comprehensive income:									
Net income	455	15	470	438	21	459	303	21	324
Other comprehensive income, net of tax	53	—	53	36	—	36	(477)	—	(477)
Comprehensive income	508	15	523	474	21	495	(174)	21	(153)
Dividends	(178)	(26)	(204)	(172)	(17)	(189)	(154)	(13)	(167)
Additional paid-in capital	67	—	67	32	—	32	845	—	845
Shares reissued under stock compensation plans	—	—	—	1	—	1	—	—	—
Repurchase of shares	—	—	—	—	—	—	(19)	—	(19)
Purchase of subsidiary shares from noncontrolling interests	—	(5)	(5)	—	(10)	(10)	—	(4)	(4)
Additional noncontrolling interests	—	—	—	—	5	5	—	—	—
Foreign currency translation	—	(2)	(2)	—	—	—	—	(2)	(2)
Balance at end of period	<u>\$ 2,577</u>	<u>\$ 31</u>	<u>\$ 2,608</u>	<u>\$ 2,180</u>	<u>\$ 49</u>	<u>\$ 2,229</u>	<u>\$ 1,845</u>	<u>\$ 50</u>	<u>\$ 1,895</u>

The effects on equity of changes in Willis Group Holdings ownership interest in its subsidiaries are as follows:

	Years ended December 31,		
	2010	2009 (millions)	2008
Net income attributable to Willis Group Holdings	\$ 455	\$ 438	\$ 303
Transfers from noncontrolling interest:			
Decrease in Willis Group Holdings' paid-in capital for purchase of noncontrolling interest	(19)	(23)	—
Increase in Willis Group Holdings' paid-in capital for sale of noncontrolling interest	—	1	—
Net transfers from noncontrolling interest	(19)	(22)	—
Change from net income attributable to Willis Group Holdings and transfers from noncontrolling interests	<u>\$ 436</u>	<u>\$ 416</u>	<u>\$ 303</u>

23. 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,		
	2010	2009 (millions)	2008
Supplemental disclosures of cash flow information:			
Cash payments for income taxes, net of cash received	\$ 99	\$ 80	\$ 59
Cash payments for interest	163	179	122
Supplemental disclosures of non-cash flow investing and financing activities:			
Assets acquired under capital leases	\$ 23	\$ —	\$ —
Non cash proceeds from reorganization of investments in associates (Note 6)	—	126	—
Issue of stock on acquisitions of subsidiaries	—	1	799
Issue of loan notes on acquisitions of noncontrolling interests	—	13	—
Issue of stock on acquisitions of noncontrolling interests	—	11	4
Deferred payments on acquisitions of subsidiaries	—	1	—
Deferred payments on acquisitions of noncontrolling interests	13	1	—
Acquisitions:			
Fair value of assets acquired	\$ 12	\$ 28	\$ 1,737
Less:			
Liabilities assumed	(18)	(55)	(1,521)
Cash acquired	—	(12)	(56)
Net (liabilities) assets assumed, net of cash acquired	\$ (6)	\$ (39)	\$ 160

24. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Fair value of derivative financial instruments

In addition to the note below, see Note 25 for information about the fair value hierarchy of derivatives.

Primary risks managed by derivative financial instruments

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Company's board of directors reviews and agrees 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 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

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 enters into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest fixed in the various currencies related to the short-term investments. The use of interest rate contracts essentially converts groups of short-term variable rate investments to fixed rates.

Willis Group Holdings plc

24. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

The fair value of these contracts is recorded in other assets and other liabilities. For contracts that qualify as cash flow hedges for accounting purposes, the effective portions of changes in fair value are recorded as a component of other comprehensive income.

At December 31, 2010 and 2009, the company had the following derivative financial instruments that were designated as cash flow hedges of interest rate risk:

		December 31,			
		Notional Amount ⁽ⁱ⁾	Termination Dates	Weighted Average Interest Rates	
				Receive	Pay
		(millions)		%	%
2010					
US dollar	Receive fixed-pay variable	\$ 725	2011-2014	2.44	1.33
Pounds sterling	Receive fixed-pay variable	229	2011-2014	3.16	1.88
Euro	Receive fixed-pay variable	155	2011-2014	2.18	1.81
2009					
US dollar	Receive fixed-pay variable	\$ 605	2010-2013	4.72	1.85
Pounds sterling	Receive fixed-pay variable	196	2010-2012	5.23	1.78
Euro	Receive fixed-pay variable	91	2010-2012	3.55	1.69

(i) Notional amounts represent US dollar equivalents translated at the spot rate as of December 31.

The Company's operations are financed principally by \$1,750 million fixed rate senior notes and \$411 million under a 5-year term loan facility. Of the fixed rate senior notes \$350 million are due 2015, \$500 million are due 2016, \$600 million are due 2017 and \$300 million are due 2019. The Company also has access to \$520 million under three revolving credit facilities; as of December 31, 2010 \$90 million was drawn from the 5-year \$300 million revolving credit facility. All debt is issued by subsidiaries of the Company.

The interest rates applicable to the borrowings under the 5-year term loan and the revolving credit facilities vary according to LIBOR on the date of individual drawdowns.

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. At the year end the weighted average fixed rate payable was 2.71% and variable rate receivable was 2.04%. The Company has designated and accounts for these instruments as fair value hedges against its \$350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within long-term debt.

At December 31, 2010 and 2009, the Company's interest rate swaps were all designated as hedging instruments.

Liquidity Risk

The Company's objective is to ensure that it has the ability to generate sufficient cash either from internal or external sources, in a timely and cost-effective manner, to meet its commitments as they fall due. The Company's management of liquidity risk is embedded within its overall risk management framework. Scenario analysis is continually undertaken to ensure that the Company's resources can meet its liquidity requirements. These resources are supplemented by access to \$520 million under three revolving credit facilities.

24. 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;
- 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; and
- To the extent that the net sterling asset or liability position in its London market operations relate to short-term cash flows, the Company limits its exposure by the use of forward purchases and sales. These forward purchases and sales are not effective hedges for accounting purposes.

The Company does not hedge net income earned within foreign subsidiaries outside of the UK.

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, 2010 and 2009, the Company's foreign currency contracts were all designated as hedging instruments.

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 2010 ⁽ⁱ⁾	Sell 2009
	(millions)	
US dollar	\$ 315	\$ 261
Euro	157	185
Japanese yen	64	58

(i) Forward exchange contracts range in maturity from 2011 to 2013.

Willis Group Holdings plc

24. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

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 does not anticipate non-performance by 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, 2010.

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, 2010	December 31, 2009
(millions)			
Assets:			
Interest rate swaps (cash flow hedges) ⁽ⁱ⁾	Other assets	\$ 17	\$ 27
Interest rate swaps (fair value hedges) ⁽ⁱⁱ⁾	Other assets	14	—
Forward exchange contracts	Other assets	16	8
Total derivatives designated as hedging instruments		\$ 47	\$ 35
Liabilities:			
Interest rate swaps (cash flow hedges)	Other liabilities	\$ (2)	\$ (1)
Forward exchange contracts	Other liabilities	(10)	(22)
Total derivatives designated as hedging instruments		\$ (12)	\$ (23)

(i) Excludes accrued interest of \$3 million (2009: \$4 million), which is recorded in prepayments and accrued income, in other assets.

(ii) Excludes accrued interest of \$3 million (2009: \$nil), which is recorded in accrued interest payable in other liabilities.

24. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**Cashflow 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, 2010, 2009 and 2008:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI ⁽¹⁾ on derivative (Effective element) (millions)	Location of gain (loss) reclassified from accumulated OCI ⁽¹⁾ into income (Effective element)	Amount of gain (loss) reclassified from accumulated OCI ⁽¹⁾ into income (Effective element) (millions)	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)
Year ended December 31, 2010					
Interest rate swaps	\$ 15	Investment income	\$ (26)	Other operating expenses	\$ —
Forward exchange contracts	—	Other operating expenses	20	Interest expense	—
Total	\$ 15		\$ (6)		\$ —
Year ended December 31, 2009					
Interest rate swaps	\$ 16	Investment income	\$ (27)	Other operating expenses	\$ (1)
Forward exchange contracts	25	Other operating expenses	45	Interest expense	—
Total	\$ 41		\$ 18		\$ (1)
Year ended December 31, 2008					
Interest rate swaps	\$ 32	Investment income	\$ (5)	Other operating expenses	\$ 1
Forward exchange contracts	(78)	Other operating expenses	5	Interest expense	(1)
Total	\$ (46)		\$ —		\$ —

⁽¹⁾ OCI means other comprehensive income. Amounts above shown gross of tax.

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.

At December 31, 2010 the Company estimates there will be \$7 million of net derivative gains reclassified from accumulated comprehensive income into earnings within the next twelve months.

Fair Value Hedges

The table below presents the effects of derivative financial instruments in fair value hedging relationships on the consolidated statements of operations for the year ended December 31, 2010. The Company did not have any derivative financial instruments in fair value hedging relationships during 2009 and 2008.

Willis Group Holdings plc

24. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Derivatives in fair value hedging relationships	Hedged item in fair value hedging relationship	Gain recognized for derivative	Loss recognized for hedged item (millions)	Ineffectiveness recognized in interest expense
Year ended December 31, 2010				
Interest rate swaps	5.625% senior notes due 2015	\$ 14	\$ (12)	\$ (2)

All components of each derivative's gain or loss were included in the assessment of hedge effectiveness.

25. FAIR VALUE MEASUREMENTS

The Company's principal financial instruments, other than derivatives, comprise the fixed rate senior notes, the 5-year term loan, a revolving credit facility, fiduciary assets and liabilities, and cash deposits.

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, 2010			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	Total
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	\$ 316	\$ —	\$ —	\$ 316
Fiduciary funds — restricted (included within Fiduciary assets)	1,764	—	—	1,764
Derivative financial instruments ⁽ⁱ⁾	—	47	—	47
Total assets	\$ 2,080	\$ 47	\$ —	\$ 2,127
Liabilities at fair value:				
Derivative financial instruments	\$ —	\$ 12	\$ —	\$ 12
Changes in fair value of hedged debt ⁽ⁱⁱ⁾	—	12	—	12
Total liabilities	\$ —	\$ 24	\$ —	\$ 24

(i) Excludes accrued interest of \$6 million, \$3 million is recorded in prepayments and accrued income, and \$3 million is recorded in accrued interest payable.

(ii) Changes in the fair value of the underlying hedged debt instrument since inception of the hedging relationship are included in long-term debt.

	December 31, 2009			
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	\$ 221	\$ —	\$ —	\$ 221
Fiduciary funds — restricted (included within Fiduciary assets)	1,683	—	—	1,683
Derivative financial instruments ⁽ⁱ⁾	—	35	—	35
Total assets	\$ 1,904	\$ 35	\$ —	\$ 1,939
Liabilities at fair value:				
Derivative financial instruments	\$ —	\$ 23	\$ —	\$ 23
Total liabilities	\$ —	\$ 23	\$ —	\$ 23

(i) Excludes accrued interest of \$4 million, which is recorded in prepayments and accrued income in other assets.

Notes to the financial statements

25. FAIR VALUE MEASUREMENTS (Continued)

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,			
	2010		2009	
	Carrying amount	Fair Value	Carrying amount	Fair Value
	(millions)			
Assets:				
Cash and cash equivalents	\$ 316	\$ 316	\$ 221	\$ 221
Fiduciary funds — restricted (included within Fiduciary assets)	1,764	1,764	1,683	1,683
Derivative financial instruments ⁽ⁱ⁾	47	47	35	35
Liabilities:				
Short-term debt	\$ 110	\$ 110	\$ 209	\$ 211
Long-term debt	2,157	2,450	2,165	2,409
Derivative financial instruments	12	12	23	23

⁽ⁱ⁾ Excludes accrued interest of \$6 million (2009: \$4 million); \$3 million (2009: \$4 million) is recorded in prepayments and accrued income, and \$3 million (2009: \$nil) is recorded in accrued interest payable.

The following methods and assumptions were used by the Company in estimating its fair value disclosure for financial instruments:

Cash and Cash Equivalents — The estimated fair value of these financial instruments approximates their carrying values due to their short maturities.

Fiduciary Funds — Restricted — Fair values are based on quoted market values

Long-Term Debt excluding the fair value hedge — Fair values are based on quoted market values.

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.

26. SEGMENT INFORMATION

During the periods presented, the Company operated through three 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 major corporates, accessing Global's specialist expertise when required.

The Company evaluates the performance of its operating segments based on organic revenue 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) costs of the holding company;
- ii) foreign exchange loss from the devaluation of the Venezuelan currency;

Willis Group Holdings plc

26. SEGMENT INFORMATION (Continued)

- iii) foreign exchange hedging activities, foreign exchange movements on the UK pension plan asset and foreign exchange gains and losses from currency purchases and sales;
- iv) amortization of intangible assets;
- v) gains and losses on the disposal of operations and major properties;
- vi) significant legal settlements which are managed centrally;
- vii) integration costs associated with the acquisition of HRH; and
- viii) costs associated with the redomicile of the Company's parent company from Bermuda to Ireland.

The accounting policies of the operating 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.

Selected information regarding the Company's operating segments is as follows:

	Commissions and fees	Investment income	Other income	Total revenues (millions)	Depreciation and amortization	Operating income	Interest in earnings of associates net of tax
Year ended December 31, 2010							
Global	\$ 873	\$ 7	\$ —	\$ 880	\$ 18	\$ 262	\$ —
North America	1,359	15	1	1,375	23	319	—
International	1,068	16	—	1,084	22	285	23
Total Retail	2,427	31	1	2,459	45	604	23
Total Operating Segments	3,300	38	1	3,339	63	866	23
Corporate and Other(i)	—	—	—	—	82	(113)	—
Total Consolidated	\$ 3,300	\$ 38	\$ 1	\$ 3,339	\$ 145	\$ 753	\$ 23
Year ended December 31, 2009							
Global	\$ 822	\$ 13	\$ —	\$ 835	\$ 15	\$ 255	\$ —
North America	1,368	15	3	1,386	23	328	—
International	1,020	22	—	1,042	26	276	33
Total Retail	2,388	37	3	2,428	49	604	33
Total Operating Segments	3,210	50	3	3,263	64	859	33
Corporate and Other(i)	—	—	—	—	100	(165)	—
Total Consolidated	\$ 3,210	\$ 50	\$ 3	\$ 3,263	\$ 164	\$ 694	\$ 33

26. SEGMENT INFORMATION (Continued)

	Commissions and fees	Investment income	Other income	Total revenues (millions)	Depreciation and amortization	Operating income	Interest in earnings of associates net of tax
Year ended December 31, 2008							
Global	\$ 784	\$ 30	\$ —	\$ 814	\$ 13	\$ 240	\$ —
North America	905	15	2	922	16	142	—
International	1,055	36	—	1,091	25	306	22
Total Retail	1,960	51	2	2,013	41	448	22
Total Operating Segments	2,744	81	2	2,827	54	688	22
Corporate and Other ⁽ⁱ⁾	—	—	—	—	36	(185)	—
Total Consolidated	\$ 2,744	\$ 81	\$ 2	\$ 2,827	\$ 90	\$ 503	\$ 22

(i) Corporate and Other includes the following:

	Years ended December 31,		
	2010	2009 (millions)	2008
Amortization of intangible assets	\$ (82)	\$ (100)	\$ (36)
Foreign exchange hedging	(16)	(42)	(13)
Foreign exchange on the UK pension plan asset	3	(6)	(34)
HRH integration costs	—	(18)	(5)
Net (loss) gain on disposal of operations	(2)	13	—
2008 expense review	—	—	(92)
Gain on disposal of London headquarters	—	—	7
Venezuela currency devaluation	(12)	—	—
Release of previously established legal provision	7	—	—
Redomicile of parent company costs	—	(6)	—
Other	(11)	(6)	(12)
Total corporate and other	\$ (113)	\$ (165)	\$ (185)

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.

	Years ended December 31,		
	2010	2009 (millions)	2008
Total consolidated operating income	\$ 753	\$ 694	\$ 503
Interest expense	(166)	(174)	(105)
Income from continuing operations before income taxes and interest in earnings of associates	\$ 587	\$ 520	\$ 398

Willis Group Holdings plc

26. SEGMENT INFORMATION (Continued)

The Company does not routinely evaluate the total asset position by segment, and the following allocations have been made based on reasonable estimates and assumptions:

	December 31,	
	2010	2009
	(millions)	
Total assets:		
Global	\$ 9,636	\$ 9,544
North America	4,032	4,408
International	2,109	2,246
Total Retail	6,141	6,654
Total Operating Segments	15,777	16,198
Corporate and Eliminations	70	(573)
Total Consolidated	<u>\$ 15,847</u>	<u>\$ 15,625</u>

Operating segment revenue by product is as follows:

	Years ended December 31,																					
	2010			2009			2008			2010			2009			2008						
	Global			North America			International			Total			Total									
	(millions)																					
Commissions and fees:																						
Retail insurance services	\$ —	\$ —	\$ —	\$ 1,359	\$ 1,368	\$ 905	\$ 1,068	\$ 1,020	\$ 1,055	\$ 2,427	\$ 2,388	\$ 1,960										
Specialty insurance services	873	822	784	—	—	—	—	—	—	873	822	784										
Total commissions and fees	873	822	784	1,359	1,368	905	1,068	1,020	1,055	3,300	3,210	2,744										
Investment income	7	13	30	15	15	15	16	22	36	38	50	81										
Other income	—	—	—	1	3	2	—	—	—	1	3	2										
Total Revenues	<u>\$ 880</u>	<u>\$ 835</u>	<u>\$ 814</u>	<u>\$ 1,375</u>	<u>\$ 1,386</u>	<u>\$ 922</u>	<u>\$ 1,084</u>	<u>\$ 1,042</u>	<u>\$ 1,091</u>	<u>\$ 3,339</u>	<u>\$ 3,263</u>	<u>\$ 2,827</u>										

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, 2010, 2009 and 2008.

Information regarding the Company's geographic locations is as follows:

	Years ended December 31,		
	2010	2009	2008
	(millions)		
Commissions and fees(i)			
UK	\$ 902	\$ 859	\$ 860
US	1,510	1,518	1,054
Other(ii)	888	833	830
Total	<u>\$ 3,300</u>	<u>\$ 3,210</u>	<u>\$ 2,744</u>

26. SEGMENT INFORMATION (Continued)

	December 31,	
	2010	2009
	(millions)	
Fixed assets		
UK	\$ 163	\$ 172
US	178	141
Other ⁽ⁱⁱ⁾	40	39
Total	\$ 381	\$ 352

(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.

27. 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%

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

On July 1, 2005, Willis North America Inc. ('Willis North America') issued senior notes totaling \$600 million under its February 2004 registration statement. On March 28, 2007, Willis North America issued further senior notes totaling \$600 million under its June 2006 registration statement. On September 29, 2009, Willis North America issued senior notes totaling \$300 million under its June 2009 registration statement (Note 18 — Debt).

Until December 22, 2010, all direct obligations under the senior notes were jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, Trinity Acquisition plc, TA III Limited, TA IV Limited, and Willis Group Limited, the Guarantor Companies. On that date and in connection with an internal group reorganisation, TA II Limited, TA III Limited and TA IV Limited transferred their obligations

Willis Group Holdings plc

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

as guarantors to the other Guarantor Companies. TA II Limited, TA III Limited and TA IV Limited entered member's voluntary liquidation on December 31, 2010. The assets of these companies were distributed to the other Guarantor Companies, either directly or indirectly, as a final distribution paid prior to their entering member's voluntary liquidation. These final distributions have been excluded from the 2010 results and cash flows of the Other Guarantors. The final distributions comprise: a \$4.3 billion dividend from TA IV Limited to Trinity Acquisition plc; a \$5.1 billion distribution from TA III Limited to TA II Limited and a \$4.7 billion distribution from TA II Limited to TA I Limited. Since all of the liquidated guarantors were ultimately liquidated into another guarantor, these transactions did not have a material impact on the guarantees of the senior notes and did not require the consent of the noteholders under the applicable indentures.

Willis Group Holdings was incorporated on September 24, 2009 and, as discussed in Note 2, replaced Willis-Bermuda as the ultimate parent company on December 31, 2009. Willis Netherlands Holdings B.V. was incorporated on November 27, 2009.

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 a "shelf" registration statements on Form S-3, including our current June 2009 registration statement (the "Willis Shelf"). The Willis Shelf also covers and contemplates possible issuances of securities by, and guarantees by, other Willis group entities, including Willis Group Holdings. One possible structure originally contemplated by the Willis Shelf was for debt securities issued by Trinity Acquisition plc and guaranteed by certain of its direct and indirect parent entities, but not guaranteed by its direct and indirect subsidiaries, including Willis North America, and the financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2009 included a footnote (Note 25) that corresponded to this possible issuance structure. We have determined that we will not utilize the Willis Shelf to issue debt securities using such a structure, and we therefore have not included a corresponding footnote in these financial statements.

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) Eliminations; and
- (vi) Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets for the year ended December 31, 2010 of Willis Group Holdings, the Other Guarantors and the Issuer. Investments in subsidiaries in the condensed consolidating balance sheet for Other, represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Other Guarantors column for the year ended December 31, 2010 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, Trinity Acquisition plc, TA I Limited, TA II Limited, TA III Limited, TA IV Limited and Willis Group Limited. See the discussion above describing the liquidation of certain of these entities.

Notes to the financial statements

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year ended December 31, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
REVENUES						
Commissions and fees	\$ —	\$ —	\$ —	\$ 3,300	\$ —	\$ 3,300
Investment income	—	10	2	36	(10)	38
Other income	—	—	—	1	—	1
Total revenues	—	10	2	3,337	(10)	3,339
EXPENSES						
Salaries and benefits	—	—	—	(1,888)	15	(1,873)
Other operating expenses	335	(10)	(110)	(762)	(19)	(566)
Depreciation expense	—	—	(9)	(54)	—	(63)
Amortization of intangible assets	—	—	—	(82)	—	(82)
Net (loss) gain on disposal of operations	(347)	—	—	350	(5)	(2)
Total expenses	(12)	(10)	(119)	(2,436)	(9)	(2,586)
OPERATING (LOSS) INCOME	(12)	—	(117)	901	(19)	753
Investment income from Group undertakings	—	1,683	356	952	(2,991)	—
Interest expense	—	(423)	(157)	(374)	788	(166)
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES						
Income taxes	(12)	1,260	82	1,479	(2,222)	587
(LOSS) INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(12)	1,276	111	1,293	(2,221)	447
Interest in earnings of associates, net of tax	—	—	—	16	7	23
(LOSS) INCOME FROM CONTINUING OPERATIONS	(12)	1,276	111	1,309	(2,214)	470
NET (LOSS) INCOME	(12)	1,276	111	1,309	(2,214)	470
Less: Net income attributable to noncontrolling interests	—	—	—	(15)	—	(15)
EQUITY ACCOUNT FOR SUBSIDIARIES	467	(823)	(76)	—	432	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	\$ 455	\$ 453	\$ 35	\$ 1,294	\$ (1,782)	\$ 455

Willis Group Holdings plc

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year ended December 31, 2009					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
REVENUES						
Commissions and fees	\$ —	\$ —	\$ —	\$ 3,210	\$ —	\$ 3,210
Investment income	—	—	4	46	—	50
Other income	—	—	—	3	—	3
Total revenues	—	—	4	3,259	—	3,263
EXPENSES						
Salaries and benefits	—	—	—	(1,836)	9	(1,827)
Other operating expenses	—	57	(62)	(590)	4	(591)
Depreciation expense	—	—	(8)	(56)	—	(64)
Amortization of intangible assets	—	—	—	(100)	—	(100)
Net gain on disposal of operations	—	—	—	13	—	13
Total expenses	—	57	(70)	(2,569)	13	(2,569)
OPERATING INCOME (LOSS)						
Investment income from Group undertakings	—	917	492	504	(1,913)	—
Interest expense	—	(415)	(173)	(346)	760	(174)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES						
Income taxes	—	(5)	20	(112)	1	(96)
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES						
Interest in earnings of associates, net of tax	—	554	273	736	(1,139)	424
INCOME FROM CONTINUING OPERATIONS						
Discontinued operations, net of tax	—	—	—	2	—	2
NET INCOME						
Less: Net income attributable to noncontrolling interests	—	—	—	(4)	(17)	(21)
EQUITY ACCOUNT FOR SUBSIDIARIES	438	(156)	(30)	—	(252)	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	\$ 438	\$ 398	\$ 243	\$ 767	\$ (1,408)	\$ 438

Notes to the financial statements

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Year ended December 31, 2008					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
REVENUES						
Commissions and fees	\$ —	\$ —	\$ —	\$ 2,744	\$ —	\$ 2,744
Investment income	—	—	16	377	(312)	81
Other income	—	—	—	2	—	2
Total revenues	—	—	16	3,123	(312)	2,827
EXPENSES						
Salaries and benefits	—	—	—	(1,647)	9	(1,638)
Other operating expenses	(12)	(154)	20	(485)	28	(603)
Depreciation expense	—	—	(6)	(48)	—	(54)
Amortization of intangible assets	—	—	—	(23)	(13)	(36)
Gain on disposal of London headquarters	—	—	—	7	—	7
Net loss on disposal of operations	(5)	—	—	—	5	—
Total expenses	(17)	(154)	14	(2,196)	29	(2,324)
OPERATING (LOSS) INCOME						
Investment income from Group undertakings	222	828	121	245	(1,416)	—
Interest expense	(2)	(261)	(104)	(411)	673	(105)
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES						
Income taxes	203	413	47	761	(1,026)	398
Income taxes	—	33	23	(153)	—	(97)
INCOME FROM CONTINUING OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES						
Interest in earnings of associates, net of tax	203	446	70	608	(1,026)	301
Interest in earnings of associates, net of tax	—	—	—	22	—	22
INCOME FROM CONTINUING OPERATIONS						
Discontinued operations, net of tax	203	446	70	630	(1,026)	323
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME						
Less: Net income attributable to noncontrolling interests	203	446	70	631	(1,026)	324
Less: Net income attributable to noncontrolling interests	—	—	—	(4)	—	(17)
EQUITY ACCOUNT FOR SUBSIDIARIES						
Equity account for subsidiaries	100	(417)	(10)	—	327	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS						
	\$ 303	\$ 29	\$ 60	\$ 627	\$ (716)	\$ 303

Willis Group Holdings plc

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

As at December 31, 2010

	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ —	\$ —	\$ 76	\$ 240	\$ —	\$ 316
Accounts receivable	2	—	—	809	28	839
Fiduciary assets	—	—	—	10,167	(598)	9,569
Deferred tax assets	—	—	1	35	—	36
Other current assets	19	23	57	274	(33)	340
Total current assets	21	23	134	11,525	(603)	11,100
Investments in subsidiaries	(1,058)	3,814	1,455	3,855	(8,066)	—
Amounts owed by (to) Group undertakings	3,659	(4,590)	1,002	(71)	—	—
NON-CURRENT ASSETS						
Fixed assets	—	—	52	330	(1)	381
Goodwill	—	—	—	1,696	1,598	3,294
Other intangible assets	—	—	—	492	—	492
Investments in associates	—	—	—	(51)	212	161
Deferred tax assets	—	—	—	7	—	7
Pension benefits asset	—	—	—	179	—	179
Other non-current assets	—	166	41	149	(123)	233
Total non-current assets	—	166	93	2,802	1,686	4,747
TOTAL ASSETS	\$ 2,622	\$ (587)	\$ 2,684	\$ 18,111	\$ (6,983)	\$ 15,847
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	\$ —	\$ —	\$ —	\$ 10,167	\$ (598)	\$ 9,569
Deferred revenue and accrued expenses	1	—	—	297	—	298
Income taxes payable	—	—	—	69	(12)	57
Short-term debt	—	—	110	—	—	110
Deferred tax liabilities	—	3	1	5	—	9
Other current liabilities	44	15	38	189	(20)	266
Total current liabilities	45	18	149	10,727	(630)	10,309
NON-CURRENT LIABILITIES						
Long-term debt	—	500	1,653	4	—	2,157
Liabilities for pension benefits	—	—	—	164	—	164
Deferred tax liabilities	—	3	26	54	—	83
Provisions for liabilities	—	—	—	183	(4)	179
Other non-current liabilities	—	10	16	321	—	347
Total non-current liabilities	—	513	1,695	726	(4)	2,930
TOTAL LIABILITIES	\$ 45	\$ 531	\$ 1,844	\$ 11,453	\$ (634)	\$ 13,239
EQUITY						
Total Willis Group Holdings stockholders' equity	\$ 2,577	\$ (1,118)	\$ 840	\$ 6,627	\$ (6,349)	\$ 2,577
Noncontrolling interests	—	—	—	31	—	31
Total equity	2,577	(1,118)	840	6,658	(6,349)	2,608
TOTAL LIABILITIES AND EQUITY	\$ 2,622	\$ (587)	\$ 2,684	\$ 18,111	\$ (6,983)	\$ 15,847

Notes to the financial statements

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at December 31, 2009 ⁽ⁱ⁾					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	\$ —	\$ —	\$ 104	\$ 117	\$ —	\$ 221
Accounts receivable	—	—	—	673	143	816
Fiduciary assets	—	—	—	10,206	(547)	9,659
Deferred tax assets	—	—	—	96	(15)	81
Other current assets	—	85	21	532	(440)	198
Total current assets	—	85	125	11,624	(859)	10,975
Investments in subsidiaries	2,180	3,693	1,132	3,867	(10,872)	—
Amounts owed by (to) Group undertakings	—	(2,459)	1,012	1,447	—	—
NON-CURRENT ASSETS						
Fixed assets	—	—	35	317	—	352
Goodwill	—	—	—	1,722	1,555	3,277
Other intangible assets	—	—	—	542	30	572
Investments in associates	—	—	—	76	80	156
Deferred tax assets	—	—	—	3	—	3
Pension benefits asset	—	—	—	69	—	69
Other non-current assets	—	14	18	189	—	221
Total non-current assets	—	14	53	2,918	1,665	4,650
TOTAL ASSETS	\$ 2,180	\$ 1,333	\$ 2,322	\$ 19,856	\$ (10,066)	\$ 15,625
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	\$ —	\$ —	\$ —	\$ 10,206	\$ (547)	\$ 9,659
Deferred revenue and accrued expenses	—	—	—	324	(23)	301
Income taxes payable	—	86	—	205	(245)	46
Short-term debt	—	—	200	9	—	209
Deferred tax liabilities	—	—	—	5	—	5
Other current liabilities	—	—	1	287	(10)	278
Total current liabilities	—	86	201	11,036	(825)	10,498
NON-CURRENT LIABILITIES						
Long-term debt	—	500	1,661	4	—	2,165
Liabilities for pension benefits	—	—	—	187	—	187
Deferred tax liabilities	—	—	15	26	(15)	26
Provisions for liabilities and charges	—	—	—	200	26	226
Other non-current liabilities	—	—	39	255	—	294
Total non-current liabilities	—	500	1,715	672	11	2,898
TOTAL LIABILITIES	\$ —	\$ 586	\$ 1,916	\$ 11,708	\$ (814)	\$ 13,396
EQUITY						
Total Willis Group Holdings stockholders' equity	2,180	747	406	8,144	(9,297)	2,180
Noncontrolling interests	—	—	—	4	45	49
Total equity	2,180	747	406	8,148	(9,252)	2,229
TOTAL LIABILITIES AND EQUITY	\$ 2,180	\$ 1,333	\$ 2,322	\$ 19,856	\$ (10,066)	\$ 15,625

(i) The 2009 balance sheet has been recast to conform to the current year presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

Willis Group Holdings plc

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	\$ (9)	\$ 1,170	\$ 83	\$ 1,572	\$ (2,327)	\$ 489
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	10	—	10
Additions to fixed assets	—	—	(7)	(76)	—	(83)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(21)	—	(21)
Acquisitions of investments in associates	—	—	—	(1)	—	(1)
Investment in Trident V Parallel Fund, LP	—	—	—	(1)	—	(1)
Proceeds from sale of continuing operations, net of cash disposed	—	—	—	2	—	2
Net cash used in investing activities	—	—	(7)	(87)	—	(94)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	90	—	—	90
Repayments of debt	—	—	(200)	(9)	—	(209)
Proceeds from issue of shares	36	—	—	—	—	36
Excess tax benefits from share-based payment arrangement	—	—	—	2	—	2
Amounts owed by (to) Group undertakings	106	(317)	6	205	—	—
Dividends paid	(133)	(849)	—	(1,521)	2,327	(176)
Acquisition of noncontrolling interests	—	(4)	—	(6)	—	(10)
Dividends paid to noncontrolling interests	—	—	—	(26)	—	(26)
Net cash provided by (used in) financing activities	9	(1,170)	(104)	(1,355)	2,327	(293)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	—	—	(28)	130	—	102
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(7)	—	(7)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	—	104	117	—	221
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ —	\$ —	\$ 76	\$ 240	\$ —	\$ 316

Notes to the financial statements

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2009 ⁽ⁱ⁾					Consolidated
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ —	\$ 867	\$ 390	\$ 27	\$ (865)	\$ 419
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	20	—	20
Additions to fixed assets	—	—	(17)	(79)	—	(96)
Acquisitions of investments in associates	—	—	—	(42)	—	(42)
Proceeds from reorganization of investments in associates	—	—	—	155	—	155
Proceeds from sale of continuing operations, net of cash disposed	—	—	—	4	—	4
Proceeds from sale of discontinued operations, net of cash disposed	—	—	—	40	—	40
Proceeds on sale of short-term investments	—	—	—	21	—	21
Net cash (used in) provided by investing activities	—	—	(17)	119	—	102
CASH FLOWS FROM FINANCING ACTIVITIES						
Repayments of debt	—	—	(1,090)	1	—	(1,089)
Senior notes issued, net of debt issuance costs	—	482	296	—	—	778
Proceeds from issue of shares	—	—	—	18	—	18
Amounts owed by (to) Group undertakings	—	(646)	525	121	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	1	—	1
Dividends paid	—	(703)	—	(336)	865	(174)
Acquisition of noncontrolling interests	—	—	—	(33)	—	(33)
Dividends paid to noncontrolling interests	—	—	—	(17)	—	(17)
Net cash used in financing activities	—	(867)	(269)	(245)	865	(516)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	—	104	(99)	—	5
Effect of exchange rate changes on cash and cash equivalents	—	—	—	11	—	11
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	—	—	205	—	205
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ —	\$ —	\$ 104	\$ 117	\$ —	\$ 221

(i) The 2009 Consolidated Statements of Cash Flows has been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

Willis Group Holdings plc

28. FINANCIAL INFORMATION FOR PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Year ended December 31, 2008 ⁽ⁱ⁾					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 202	\$ 426	\$ 5	\$ 606	\$ (986)	\$ 253
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	6	—	6
Additions to fixed assets	—	—	(6)	(88)	—	(94)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(940)	—	(940)
Acquisitions of investments in associates	—	—	—	(31)	—	(31)
Proceeds from sale of continuing operations, net of cash disposed	—	—	—	11	—	11
Proceeds on sale of short-term investments	—	—	—	15	—	15
Net cash used in investing activities	—	—	(6)	(1,027)	—	(1,033)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from issue of short-term debt, net of debt issuance costs	—	—	1,026	—	—	1,026
Proceeds from issue of long-term debt, net of debt issuance costs	—	—	643	—	—	643
Repayments of debt	—	—	(641)	—	—	(641)
Repurchase of shares	(75)	—	—	—	—	(75)
Proceeds from issue of shares	15	—	—	—	—	15
Amounts owed by (to) Group undertakings	5	241	(1,100)	854	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	6	—	6
Dividends paid	(146)	(667)	—	(319)	986	(146)
Acquisition of noncontrolling interests	(2)	—	—	(5)	—	(7)
Dividends paid to noncontrolling interests	—	—	—	(13)	—	(13)
Net cash (used in) provided by financing activities	(203)	(426)	(72)	523	986	808
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1)	—	(73)	102	—	28
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(23)	—	(23)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1	—	73	126	—	200
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ —	\$ —	\$ —	\$ 205	\$ —	\$ 205

(i) The 2008 Consolidated Statements of Cash Flows has been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details

Notes to the financial statements

29. QUARTERLY FINANCIAL DATA (UNAUDITED)

Quarterly financial data for 2010 and 2009 were as follows:

	Three Months Ended			
	March 31,	June 30,	September 30,	December 31,
	(millions, except per share data)			
2010				
Total revenues	\$ 972	\$ 799	\$ 733	\$ 835
Total expenses	(671)	(630)	(627)	(658)
Net income	211	91	65	103
Net income attributable to Willis Group Holdings	204	89	64	98
Earnings per share — continuing operations				
— Basic	\$ 1.21	\$ 0.52	\$ 0.38	\$ 0.57
— Diluted	\$ 1.20	\$ 0.52	\$ 0.37	\$ 0.57
Earnings per share — discontinued operations				
— Basic	\$ —	\$ —	\$ —	\$ —
— Diluted	\$ —	\$ —	\$ —	\$ —
2009				
Total revenues	\$ 930	\$ 784	\$ 725	\$ 824
Total expenses	(656)	(619)	(643)	(651)
Net income	201	91	81	86
Net income attributable to Willis Group Holdings	193	87	79	79
Earnings per share — continuing operations				
— Basic	\$ 1.15	\$ 0.52	\$ 0.46	\$ 0.47
— Diluted	\$ 1.15	\$ 0.52	\$ 0.46	\$ 0.47
Earnings per share — discontinued operations				
— Basic	\$ 0.01	\$ —	\$ 0.01	\$ —
— Diluted	\$ 0.01	\$ —	\$ 0.01	\$ —

Willis Group Holdings plc

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, 2010, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chairman and 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, 2010, 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, 2010.

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 25, 2011.

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, 2010, based on criteria established in *Internal Control — Integrated Framework* 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, 2010, based on the criteria established in *Internal Control — Integrated Framework* 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, 2010 of the Company and our report dated February 25, 2011 expressed an unqualified opinion on those financial statements.

Deloitte LLP

London, United Kingdom
February 25, 2011

Willis Group Holdings plc

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, 2010 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B —Other Information

As discussed in our Form 8-K furnished on February 10, 2011 and in Management's Discussion & Analysis, we anticipate that we will incur pre-tax charges of approximately \$110 million to \$130 million, primarily recorded in the first quarter of 2011, in connection with our operational review, certain of which charges will be costs associated with exit or disposal activities under Item 2.05 of Form 8-K. The Board of Directors authorized senior management to implement such plan on February 3, 2011.

PART III

Item 10 — Directors, Executive Officers and Corporate Governance

Except for the information regarding executive officers (other than Joseph J. Plumeri) required by Item 401 of Regulation S-K which is set forth below, as of February 21, 2011, we incorporate the information required by this item by reference to the headings 'Election of Directors', 'Corporate Governance', 'Section 16 Beneficial Ownership Reporting Compliance' and 'Ethical Code' in our 2011 Proxy Statement.

Adam G. Ciongoli — Mr. Ciongoli, age 42, was appointed an executive officer and Group General Counsel on March 26, 2007. He was appointed Group Secretary on August 1, 2009. Prior to joining the Willis Group, he served as a counselor and law clerk to US Supreme Court Justice Samuel A. Alito, Jr. during the Justice's first Term on the Court. Previously, Mr. Ciongoli was Senior Vice President and General Counsel for TimeWarner Europe, and the Counselor to United States Attorney General John Ashcroft. Mr. Ciongoli also serves as a special consultant to the New York City Police Department, and as an adjunct professor of law at Columbia University Law School.

Peter Hearn — Mr. Hearn, age 55, was appointed an executive officer on April 10, 2007. Mr. Hearn joined the Willis Group in January 1994 as a Senior Vice President to open and manage the Philadelphia office and was appointed Eastern Region Manager in October 1994 and Executive Vice President in 1997. Most recently, Mr. Hearn was appointed Chief Executive Officer of Willis Re in November 2006 and will be appointed Chairman of Willis Re. Prior to joining Willis, Mr. Hearn served as Vice President and Principal of Towers Perrin Reinsurance. Mr. Hearn has 31 years of experience in the insurance brokerage industry.

Victor P. Krauze — Mr. Krauze, age 51, was appointed an executive officer on December 3, 2010 and named Chairman and Chief Executive Officer of Willis North America. Previously, Mr. Krauze was President and Chief Operating Officer for Willis North America, a position in which he had served since 2009. Mr. Krauze has also served as President/CEO for Willis' Minnesota operations, National Partner of the Great Lakes region and Regional Executive Officer (National Partner) of Willis' Central Region. Prior to joining Willis in 1997, Mr. Krauze gained experience as a casualty marketing specialist with another major global broker where his early roles included Producer and Account Executive. Mr. Krauze has over 20 years of experience in the insurance industry.

David B. Margrett — Mr. Margrett, age 57, was appointed an executive officer on January 25, 2005. Mr. Margrett joined the Willis Group in September 2004 as a Managing Director of Global Markets. He was appointed Chief Executive Officer, Global Specialties in January 2005 and Chairman and Chief Executive Officer of Willis Limited on April 1, 2007. Prior to joining the Willis Group, Mr. Margrett had been with Heath Lambert Group, or its predecessors, since 1973, holding a number of senior positions, including Chief Executive from 1996 to 2004. Mr. Margrett has 37 years experience of the insurance industry.

Grahame J. Millwater — Mr. Millwater, age 47, was appointed an executive officer on December 18, 2001. He was appointed Group President on February 29, 2008, having been Chief Operating Officer since November 29, 2006. He has held several other senior positions since joining the Willis Group in September 1985, including Chairman and Chief Executive Officer of Willis Re. Mr. Millwater has 24 years of experience in the insurance brokerage industry, all of which have been with the Willis Group.

Michael K. Neborak — Mr. Neborak, age 54, 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 — 2006, and prior to that, in the investment banking group at Salomon Smith Barney from 1982 — 2000. He began his career as an accountant with Arthur Andersen & Co.

Willis Group Holdings plc

Martin J. Sullivan — Mr. Sullivan, age 56, was appointed an executive officer on September 7, 2010. Mr. Sullivan joined Willis as Deputy Chairman, Willis Group Holdings plc, and Chairman and CEO of Willis Global Solutions, which oversees the brokerage and risk management advisory services for Willis' multinational and global accounts. Mr. Sullivan previously served as President and Chief Executive Officer of American International Group, Inc. ('AIG'), from 2005-2008 and was Vice Chairman and Co-Chief Operating Officer from May 2002 until March 2005. He first joined AIG in the UK in 1971 and in the intervening years served in a number of positions of increasing responsibility, culminating in his election as Senior Vice President, Foreign General Insurance in 1996 and Executive Vice President, Foreign General Insurance in 1998. In 1996, he was appointed Chief Operating Officer of AIU in New York and named President in 1997.

Sarah J. Turvill — Ms. Turvill, age 57, was appointed an executive officer on July 1, 2001. Ms. Turvill joined the Willis Group in May 1978 and has held a number of senior management roles in our international business, particularly in Europe where she was Managing Director from 1995 to 2001. Ms. Turvill is currently Chief Executive Officer of Willis International, a position she has held since July 2001, and was additionally appointed Chairman in November 2006. She has 31 years of experience in the insurance brokerage industry, all of which have been with the Willis Group.

Timothy D. Wright — Mr. Wright, age 49, was appointed an executive officer and Group Chief Operating Officer on September 1, 2008. 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.

Directors' and auditors' remuneration

Item 11 — Executive Compensation

The information under the heading 'Executive Compensation' in the 2011 Proxy Statement is incorporated herein by reference. Nothing in this report shall be construed to incorporate by reference the Board Compensation Committee Report on Executive Compensation which is contained in the 2011 Proxy Statement.

Item 12 — Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

The information under the heading 'Security Ownership-Security Ownership of Certain Beneficial Owners and Management' in the 2011 Proxy Statement is incorporated herein by reference.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information, as of December 31, 2010, about the securities authorized for issuance under our equity compensation plans, and is categorized according to whether or not the equity plan was previously approved by shareholders:

Plan Category	Number of Shares to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights ⁽¹⁾	Number of Shares Remaining Available for Future Issuance
Equity compensation plans approved by security holders	21,364,574 ⁽²⁾	\$ 32.95	8,111,532 ⁽³⁾
Equity compensation plans not approved by security holders	1,331,901 ⁽⁴⁾	\$ 27.61	883,913 ⁽⁵⁾
Total	22,696,475	\$ 32.64	8,995,445

(1) The weighted-average exercise price set forth in this column is calculated excluding restricted share units ('RSUs') or other awards for which recipients are not required to pay an exercise price to receive the shares subject to the awards.

(2) Includes options and RSUs outstanding under the 2001 Share Purchase and Option Plan and the 2008 Share Purchase and Option Plan.

(3) Represents shares available for issuance pursuant to awards that may be granted under the 2001 Share Purchase and Option Plan, the 2008 Share Purchase and Option Plan, the 2001 North American Employee Stock Purchase Plan and the 2010 North American Employee Stock Purchase Plan. The 2001 Share Purchase and Option Plan expires May 3, 2011 and the 2001 North American Employee Stock expires May 31, 2011.

(4) Includes options and RSUs outstanding under the following plans that were assumed by Willis in connection with the acquisition by Willis of HRH: HRH 2000 Share Incentive Plan and the HRH 2007 Share Incentive Plan ('HRH 2007 Plan'). No future awards will be granted under the HRH 2000 Share Incentive Plan. Also includes 245,000 shares that may be issued to directors upon exercise of options.

(5) Represents Shares that remain available for issuance under the HRH 2007 Plan. Willis is authorized to grant 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.

Item 13 — Certain Relationships and Related Transactions, and Director Independence

The information under the headings 'Certain Relationships and Related Transactions' and 'Corporate Governance' in the 2011 Proxy Statement is incorporated herein by reference.

Item 14 — Principal Accounting Fees and Services

The information under the headings 'Fees Paid to Independent Auditors' in the 2011 Proxy Statement is incorporated herein by reference and as disclosed in Note 5 to the consolidated financial statements.

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, 2010.
- (d) Consolidated Balance Sheets as of December 31, 2010 and 2009.
- (e) Consolidated Statements of Cash Flows for each of the three years in the period ended December 31, 2010.
- (f) Consolidated Statements of Changes in Equity and Comprehensive Income for each of the three years in the period ended December 31, 2010.
- (g) 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:

- 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)
- 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)
- 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)
- 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)
- 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 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 6.20% 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)
- 4.3 Third Supplemental Indenture dated as of October 1, 2008 among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, 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)

(2) Exhibits (continued):

- 4.4 Fourth Supplemental Indenture dated as of September 29, 2009 among Willis North America Inc., as the Issuer, Willis Group Holdings Public Limited Company, 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, as the Trustee, to the Indenture dated as of July 1, 2005 for the issuance of the 7.00% 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)
- 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 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 8-K filed on January 4, 2010)
- 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*
- 4.7 Indenture dated as of March 6, 2009, among Trinity Acquisition plc, as Issuer, Willis Group Holdings Public Limited Company, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and The Bank of New York Mellon, as the Trustee; for the issuance of 12.875% senior notes due 2016 (incorporated by reference to Exhibit 4.2 to Willis Group Holdings Limited's Form 8-K filed on March 12, 2009)
- 4.8 First Supplemental Indenture dated as of November 18, 2009 among Trinity Acquisition plc, as the Issuer, Willis Group Holdings Public Limited Company, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of March 6, 2009 (incorporated by reference to Exhibit No. 4.3 to the Company's Form 8-K filed on January 4, 2010)
- 4.9 Second Supplemental Indenture dated as of December 31, 2009 among Trinity Acquisition plc, as the Issuer, Willis Group Holdings Public Limited Company, 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, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of March 6, 2009 (incorporated by reference to Exhibit No. 4.2 to the Company's Form 8-K filed on January 4, 2010)
- 4.10 Third Supplemental Indenture dated as of March 18, 2010 among Trinity Acquisition plc, 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, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of March 6, 2009 (incorporated by reference to Exhibit No. 10.1 to the Company's Form 8-K filed on March 23, 2010)
- 4.11 Fourth Supplemental Indenture dated as of December 22, 2010 among Trinity Acquisition plc, 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, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and The Bank of New York Mellon, as the Trustee, to the Indenture dated as of March 6, 2009*

Willis Group Holdings plc

(2) Exhibits (continued):

- 4.12 Note Purchase Agreement dated February 10, 2009, among Trinity Acquisition plc, as Issuer, Willis Group Holdings Public Limited Company, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, for the purchase by GSMP V Onshore International, Ltd., GSMP V Offshore International, Ltd., GSMP V Institutional International, Ltd. and GS Mezzanine Partners V Institutional L.P. of \$500,000,000 aggregate principal amount of the Issuer's 12.875% senior notes due 2016 (incorporated by reference to Exhibit 4.1 to Willis Group Holdings Limited's Form 8-K filed on March 12, 2009)
- 4.13 Registration Rights Agreement dated as of March 6, 2009, among Trinity Acquisition plc, as Issuer, Willis Group Holdings Public Limited Company, Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, TA III Limited, TA IV Limited, Willis Group Limited and Willis North America Inc., as the Guarantors, and GSMP V Onshore International, Ltd., GSMP V Offshore International, Ltd., GSMP V Institutional International, Ltd. and GS Mezzanine Partners V Institutional L.P., as Initial Purchasers, granting registration rights for the 12.875% senior notes due 2016 (incorporated by reference to Exhibit 4.3 to Willis Group Holdings Limited's Form 8-K filed on March 12, 2009)
- 10.1 Credit Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the Lenders party thereto, Bank of America, N.A., as Administrative Agent and Swing Line Lender and Banc of America Securities LLC, as Administrative Agent and Sole Lead Arranger (incorporated by reference to Exhibit 10.1 to Willis Group Holdings Limited's Form 8-K filed on October 6, 2008)
- 10.2 First Amendment dated November 14, 2008 to the Credit Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the Lenders party thereto, Bank of America, N.A., as Administrative Agent and Swing Line Lender and Banc of America Securities LLC, as Administrative Agent and Sole Lead Arranger (incorporated by reference to Exhibit 10.1 to Willis Group Holdings Limited's Form 8-K filed on November 25, 2008)
- 10.3 Second Amendment dated February 4, 2009 to the Credit Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the Lenders party thereto, Bank of America, N.A., as Administrative Agent and Swing Line Lender and Banc of America Securities LLC, as Administrative Agent and Sole Lead Arranger (incorporated by reference to Exhibit 10.1 to Willis Group Holdings Limited's Form 8-K filed on February 6, 2009)
- 10.4 Third Amendment dated October 28, 2009 to the Credit Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the Lenders party thereto, Bank of America, N.A., as Administrative Agent and Swing Line Lender and Banc of America Securities LLC, as Administrative Agent and Sole Lead Arranger (incorporated by reference to Exhibit 10.1 to Willis Group Holdings Limited's Form 8-K filed on November 2, 2009)
- 10.5 Fourth Amendment dated as of November 18, 2009 to the Credit Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the Lenders party thereto, Bank of America, N.A., as Administrative Agent and Swing Line Lender, and Banc of America Securities LLC, as Sole Lead Arranger (incorporated by reference to Exhibit 10.3 to the Company's Form 8-K filed on January 4, 2010)
- 10.6 Credit Agreement, dated as of August 9, 2010, among Willis North America, Inc., Willis Group Holdings Public Limited Company, Bank of America, N.A., as Administrative Agent and L/C Issuer and Banc of America Securities, LLC as Sole Lead Arranger and Sole Book Manager (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on August 11, 2010)
- 10.7 Guaranty Agreement, dated as of August 9, 2010, among Willis North America, Inc., Willis Group Holdings Public Limited Company, Bank of America, N.A., as Administrative Agent and L/C Issuer and Banc of America Securities, LLC as Sole Lead Arranger and Sole Book Manager (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on August 11, 2010)

(2) Exhibits (continued):

10.8	Guaranty Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the other Guarantors party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed on January 4, 2010)
10.9	Supplement to Guaranty dated as of December 31, 2009 under the Guaranty Agreement, dated as of October 1, 2008, among Willis North America Inc., Willis Group Holdings Public Limited Company, the other Guarantors party thereto and Bank of America, N.A., as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Company's Form 8-K filed on January 4, 2010)
10.10	Deed Poll of Assumption dated as of December 31, 2009 between Willis Group Holdings Limited and Willis Group Limited Public Limited Company (incorporated by reference to Exhibit 10.4 to the Company's Form 8-K filed on January 4, 2010)†
10.11	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)†
10.12	Willis Group Holdings 2001 North America Employee Share Purchase Plan (incorporated by reference to Exhibit 10.8 to the Company's Form 8-K filed on January 4, 2010)†
10.13	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)†
10.14	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)†
10.15	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)†
10.16	Form of Time-Based Option Agreement under the Willis Group Holdings 2001 Share Purchase and Option Plan†*
10.17	Form of Time-Based Restricted Share Award Agreement under the Willis Group Holdings 2001 Share Purchase and Option Plan†*
10.18	The Willis Group Holdings 2004 Bonus and Share Plan (incorporated by reference to Exhibit 10.12 to the Company's Form 8-K filed on January 4, 2010)†
10.19	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)†
10.20	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)†
10.21	The Willis Group Holdings International Sharesave Plan (incorporated by reference to Exhibit 10.15 to the Company's Form 8-K filed on January 4, 2010)†
10.22	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)†
10.23	Form of Performance-Based Restricted Share Units Award Agreement under the Willis Group Holdings 2008 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.17 to the Company's Form 8-K filed on January 4, 2010)†
10.24	Form of Performance-Based Option Award Agreement under the Willis Group Holdings 2008 Share Purchase and Option Plan (incorporated by reference to Exhibit 10.3 to the Company's Form 10-K filed on May 10, 2010)†
10.25	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)†
10.26	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)†

Willis Group Holdings plc

(2) Exhibits (continued):

10.27	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)†
10.28	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 10.2 to the Company's Form 10-Q filed on August 6, 2010)†
10.29	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)†
10.30	Form of Performance-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)†
10.31	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)†
10.32	Form of Deed of Indemnity of Willis Group Limited 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)†
10.33	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)†
10.34	Letter dated as of December 30, 2009 regarding Amended and Restated Employment Agreement, dated as of March 25, 2001 (as amended), between Willis Group Holdings Limited, Willis North America Inc. and Joseph J. Plumeri (incorporated by reference to Exhibit 10.22 to the Company's Form 8-K filed on January 4, 2010)†
10.35	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)†
10.36	Form of Employment Agreement dated March 13, 2007 between Willis Limited and Grahame J. Millwater (incorporated by reference to Exhibit No. 10.2 to Willis Group Holdings Limited's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)†
10.37	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)†
10.38	Agreement of Restrictive Covenants and Other Obligations dated as of August 2, 2010 between the Company and Michael K. Neborak†*
10.39	Form of Employment Agreement dated March 13, 2007, between Willis Limited and Patrick C. Regan (incorporated by reference to Exhibit 10.3 to Willis Group Holdings Limited's Quarterly Report on Form 10-Q for the quarter ended March 31, 2007)†
10.40	Form of Employment Agreement dated January 24, 1994, between Willis Faber North America, Inc. and Peter C. Hearn (incorporated by reference to Exhibit No. 10.28 to Willis Group Holdings Limited's Annual Report on Form 10-K for the year ended December 31, 2007)†
10.41	Agreement of Restrictive Covenants and Other Obligations dated as of May 6, 2008 between the Company and Peter C. Hearn (incorporated by reference to Exhibit 10.2 to Willis Group Holdings Limited's Form 8-K filed on June 26, 2008)†
10.42	Employment Agreement, dated July 17, 2006, and as amended between, Willis Limited and Stephen E. Wood (incorporated by reference to Exhibit 10.35 to the Company's Form 10-K filed on March 1, 2010)†
10.43	Employment Agreement, dated September 7, 2010, between Willis North America, Inc. and Martin J. Sullivan (incorporated by reference to Exhibit 10.1 to the Form 10-Q filed November 5, 2010)†

(2) Exhibits (continued):

10.44	Form of Willis Retention Award Letter†*
10.45	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)
10.46	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)
10.47	Amended and Restated Assurance of Discontinuance between the Attorney General of the State of New York and the Company on behalf of itself and its subsidiaries named therein and the Amended and Restated Stipulation between the Superintendent of Insurance of the State of New York and the Company on behalf of itself and the subsidiaries named therein, effective as of February 11, 2010 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 17, 2010)
10.48	Agreement between the Attorney General of the State of Connecticut and the Insurance Commissioner of the State of Connecticut and Hilb Rogal & Hobbs Company and its subsidiaries and affiliates dated August 31, 2005 (incorporated by reference to Exhibit 10.1 to the Current Report filed by Hilb Rogal & Hobbs Company on Form 8-K dated August 31, 2005, File No. 0-15981)
10.49	Stipulation and Consent Order between the Insurance Commissioner of the State of Connecticut and Hilb Rogal & Hobbs Company and Hilb Rogal & Hobbs of Connecticut, LLC dated August 31, 2005 (incorporated by reference to Exhibit 10.2 to Current Report filed by the Hilb Rogal & Hobbs Company on Form 8-K dated August 31, 2005, File No. 0-15981)
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.

** Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections

WILLIS NORTH AMERICA INC.
Issuer
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
Parent Guarantor
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
WILLIS GROUP LIMITED
the Guarantors
and
THE BANK OF NEW YORK MELLON (as successor to JPMorgan Chase Bank, N.A.)
Trustee

Sixth Supplemental Indenture

Dated as of December 22, 2010

to the

Indenture

Dated as of July 1, 2005

as amended by

First Supplemental Indenture

Dated as of July 1, 2005

and

Second Supplemental Indenture

Dated as of March 28, 2007

and

Third Supplemental Indenture

Dated as of October 1, 2008

and

Fourth Supplemental Indenture

Dated as of September 29, 2009

and
Fifth Supplemental Indenture
Dated as of December 31, 2009

Providing for the Guarantee of Senior Debt Securities
(Unlimited as to Aggregate Principal Amount)

SIXTH SUPPLEMENTAL INDENTURE

SIXTH SUPPLEMENTAL INDENTURE (this "**Sixth Supplemental Indenture**"), dated December 22, 2010, among Willis North America, Inc., a Delaware corporation (the "**Issuer**"), Willis Group Holdings Public Limited Company, a company incorporated under the laws of Ireland having company number 475616 (the "**Parent Guarantor**"), the Guarantors listed on Schedule A (the "**Other Guarantors**") and The Bank of New York Mellon (as successor to JPMorgan Chase Bank, N.A.) a New York banking corporation (the "**Trustee**"), to the Indenture, dated as of July 1, 2005, between the Issuer, the Old Parent Guarantor, the Other Guarantors and the Trustee (the "**Base Indenture**"), as amended by the First Supplemental Indenture, dated as of July 1, 2005 (the "**First Supplemental Indenture**"), the Second Supplemental Indenture, dated as of March 28, 2007 (the "**Second Supplemental Indenture**"), the Third Supplemental Indenture, dated as of October 1, 2008 (the "**Third Supplemental Indenture**"), the Fourth Supplemental Indenture, dated as of September 29, 2009 (the "**Fourth Supplemental Indenture**") and the Fifth Supplemental Indenture, dated as of December 31, 2009 (the "**Fifth Supplemental Indenture**") and together with the First, Second, Third and Fourth Supplemental Indentures and the Base Indenture, the "**Indenture**").

RECITALS:

WHEREAS, the Issuer, the Parent Guarantor, the Other Guarantors and the Trustee have heretofore entered into the Indenture to provide for the issuance of the Issuer's unsecured senior debentures, notes or other evidences of Indebtedness (the "**Securities**");

WHEREAS, Section 9.01 of the Indenture permits a Guarantor (as such term is defined in the Indenture) to convey, transfer or lease its properties and assets substantially as an entirety to any Person, provided that (a), except in the case of the Parent Guarantor, the successor Person, shall be a Person organized and existing under the laws of England and Wales and such Person shall expressly assume by supplemental indenture, all the obligations of the Guarantor under the Indenture and the Securities and immediately after such transaction no Event of Default shall have happened or be continuing and (b) the Guarantor has delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that such conveyance, transfer or lease and supplemental indenture comply with Article Nine of the Indenture and all the conditions precedent stated therein have been complied with;

WHEREAS, Section 9.02 of the Indenture permits the predecessor corporation to be relieved of all obligations and covenants under the Indenture and the Securities after the conveyance or transfer of the properties and assets of such Guarantor substantially as an entirety in accordance with Section 9.01 and after the successor Person succeeds to, is substituted for, and becomes entitled to exercise every right and power of the Guarantor;

WHEREAS, Section 10.01(1) of the Indenture permits the Issuer, the Guarantors and the Trustee to enter into a supplemental indenture to the Indenture without the consent of the Holders of the Securities to evidence the succession of another Person to a Guarantor and the assumption by such successor Person of the covenants of the Guarantor in the Indenture and the Securities pursuant to Article Nine of the Indenture;

WHEREAS, TA II Limited and TA III Limited are on the date hereof transferring their respective properties and assets each substantially as an entirety to TA I Limited, and TA IV Limited (together with TA II Limited and TA III Limited, the "**Transferring Guarantors**") is on the date hereof transferring its properties and assets substantially as an entirety to Trinity Acquisition plc (together with TA I Limited, the "**Assuming Guarantors**"), and the Assuming Guarantors desire to assume all the obligations of each of the applicable Transferring Guarantors under the Indenture and the Securities,

including all obligations of a Guarantor under Article Sixteen of the Indenture (the “*Guaranteed Obligations*”);

WHEREAS, the Trustee has agreed to enter into this Sixth Supplemental Indenture to evidence the foregoing assumptions;

WHEREAS, the Trustee has received an Opinion of Counsel and an Officers’ Certificate, pursuant to Sections 1.02, 9.01 and 10.03 of the Indenture, stating, as applicable, that (a) the execution of the Sixth Supplemental Indenture is authorized or permitted by the Indenture, (b) the transfer of each of the Transferring Guarantor’s properties and assets substantially as an entirety to the applicable Assuming Guarantor and the Sixth Supplemental Indenture comply with the provisions of Article Nine of the Indenture and (c) all conditions precedent provided for in the Indenture to such transaction and to the execution and delivery by the Trustee of the Sixth Supplemental Indenture have been complied with; and

WHEREAS, all things necessary to make this Sixth Supplemental Indenture a valid agreement of the Issuer, the Parent Guarantor, the Assuming Guarantors, the Transferring Guarantors, the other Guarantors party hereto and the Trustee, in accordance with its terms, have been done.

NOW, THEREFORE, in consideration of the above premises, each party covenants and agrees, for the benefit of the other parties and for the equal and ratable benefit of all of the holders of the Securities, as follows:

**ARTICLE ONE
ASSUMPTION OF GUARANTOR OBLIGATIONS**

Section 1.1 Assumption of Guarantor Obligations by Assuming Guarantors.

The Assuming Guarantors hereby assume the obligations of each of the applicable Transferring Guarantors under the Indenture and the Securities, and each of the Transferring Guarantors are relieved of all obligations and covenants under the Indenture and the Securities pursuant to Section 9.02 of the Indenture;

Section 1.2 Guarantor Agencies.

The Assuming Guarantors hereby confirm all agency appointments made by a Guarantor under the Indenture.

**ARTICLE TWO
MISCELLANEOUS**

Section 2.1 Integral Part.

This Sixth Supplemental Indenture constitutes an integral part of the Indenture.

Section 2.2 Adoption, Ratification and Confirmation.

The Indenture, as supplemented and amended by this Sixth Supplemental Indenture, is in all respects hereby adopted, ratified and confirmed, and this Sixth Supplemental Indenture shall be deemed part of the Indenture in the manner and to the extent herein and therein provided. The provisions of this Sixth Supplemental Indenture shall, subject to the terms hereof, supersede the provisions of the Indenture to the extent the Indenture is inconsistent herewith.

Section 2.3 Counterparts.

This Sixth Supplemental Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 2.4 Governing Law.

THIS SUPPLEMENTAL INDENTURE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

Section 2.5 Conflict with Trust Indenture Act.

If and to the extent that any provision of the Indenture limits, qualifies or conflicts with a provision required under the terms of the Trust Indenture Act, the Trust Indenture Act provision shall control.

Section 2.6 Effect of Heading and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

Section 2.7 Separability Clause.

In case any provision in the Indenture or in the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 2.8 Successors and Assigns.

All covenants and agreements in the Indenture by the parties hereto shall bind their respective successors and assigns, whether so expressed or not.

Section 2.9 Benefit of Indenture.

Nothing in this Sixth Supplemental Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Security Registrar, any Paying Agent, and their successors hereunder, and the Holders of the Securities, any benefit or any legal or equitable right, remedy or claim hereunder or under the Indenture.

Section 2.10 The Trustee.

The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which are made solely by the Issuer and the Guarantors.

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IN WITNESS WHEREOF, the parties hereto have caused this Sixth Supplemental Indenture to be duly executed, all as of the day and year first written above.

WILLIS NORTH AMERICA, INC.

By: /s/ Victor Krauze

Name: Victor Krauze

Title: Chief Executive Officer

[Signature Page to Sixth Supplemental Indenture]

WILLIS INVESTMENT UK HOLDINGS LIMITED

TA I LIMITED

TA II LIMITED

TA III LIMITED

TRINITY ACQUISITION PLC

TA IV LIMITED

WILLIS GROUP LIMITED

By: /s/ Stephen Wood

Name: Stephen Wood

Title: Director

[Signature Page to Sixth Supplemental Indenture]

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

PRESENT when the common seal of
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY was affixed to
this Deed:-

/s/ Michael K. Neborak
DIRECTOR/ MEMBER OF SEALING COMMITTEE

/s/ Adam G. Ciongoli
DIRECTOR/ MEMBER OF SEALING COMMITTEE

Witness's signature:
Name:
Address:
Occupation:

[Signature Page to Sixth Supplemental Indenture]

WILLIS NETHERLANDS HOLDINGS B.V.

By: /s/ Adriaan Cornelis Konijnendijk
Name: Adriaan Cornelis Konijnendijk
Title: Managing Director A

[Signature Page to Sixth Supplemental Indenture]

**THE BANK OF NEW YORK MELLON (as successor to
JPMorgan Chase Bank, N.A.), as Trustee**

By: /s/ Kimberly Agard

Name: Kimberly Agard

Title: Vice President

[Signature Page to Sixth Supplemental Indenture]

**SCHEDULE A
GUARANTORS**

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
WILLIS GROUP LIMITED

TRINITY ACQUISITION PLC
Issuer
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
Holdings
WILLIS NETHERLANDS HOLDINGS B.V.
WILLIS INVESTMENT UK HOLDINGS LIMITED
TA I LIMITED
TA II LIMITED
TA III LIMITED
TA IV LIMITED
WILLIS GROUP LIMITED
WILLIS NORTH AMERICA INC.
the Guarantors
and
THE BANK OF NEW YORK MELLON
Trustee

Fourth Supplemental Indenture
Dated as of December 22, 2010
to the
Indenture
Dated as of March 6, 2009, as amended

Supplemental Indenture (this "Supplemental Indenture"), dated as of December 22, 2010, among TRINITY ACQUISITION PLC (the "Issuer"), WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY ("Holdings"), WILLIS NETHERLANDS HOLDINGS B.V., WILLIS INVESTMENT UK HOLDINGS LIMITED, TA I LIMITED (the "Guaranteeing Entity"), TA II LIMITED, TA III LIMITED, TA IV LIMITED, WILLIS GROUP LIMITED and WILLIS NORTH AMERICA INC. and THE BANK OF NEW YORK MELLON, as trustee (the "Trustee").

W I T N E S S E T H

WHEREAS, each of the Issuer, Holdings and the Guarantors (as defined in the Indenture referred to below) has heretofore executed and delivered to the Trustee an indenture, dated as of March 6, 2009, and supplemented by the First Supplemental Indenture, dated as of November 18, 2009, the Second Supplemental Indenture, dated as of December 31, 2009 and the Third Supplemental Indenture, dated as of March 18, 2010 (together, the "Indenture"), providing for the issuance of \$500,000,000 aggregate principal amount of 12.875% Senior Notes due 2016 (the "Notes");

WHEREAS, Section 5.01(a)(ii) of the Indenture provides that upon the transfer of all or substantially all of a Guarantor's properties and assets to another person, such person must expressly assume the obligations of such Guarantor under the Notes and the Indenture pursuant to a supplemental indenture or other documents or instruments in form reasonably satisfactory to the Trustee;

WHEREAS, Section 10.06 of the Indenture provides that a Guarantee by a Guarantor shall be automatically and unconditionally released and discharged upon a transfer of all or substantially all of the assets of such Guarantor, which transfer is made in compliance with the applicable provisions of the Indenture;

WHEREAS, the Indenture provides that, under certain circumstances, the Guaranteeing Entity shall execute and deliver to the Trustee a supplemental indenture pursuant to which the Guaranteeing Entity shall unconditionally guarantee all of the Issuer's Obligations under the Notes and the Indenture on the terms and conditions set forth herein and under the Indenture (the "Guarantee");

WHEREAS, TA II Limited and TA III Limited are on the date hereof transferring all or substantially all of their respective properties and assets to TA I Limited, as the Guaranteeing Entity and TA IV Limited (together with TA II Limited and TA III Limited, the "Transferring Guarantors"), is on the date hereof transferring all or substantially all of its properties and assets to the Issuer, and the Guaranteeing Entity desires to assume all the obligations of the TA II Limited and TA III Limited under the Indenture and the Notes, including all obligations of a Guarantor under Article 10 of the Indenture (the "Guaranteed Obligations");

WHEREAS, the Trustee is authorized to execute and deliver this Supplemental Indenture.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties mutually covenant and agree as follows:

(1) Capitalized Terms. Capitalized terms used herein without definition shall have the meanings assigned to them in the Indenture.

(2) Agreement to Assume Obligations and to Guarantee. The Guaranteeing Entity hereby agree as follows:

(a) Pursuant to Section 5.01(a)(ii) of the Indenture, the Guaranteeing Entity expressly assumes the obligations of each of TA II Limited and TA III Limited under the Notes and the Indenture.

(b) Pursuant to Section 5.01(b) and Section 10.06 of the Indenture, each of the Transferring Guarantors hereby ceases to have any obligations under the Notes and the Indenture and each is hereby automatically and unconditionally released and discharged from its Guarantee.

(c) Pursuant to Section 5.01(a)(v), the Guaranteeing Entity, along with all Guarantors named in the Indenture, hereby agrees to jointly and severally, absolutely and unconditionally guarantee to each Holder of a Note authenticated and delivered by the Trustee and to the Trustee and its successors and assigns, irrespective of the validity and enforceability of the Indenture, the Notes or the obligations of the Issuer hereunder or thereunder, that:

(i) the principal of and interest and Additional Amounts, if any, and premium, if any, on the Notes will be promptly paid in full when due, whether at maturity, by acceleration, demand, redemption or otherwise, and interest on the overdue principal of and interest on the Notes, if any, if lawful, and all other obligations of the Issuer to the Holders or the Trustee hereunder or thereunder will be promptly paid in full or performed, all in accordance with the terms hereof and thereof; and

(ii) in case of any extension of time of payment or renewal of any Notes or any of such other obligations, that same obligations will be promptly paid in full when due or performed in accordance with the terms of the extension or renewal, whether at stated maturity, by acceleration or otherwise. Failing payment when due of any amount so guaranteed or any performance so guaranteed for whatever reason, the Guarantors and the Guaranteeing Entity shall be jointly and severally obligated to pay the same immediately. This is a guarantee of payment and not a guarantee of collection.

(d) The obligations hereunder shall be unconditional, irrespective of the validity, regularity or enforceability of the Notes or the Indenture, the absence of any action to enforce the same, any waiver or consent by any Holder of the Notes with respect to any provisions hereof or thereof, the recovery of any judgment against the Issuer, any action to enforce the same or any other circumstance which might otherwise constitute a legal or equitable discharge or defense of a guarantor.

(e) The following is hereby waived: any defense arising by reason of any disability or other defense of the Issuer or the Guaranteeing Entity, or the cessation from any cause whatsoever (including any act or omission of any Obligor) of the liability of the Issuer; (ii) any defense based on any claim that the Guaranteeing Entity obligations exceed or are more burdensome than those of the Issuer; (iii) the benefit of any statute of limitations affecting the Guaranteeing Entity's liability hereunder; (iv) any right to proceed against the Issuer, proceed against or exhaust any security for the Obligations under the Financing Documents, or pursue any other remedy in the power of any Obligor whatsoever; (v) any benefit of and any right to participate in any security now or hereafter held by any Obligor; and (vi) to the fullest extent permitted by law, any and all other defenses or benefits that may be derived from or afforded by applicable law limiting the liability of or exonerating guarantors or sureties. The Guaranteeing Entity expressly waives all setoffs and counterclaims and all presentments, demands for payment or performance, notices of nonpayment or nonperformance, protests, notices of protest, notices of dishonor and all other notices or demands of any kind or nature whatsoever with respect to the Obligations under the Financing Documents, and all notices of acceptance of the Guarantee or of the existence, creation or incurrence of new or additional Obligations under the Financing Documents.

(f) This Guarantee shall not be discharged except by complete performance of the obligations contained in the Notes, the Indenture and this Supplemental Indenture, and the Guaranteeing Entity accepts all obligations of a Guarantor under the Indenture.

(g) If any Holder or the Trustee is required by any court or otherwise to return to the Issuer, the Guarantors (including the Guaranteeing Entity), or any custodian, trustee, liquidator or other similar official acting in relation to either the Issuer or the Guarantors, any amount paid either to the Trustee or such Holder, this Guarantee, to the extent theretofore discharged, shall be reinstated in full force and effect.

(h) The Guaranteeing Entity shall not be entitled to any right of subrogation in relation to the Holders in respect of any obligations guaranteed hereby until payment in full of all obligations guaranteed hereby.

(i) As between the Guaranteeing Entity, on the one hand, and the Holders and the Trustee, on the other hand, (x) the maturity of the obligations guaranteed hereby may be accelerated as provided in [Article 6](#) of the Indenture for the purposes of this Guarantee, notwithstanding any stay, injunction or other prohibition preventing such acceleration in respect of the obligations guaranteed hereby, and (y) in the event of any declaration of acceleration of such obligations as provided in [Article 6](#) of the Indenture, such obligations (whether or not due and payable) shall forthwith become due and payable by the Guaranteeing Entity for the purpose of this Guarantee.

(j) The Guaranteeing Entity shall have the right to seek contribution from any non-paying Guarantor so long as the exercise of such right does not impair the rights of the Holders under this Guarantee.

(k) Pursuant to Section 10.02 of the Indenture, after giving effect to all other contingent and fixed liabilities that are relevant under any applicable Bankruptcy Law or fraudulent conveyance laws, and after giving effect to any collections from, rights to receive contribution from or payments made by or on behalf of any other Guarantor in respect of the obligations of such other Guarantor under Article 10 of the Indenture, this new Guarantee shall be limited to the maximum amount permissible such that the obligations of such Guaranteeing Entity under this Guarantee will not constitute a fraudulent transfer or conveyance.

(l) This Guarantee shall remain in full force and effect and continue to be effective should any petition be filed by or against the Issuer for liquidation, reorganization, should the Issuer become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of the Issuer's assets, and shall, to the fullest extent permitted by law, continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Notes are, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee on the Notes and Guarantee, whether as a "voidable preference", "fraudulent transfer" or otherwise, all as though such payment or performance had not been made. In the event that any payment or any part thereof, is rescinded, reduced, restored or returned, the Note shall, to the fullest extent permitted by law, be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

(m) In case any provision of this Guarantee shall be invalid, illegal or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(n) This Guarantee shall be a general unsecured senior obligation of such Guaranteeing Entity, ranking *pari passu* with any other future senior Indebtedness of such Guaranteeing Entity, if any.

(o) Each payment to be made by the Guaranteeing Entity in respect of this Guarantee shall be made without set-off, counterclaim, reduction or diminution of any kind or nature.

(p) The Guaranteeing Entity consents and agree that the Holders may, at any time and from time to time, without notice or demand, and without affecting the enforceability or continuing effectiveness hereof:

(i) amend, extend, renew, compromise, discharge, accelerate or otherwise change the time for payment or the terms of the Obligations under the Financing Documents or any part thereof; and (ii) release or substitute one or more of any endorsers or other guarantors of any of the Obligations under the Financing Documents. Without limiting the generality of the foregoing, the Guarantors consent to the taking of, or failure to take, any action which might in any manner or to any extent vary the risks of the Guaranteeing Entity under this Supplemental Indenture or which, but for this provision, might operate as a discharge of such Guaranteeing Entity.

(3) Conditions Precedent to Effectiveness. This Guarantee shall become effective upon the satisfaction of each of the conditions precedent set forth in this Section 3:

(a) The Trustee shall have received a certificate of the Guaranteeing Entity, dated as of the date hereof, as to the authority and signatures of those Persons authorized to execute, deliver, perform and to act with respect to each instrument, agreement or other document to be executed in connection with the transactions contemplated in connection herewith, upon which certificate the Trustee and each Holder, including each assignee (whether or not it shall have then become a party hereto), may conclusively rely until it shall have received a further certificate of the Guaranteeing Entity canceling or amending such prior certificate;

(b) The Trustee shall have received a copy of the organization documents of the Guaranteeing Entity, each certified in a manner reasonably satisfactory to the Trustee, and a copy of the certificate of registration or incorporation, as applicable, and, if applicable, a certificate of good standing for the Guaranteeing Entity issued by the appropriate governmental office in its jurisdiction of organization;

(c) The Trustee shall have received executed counterparts of this Supplemental Indenture;

(d) The Trustee shall have received a certificate of the Guaranteeing Entity addressed to the Trustee and the Holders, dated as of the date hereof, in form and substance reasonably satisfactory to the Trustee, to the effect that, as of such date all conditions set forth in this Section 3 have been fulfilled;

(e) The Trustee shall have received such other instruments, agreements, legal opinions addressed to the Trustee and, during any period which is a Holding Period, the Required Holders (including legal opinions regarding corporate, enforceability and security matters) as it shall request.

(4) Execution and Delivery. The Guaranteeing Entity agrees that the Guarantee shall remain in full force and effect notwithstanding the absence of the endorsement of any notation of such Guarantee on the Notes.

(5) Merger, Consolidation or Sale of All or Substantially All Assets. The Guaranteeing Entity may not consolidate or merge with or into or wind up into (whether or not the Issuer or Guaranteeing Entity is the surviving corporation), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets, in one or more related transactions, to any Person except as provided in Article 5 of the Indenture.

(6) Releases. The Guarantee of the Guaranteeing Entity shall be automatically and unconditionally released and discharged, and no further action by such Guaranteeing Entity, the Issuer or the Trustee is required for the release of such Guaranteeing Entity's Guarantee, upon:

(i) (A) any sale, exchange or transfer (by merger or otherwise) of the Capital Stock of the Guaranteeing Entity (including any sale, exchange or transfer), after which such Guaranteeing Entity is no longer a Subsidiary of Holdings or all or substantially all the assets of such Guaranteeing Entity, which

sale, exchange or transfer is made in compliance with the applicable provisions of the Indenture; or

(B) the Issuer exercising its Legal Defeasance option or Covenant Defeasance option in accordance with Article 8 of the Indenture or the Issuer's obligations under the Indenture being discharged in accordance with the terms of the Indenture; and

(ii) delivery by such Guaranting Entity to the Trustee of an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for in the Indenture relating to such transaction have been complied with.

(7) No Recourse Against Others. No director, officer, employee, incorporator or stockholder of the Guaranting Entity shall have any liability for any obligations of the Issuer or the Guarantors (including such Guaranting Entity) under the Notes, any Guarantees, the Indenture or this Supplemental Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting Notes waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

(8) Governing Law. THIS SUPPLEMENTAL INDENTURE WILL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(9) Counterparts. The parties may sign any number of copies of this Supplemental Indenture. Each signed copy shall be an original, but all of them together represent the same agreement.

(10) Effect of Headings. The section headings herein are for convenience only and shall not affect the construction hereof.

(11) The Trustee. The Trustee shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or for or in respect of the recitals contained herein, all of which recitals are made solely by the Guaranting Entity and the other parties hereto.

(12) Subrogation. The Guaranting Entity shall be subrogated to all rights of Holders of Notes against the Issuer in respect of any amounts paid by such Guaranting Entity pursuant to the provisions of Section 2 hereof and Section 10.01 of the Indenture; provided that, if an Event of Default has occurred and is continuing, such Guaranting Entity shall not be entitled to enforce or receive any payments arising out of, or based upon, such right of subrogation until all amounts then due and payable by the Issuer under the Indenture or the Notes shall have been paid in full.

(13) Benefits Acknowledged. The Guaranting Entity's Guarantee is subject to the terms and conditions set forth in the Indenture. The Guaranting Entity acknowledges that it will receive direct and indirect benefits from the financing arrangements contemplated by the Indenture and this Supplemental Indenture and that the guarantee and waivers made by it pursuant to this Guarantee are knowingly made in contemplation of such benefits.

(14) Successors. All agreements of the Guaranteeing Entity in this Supplemental Indenture shall bind its successors, except as otherwise provided in Section 2(n) hereof or elsewhere in this Supplemental Indenture. All agreements of the Trustee in this Supplemental Indenture shall bind its successors.

IN WITNESS WHEREOF, the parties hereto have caused this Supplemental Indenture to be duly executed, all as of the date first above written.

TA I LIMITED, as Guaranteeing Entity

By: /s/ Stephen Wood

Name: Stephen Wood

Title: Director

TRINITY ACQUISITION PLC

WILLIS INVESTMENT UK HOLDINGS LIMITED

WILLIS GROUP LIMITED

By: /s/ Stephen Wood

Name: Stephen Wood

Title: Director

TA II LIMITED

TA III LIMITED

TA IV LIMITED

By: /s/ Stephen Wood

Name: Stephen Wood

Title: Director

[Signature page to the Fourth Supplemental Indenture]

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

PRESENT when the common seal of
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY was affixed
to this Deed:-

/s/Michael K. Neborak
DIRECTOR/ MEMBER OF SEALING COMMITTEE

/s/ Adam C. Ciongoli
DIRECTOR/ MEMBER OF SEALING COMMITTEE

Witness's signature:
Name:
Address:
Occupation:

[Signature page to the Fourth Supplemental Indenture]

WILLIS NETHERLANDS HOLDINGS B.V.

By: /s/ Adriaan Cornelis Konijnendijk
Name: Adriaan Cornelis Konijnendijk
Title: Managing Director A

[Signature page to the Fourth Supplemental Indenture]

WILLIS NORTH AMERICA INC.

By: /s/ Victor Krauze _____
Name: Victor Krauze
Title: Chief Executive Officer

[Signature page to the Fourth Supplemental Indenture]

THE BANK OF NEW YORK MELLON, as Trustee

By: /s/ Timothy E. Burke

Name: Timothy E. Burke

Title: Vice President

[Signature page to the Fourth Supplemental Indenture]

WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
ON DECEMBER 31, 2009)

OPTION AGREEMENT
(Time-Based Share Options)

THIS OPTION AGREEMENT (this "Agreement"), effective as of [insert date], is made by and between Willis Group Holdings Public Limited Company and any successor thereto (hereinafter referred to as the "Company") and the individual (the "Optionee") who has duly completed, executed and delivered the Option Acceptance Form, a copy of which is attached hereto as Schedule A and which is deemed to be a part hereof (the "Acceptance Form") and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof;

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 hereinafter defined) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Option (as hereinafter defined) provided for herein to the Optionee as an incentive for increased efforts during the Optionee's employment with the Company or its Subsidiaries, and has advised the Company thereof and instructed the undersigned officer to prepare said Option.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Defined terms in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

Section 1.1— Act

"Act" shall mean the Companies Act 1963 of Ireland.

Section 1.2— Board

"Board" shall mean the board of directors of the Company or any duly authorized committee thereof.

Section 1.3 — Cause

“Cause” shall mean (i) the Optionee’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Optionee’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Optionee in connection with the Optionee’s employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Optionee to the Company or its Subsidiaries), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Optionee’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Optionee’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Optionee and the Company or any of its Subsidiaries (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 Optionee’s receipt of such notice.

Section 1.4 — Committee

“Committee” shall mean the Compensation Committee of the Board (or if no such committee is appointed, the Board), or any successor thereto.

Section 1.5 — Exercise Price

“Exercise Price” shall mean the exercise price of the Option set forth in Schedule A to this Agreement.

Section 1.6 — Good Reason

“Good Reason” shall mean (i) a reduction in the Optionee’s base salary or a material adverse reduction in the Optionee’s benefits other than (a) in the case of base salary, a reduction that is offset by an increase in the Optionee’s bonus opportunity upon the attainment of reasonable performance targets established by the Committee, (b) a general reduction in the compensation or benefits of, or a shift in the general compensation or benefits schemes affecting, a broad group of employees of the Company or any of its Subsidiaries, or (c) in the case of base salary, a reduction which is imposed in accordance with normal administration and application of a producer compensation plan, if applicable to the Optionee, (ii) a material adverse reduction in the Optionee’s principal duties and responsibilities, which continues beyond ten days after written notice by the Optionee to the Company or the applicable Subsidiary of such reduction or (iii) a significant transfer of the Optionee away from the Optionee’s primary service area or primary workplace, other than as permitted by the Optionee’s existing service contracts; provided, however, that the Optionee shall have a period of ten days following any of the foregoing occurrences or the last event in a series of events which culminate in providing the basis for such notice during which such the Optionee may claim that a basis for a Good Reason termination by the Optionee has occurred.

Section 1.7 — Grant Date

“Grant Date” shall mean [insert date].

Section 1.8 — Option

“Option” shall mean the option to purchase Ordinary Shares of the Company granted in accordance with this Agreement and the Plan.

Section 1.9 — Permanent Disability

The Optionee shall be deemed to have a “Permanent Disability” if the Optionee meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company’s or Subsidiary’s long-term disability plan applicable to the Optionee or, if no such plan is applicable, in the event the Optionee is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

Section 1.10 — Plan

“Plan” shall mean the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time.

Section 1.11 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 1.12 — Shares or Ordinary Shares

“Shares” or “Ordinary Shares” means ordinary shares of the Company, which may be authorised but unissued.

Section 1.13 — Subsidiary

“Subsidiary” shall mean with respect to the Company, any subsidiary of the Company within the meaning of Section 155 of the Act. For purposes of granting Options or any other “stock rights,” within the meaning of Section 409A of the Code, an entity shall not be considered a Subsidiary if granting any such share right would result in the stock right becoming subject to Section 409A of the Code. For purposes of granting U.S. incentive stock options, an entity shall not be considered a Subsidiary if it does not also meet the requirements of Section 424(f) of the Code.

Section 1.14 — Willis Group

“Willis Group” shall mean the Company and its Subsidiaries.

ARTICLE II
GRANT OF OPTIONS

Section 2.1 — Grant of Options

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 B to this Agreement, the Company hereby grants to the Optionee an Option to purchase all or part of the aggregate number of Shares, as stated in the Acceptance Form. In circumstances where the Optionee is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Optionee agrees that the grant of an Option pursuant to this Agreement is sufficient consideration for the Optionee entering into such agreement.

Section 2.2 — Exercise Price

Subject to Section 2.4, the Exercise Price of each Share subject to the Option shall be as stated in the Acceptance Form.

Section 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations where applicable, the rights and obligations of the Optionee under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The Option and the Optionee's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Optionee hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to vest in or exercise any Option as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee 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 Options Pursuant to Merger, Consolidation, etc.

Subject to Sections 8 and 9 of the Plan, in the event that the outstanding Shares subject to an Option 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, shares or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, make an appropriate and equitable

adjustment in the number and kind of Shares and/or the amount of consideration as to which or for which, as the case may be. The Committee, in its sole discretion, may make an appropriate and equitable adjustment to the Shares underlying such Option, and/or portions thereof then unexercised, shall be exercisable. Any such adjustment or determination made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons.

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1 — Commencement of Vesting and Exercisability.

(a) Subject to the Optionee's continued employment with the Willis Group through the applicable vesting date (set forth in the left column, the Shares shall vest and become exercisable in accordance with Section 3.2 below:

Date Option Becomes Vested and Exercisable	Percentage of Shares under Option as to which Become Exercisable Shares
On or after [insert date]	[insert]%
On or after [insert date]	[insert]%
On or after [insert date]	[insert]%
On or after [insert date]	[insert]%

- (b) In the event of a termination of the Optionee's employment as a result of death or Permanent Disability, the Option shall become fully vested and exercisable with respect to all Shares underlying such Option.
- (c) In the event of a termination of the Optionee's employment for any reason other than Death or Permanent Disability, then (i) the Shares that have vested and become exercisable and the Option in respect thereof shall remain exercisable as set forth in Section 3.2 (b) below and (ii) the Option over Shares that have not yet vested shall immediately terminate and will at no time become exercisable, except that the Committee may, for termination of employment for reasons other than Cause, determine in its discretion that the Option over Shares that have not yet vested and become exercisable, shall become vested and exercisable.
- (d) In the event of a termination of the Optionee's employment for any reason other than set out in (b) and (c) above and subject to Section 3.2, the Options, to the extent not then vested, lapse and be forfeited on the date of termination.

(e) In the event of a Change of Control, the Option shall not automatically vest and become exercisable and the Committee shall have the sole discretion to accelerate the vesting of unvested Options without regard to whether the Options are assumed or substituted by a successor company.

Section 3.2 — Expiration of Options

- (a) The Option shall immediately lapse upon termination of the Optionee's employment, subject to and except as otherwise specified within, the terms and conditions of Section 3.1, above.
- (b) The Option over Shares that have become vested and exercisable in accordance with Section 3.1 will cease to be exercisable by the Optionee upon the first to occur of the following events:
 - (i) The eighth anniversary of the Grant Date; or
 - (ii) Twelve months after the date of the Optionee's termination of employment by reason of death or Permanent Disability; or
 - (iii) Ninety days after the date of any termination of the Optionee's employment by the Company or its Subsidiary for any reason other than (A) death or Permanent Disability or (B) where the Committee has exercised its discretion in accordance with Section 3.1(c) above; or
 - (iv) Six calendar months after the date of termination provided the Committee has exercised its discretion pursuant to Section 3.1(c) above and termination is other than for Cause; or
 - (v) If the Committee so determines pursuant to Section 9 of the Plan and 3.1(e) of this Agreement, upon the effective date of a Change of Control, so long as the Optionee has a reasonable opportunity to exercise his Options prior to such effective date.
- (c) The Optionee agrees to execute and deliver the following agreements or other documents in connection with the grant of the Option within the period set forth below:
 - (i) the Optionee must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VII below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;
 - (ii) the Optionee must execute the Option Acceptance Form and deliver it to the Company within 45 days of the receipt of this Agreement; and
 - (iii) the Optionees who are resident in the United Kingdom must execute the form of joint election as described in terms set forth in Schedule D for the United

Kingdom and deliver it to their employing company within 45 days of the receipt of this Agreement.

(d) The Committee may, in its sole discretion, cancel the Option, if the Optionee fails to execute and deliver the agreements and documents within the period set forth in Section 3.2(c).

ARTICLE IV

EXERCISE OF OPTION

Section 4.1 — Person Eligible to Exercise

During the lifetime of the Optionee, only he may exercise an Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Section 3.2, be exercised by any person empowered to do so under the Optionee's will or under then-applicable laws of inheritance.

Section 4.2 — Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that any partial exercise shall be for whole Shares only.

Section 4.3 — Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his office or the Company's agent, if so directed all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

- (a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee and made available to the Optionee (or such other person then entitled to exercise the Option);
- (b) Full payment (in cash, by cheque, electronic transfer, by way of a cashless exercise as approved by the Company, by way of surrender of Shares to the Company, or by a combination thereof) of the Exercise Price for the Shares with respect to which such Option or portion thereof is exercised;
- (c) Full payment to the Company or any Subsidiary, by which Optionee is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contributions amounts ("Tax") which, under federal, state, local or foreign law, it is required to withhold upon exercise of the Option; and

(d) In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Optionee is liable by virtue of the Optionee's participation in the Plan and/or any social security contributions recoverable from and legally applicable to the Optionee (the "Tax-Related Items"), the Optionee has either:

(i) made full payment to the Employer of an amount equal to the Tax-Related Items, or

(ii) entered into arrangements acceptable to the Employer or another Subsidiary to secure that such a payment is made (whether by withholding from the Optionee's wages or other cash compensation paid to the Optionee or from the proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization).

(e) In the event the Option or any portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Without limiting the generality of the foregoing, the Committee may, prior to exercise, require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of an Option does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

Section 4.4 — Conditions to Issuance of Shares

The Shares to be delivered upon the exercise of an Option, or any portion thereof in accordance with Section 3.1 of this Agreement, may be either previously authorized but unissued Shares or issued Shares. Such Shares shall be fully paid. The Company shall not be required to issue or deliver any certificates representing such Shares or their electronic equivalent granted upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(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 lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

Section 4.5 — Rights as Shareholder

The Optionee 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 exercise of the Option or any portion thereof unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Optionee.

ARTICLE V

ADDITIONAL TERMS AND CONDITIONS OF OPTION

Section 5.1 — Nature of Grant

In accepting the Option, the Optionee 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;
- (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future options, or benefits in lieu of options, even if options have been granted repeatedly in the past;
- (c) all decisions with respect to future Option grants, if any, will be at the sole discretion of the Company;
- (d) the Optionee's participation in the Plan is voluntary;
- (e) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the Option and any Shares acquired under the Plan 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 and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or a Subsidiary;
- (g) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty; and
- (h) if the Optionee exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price.

Section 5.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or the issuance of Shares upon exercise of the Option or sale of the Shares. The Optionee 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 VI

DATA PRIVACY NOTICE AND CONSENT

Section 6.1 — Data Privacy.

(a) The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.

(b) The Optionee understands that the Company and the Employer may hold certain personal information about the Optionee, including, but not limited to, the Optionee'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 Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Optionee 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 Optionee understands that the recipients of the Data may be located in the Optionee's country or elsewhere, and that the recipients' country may have different data privacy laws and protections from the Optionee's country. The Optionee understands that 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 Optionee 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 Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that 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. The Optionee understands, however, that refusing or withdrawing his consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he may contact his local human resources representative.

ARTICLE VII

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

Section 7.1 — Restrictive Covenants and Other Obligations

In consideration of the grant of an Option, the Optionee shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Optionee does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the Option. If no such agreement is required, Schedule C shall state none or not applicable.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 — 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 Optionee, 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 Options. 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 8.2 — Options Not Transferable

Neither the Options nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Optionee 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 8.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 8.3 — 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 8.4 — 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 North America, Inc.
One World Financial Center
New York, NY 10281
Attention: General Counsel

and any notice to be given to the Optionee shall be at the address set forth in the Option Acceptance Form.

By a notice given pursuant to this Section 8.4, 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 Optionee shall, if the Optionee is then deceased, be given to the Optionee's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 8.4. 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 Optionee resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

Section 8.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

Section 8.6 — Applicability of Plan

The Options shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the Options. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

Section 8.7 — 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 8.8 — 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, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

Section 8.9 — Jurisdiction

The courts of the state of New York 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 this Agreement and, for such purposes, the parties hereto irrevocably submit to the 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 agreement 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 8.10 — Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Section 8.11 — Language

If the Optionee has received this Agreement, or any other document related to the Option 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 8.12 — 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 8.13 — Schedule B

The Option shall be subject to any special provisions set forth in Schedule B for the Optionee's country of residence, if any. If the Optionee relocates to one of the countries included in Schedule B during the life of the Option, the special provisions for such country shall apply to the Optionee, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

Section 8.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Option and the Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 8.15 — 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.
IN WITNESS WHEREOF, the Company and the Optionee have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By:
Name:
Title:

Share Option Award Agreement- Acceptance Form

**WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)**

Name

Number of Shares Granted Under Option

Grant Date

Option Price

I accept the grant of the Option under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time and I agree to be bound by the terms and conditions of the Share Option Award Agreement dated [insert date] and any country-specific terms set forth in Schedule B, thereto.

Signature:

Address:

Once completed, please return one copy of this form to:

General Counsel
Willis Group Holdings Public Limited Company
c/o Willis North America, Inc.
One World Financial Center
New York, NY 10281
U.S.A.

This form should be returned to the above address within 45 days of receipt. Your option may be cancelled if your form is not received by that date.

**COUNTRY-SPECIFIC APPENDIX TO OPTION AGREEMENT
WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)**

Terms and Conditions

This Schedule B includes additional terms and conditions that govern the Option granted to the Optionee under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time (the "Plan") if the Optionee resides in one of the countries listed below. This Schedule B 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 B also includes information based on the securities, exchange control and other laws in effect in the Optionee's country as of July 2010. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of the Optionee's participation in the Plan because the information may be out of date at the time the Optionee exercises the Option under the Plan.

In addition, the information is general in nature. The Company is not providing the Optionee with any tax advice with respect to the Option. The information is provided below may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. *Accordingly, the Optionee is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Optionee's country apply to the Optionee's situation.*

If the Optionee is a citizen or resident of a country other than the one the Optionee is working in or transfers employment after the Grant Date, the information contained in this Schedule B may not be applicable to the Optionee.

ARGENTINA

Notifications

Securities Law Information

Neither the Option nor the issuance of the Shares 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

Under regulations adopted by the Argentine Monetary and Banking Authority (the "BCRA"), the Optionee may purchase and remit foreign currency with a value of up to US\$2,000,000 per month out of Argentina for the purpose of acquiring foreign securities, including Shares, without prior approval from the BCRA, provided the Optionee executes and submits an affidavit to the BCRA confirming that the Optionee has not purchased and remitted funds in excess of US\$2,000,000 during the relevant month.

Please note that exchange control regulations in Argentina are subject to frequent change. The Optionee should consult with his or her personal legal advisor regarding any exchange control obligations that may arise from participation in the Plan.

AUSTRALIA***Terms and Conditions*****Manner of Exercise**

The Optionee may not exercise his or her vested Option unless and until the fair market value of the Shares underlying the vested Option on the date of exercise equals or exceeds the Exercise Price for the Options.

Option Term

Notwithstanding anything to the contrary in Section 3.2(b)(ii) of the Agreement, the Options shall expire on the seventh anniversary of the Grant Date.

Employee Information Supplement

The Optionee understands and agrees that the Option is offered subject to and in accordance with the terms of the Plan, the Agreement and the Employee Information Supplement for Optionees in Australia. The Optionee further agrees to be bound by the terms of the Plan as supplemented by the terms of the Option set forth in the Agreement and the Employee Information Supplement for Associates in Australia.

Notifications**Securities Law Information**

If the Optionee acquires Shares under the Plan upon exercise of the Option 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 Optionee should obtain legal advice regarding any applicable disclosure requirements prior to making any such offer.

AUSTRIA***Notifications*****Exchange Control Information**

If the Optionee holds Shares acquired upon exercise of the Option outside of Austria, he or she must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

When the Optionee sells Shares acquired upon exercise of the Option, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Optionee's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Notice

Under certain circumstances, the Optionee may be entitled to revoke his or her acceptance of the Agreement on the basis of the Austrian Consumer Protection Act under the following conditions:

- (i) The revocation must be made within one week of the day the Optionee signed the Acceptance Form; and
- (ii) The revocation must be in written form to be valid. It is sufficient if the Optionee returns the Agreement or Acceptance Form to the Company or the Company's representative with language which can be understood as the Optionee's refusal to conclude or honor the terms contained in the Agreement. It is sufficient if the revocation is sent within the period discussed above.

BERMUDA

There are no country-specific provisions.

BRAZIL

Notifications

Compliance with the Law

In accepting the grant of the Option, the Optionee acknowledges his or her agreement to comply with applicable Brazilian laws and to pay any and all applicable tax associated with the Option and the sale of the Shares acquired under the Plan.

Exchange Control Information

If the Optionee 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.

In addition, financial transactions, including the repatriation of funds from the sale of Shares, may be subject to the Tax on Financial Transactions (the "IOF"). The IOF is currently set at 0.38%.

CANADA

Terms and Conditions

Manner of Exercise

This provision supplements Section 4.3 of the Agreement:

The Optionee is prohibited from paying the Exercise Price or any Tax-Related Items with Shares that have been previously owned by the Optionee.

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 B, 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 Section 6 of the Agreement:

The Optionee 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 Optionee 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 Optionee further authorizes the Company and its Subsidiaries to record such information and to keep such information in the Optionee's employee file.

CAYMAN ISLANDS

There are no country-specific provisions.

CHILE

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 Optionee must comply with the exchange control and tax reporting requirements in Chile when remitting funds out of Chile for the purchase of Shares upon exercise of the Option or sending funds into the country in connection with the sale of Shares pursuant to the Plan, and register any investments with the Chilean Internal Revenue Service (the "CIRS").

The Optionee is not required to repatriate funds obtained from the sale of Shares or the receipt of any dividends. However, if the Optionee 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 Optionee 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 Optionee 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

Notifications

Exchange Control Information

Investments in assets located abroad (including Shares) are subject to registration with the Central Bank (Banco de la República) if the Optionee'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. However, if the Optionee does not remit funds through an authorized financial institution when the Optionee exercises the Option and acquire and hold shares abroad (*i.e.*, because the Optionee uses the cashless sell-to-cover method of exercise), then the Optionee must register the investment (assuming the Optionee accumulated financial investments held abroad and at year-end such investments equal or exceed the equivalent of US\$500,000). If the Optionee uses the cashless sell-all method of exercise, then no registration is required because no funds are remitted from Colombia and no shares are held abroad.

CZECH REPUBLIC

Notifications

Exchange Control Information

Upon request of the Czech National Bank, the Optionee may be required to file a notification within 15 days of the end of the calendar quarter in which he or she acquired Shares under the Plan.

DENMARK

Terms and Conditions

Stock Options Act

The Optionee acknowledges that he or she received the below Employer Statement in Danish which sets forth the terms of his or her Option under the Act on Stock Options.

Notifications

Exchange Control and Tax Reporting Information

The Optionee 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 Optionee is required to inform the Danish Tax Administration about the safety-deposit account. For this purpose, the Optionee must file a Declaration V (*Erklaering V*) with the Danish Tax Administration. Both the Optionee and the bank/broker must sign the Declaration V. By signing the Declaration V, the broker or bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the shares in the account. By signing the Declaration V, the Optionee 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/getFile.aspx?Id=47392

In addition, when the Optionee opens a deposit account or a brokerage account with a U.K. or other foreign bank for the proceeds of the sale of Shares, the bank or brokerage account, as applicable, will be treated as a deposit account because cash can be held in the account. Therefore, the Optionee must also file a Declaration K (*Erklaering K*) with the Danish Tax Administration. Both the Optionee 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, to forward information to the Danish Tax Administration concerning the content of the deposit account. By signing the Declaration K, the Optionee authorizes the Danish Tax Administration to examine the account. A sample of Declaration K can be found at the following website: www.skat.dk/getFile.aspx?Id=42409&newwindow=true

**SPECIAL NOTICE FOR PARTICIPANTS IN DENMARK
EMPLOYER STATEMENT**

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Act"), you are entitled to receive the following information regarding the Willis Group Holdings Public Limited Company (the "Company") offering of share options ("Options") and restricted share units ("RSUs") in a separate written statement.

This statement contains information mentioned in the Stock Option Act. Additional terms and conditions of the Options and RSUs are described in the Option and RSU materials, which have been made available to you. In the event of a conflict between a provision contained in this Employer Statement and provisions contained in the Option and RSU materials, this Employer Statement shall prevail. Capitalized terms used but not defined herein, shall have the same meaning as terms defined in the applicable Plan or the Option and/or RSU grant materials.

1. Grant of Options and RSUs

You have been granted Options or RSUs at the discretion of the Company's Board of Directors.

2. Terms or conditions for grant of a right to future purchase/award of Ordinary Shares

The Options and RSUs are offered at the discretion of the Company's Board of Directors.

3. Exercise/Vesting Date or Period

Generally, the restrictions on your Options and RSUs will lapse and the Options and RSUs will vest over a period of time and/or on achievement of certain performance criteria, provided that you remain employed by the Company or a subsidiary, unless otherwise affected by the Act. The exact vesting conditions applicable to your award will be set forth in your Option and RSU materials. Your Options are generally exercisable upon vesting and before the Options terminate or expire, except as otherwise provided in the Option materials.

4. Option Price

For Options, the Option Price per Share is a price corresponding to the market value of the Ordinary Shares at the time of grant. For RSUs, provided the nominal value per share has been paid to the Company at the time of vesting, no amount is payable by you upon vesting of your RSUs and the issuance of Ordinary Shares to you in accordance with the vesting terms provided in your RSU materials.

5. Your Rights upon Termination of Employment

Pursuant to the Act, the treatment of your Option and RSU rights upon termination of employment will be determined under Sections 4 and 5 of the Act unless the terms contained in the Option and RSU materials are more favorable to you than Sections 4 and 5 of the Act. If the terms contained in the Option and RSU materials are more favorable to you, then such terms will govern the treatment of your Option and RSU rights upon termination of employment.

6. Financial Aspects of Options and RSUs

The offering of Options and RSUs has no immediate financial consequences for you. The value of the Ordinary Shares you acquire upon exercise of Options or vesting of RSUs are not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Ordinary Shares are financial instruments and investing in stock will always have financial risk. The possibility of profit at the time you sell your Ordinary 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 you exercise your Option and acquire Ordinary Shares, the Shares could decrease in value even below the Option Price.

**SÆRLIG MEDDELELSE TIL DELTAGERE I DANMARK
ARBEJDSGIVERERKLÆRING**

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Willis Group Holdings Public Limited Company's ("Selskabets") udbud af aktieoptioner ("Optioner") og betingede aktier ("restricted stock units" eller "RSU'er").

Denne erklæring indeholder de i Aktieoptionsloven nævnte oplysninger. Yderligere vilkår og betingelser for Optionerne og RSU'erne er beskrevet i det Options- og RSU-materiale, som du har fået udleveret. I tilfælde af uoverensstemmelser mellem en bestemmelse i denne Arbejdsgivererklæring og bestemmelserne i Options- og RSU-materialet 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 den gældende Ordning eller i Options- og/eller RSU-tildelingsmaterialet.

1. Tildeling af Optioner og RSU'er

Du har fået tildelt Optioner og RSU'er efter Selskabets bestyrelses skøn.

2. Vilkår og betingelser for tildeling af retten til senere at købe/få tildelt Ordinære Aktier

Optionerne og RSU'erne udbydes efter Selskabets bestyrelses frie skøn.

3. Udnyttelses-/modningsdato eller -periode

Efter en vis periode og/eller ved opnåelse af visse performance-kriterier vil restriktionerne på dine Optioner og RSU'er som udgangspunkt bortfalde, og Optionerne og RSU'erne vil modnes. En forudsætning er dog, at du vedbliver med at være ansat i Selskabet eller i et datterselskab, medmindre andet er fastsat i Aktieoptionsloven. De nærmere modningsbetingelser, som gælder for din tildeling, vil fremgå af Options- og RSU-materialet. Dine Optioner kan som udgangspunkt udnyttes, efter at de er modnet, men før de ophører eller udløber, medmindre andet er fastlagt i Optionsmaterialet.

4. Optionskurs

For så vidt angår Optioner, er Optionskursen pr. aktie en kurs, der svarer til markedsværdien af aktierne på tildelingstidspunktet. For så vidt angår RSU'er, forudsat, at den nominelle pålydende værdi pr. aktie er betalt til Selskabet på modningstidspunktet, skal der ikke betales noget beløb ved modningen af dine RSU'er og udstedelsen af Ordinære Aktier til dig i overensstemmelse med modningsbetingelserne i dit RSU-materiale.

5. Din retsstilling i forbindelse med fratæden

I henhold til Aktieoptionsloven vil dine Optioner og RSU'er i tilfælde af din fratæden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre vilkårene i Options- og RSU-materialet er mere favorable for dig end Aktieoptionslovens §§ 4 og 5. Hvis vilkårene i Options- og RSU-materialet er mere favorable for dig, vil det være disse vilkår, der er gældende for, hvordan dine Options- og RSU-rettigheder vil blive behandlet i forbindelse med din fratæden.

6. Økonomiske aspekter ved Optionerne og RSU'erne

Udbuddet af Optioner og RSU'er har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af de Ordinære Aktier, som du erhverver ved udnyttelsen af Optionerne eller ved modningen af RSU'erne, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige vederlagsafhængige, lovpligtige ydelser.

Ordinære Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor du sælger dine Ordinære Aktier, afhænger ikke kun af Selskabets økonomiske udvikling, men også bl.a. af den generelle udvikling på aktiemarkedet. For så vidt angår Optioner, kan det desuden tilføjes, at såfremt du udnytter din Option og køber Ordinære Aktier, kan Aktierne falde til en værdi, der måske endda ligger under Optionskursen.

FINLAND

There are no country-specific provisions.

FRANCE***Notifications*****Language Consent**

By accepting the Option, the Optionee confirms having read and understood the documents relating to this grant (the Plan, the Agreement and this Schedule B) which were provided in English language. The Optionee 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 B) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

GERMANY***Notifications*****Exchange Control Information**

Cross-border payments in excess of €12,500 must be reported monthly to the German Federal Bank. If the Optionee uses a German bank to effect a cross-border payment in excess of €12,500 in connection with the exercise of the Option or the sale of Shares acquired under the Plan, the bank will make the report for the Optionee.

GIBRALTAR

There are no country-specific provisions.

HONG KONG***Terms and Conditions*****Securities Warning:**

The grant of the Option and the issuance of Shares upon exercise of the Option do not constitute a public offer of securities under Hong Kong law and are available only to employees of the Company or its Subsidiaries. The Agreement, Plan, the Agreement of Restrictive Covenants and Other Obligations and other incidental communication materials that the Optionee 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 Option is 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 Optionee is advised to exercise caution in relation to the offer. If the Optionee is in any doubt about any of the contents of the Agreement, the Plan or any other communication materials, the Optionee should obtain independent professional advice.

INDIA

Terms and Conditions

Manner of Exercise

This provision supplements Paragraph 4.3 of the Agreement:

Due to legal restrictions in India, the Optionee may not exercise his or her Option using a cashless sell-to-cover exercise, whereby the Optionee directs a broker to sell some (but not all) of the Shares subject to the exercised Option and deliver to the Company the amount of the sale proceeds to pay the Exercise Price and any Tax-Related Items. However, payment of the Exercise Price may be made by any of the other methods of payment set forth in the Agreement. The Company reserves the right to provide the Optionee with this method of payment depending on the development of local law.

Notifications

Exchange Control Information

The Optionee must repatriate the proceeds from the sale of Shares and any dividends received in relation to the Shares to India within 90 days after receipt. The Optionee 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 Optionee's responsibility to comply with applicable exchange control laws in India.

INDONESIA

Terms and Conditions

Manner of Exercise

This provision supplements Paragraph 4.3 of the Agreement:

Due to legal restrictions in Indonesia, the Optionee will be required to exercise the Option using the cashless sell-all exercise method whereby all Shares subject to the Option will be sold immediately upon exercise and the proceeds of sale, less the Exercise Price, any Tax-Related Items and broker's fees or commissions, will be remitted to the Optionee in accordance with any applicable laws and regulations. The Optionee will not be permitted to acquire and hold Shares upon exercise. The Company reserves the right to provide additional methods of exercise to the Optionee depending on the development of local law.

Notifications

Exchange Control Information

For foreign currency transactions, there is a statistical reporting requirement when the Indonesian Bank is receiving Rupiah or foreign currency. For transactions of US\$10,000 or more, a description of the transaction must be included in the report filed by the bank executing the transaction, and the Optionee must complete the Transfer Report Form provided by the bank.

For transactions of less than US\$10,000, the bank through which the transaction is conducted is only required to submit a report which consists of the type of account and the type of foreign exchange.

Please note that to stabilize the exchange rate, Bank of Indonesia has been imposing some additional restrictions on banks converting to U.S. dollars. Optionees should check with their bank before exercising the Option for any currency restrictions.

IRELAND

Notifications

Director Reporting Obligation

If the Optionee is a director, shadow director¹ or secretary of the Company or an Irish Subsidiary, the Optionee 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.*, an Option, 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

Manner of Exercise

This provision supplements Section 4.3 of the Agreement:

Due to legal restrictions in Italy, the Optionee will be required to exercise the Option using the cashless sell-all exercise method whereby all Shares subject to the Option will be sold immediately upon exercise and the proceeds of sale, less the Exercise Price, any Tax-Related Items and broker's fees or commissions, will be remitted to the Optionee in accordance with any applicable laws and regulations. The Optionee will not be permitted to acquire and hold Shares upon exercise. The Company reserves the right to provide additional methods of exercise to the Optionee depending on the development of local law.

Data Privacy

This provision replaces the Section 6 of the Agreement:

The Optionee understands that the Company and the Employer are the Privacy Representative of the Company in Italy and may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address and telephone number, date

¹ 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.

of birth, social insurance or other identification number, salary, nationality, job title, any Shares or directorships held in the Company or any Subsidiary, details of all options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, and that the Company and the Employer will process said data and other data lawfully received from third parties ("Personal Data") for the exclusive purpose of managing and administering the Plan and complying with applicable laws, regulations and Community legislation. The Optionee 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 Optionee's denial to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Optionee's ability to participate in the Plan. The Optionee 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 SmithBarney 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 Optionee 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 Optionee 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 Optionee'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 SmithBarney or other third party with whom the Optionee 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 Optionee's participation in the Plan. The Optionee 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 Optionee 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 Optionee'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 Optionee understands that, pursuant to section 7 of the Legislative Decree no. 196/2003, the Optionee 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 Optionee should contact the Employer. Furthermore, the Optionee 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 Optionee's human resources department.

Plan Document Acknowledgement

The Optionee acknowledges that the Optionee has read and specifically and expressly approves of the following sections of the Agreement: Article II, Grant of Options; Article III, Period of Exercisability; Article IV, Exercise of Option; Article V, Additional Terms and Conditions of Option; Article VII, Agreement of Restrictive Covenants and Other Obligations; Section 8.2, Options Not Transferable; Section 8.8, Governing Law; Section 8.9, Jurisdiction, Section 8.10 Electronic Delivery; Section 8.11 Language; Section 8.13, Schedule B, Section 8.14 Imposition of Other Requirements and the Data Privacy section of this Schedule B.

Notifications

Exchange Control Information

The Optionee 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 exceeding €10,000 if such investments (including vested Options, cash, Shares) combined with other foreign assets exceeds €10,000; and/or (c) the amount of the transfers to and from Italy which have had an impact during the calendar year on the Optionee's foreign investments or investments held outside of Italy. The Optionee 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 Optionee's behalf.

KOREA

Terms and Conditions

Exchange Control Information

To remit funds out of Korea to exercise the Option by means of a cash exercise method, the Optionee must obtain a confirmation of the remittance by a foreign exchange bank in Korea. The Optionee likely will need to present to the bank processing the transaction supporting documentation evidencing the nature of the remittance.

If the Optionee receives US\$500,000 or more from the sale of Shares, Korean exchange control laws require the Optionee to repatriate the proceeds to Korea within 18 months of the sale.

JAPAN

Notifications

Exchange Control Information

If the Optionee pays more than ¥30,000,000 in a single transaction for the purchase of Shares when he or she exercises the Option, the Optionee must file a Payment Report with the Ministry of Finance through the Bank of Japan by the 20th day of the month following the month in which the payment was made. The precise reporting requirements vary depending on whether the relevant payment is made through a bank in Japan.

MEXICO

Terms and Conditions

The following sections supplement Sections 2.3 and 5.1 of the Agreement:

Modification

By accepting the Option, the Optionee 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 Option 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 Option does not, in any way, establish an employment relationship between the Optionee and the Company since the Optionee is participating in the Plan on a wholly commercial basis and the sole employer is **[insert name of Subsidiary(ies) in Mexico]**, nor does it establish any rights between the Optionee and the Employer.

Plan Document Acknowledgment.

By accepting the Option, the Optionee acknowledges that the Optionee 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 Optionee further acknowledges that the Optionee has read and specifically and expressly approves the terms and conditions in Sections 2.3 and 5.1 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 and the Employer are not responsible for any decrease in the value of the Shares acquired upon exercise of the Option.

Finally, the Optionee 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 Optionee'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 2.3 y 5.1 de este Acuerdo:

Modificación: Al aceptar las Opción, el Titular del Derecho a la Opción 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 la Opción 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 Titular del Derecho a la Opción.

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 otorgamiento de la Opción no establece de forma alguna una relación de trabajo entre el Titular del Derecho a la Opción y la Compañía, ya que su participación en el Plan es completamente comercial y el único empleador es [], así como tampoco establece ningún derecho entre el Titular del Derecho a la Opción y el Empleador.

Reconocimiento del Documento del Plan. Al aceptar la Opción, el Titular del Derecho a la Opción 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 Titular del Derecho a la Opción reconoce que ha leído, y que aprueba específica y expresamente los términos y condiciones contenidos en la sección Naturaleza del Orogamiento en el cual se encuentra claramente descrito 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 la Opción.

Finalmente, el Titular del Derecho a la Opción 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 Subsidiarias con respecto a cualquier demanda que pudiera originarse en virtud de los Plan.

NETHERLANDS

Notifications

Securities Law Information

The Optionee should be aware of the Dutch insider-trading rules, which may impact the sale of Shares acquired upon exercise of the Option. In particular, the Optionee may be prohibited from effectuating certain transactions if the Optionee has inside information about the Company.

Under Article 5:56 of the Dutch Financial Supervision Act, anyone who has “insider 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 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 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 Optionee has such inside information.

If the Optionee is uncertain whether the insider-trading rules apply to him or her, the Optionee should consult his or her personal legal advisor.

NEW ZEALAND

Terms and Conditions

Securities Law Information

In compliance with New Zealand Securities Law, the Optionee understands and acknowledges that the documents listed below are available for his or her review on the Company’s external and internal sites at the web addresses listed below:

1. The Company’s most recent Annual Report (Form 10-K) — www.willis.com;
2. The Company’s most recent published financial statements — www.willis.com
3. The Plan — [insert link]; and
4. The Plan prospectus — [insert link].

A copy of the above documents will be sent to the Optionee free of charge upon written request to the Secretary at Willis Limited, 51 Lime Street, London EC3M, 7DQ, England, United Kingdom.

The Optionee should read the materials provided carefully before making a decision whether to participate in the Plan. In addition, the Optionee should consult his or her tax advisor for specific information concerning his or her personal tax situation with regard to Plan participation.

NORWAY

Notifications

Exchange Control Information

The Optionee is not required to notify the Norges Bank of any accounts he or she holds abroad or of payments made abroad through an unauthorized currency bank or a non-bank monetary transfer system unless requested to do so by the Norges Bank. If payments are made through an authorized currency bank, the bank will automatically notify the Norges Bank of the transfer of funds on the Optionee's behalf. In addition, a notification for statistical purposes may be required by Statistics Norway on a case-by-case basis.

PERU

Notifications

Securities Law Information

The Option is considered a private offering in Peru; therefore, it is not subject to registration.

POLAND

Notifications

Exchange Control Information

Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information on transactions and balances of the securities and cash deposited in such accounts to the National Bank of Poland if the value of such transactions or balances exceeds €15,000. If required, the reports are due on a quarterly basis by the 20th day following the end of each quarter. The reports are filed on special forms available on the website of the National Bank of Poland.

PORTUGAL

Terms and Conditions

Language Consent

This provision supplements Section 8.11 of the Agreement.

The Optionee 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 Língua

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

The transfer of funds abroad to exercise the Option generally requires a report to the Portuguese Central Bank for statistical purposes. If a commercial bank in Portugal is involved in the transfer, it will file the report. In addition, if the Optionee acquires Shares upon exercise 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 Optionee.

SINGAPORE

Notifications

Securities Law Information

The Options are being granted to the Optionee 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 Optionee should note that such Option grant is subject to section 257 of the SFA and the Optionee will not be able to make any subsequent sale in Singapore, or any offer of such subsequent sale of the Shares underlying the Option 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 (Chapter 289, 2006 Ed.).

Director Notification Obligation

If the Optionee is a director, associate director or shadow director of a Singapore Subsidiary, the Optionee is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Subsidiary in writing when the Optionee receives an interest (*e.g.*, Option, Shares) in the Company or any related companies. Please contact the Company to obtain a copy of the notification form. In addition, the Optionee must notify the Singapore Subsidiary when the Optionee sells any Shares (including when the Optionee 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 Optionee’s interests in the Company or any related company within two days of becoming a director.

SOUTH AFRICA

Term and Conditions

Tax Reporting Information

By accepting the Option, the Optionee agrees to notify his or her Employer of the amount of any gain he or she realizes upon the exercise of the Option. If the Optionee fails to advise his or her Employer of the gain realized upon exercise, he or she may be liable for a fine. The Optionee will be responsible for paying any difference between the actual tax liability and the amount withheld.

Notifications

Tax Clearance Certificate for Cash Exercises

If the Optionee exercises the Option using a cash exercise method, he or she must obtain and provide to the Employer, or any third party designated by the Employer or the Company, a Tax Clearance Certificate (with respect to Foreign Investments) bearing the official stamp and signature of the Exchange Control Department of the South African Revenue Service ("SARS"). The Optionee must renew this Tax Clearance Certificate every six months, or such other period as may be required by the SARS. If the Optionee exercises the Option by a cashless exercise method whereby no funds are remitted out of South Africa, no Tax Clearance Certificate is required.

Exchange Control Information

The Optionee 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 Optionee is responsible for ensuring compliance with all exchange control laws in South Africa.

SPAIN

Terms and Conditions

Nature of Grant

This provision supplements Sections 2.3 and 5.1 of the Agreement:

In accepting the Option, the Optionee acknowledges that he or she consents to participation in the Plan and has received a copy of the Plan.

The Optionee understands and agrees that, as a condition of the grant of the Option, except as provided for in Section 3.1 of the Agreement, the termination of the Optionee's employment for any reason (including for the reasons listed below) will automatically result in the loss of the Option that may have been granted to the Optionee and that have not vested and become exercisable on the date of termination.

In particular, the Optionee understands and agrees that any unvested Options as of Optionee's termination date and any vested Options not exercised within the period set forth in the Agreement following Optionee's termination date will be forfeited without entitlement to the underlying Shares or to any amount as indemnification in the event of a termination 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 Optionee understands that the Company has unilaterally, gratuitously and discretionally decided to grant the Option under the Plan to individuals who may be employees

of the Company or a Subsidiary. 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 Company or its Subsidiaries on an ongoing basis. Consequently, the Optionee understands that the Option is granted on the assumption and condition that the Option and the Shares issued upon exercise shall not become a part of any employment or contract (either with the Company, the Employer or any Subsidiary) and shall not be considered a mandatory benefit, salary for any purposes (including severance compensation) or any other right whatsoever. In addition, the Optionee understands that the grant of the Option would not be made to the Optionee but for the assumptions and conditions referred to above; thus, the Optionee 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 grant to the Optionee of an Option shall be null and void.

Notifications

Securities Law Information

The Option described in the Agreement and this Schedule B 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. The Agreement (including this Schedule B) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and do not constitute a public offering prospectus.

Exchange Control Information

The Optionee 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 Industry, Tourism and Commerce. The Optionee 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 Optionee must inform the financial institution receiving the payment of the basis upon which such payment is made. The Optionee will need to provide the institution with the following information: (i) the Optionee’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.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information

The Option is considered a private offering in Switzerland; therefore, it is not subject to registration.

TAIWAN

Notifications

Exchange Control Information

The Optionee may acquire and remit foreign currency (including proceeds from the sale of Shares) into and out of Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, the Optionee must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

UNITED KINGDOM

Terms and Conditions

Tax Withholding Obligations

The following provisions supplement Section 4.3 of the Agreement:

Prior to the relevant taxable or tax withholding event, as applicable, the Optionee shall pay or make arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the Tax-Related Items by one or a combination of the following (1) withholding from the Optionee's wages or other cash compensation payable to the Optionee by the Company, the Employer, or any Subsidiary at any time; or (2) withholding from the proceeds of the sale of Shares acquired at exercise of the Option either through a voluntary broker-dealer sale or through a mandatory broker-dealer sale arranged by the Company (on the Optionee's behalf pursuant to this authorization); or (3) payment directly from the Optionee by cheque or cleared funds.

The Optionee agrees that if he or she does not pay or the Employer or the Company does not withhold from the Optionee the full amount of Tax-Related Items that the Optionee owes at exercise of the Option, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (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, then the amount that should have been withheld shall constitute a loan owed by the Optionee to the Employer, effective 90 days after the Taxable Event. The Optionee 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 Optionee, 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 Optionee by the Employer, by withholding in Shares issued upon exercise of the Option or from the cash proceeds from the sale of Shares or by demanding cash or a check from the Optionee. The Optionee also authorizes the Company to delay the issuance of any Shares unless and until the loan is repaid in full.

The Optionee acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 4.3(d) of the Agreement, although the Optionee acknowledges that the Optionee ultimately will be responsible for reporting any income tax or National Insurance Contributions ("NICs") due on

this additional benefit directly to HMRC under the self-assessment regime.

Joint Election

If the Optionee is a U.K. tax resident, the grant of this Option is conditional upon the Optionee hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the exercise, assignment, release or cancellation of any Option. The Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 4 of the Agreement. Without prejudice to the foregoing, the Optionee agrees to execute a joint election with the Company and/or the Employer ("Election"), the form of such Election being formally approved by HMRC, and any other consent or elections required to accomplish the transfer of the Employer NICs to the Optionee. The Optionee further agrees to execute such other joint elections as may be required between the Optionee and any successor to the Company and/or the Employer. If the Optionee does not make an Election prior to the exercise of the Option or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary, the Option shall become null and void without any liability to the Company and/or the Employer and may not be exercised by the Optionee.

UNITED STATES OF AMERICA

Notifications

Tax Information

The Option is not an incentive stock option within the meaning of Section 422 of the Code.

Exchange Control Information. If the Optionee holds assets (*i.e.*, Options, Shares) or other financial assets in an account outside of the United States and the aggregate amount of said assets is US\$10,000 or more, the Optionee is required to submit a report of Foreign Bank and Financial Account ("FBAR") with the United States Internal Revenue Service by June 30 of the year following the year in which the assets in his or her account meet the US\$10,000 threshold.

**WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
ON DECEMBER 31, 2009)**

**RESTRICTED SHARE UNITS AWARD AGREEMENT
(Time-Based Restricted Share Units)**

THIS RESTRICTED SHARE UNITS AGREEMENT (this "Agreement"), effective as of [insert date] is made by and between Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the "Company", and the individual (the "Associate") who has duly completed, executed and delivered the Award Acceptance Form, a copy of which is attached hereto as Schedule A, and which is deemed to be part hereof (the "Acceptance Form") and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof;

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 hereinafter defined) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant an award of 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 or its Subsidiaries (as hereinafter defined), and has advised the Company thereof and instructed the undersigned officer to prepare said Restricted Share Unit Award;

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Defined terms in this Agreement shall have the meaning specified in the Plan unless the context clearly indicates to the contrary.

Section 1.1 — Act

"Act" shall mean the Companies Act 1963 of Ireland.

Section 1.2 — Board

"Board" shall mean the board of directors of the Company or any duly authorized committee thereof.

Section 1.3 — 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 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 (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), (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 C 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 (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 1.4 — Committee

“Committee” shall mean the Compensation Committee of the Board (or if no such committee is appointed, the Board).

Section 1.5 — Grant Date

“Grant Date” shall mean [insert date].

Section 1.6 — Permanent Disability

The Associate shall be deemed to have a “Permanent Disability” if the Associate meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company’s or Subsidiary’s long-term disability plan applicable to the Associate or, if no such plan is applicable, in the event the Associate is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

Section 1.7 — Plan

“Plan” shall mean the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time.

Section 1.8 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Section 1.9 — Restricted Share Unit

“Restricted Share Units” shall mean a conditional right to receive ordinary shares, par value of \$0.000115 each in the Company (the “Ordinary Shares” or “Shares”) pursuant to the terms of the Plan upon vesting and settlement, as set forth in Section 3.1 of this Agreement.

Section 1.10 — Secretary

“Secretary” shall mean the Secretary of the Company.

Section 1.11 — Subsidiary

“Subsidiary” shall mean with respect to the Company, any subsidiary of the Company within the meaning of Section 155 of the Act.

Section 1.12 — Willis Group

“Willis Group” shall mean the Company and the Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

Section 2.1 — Grant of the 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 B to this Agreement, the Company hereby grants to the Associate the number of Restricted Share Units stated in the Acceptance Form (hereinafter called “RSUs”). In circumstances where the Associate is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Associate agrees that the grant of RSUs pursuant to this Agreement is sufficient consideration for the Associate entering into such agreement.

Section 2.2 — RSU Payment

Subject to Section 5 of the Plan, the Shares to be issued upon vesting and settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Associate at the time the RSUs vest from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

Section 2.3 — Employment 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 shall not be affected by his participation in this Plan or any right which he may have to participate in it. The RSUs and the Associate’s

participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Associate hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to vest in his RSUs as a result of such termination. 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 RSUs Pursuant to Merger, Consolidation, etc.

Subject to Sections 8 and 9 of the Plan, in the event that the outstanding Shares subject to RSUs 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, shares or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, make an appropriate and equitable adjustment in the number and kind of Shares. In the event of a Change of Control and regardless of whether the RSUs are assumed or substituted by a successor company, the RSUs shall not immediately vest unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate. Any such adjustment or determination made by the Committee shall be final and binding upon the Associate, the Company and all other interested persons. 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.

Section 2.5 — Employee Costs

The Associate must make full payment to the Company or any Subsidiary by which the Associate is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where the Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Associate is liable by virtue of the Associate's participation in the Plan or any social security contributions recoverable from and legally applicable to the Associate (the "Tax-Related Items"), the Associate shall make full payment to the Employer of an amount equal to the Tax-Related Items, or otherwise enter into arrangements acceptable to the Employer or another Subsidiary to secure that such a payment is made (whether by withholding from the Associate's wages or other cash compensation paid to the Associate or from the proceeds of the sale of Shares acquired at vesting and settlement of the RSUs).

In the event that the Associate has not made payment of an amount equal to the Tax-Related Items liability, or entered into arrangements to secure that such a payment is made by the date of vesting or shortly thereafter as agreed by the Company, the Associate hereby authorizes and empowers the Company to act on his behalf and procure and effect the sale of a sufficient number of the Shares arising from the vesting or settlement of the RSUs (or other tax event) and pay out of the sale proceeds the Tax-Related Items liability to the Employer.

ARTICLE III

PERIOD OF VESTING AND ISSUANCE OF SHARES

Section 3.1 — Vesting Schedule and Forfeiture Provisions

(a) The RSUs shall become vested as follows provided that at the vesting date the Associate is still in employment:

Date RSUs Become Vested	Percentage of Shares as to which RSUs Become Vested
On [insert date]	[insert]%
On [insert date]	[insert]%
On [insert date]	[insert]%

(b) The RSUs, to the extent not vested, shall be forfeited immediately upon the termination of the Associate's employment, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.1(c) to 3.1(e) below.

(c) In the event of a termination of the Associate's employment as a result of death or Permanent Disability, the RSUs shall become fully vested with respect to all Shares underlying such RSUs.

(d) In the event of a termination of the Associate's employment for reasons other than death, Permanent Disability or Cause, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the RSUs. If no determination is made as of the date of termination, then the RSUs shall, to the extent not then vested, be immediately forfeited by the Associate.

(e) In the event of a Change of Control, the RSUs shall not automatically vest and the Committee shall have the discretion to accelerate the vesting of the RSUs without regard to whether the RSUs are assumed or substituted by a successor company.

(f) The Associate agrees to execute and deliver the following agreements or other documents in connection with the grant of the RSUs within the period set forth below:

- (i) the Associate must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VI below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;
- (ii) the Associate must execute the form of joint election as described in Schedule B for the United Kingdom and deliver it to his employing company within 45 days of the receipt of this Agreement; and
- (iii) the Associate must execute the RSU Award Agreement Acceptance Form and deliver to the Company within 45 days of the receipt of this Agreement.

(g) The Committee may, in its sole discretion, cancel the RSUs if the Associate fails to execute and deliver the agreements and documents within the period set forth in Section 3.1(h).

(i) Shares subject to RSUs that vest shall be delivered within one month following the applicable vesting date.

Section 3.2 — Conditions to Issuance of Shares

The Shares to be delivered upon the vesting date of the RSUs, in accordance with Section 3.1 of this Agreement, may be either previously authorized but unissued Shares or issued Shares held by any other person. 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 RSUs prior to fulfillment of all of the following conditions:

- (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 of this Agreement.

Without limiting the generality of the foregoing, the Committee may in the case of U.S. 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 RSUs does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

Section 3.3 — 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 vesting of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Associate.

Section 3.4 — Limitation on Obligations

The Company's obligation with respect to the RSUs 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 RSUs 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 RSUs

Section 4.1 — Nature of Award

In accepting the RSUs, 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;
- (b) the RSU award is voluntary and occasional and does not create any contractual or other right to receive future RSU awards, or benefits in lieu of a RSU, even if RSU awards have been granted repeatedly in the past;
- (c) all decisions with respect to future RSUs, if any, will be at the sole discretion of the Company;
- (d) the Associate's participation in the Plan is voluntary;
- (e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the RSUs and any Shares acquired under the Plan 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 and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or any Subsidiary; and

(g) the future value of the Shares underlying the RSUs is unknown and cannot be predicted with certainty.

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 RSUs 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 RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries 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 RSUs 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 ("Data").

(c) The Associate understands that Data will be transferred to Morgan Stanley SmithBarney 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 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 SmithBarney 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 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. The Associate understands, however, 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 RSUs, the Associate shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Associate does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the RSUs. If no such agreement is required, Schedule C 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 RSUs. 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 — RSUs Not Transferable

Neither the RSUs 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 North America, Inc.
One World Financial Center
New York, NY 10281
Attention: General Counsel

and any notice to be given to the Associate shall be at the address set forth in the RSUs Acceptance Form.

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 with 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 RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs 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 conflict of law provisions; provided, however, that the Agreement of

Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

Section 7.9 — Jurisdiction

The courts of the state of New York 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 this Agreement and, for such purposes, the parties hereto irrevocably submit to the 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 agreement 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

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 designated by the Company.

Section 7.11 — Language

If the Associate has received this Agreement, or any other document related to the RSUs 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 B

The RSUs shall be subject to any special provisions set forth in Schedule B for the Associate's country of residence, if any. If the Associate relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, 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 in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

Section 7.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Associate to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 7.15 — 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 7.16 — Code Section 409A.

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs 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 U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs 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.

IN WITNESS WHEREOF, the Company and the Associate have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By:
Name:
Title:

Restricted Share Units Award Agreement — Acceptance Form

**WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
ON DECEMBER 31, 2009)**

Name

Number of RSUs Granted

Grant Date

I accept the grant of the Restricted Share Units (“RSUs”) under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time, and I agree to be bound by the terms and conditions of the Restricted Share Units Award Agreement dated [insert date] and any country-specific terms set forth in Schedule B, thereto.

Signature:

Address:

Once completed, please return one copy of this form to:

General Counsel
Willis Group Holdings Public Limited Company
c/o Willis North America, Inc.
One World Financial Center
New York, NY 10281

U.S.A.

This form should be returned to the above address within 45 days of receipt. Your RSUs may be cancelled if your form is not received by that date.

**COUNTRY-SPECIFIC APPENDIX TO RESTRICTED SHARE UNITS AWARD
AGREEMENT**

**WILLIS GROUP HOLDINGS
2001 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
ON DECEMBER 31, 2009)**

Terms and Conditions

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Associate under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time (the "Plan") if the Associate resides in one of the countries listed below. This Schedule B 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 B also includes information based on the securities, exchange control and other laws in effect in the Associate's country as of July 2010. 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 is 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.*

If the Associate is a citizen or resident of a country other than the one the Associate is working in or transfers employment after the Grant Date the information contained in this Schedule B may not be applicable 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.

AUSTRALIA

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.

Employee Information Supplement

The Associate understands and agrees that the RSUs are offered subject to and in accordance with the terms of the Plan, the Agreement and the Employee Information Supplement for Associates in Australia. The Associate further agrees to be bound by the terms of the Plan as supplemented by the terms of the RSUs set forth in the Agreement and the Employee Information Supplement.

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.

AUSTRIA

Notifications

Exchange Control Information

If the Associate holds Shares acquired under the Plan outside of Austria, he or she must submit a report to the Austrian National Bank. An exemption applies if the value of the Shares as of any given quarter does not exceed €30,000,000 or as of December 31 does not exceed €5,000,000. If the former threshold is exceeded, quarterly obligations are imposed, whereas if the latter threshold is exceeded, annual reports must be given. The annual reporting date is December 31 and the deadline for filing the annual report is March 31 of the following year.

When the Associate sells Shares acquired under the Plan, there may be exchange control obligations if the cash received is held outside Austria. If the transaction volume of all the Associate's accounts abroad exceeds €3,000,000, the movements and balances of all accounts must be reported monthly, as of the last day of the month, on or before the fifteenth day of the following month.

Consumer Protection Notice

Under certain circumstances, the Associate may be entitled to revoke his or her acceptance of the Agreement on the basis of the Austrian Consumer Protection Act under the following conditions:

- (i) The revocation must be made within one week of the day the Associate signed the Acceptance Form; and
- (ii) The revocation must be in written form to be valid. It is sufficient if the Associate returns the Agreement or Acceptance Form to the Company or the Company's representative with language which can be understood as the Associate's refusal to conclude or honor the terms contained in the Agreement. It is sufficient if the revocation is sent within the period discussed above.

BERMUDA

There are no country-specific provisions.

BRAZIL***Notifications*****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.

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.

In addition, financial transactions, including the repatriation of funds from the sale of Shares, may be subject to the Tax on Financial Transactions (the "IOF"). The IOF is currently set at 0.38%.

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.

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 B, 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 Section 5 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.

CAYMAN ISLANDS

There are no country-specific provisions.

CHILE

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 must comply with the exchange control and tax reporting requirements in Chile when sending funds into the country in connection with the sale of Shares pursuant to the Plan, and register any investments with the Chilean Internal Revenue Service (the "CIRS").

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 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

Notifications

Exchange Control Information

Investments in assets located abroad (including Shares) are subject to registration with the Central Bank (Banco de la República) 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.

CZECH REPUBLIC

Notifications

Exchange Control Information

Upon request of the Czech National Bank, the Associate may be required to file a notification within 15 days of the end of the calendar quarter in which he or she acquired Shares under the Plan.

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. Both the Associate and the bank/broker must sign the Declaration V. By signing the Declaration V, the broker or bank undertakes an obligation, without further request each year, to forward information to the Danish Tax Administration concerning the shares in the account. By signing the Declaration 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/getFile.aspx?Id=47392

In addition, when the Associate opens a deposit account or a brokerage account with a U.K. or other foreign bank for the proceeds of the sale of Shares, 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, to forward information to the Danish Tax Administration concerning the content of the deposit account. 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/getFile.aspx?Id=42409&newwindow=true

**SPECIAL NOTICE FOR PARTICIPANTS IN DENMARK
EMPLOYER STATEMENT**

Pursuant to Section 3(1) of the Act on Stock Options in employment relations (the "Act"), you are entitled to receive the following information regarding the Willis Group Holdings Public Limited Company (the "Company") offering of share options ("Options") and restricted share units ("RSUs") in a separate written statement.

This statement contains information mentioned in the Stock Option Act. Additional terms and conditions of the Options and RSUs are described in the Option and RSU materials, which have been made available to you. In the event of a conflict between a provision contained in this Employer Statement and provisions contained in the Option and RSU materials, this Employer Statement shall prevail. Capitalized terms used but not defined herein, shall have the same meaning as terms defined in the applicable Plan or the Option and/or RSU grant materials.

1. Grant of Options and RSUs

You have been granted Options or RSUs at the discretion of the Company's Board of Directors.

2. Terms or conditions for grant of a right to future purchase/award of Ordinary Shares

The Options and RSUs are offered at the discretion of the Company's Board of Directors.

3. Exercise/Vesting Date or Period

Generally, the restrictions on your Options and RSUs will lapse and the Options and RSUs will vest over a period of time and/or on achievement of certain performance criteria, provided that you remain employed by the Company or a Subsidiary, unless otherwise affected by the Act. The exact vesting conditions applicable to your award will be set forth in your Option and RSU materials. Your Options are generally exercisable upon vesting and before the Options terminate or expire, except as otherwise provided in the Option materials.

4. Option Price

For Options, the Option Price per Share is a price corresponding to the market value of the Ordinary Shares at the time of grant. For RSUs, provided the nominal value per share has been paid to the Company at the time of vesting, no amount is payable by you upon vesting of your RSUs and the issuance of Ordinary Shares to you in accordance with the vesting terms provided in your RSU materials.

5. Your Rights upon Termination of Employment

Pursuant to the Act, the treatment of your Option and RSU rights upon termination of employment will be determined under Sections 4 and 5 of the Act unless the terms contained in the Option and RSU materials are more favorable to you than Sections 4 and 5 of the Act. If the terms contained in the Option and RSU materials are more favorable to you, then such terms will govern the treatment of your Option and RSU rights upon termination of employment.

6. Financial Aspects of Options and RSUs

The offering of Options and RSUs has no immediate financial consequences for you. The value of the Ordinary Shares you acquire upon exercise of Options or vesting of RSUs are not taken into account when calculating holiday allowances, pension contributions or other statutory consideration calculated on the basis of salary.

Ordinary Shares are financial instruments and investing in stock will always have financial risk. The possibility of profit at the time you sell your Ordinary 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 you exercise your Option and acquired Ordinary Shares, the Shares could decrease in value even below the Option Price.

**SÆRLIG MEDDELELSE TIL DELTAGERE I DANMARK
ARBEJDSGIVERERKLÆRING**

I henhold til § 3, stk. 1, i lov om brug af køberet eller tegningsret m.v. i ansættelsesforhold ("Aktieoptionsloven") er du berettiget til i en særskilt skriftlig erklæring at modtage følgende oplysninger om Willis Group Holdings Public Limited Company's ("Selskabets") udbud af aktieoptioner ("Optioner") og betingede aktier ("restricted stock units" eller "RSU'er").

Denne erklæring indeholder de i Aktieoptionsloven nævnte oplysninger. Yderligere vilkår og betingelser for Optionerne og RSU'erne er beskrevet i det Options- og RSU-materiale, som du har fået udleveret. I tilfælde af uoverensstemmelser mellem en bestemmelse i denne Arbejdsgivererklæring og bestemmelserne i Options- og RSU-materialet 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 den gældende Ordning eller i Options- og/eller RSU-tildelingsmaterialet.

1. Tildeling af Optioner og RSU'er

Du har fået tildelt Optioner og RSU'er efter Selskabets bestyrelses skøn.

2. Vilkår og betingelser for tildeling af retten til senere at købe/få tildelt Ordinære Aktier

Optionerne og RSU'erne udbydes efter Selskabets bestyrelses frie skøn.

3. Udnyttelses-/modningsdato eller -periode

Efter en vis periode og/eller ved opnåelse af visse performance-kriterier vil restriktionerne på dine Optioner og RSU'er som udgangspunkt bortfalde, og Optionerne og RSU'erne vil modnes. En forudsætning er dog, at du vedbliver med at være ansat i Selskabet eller i et datterselskab, medmindre andet er fastsat i Aktieoptionsloven. De nærmere modningsbetingelser, som gælder for din tildeling, vil fremgå af Options- og RSU-materialet. Dine Optioner kan som udgangspunkt udnyttes, efter at de er modnet, men før de ophører eller udløber, medmindre andet er fastlagt i Optionsmaterialet.

4. Optionskurs

For så vidt angår Optioner, er Optionskursen pr. aktie en kurs, der svarer til markedsværdien af aktierne på tildelingstidspunktet. For så vidt angår RSU'er, skal der ikke betales noget beløb ved modningen af dine RSU'er og udstedelsen af Ordinære Aktier til dig i overensstemmelse med modningsbetingelserne i dit RSU-materiale.

5. Din retsstilling i forbindelse med fratræden

I henhold til Aktieoptionsloven vil dine Optioner og RSU'er i tilfælde af din fratræden blive behandlet i overensstemmelse med Aktieoptionslovens §§ 4 og 5, medmindre vilkårene i Options- og RSU-materialet er mere favorable for dig end Aktieoptionslovens §§ 4 og 5. Hvis vilkårene i Options- og RSU-materialet er mere favorable for dig, vil det være disse vilkår, der er gældende for, hvordan dine Options- og RSU-rettigheder vil blive behandlet i forbindelse med din fratræden.

6. Økonomiske aspekter ved Optionerne og RSU'erne

Udbuddet af Optioner og RSU'er har ingen umiddelbare økonomiske konsekvenser for dig. Værdien af de Ordinære Aktier, som du erhverver ved udnyttelsen af Optionerne eller ved modningen af RSU'erne, indgår ikke i beregningen af feriepenge, pensionsbidrag eller øvrige vederlagsafhængige, lovpligtige ydelser.

Ordinære Aktier er finansielle instrumenter, og investering i aktier vil altid være forbundet med en økonomisk risiko. Muligheden for en gevinst på det tidspunkt, hvor du sælger dine Ordinære Aktier, afhænger ikke kun af Selskabets økonomiske udvikling, men også bl.a. af den generelle udvikling på aktiemarkedet. For så vidt angår Optioner, kan det desuden tilføjes, at såfremt du udnytter din Option og køber Ordinære Aktier, kan Aktierne falde til en værdi, der måske endda ligger under Optionskursen.

FINLAND

There are no country-specific provisions.

FRANCE***Notifications*****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 B) 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 B) qui ont été communiqués en langue anglaise. Vous acceptez les termes en connaissance de cause.

GERMANY

There are no country-specific provisions.

GIBRALTAR

There are no country-specific provisions.

HONG KONG***Terms and Conditions*****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, the Agreement for Restrictive Covenants and Other Obligations 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.

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 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.

INDONESIA

Notifications

Exchange Control Information

For foreign currency transactions, there is a statistical reporting requirement when the Indonesian Bank is receiving Rupiah or foreign currency. For transactions of US\$10,000 or more, a description of the transaction must be included in the report filed by the bank executing the transaction, and the Associate must complete the Transfer Report Form provided by the bank. For transactions of less than US\$10,000, the bank through which the transaction is conducted is only required to submit a report which consists of the type of account and the type of foreign exchange.

Please note that to stabilize the exchange rate, Bank of Indonesia has been imposing some additional restrictions on banks converting U.S. dollars. Associates should check with their bank before converting funds from the sale of Shares.

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 director¹ or secretary of the Company or an Irish

¹ 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.

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 Section 5 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, 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, 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 ("Personal Data") 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 Participant'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 SmithBarney 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 SmithBarney 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 II, Grant of the Restricted Stock 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 7.8, Governing Law; Section 7.9, Jurisdiction, Section 7.10 Electronic Delivery; Section 7.11 Language; Section 7.13, Schedule B, Section 7.14 Imposition of Other Requirements and the Data Privacy section of this Schedule B.

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 exceeding €10,000 if such investments (including cash, Shares) combined with other foreign assets exceeds €10,000; and/or (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. 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.

KOREA

Terms and Conditions

Exchange Control Requirements

If the Associate receives US\$500,000 or more from the sale of Shares, Korean exchange control laws require the Associate to repatriate the proceeds to Korea within 18 months of the sale.

JAPAN

There are no country-specific provisions.

MEXICO

Terms and Conditions

The following sections 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 [INSERT NAME OF SUBSIDIARY(IES) IN MEXICO], 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 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 otorgamiento 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 [INSERT NAME OF SUBSIDIARY(IES)], 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 descrito 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 Subsidiarias con 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 “insider 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 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 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.

NEW ZEALAND

There are no country-specific provisions.

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.

POLAND

Notifications

Exchange Control Information

Polish residents holding foreign securities (including Shares) and maintaining accounts abroad must report information on transactions and balances of the securities and cash deposited in such accounts to the National Bank of Poland if the value of such transactions or balances exceeds €15,000. If required, the reports are due on a quarterly basis by the 20th day following the end of each quarter. The reports are filed on special forms available on the website of the National Bank of Poland.

PORTUGAL

Notifications

Exchange Control Information

If the Associate acquires Shares under the Plan 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.

Terms and Conditions

Language Consent

This 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 Língua

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).

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 (Chapter 289, 2006 Ed.).

Director Notification Obligation

If the Associate is a director, associate director or shadow director of a Singapore Subsidiary, the Associate is subject to certain notification requirements under the Singapore Companies Act. Among these requirements is an obligation to notify the Singaporean Subsidiary 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 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.

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 RSU Award, except as provided for in Section 3.1 of the Agreement, the termination of the Associate's employment 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 date of termination.

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 termination of the Associate's employment 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 Willis Group. 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 contract (either with the Company, the Employer or any Subsidiary) 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 grant of the RSU Award would not be made 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 grant to the Associate of an RSU Award shall be null and void.

Notifications

Securities Law Information

The RSUs described in the Agreement and this Schedule B 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. The Agreement (including this Schedule B) has not been nor will it be registered with the *Comisión Nacional del Mercado de Valores*, and do 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 Industry, Tourism and Commerce. 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. 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.

SWEDEN

There are no country-specific provisions.

SWITZERLAND

Notifications

Securities Law Information

The RSU Award is considered a private offering in Switzerland; therefore, it is not subject to registration.

TAIWAN

Notifications

Exchange Control Information

The Associate may remit foreign currency (including proceeds from the sale of Shares) into Taiwan up to US\$5,000,000 per year. If the transaction amount is TWD\$500,000 or more in a single transaction, the Associate must submit a Foreign Exchange Transaction Form and also provide supporting documentation to the satisfaction of the remitting bank.

UNITED KINGDOM

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:

Prior to the relevant taxable or tax withholding event, as applicable, the Associate shall pay or make 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 Tax-Related Items by one or a combination of the following (1) withholding from the Associate's wages or other cash compensation payable to the Associate by the Company, the Employer, or any Subsidiary at any time; or (2) withholding from the proceeds of the sale of Shares acquired at vesting of the RSUs either through a voluntary broker-dealer sale or through a mandatory broker-dealer sale arranged by the Company (on the Associate's behalf pursuant to this authorization); or (3) payment directly from the Associate by cheque or cleared funds.

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, then the amount that should have been withheld shall constitute a loan owed by the Associate to the Employer, effective 90 days after the Taxable Event. 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 also authorizes the Company to delay the issuance of any Shares unless and until the loan is repaid in full.

The Associate acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 2.5 of the Agreement, although the Associate acknowledges that the Associate ultimately will be responsible for reporting any income tax or National Insurance Contributions ("NICs") due on this additional benefit directly to HMRC under the self-assessment regime.

Joint Election

If the Associate is a U.K. tax resident, the grant of the RSU Award is conditional upon the Associate hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the vesting, assignment, release or cancellation of any RSU. The Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 2.5 of the Agreement. Without prejudice to the foregoing, the Associate agrees to execute a joint election with the Company and/or the Employer ("Election"), the form of such Election being formally approved by HMRC, and any other consent or elections required to accomplish the transfer of the Employer NICs to the Associate. The Associate further agrees to execute such other joint elections as may be required between the Associate and any successor to the Company and/or the Employer. If the Associate does not make an Election prior to the vesting of the RSUs or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary, the RSUs shall become null and void without any liability to the Company and/or the Employer and will not vest.

UNITED STATES OF AMERICA***Notifications***

Exchange Control Information. If the Associate holds assets (*i.e.*, RSUs, shares) or other financial assets in an account outside of the United States and the aggregate amount of said assets is US\$10,000 or more, the Associate is required to submit a report of Foreign Bank and Financial Account ("FBAR") with the United States Internal Revenue Service by June 30 of the year following the year in which the assets in the Associate's account meet the US\$10,000 threshold.

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

This Agreement of Restrictive Covenants and Other Obligations (the "Agreement") is entered into by and between Willis Group Holdings Public Limited Company (the "Company") and Michael K. Neborak ("Associate") to be effective as of August 2, 2010.

RECITALS

Whereas, Associate is employed by a subsidiary of the Company;

Whereas, on August 2, 2010 the Company granted Associate Restricted Share Units over a specified number of shares of ordinary stock of Willis Group Holdings Public Limited Company (the "RSU Award");

Whereas, such grant is subject to the terms of the The Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (the "Plan"), the Restricted Share Units Award Agreement (the RSU Agreement"), and this Agreement and in consideration of the grant, Associate shall enter into and acknowledge his or her agreement to the terms of the Plan, the RSU Agreement and this Agreement;

Whereas, Associate acknowledges and agrees that he or she desires to receive the RSU Award, and understands and agrees such RSU Award is subject to the terms and conditions set forth in the Plan, the RSU Agreement and this Agreement;

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein and for other valuable consideration, in particular the grant of the RSU Award to Associate by the Company, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

AGREEMENTSection 1 — Recitals

The Recitals set forth above are an integral part of this Agreement, and are incorporated herein by reference.

2. Section 2 — Definitions

- 2.1 "**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.
- 2.2 "**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.

- 2.3 “**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.
- 2.4 “**directly or indirectly**” shall mean Associate 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).
- 2.5 “**Employer**” shall mean the Subsidiary that employs Associate. If the Company ever becomes an employer of Associate, then the term Employer shall refer to the Company.
- 2.6 “**Employment Agreement**” shall mean the contractual terms and conditions which govern the employment of Associate by Employer.
- 2.7 “**Key Personnel**” shall mean any person who is at the date Associate ceases to be an employee of Employer or was at any time during the period of 12 months prior to that date employed by the Restricted Group and who was an employee with whom Associate 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.
- 2.8 “**RSU Award**” shall have the meaning as set forth in the recitals.
- 2.9 “**RSU Agreement**” shall have the meaning set forth in the recitals.
- 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 Company or any of its Subsidiaries has carried on Business in which Associate has been involved or concerned or working 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 Associate ceases to be employed by Employer.
- 2.12 “**Relevant Client**” shall mean any person, firm or company who or which at any time during the period of 12 months prior to the date on which Associate 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 Associate 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 Associate had responsibility at any time during the said period.

- 2.13 “**Relevant Period**” shall mean the period of 12 months following the date on which Associate 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 12 months prior to the date on which Associate ceases to be employed by Employer was an active prospective client of the Company or any of its Subsidiaries with whom or with which Associate 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, as in existence during Associate'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-Compete and Other Obligations

- 3.1 Associate acknowledges that by virtue of his or her senior management position and as an employee of Employer, Associate has acquired and will acquire knowledge of Confidential Information of the Restricted Group and their Business. Associate further acknowledges that the Confidential Information which the Restricted Group has provided and will provide to Associate would give Associate a significant advantage if Associate 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, Associate shall not directly or indirectly, at any time during or after Associate's employment with any Employer, disclose any Confidential Information and shall use Associate's best efforts to prevent the taking or disclosure of any Confidential Information, except as reasonably may be required to be disclosed by Associate in the ordinary performance of his or her duties for Employer or as required by law.
- 3.3 For a period of twelve months after the date on which Associate's employment with any Employer ceases, Associate shall not work for or be engaged or concerned in, or have a financial interest in (other than an ownership position of less than 5% in any company whose shares are publicly traded or any non-voting non-convertible debt securities in any company) any Competitor of the Restricted Group within the Relevant Area. During this period, Associate shall receive payments equal to the base salary payments Associate would have received if Associate had been in Employer's employ during this non-compete period. Employer will also pay the cost of COBRA Medical coverage for Associate for the duration of the non-compete period. These payments

will be made on the same frequency as such salary payments were made during Associate's employment.

3.4 The Company or Employer shall have the discretion to apply a shorter period than the twelve-month period set forth in 3.3 and 3.5.

3.5 Associate 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.

3.5.4 employ or engage or endeavour to employ or engage any Key Personnel.

3.6 The restrictions contained in Sections 3.5, including subsections, run concurrently with the non-compete in Section 3.3. Additionally, to the extent Associate is a party to an employment agreement or other agreement with the Restricted Group that contains a post-employment restriction, the post-employment restrictions run concurrently with the post-employment restrictions contained in this Section 3. Thus, by way of example, if Associate's employment agreement with Employer contains a 24-month restriction on solicitation of the Restricted Group's clients, then the non-solicitation in the employment agreement would be effective for 12 months after the non-solicitation in this Section 3 expires.

3.7 Associate 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 Agreement 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 against Associate with respect to this Agreement may be brought in any court of competent jurisdiction in the State of New York or located in the City of New York, as the Company may elect in its sole discretion and Associate hereby submits accordingly to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. Associate hereby irrevocably waives any objections which he or she may now or hereafter have to the laying of the venue of any suit, action or proceeding arising out of or relating to this Agreement brought in any court of competent jurisdiction in the State of New York or City of New

York. Provided further that nothing herein shall in any way be deemed to limit the ability of the Restricted Group to bring a suit, action or proceeding against Associate with respect to this Agreement, in jurisdictions other than the State of New York and/or City of New York, and in such manner, as may be permitted by applicable law. Associate hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum. No suit, action or proceeding against the Company or any Subsidiary with respect to this Agreement may be brought by Associate in any court other than in a court of competent jurisdiction in the State of New York or City of New York, and Associate hereby irrevocably waives any right which he or she may otherwise have had to bring such an action in any other court. The Company hereby submits accordingly to the jurisdiction of the courts of the State of New York or City of New York for the purpose of any such suit, action or proceeding.

Section 5 — Consideration, Severability, Beneficiaries & Effect On Other Agreements

- 5.1 Associate 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 on behalf of all or any of them and that such Subsidiaries are intended beneficiaries of this Agreement.
- 5.2 The parties acknowledge that the provisions of this Agreement are severable. If any part or provision of this Agreement shall be determined by any court or tribunal to be invalid, then such partial invalidity shall not cause the remainder of this Agreement 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 Associate acknowledges that he or she remains bound by any Employment Agreement or any other agreement entered into by Associate with the Restricted Group and this Agreement shall be in addition to, and not in place of any such agreements. Associate further acknowledges that in the event of any breach by Associate of any provision contained in such agreements or this Agreement, the Company and/or any Subsidiary may, in their discretion, enforce any term and condition of those agreements and/or this Agreement.

Section 6 — Miscellaneous

- 6.1 This Agreement may not be modified except by written agreement signed by both parties hereto.
- 6.2 The rights of the Restricted Group under this Agreement 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 Agreement shall not operate or be construed as a waiver of that party's rights on any subsequent breach.
- 6.4 Associate acknowledges and agrees that Associate 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 Associate's employment with Employer, offer to employ or engage him and for or with whom Associate intends to work within the Relevant Period.
- 6.5 The various section headings contained in this Agreement are for the purpose of convenience only and are not intended to define or limit the contents of such sections.
- 6.6 This Agreement 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 Agreement 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 Agreement, including the obligations set forth in Sections 3 and 4 shall survive termination of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement to become effective as of the date first above written.

**Signed for and on behalf of
Willis Group Holdings Public Limited Company by:**

/s/ Nicole Napolitano

NAME: Nicole Napolitano

DATE: August 2, 2010

TITLE: Deputy Company Secretary

Associate:

Signature: /s/ Michael K. Neborak

Print Name: Michael K. Neborak

Date: 8/16/10



February xx, 2011

Dear

I am pleased to inform you that you will receive a bonus in the total amount of **[amount]**, less legally required withholdings. This amount will be distributed to you in two portions: (a) a payment in the amount of \$ _____, to be distributed to you on the date that Willis¹ normally distributes annual bonus payments to its associates and (b) in a Willis Retention Award payment in the amount of \$ _____, less legally required withholdings. The Award is subject to the following terms and conditions:

- You must be employed by Willis on the date that the Willis Retention Award would normally be distributed to be eligible to receive such payment and you must have signed and returned this letter as indicated below.
- If your employment with Willis ends prior to December 31, 2013 for any reason other than your incapacity to work due to your permanent disability (as "disability" or a substantially similar term is defined within an applicable Willis long term disability plan/policy), death, your redundancy (as redundancy is determined by Willis in accordance with its usual human resource administration practices) or your retirement², you will be obligated to repay to Willis a pro-rata portion of the amount of the Willis Retention Award (the "Repayment Obligation") — such Repayment Obligation must be promptly satisfied, as more fully explained below. The amount of your Repayment Obligation will be calculated by reducing the amount of the Willis Retention Award by a sum equal to 1/36th of your Willis Retention Award for each calendar month of employment you complete with Willis after January 1, 2011.
- By signing this letter, you irrevocably authorize Willis (to the extent allowed by applicable law and at Willis' discretion and option) to withhold from any salary payments and/or other payment(s), as may be due to you from Willis at the time of and/or after your employment ends, such amount as necessary to satisfy, but not exceed, any Repayment Obligation you may have to Willis at the end of your employment. If such withholding is insufficient to satisfy such Repayment Obligation, or if Willis for any reason does not make any such withholding, you agree to pay to Willis an amount equal to your unsatisfied Repayment Obligation within 30 days of Willis's written request for such payment.
- This letter shall be governed by the laws applicable to the place in which you are assigned a regular office location by Willis. If any provision of this letter is found to be invalid or unenforceable by or under any applicable law, the other provisions shall remain in full force and effect and shall not be invalidated.

To be eligible to receive the Willis Retention Award described above, please sign and return one copy of this letter as outlined below. I will then take the necessary steps to process your Willis Retention Award.

Sincerely,

Vic Krauze

Please sign, date and return this letter (retaining a copy for your records) to Tina Secrist, Nashville, US Payroll at the following email address: Bonus Agreement@willis.com, or Linda Robinson (Montreal, Canada Payroll) for processing in the next available payroll run. If you do not sign and return this letter before March 8, 2011, Willis reserves its rights, to the full extent allowed by applicable law, to withdraw your Willis Retention Award. By signing below, you provide your agreement to accept, abide by and be bound by the terms and conditions above. The signing of this letter by the parties via facsimile signatures shall be deemed the same as original signatures.

Signature: _____

Date: _____

«Full_First_Name» «Full_Surname» — «ID»

¹ As used in this letter, "Willis" refers to that Willis legal entity by which you are employed as of the date of this letter.

² To the extent applicable and practicable, "retirement" will be defined by either (i) your employment agreement (i.e., if you are subject to an employment agreement which defines retirement or a substantially similar term) or (ii) a written retirement policy applicable to you as a Willis employee or (iii) by reference to the ending of your employment at such mandatory age as may apply in the applicable employment jurisdiction or (iv) as may be determined by Willis in its absolute discretion.

Today's Date

Dear Name,

I am pleased to inform you that you will receive a Willis Retention Award payment in the amount of «Willis_Award_Amount_1», less legally required withholdings. The Award is subject to the following terms and conditions:

- You must be employed by Willis¹ on the date that the Willis Retention Award would normally be distributed to be eligible to receive such payment and you must have signed and returned this letter as indicated below.
- If your employment with Willis ends prior to December 31, 2013 for any reason other than your incapacity to work due to your permanent disability (as "disability" or a substantially similar term is defined within an applicable Willis long term disability plan/policy), death your redundancy (as redundancy is determined by Willis in accordance with its usual human resource administration practices, or your retirement², you will be obligated to repay to Willis a pro-rata portion of the amount of the Willis Retention Award (the "Repayment Obligation") — such Repayment Obligation must be promptly satisfied, as more fully explained below. The amount of your Repayment Obligation will be calculated by reducing the amount of the Willis Retention Award by a sum equal to 1/36th of your Willis Retention Award for each calendar month of employment you complete with Willis after January 1, 2011.
- By signing this letter, you irrevocably authorize Willis (to the extent allowed by applicable law and at Willis's discretion and option) to withhold from any salary payments and/or other payment(s), as may be due to you from Willis at the time of and/or after your employment ends, such amount as necessary to satisfy, but not exceed, any Repayment Obligation you may have to Willis at the end of your employment. If such withholding is insufficient to satisfy such Repayment Obligation, or if Willis for any reason does not make any such withholding, you agree to pay to Willis an amount equal to your unsatisfied Repayment Obligation within 30 days of Willis's written request for such payment.
- This letter shall be governed by the laws applicable to the place in which you are assigned a regular office location by Willis. If any provision of this letter is found to be invalid or unenforceable by or under any applicable law, the other provisions shall remain in full force and effect and shall not be invalidated.

To be eligible to receive the Willis Retention Award described above, please sign and return one copy of this letter as outlined below. I will then take the necessary steps to process your Willis Retention Award.

Sincerely,

Vic Krauze

Please sign, date and return this letter (retaining a copy for your records) to Tina Secrist, Nashville, US Payroll at the following email address: Bonus Agreement@willis.com, or Linda Robinson (Montreal, Canada Payroll) for processing in the next available payroll run. If you do not sign and return this letter before March 8, 2011, Willis reserves its rights, to the full extent allowed by applicable law, to withdraw your Willis Retention Award. By signing below, you provide your agreement to accept, abide by and be bound by the terms and conditions above. The signing of this letter by the parties via facsimile signatures shall be deemed the same as original signatures.

Signature: _____

Date: _____

«Full_First_Name» «Surname» — «ID»
«Division», «TL5», «TL6», «Location_Description»

¹ As used in this letter, "Willis" refers to that Willis legal entity by which you are employed as of the date of this letter.

² To the extent applicable and practicable, "retirement" will be defined by either (i) your employment agreement (i.e., if you are subject to an employment agreement which defines retirement or a substantially similar term) or (ii) a written retirement policy applicable to you as a Willis employee or (iii) by reference to the ending of your employment at such mandatory age as may apply in the applicable employment jurisdiction or (iv) as may be determined by Willis in its absolute discretion.

February xx, 2011

Dear

I am pleased to inform you that you will receive a bonus in the total amount of [amount], less legally required withholdings. This amount will be distributed to you in two portions: (a) a payment in the amount of \$ _____, to be distributed to you on the date that Willis¹ normally distributes annual bonus payments to its associates and (b) in a Willis Retention Award payment in the amount of \$ _____, less legally required withholdings. The Award is subject to the following terms and conditions:

- You must be employed by Willis on the date that the Willis Retention Award would normally be distributed to be eligible to receive such payment and you must have signed and returned this letter as indicated below.
- If your employment with Willis ends prior to December 31, 2012 for any reason other than your incapacity to work due to your permanent disability (as "disability" or a substantially similar term is defined within an applicable Willis long term disability plan/policy), death, your redundancy (as redundancy is determined by Willis in accordance with its usual human resource administration practices) or your retirement², you will be obligated to repay to Willis a pro-rata portion of the amount of the Willis Retention Award (the "Repayment Obligation") — such Repayment Obligation must be promptly satisfied, as more fully explained below. The amount of your Repayment Obligation will be calculated by reducing the amount of the Willis Retention Award by a sum equal to 1/24th of your Willis Retention Award for each calendar month of employment you complete with Willis after January 1, 2011.
- By signing this letter, you irrevocably authorize Willis (to the extent allowed by applicable law and at Willis' discretion and option) to withhold from any salary payments and/or other payment(s), as may be due to you from Willis at the time of and/or after your employment ends, such amount as necessary to satisfy, but not exceed, any Repayment Obligation you may have to Willis at the end of your employment. If such withholding is insufficient to satisfy such Repayment Obligation, or if Willis for any reason does not make any such withholding, you agree to pay to Willis an amount equal to your unsatisfied Repayment Obligation within 30 days of Willis's written request for such payment.
- This letter shall be governed by the laws applicable to the place in which you are assigned a regular office location by Willis. If any provision of this letter is found to be invalid or unenforceable by or under any applicable law, the other provisions shall remain in full force and effect and shall not be invalidated.

To be eligible to receive the Willis Retention Award described above, please sign and return one copy of this letter as outlined below. I will then take the necessary steps to process your Willis Retention Award.

Sincerely,

Vic Krauze

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Signature: _____

Date: _____

«Full_First_Name» «Full_Surname» — «ID»

¹ As used in this letter, "Willis" refers to that Willis legal entity by which you are employed as of the date of this letter.

² To the extent applicable and practicable, "retirement" will be defined by either (i) your employment agreement (i.e., if you are subject to an employment agreement which defines retirement or a substantially similar term) or (ii) a written retirement policy applicable to you as a Willis employee or (iii) by reference to the ending of your employment at such mandatory age as may apply in the applicable employment jurisdiction or (iv) as may be determined by Willis in its absolute discretion.

SUBSIDIARIES OF WILLIS GROUP HOLDINGS PLC

<u>Company Name</u>	<u>Country of Registration</u>
AF Willis Bahrain E.C.	Bahrain
AF Willis Bahrain W.L.L.	Bahrain
Alexander Coyle Hamilton Limited	Eire
Arbuthnot Insurance Services Limited	England & Wales
Argosy Insurance Company Limited	Eire
Ascot Technologies Limited	Eire
Asesor Auto 911, C.A.	Venezuela
Asifina S.A.	Argentina
Asmarin Verwaltungs AG	Switzerland
Associated Insurance Services Limited	Eire
Bloodstock & General Insurance Services Limited	England & Wales
Barnfield Swift & Keating LLP	England & Wales
Bolgey Holding S.A.	Spain
C Wuppesahl Finanzversicherungsmakler GmbH	Germany
C.A. Prima Corretaje de Seguros	Venezuela
C.H. Jeffries (Holdings) Limited	England & Wales
C.H. Jeffries (Insurance Brokers) Limited	England & Wales
C.H. Jeffries (Risk Management) Limited	England & Wales
C.R. King & Partners Limited	England & Wales
Cargotrust Insurance Brokers Limited	Greece
Carter, Wilkes & Fane (Holding) Limited	England & Wales
Carter, Wilkes & Fane Limited	England & Wales
Checkyour Benefits Limited	Eire
Chetumal Investments Limited	Eire
Claim Management Administrator, S.L.	Spain
Claims and Recovery Services Limited	England & Wales
Consorzio Padova 55	Italy
Coyle Hamilton (Cork) Limited	Eire
Coyle Hamilton Insurance Brokers Limited	England & Wales
Coyle Hamilton (N.I.) Limited	North Ireland
Coyle Hamilton Aquaculture Limited	Eire
Coyle Hamilton BC Financial Services Ireland Limited	Eire
Coyle Hamilton BC Holding Ireland Limited	Eire
Coyle Hamilton BC Ireland Limited	Eire
Coyle Hamilton Group Limited	Eire
Coyle Hamilton Hamilton Philips Limited	Eire
Coyle Hamilton Holdings (UK) Limited	England & Wales
Coyle Hamilton International Limited	Eire
Coyle Hamilton Investment Intermediaries Limited	Eire
Coyle Hamilton Software Limited	Eire
Coyle & Co. Insurance 1972 Limited	Eire
CXG Willis Correduria de Seguros S.A.	Spain
Devonport Underwriting Agency Limited	England & Wales
Durant, Wood Limited	England & Wales
Employee Benefits Limited	Eire
Faber & Dumas Limited	England & Wales
First Services Private Limited	India
Freberg Environmental, Inc	U.S.A.

Company Name	Country of Registration
Friars Street Insurance Limited	Guernsey
Friars Street Trustees Limited	England & Wales
Glencairn Group Limited	England & Wales
Glencairn Insurance Brokers LLC	Russia
Glencairn Limited	England & Wales
Glencairn LLC	Russia
Glencairn MacDermott (Pty) Limited	Australia
Glencairn UK Holdings Limited	England & Wales
Global Special Risks, LLC	U.S.A.
Golfsure Limited	Eire
Goodhale Limited	England & Wales
Gras Savoye Willis Net Trust Insurance Agency Services SA	Greece
Greyfriars Insurance Company Limited	England & Wales
Hamilton & Hamilton 1972 Limited	Eire
Harrap Brothers Life & Pensions Limited	England & Wales
Herzfeld Willis S.A.	Argentina
Hilb Rogal & Hobbs Investment Company	U.S.A.
Hilb Rogal & Hobbs Services Company	U.S.A.
Hilb Rogal & Hobbs UK Holdings Limited	England & Wales
HRH (London) Limited	England & Wales
HRH Consulting, LLC	U.S.A.
HRH E&S Services, LLC	U.S.A.
HRH Investment Advisors, LLC	U.S.A.
HRH Reinsurance Brokers Limited	England & Wales
HRH Risk Mitigation, Inc.	U.S.A.
HRH Securities, LLC	U.S.A.
Hughes-Gibb & Company Limited	England & Wales
Hunt Insurance Group, LLC	U.S.A.
InsuranceNoodle Inc.	U.S.A.
InsuranceNoodle of Massachusetts, Inc.	U.S.A.
International Claims Bureau Limited	England & Wales
InterRisk Risiko-Management-Beratung GmbH	Germany
Invest for School Fees Limited	England & Wales
Johnson Puddifoot & Last Limited	England & Wales
Johnson & Higgins Willis Faber Holdings, Inc.	U.S.A.
JWA Marine GmbH	Germany
K Evans & Associates Limited	England & Wales
Kindlon Ryan Insurances Limited	Eire
Kindlon Ryan Insurances Limited	Eire
Lees Preston Fairy (Holdings) Limited	England & Wales
Lloyd Armstrong & Ramsey Limited	Eire
Lloyd Armstrong & Ramsey Limited	Eire
Loss Management Group Ireland Limited	Eire
MacLean, Oddy & Associates, Inc.	U.S.A.
Martin Boag & Co Limited	England & Wales
Matthews Wrightson & Co Limited	England & Wales
McGuire Insurances Limited	Northern Ireland
Mercantile U.K. Limited	England & Wales
Meridian Insurance Company Limited	Bermuda
Motheo Reinsurance Consultants (Pty) Limited	South Africa
Nesture Limited	Eire
New World E&S, LLC	U.S.A.
NIB (Holdings) Limited	England & Wales
NIB (UK) Limited	England & Wales
Oakley Holdings Limited	England & Wales
Opus Compliance Services Limited	England & Wales

Company Name	Country of Registration
Opus Health and Safety Limited	England & Wales
Opus Holdings Limited	England & Wales
Opus Insurance Services Limited	England & Wales
Opus London Market Limited	England & Wales
Opus Pension Trustees Limited	England & Wales
Pensioneer Trustee Company of Ireland Limited	Eire
Philadelphia Benefits LLC	U.S.A.
Pioneer Trustee Company of Ireland Limited	Eire
Plan Administrativo Rontarca Salud, C.A.	Venezuela
Premium Funding Associates, Inc.	U.S.A.
PT Willis Indonesia	Indonesia
Queenswood Properties Inc	U.S.A.
RCCM Limited	England & Wales
Richard Oliver International Limited	England & Wales
Richard Oliver International Pty Limited	Hong Kong
Richard Oliver Underwriting Managers Pty Limited	Australia
Richardson Hosken Holdings Limited	England & Wales
Richardson Hosken Limited	England & Wales
Risco S.A.	Argentina
Risk Management Associates (Ireland) Limited	Eire
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
SB&T Captive Management Company	U.S.A.
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
Stephenson's Campus (Berwick) Limited	England & Wales
Stewart Wrightson (Overseas Holdings) Limited	England & Wales
Stewart Wrightson (Regional Offices) Limited	England & Wales
Stewart Wrightson Group Limited	England & Wales
Stewart Wrightson International Group Limited	England & Wales
TA I Limited	England & Wales
TA II Limited*	England & Wales
TA III Limited*	England & Wales
TA IV Limited*	England & Wales
Thirdreel Limited	England & Wales
Trinity Acquisition plc	England & Wales
Trinity Processing Services (Australia) Pty Ltd	Australia
Trinity Processing Services Limited	England & Wales
Trinity Square Insurance Limited	Gibraltar
VEAGIS Limited	England & Wales
Venture Reinsurance Company Limited	Barbados
WCYC (London) Limited	England & Wales
W.I.R.E. Limited	England & Wales
W.I.R.E. Risk Information Limited	England & Wales
Westport Financial Services, L.L.C.	U.S.A.
Westport HRH, LLC	U.S.A.
WFB Corretora de Seguros Ltda	Brazil
WFD Servicios S.A. de C.V.	Mexico
Wickstrom Limited	Eire

Company Name	Country of Registration
Willis 51 LS Limited	England & Wales
Willis of Florida, Inc.	U.S.A.
Willis (Bermuda) 2 Limited	Bermuda
Willis (Bermuda) Limited	Bermuda
Willis (Singapore) Pte Limited	Singapore
Willis (Taiwan) Limited	Taiwan
Willis A/S	Denmark
Willis AB	Sweden
Willis Administration (Isle of Man) Limited	Isle of Man
Willis Administrative Services Corporation	U.S.A.
Willis Affinity Corretores de Seguros Limitada	Brazil
Willis AG	Switzerland
Willis Agente de Seguros y Fianzas, S.A. de C.V.	Mexico
Willis Americas Administration, Inc.	U.S.A.
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 China Limited	England & Wales
Willis CIS Insurance Broker LLC	Russia
Willis Colombia Corretores de Seguros S.A.	Colombia
Willis Commercial, Inc.	U.S.A.
Willis Consulting KK	Japan
Willis Consulting Limited	England & Wales
Willis Consulting SL	Spain
Willis Consultoria em Resseguros Limitada	Brazil
Willis Corporate Director Services Limited	England & Wales
Willis Corporate Secretarial Services Limited	England & Wales
Willis Corretores de Reaseguro Limitada	Chile
Willis Corretores de Reaseguros S.A.	Colombia
Willis Corretores de Reaseguros SA	Peru
Willis Corretores de Seguros SA	Peru
Willis Corretaje de Reaseguros S.A.	Venezuela
Willis Corretores de Seguros Limitada	Brazil
Willis Corretores de Seguros SA	Portugal
Willis Corroon (FR) Limited	England & Wales
Willis Corroon (Jersey) Limited	Jersey
Willis Corroon Aerospace of Canada Limited	Canada
Willis Corroon Cargo Limited	England & Wales
Willis Corroon Construction Risks Limited	England & Wales
Willis Corroon Corporation of Sacramento	U.S.A.
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 Corroon North Limited	England & Wales
Willis Employee Benefits AB	Sweden
Willis Employee Benefits Limited	England & Wales
Willis Employee Benefits Pty Limited	Australia
Willis ESOP Management Limited	Jersey
Willis Europe B.V.	England & Wales

Company Name	Country of Registration
Willis Faber (Underwriting Management) Limited	England & Wales
Willis Faber AG	Switzerland
Willis Faber Anclamar S.A.	Spain
Willis Faber Chile Limitada	Chile
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 Faber & Dumas Limited	England & Wales
Willis Finance Limited	England & Wales
Willis Financial Limited	England & Wales
Willis Finansradgivning	Denmark
Willis Finanzkonzepte GmbH	Germany
Willis First Response Limited	England & Wales
Willis Forsikringspartner AS	Norway
Willis Forsikringservice I/S	Denmark
Willis Förvaltnings AB	Sweden
Willis Global Markets B.V.	Netherlands
Willis GmbH	Austria
Willis GmbH & Co., K.G.	Germany
Willis Gras Savoye Re S.A.	France
Willis Group Holdings Limited	Bermuda
Willis Group Limited	England & Wales
Willis Group Medical Trust Limited	England & Wales
Willis Group Services Limited	England & Wales
Willis Harris Marrian Limited	N. Ireland
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 IIB Merger Company	U.S.A.
Willis IIB, Inc.	U.S.A.
Willis Insurance Brokerage of Utah, Inc.	U.S.A.
Willis Insurance Brokers Co. Ltd.	China, PRC
Willis Insurance Brokers LLC	Ukraine
Willis Insurance Services (Ireland) Limited	Eire
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 Investment UK Holdings Limited	England & Wales
Willis Italia S.p.A	Italy
Willis Japan GmbH	Germany
Willis Japan Holdings KK	Japan
Willis Japan Insurance Broker KK	Japan
Willis Japan Limited	England & Wales
Willis Japan Services KK	Japan
Willis Kft	Hungary
Willis Korea Limited	Korea
Willis Limited	England & Wales
Willis Management (Bermuda) Limited	Bermuda
Willis Management (Cayman) Limited	Cayman Islands

Company Name	Country of Registration
Willis Management (Dublin) Limited	Eire
Willis Management (Gibraltar) Limited	Gibraltar
Willis Management (Guernsey) Limited	Guernsey
Willis Management (Isle of Man) Limited	Isle of Man
Willis Management (Laubuan) Limited	Malaysia
Willis Management (Malta) Limited	Malta
Willis Management (Singapore) Pte Limited	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 Netherlands Holdings BV	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 Alaska, 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 Illinois, Inc.	U.S.A.
Willis of Kansas, 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 Missouri, Inc.	U.S.A.
Willis of Nevada, 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 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, Inc.	U.S.A.
Willis Polska S.A.	Poland
Willis Processing Services (India) Private Limited	India
Willis Processing Services, Inc.	U.S.A.
Willis Programs of Connecticut, Inc.	U.S.A.
Willis Re (Mauritius) Limited	Mauritius

Company Name	Country of Registration
Willis Re (Pty) Limited	South Africa
Willis Re Bermuda Limited	Bermuda
Willis Re Beteiligungsgesellschaft mbH	Germany
Willis Re GmbH & Co., K.G.	Germany
Willis Re Inc	U.S.A.
Willis Re Labuan Limited	Malaysia
Willis Re Nordic Reinsurance Broking (Denmark) AS	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	Eire
Willis Risk Management Limited	England & Wales
Willis Risk Services (Ireland) Limited	Eire
Willis Risk Services Holdings (Ireland) Limited	Eire
Willis S & C c Correduria de Seguros y Reaseguros SA	Spain
Willis SA	Argentina
Willis Safety Solutions Limited	England & Wales
Willis Scotland Limited	Scotland
Willis Securities, Inc.	U.S.A.
Willis Services (Malta) Limited	Malta
Willis Services LLC	U.S.A.
Willis South Africa (Pty) Limited	South Africa
Willis sro	Czech Republic
Willis Structured Financial Solutions Limited	England & Wales
Willis Transportation Risks Limited	England & Wales
Willis Trustsure Limited	Eire
Willis UK Investments	England & Wales
Willis UK Limited	England & Wales
Willis US Holding Company Inc	U.S.A.
World Insurance Network Inc,	U.S.A.
WPOC, LLC	U.S.A.
York Vale Corretora e Administradora de Seguros Limitada	Brazil

* In liquidation.

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-153769 and 333-160129 on Form S-3 and in Registration Statements No. 333-62780, No. 333-63186, No. 333-130605, No. 333-153202, No. 333-153770 and No. 333-169961 on Form S-8 of our reports dated February 25, 2011 relating to the consolidated financial statements of Willis Group Holdings Public Limited Company and the effectiveness of Willis Group Holdings Public Limited Company's internal control over financial reporting, appearing in this Annual Report on Form 10-K of Willis Group Holdings Public Limited Company for the year ended December 31, 2010.

DELOITTE LLP
London, United Kingdom
February 25, 2011

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Joseph J. Plumeri, certify that:

1. I have reviewed this annual report on Form 10-K 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 25, 2011

By: _____
/s/ JOSEPH J. PLUMERI
Joseph J. Plumeri
Chairman and Chief Executive Officer

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Michael K. Neborak, certify that:

1. I have reviewed this annual report on Form 10-K 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 25, 2011

By: _____
/s/ MICHAEL K. NEBORAK
Michael K. Neborak
Group Chief Financial Officer
(Principal Financial and Accounting Officer)

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, 2010, of Willis Group Holdings plc (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph J. Plumeri, Chairman and 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 25, 2011

By: _____ /s/ JOSEPH J. PLUMERI
Joseph J. Plumeri
Chairman and 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.

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, 2010, 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 25, 2011

By: _____ /s/ MICHEAL 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.