AS FILED WITH THE SECURITIES AND EXCHANGE COMMISSION ON MAY 15, 2001

REGISTRATION NO. 333-

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM F-1

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

WILLIS GROUP HOLDINGS LIMITED

(Exact Name of Registrant as Specified in its Charter)

| BERMUDA | 6411 | NONE |
|---|---|---|
| (State or Other Jurisdiction of Incorporation or Organization) | (Primary Standard Industrial Classification Code Number) | (IRS Employer Identification No.) |

TEN TRINITY SQUARE
LONDON EC3P 3AX
ENGLAND
(011) 44-20-7488-8111

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

MARY E. CAIAZZO
WILLIS NORTH AMERICA INC.
P.O. BOX 305026
NASHVILLE, TN 37230-5026
USA
(615) 872-3006

(Name, Address, Including Zip Code and Telephone Number, Including Area Code, of Agent For Service)

WITH COPIES TO:

| EDWARD P. TOLLEY III, ESQ. | PAUL MICHALSKI, ESQ. |
|---|---|
| Simpson Thacher & Bartlett | Cravath, Swaine & Moore |
| 425 Lexington Avenue | 825 Eighth Avenue |
| New York, New York 10017 | New York, New York 10019 |
| (212) 455-2000 | (212) 474-1000 |

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC:
AS SOON AS PRACTICABLE AFTER THIS REGISTRATION STATEMENT BECOMES EFFECTIVE.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, please check the following box. / /

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. / /

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earliest effective registration statement for the same offering. / /

If delivery of the prospectus is expected to be made pursuant to Rule 434, check the following box. / /

CALCULATION OF REGISTRATION FEE

| TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED | AMOUNT TO BE REGISTERED | PROPOSED MAXIMUM OFFERING PRICE PER SECURITY(1) | PROPOSED MAXIMUM AGGREGATE OFFERING PRICE | AMOUNT OF REGISTRATION FEE |
|---|---|---|---|---|
| Common Stock, par value $0.000115 per share..... | 23,000,000 shares(2) | $12.00 | $276,000,000.00 | $69,000 |

(1) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(2) Includes 3,000,000 shares which the underwriters have the option to purchase from the Registrant solely to cover over-allotments.

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THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(A) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THIS REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(A), MAY DETERMINE.

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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 15, 2001

P R O S P E C T U S

[LOGO]

20,000,000 SHARES

WILLIS GROUP HOLDINGS LIMITED

COMMON STOCK
$ PER SHARE

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We are selling 20,000,000 shares of our common stock. We have granted the underwriters an option to purchase up to 3,000,000 additional shares of common stock to cover over-allotments.

This is the initial public offering of our common stock. We currently expect the initial public offering price to be between $10.00 and $12.00 per share. We have applied to have our common stock listed on the New York Stock Exchange under the symbol "WSH."

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INVESTING IN OUR COMMON STOCK INVOLVES RISKS. SEE "RISK FACTORS" BEGINNING ON PAGE 12.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

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| | PER SHARE | TOTAL |
|---|---|---|
| Public Offering Price | $ | $ |
| Underwriting Discount | $ | $ |
| Proceeds to Willis Group Holdings Limited (before expenses) | $ | $ |

The underwriters expect to deliver the shares to purchasers on or about , 2001.

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SALOMON SMITH BARNEY

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JPMORGAN MORGAN STANLEY DEAN WITTER

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BANC OF AMERICA SECURITIES LLC

MERRILL LYNCH & CO.

UBS WARBURG

, 2001

YOU SHOULD RELY ONLY ON THE INFORMATION CONTAINED IN THIS PROSPECTUS. WE HAVE NOT AUTHORIZED ANYONE TO PROVIDE YOU WITH DIFFERENT INFORMATION. WE ARE NOT MAKING AN OFFER TO SELL THESE SECURITIES IN ANY STATE WHERE THE OFFER IS NOT PERMITTED. YOU SHOULD NOT ASSUME THAT THE INFORMATION CONTAINED IN THIS PROSPECTUS IS ACCURATE AS OF ANY DATE OTHER THAN THE DATE ON THE FRONT COVER OF THIS PROSPECTUS.

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UNTIL , 2001 (25 DAYS AFTER THE DATE OF THIS PROSPECTUS), ALL DEALERS THAT BUY, SELL OR TRADE OUR COMMON STOCK, WHETHER OR NOT PARTICIPATING IN THIS OFFERING, MAY BE REQUIRED TO DELIVER A PROSPECTUS. THIS IS IN ADDITION TO THE DEALERS' OBLIGATION TO DELIVER A PROSPECTUS WHEN ACTING AS UNDERWRITERS AND WITH RESPECT TO THEIR UNSOLD ALLOTMENTS OR SUBSCRIPTIONS.

## PROSPECTUS SUMMARY

THIS SUMMARY HIGHLIGHTS KEY INFORMATION CONTAINED ELSEWHERE IN THIS PROSPECTUS. IT MAY NOT CONTAIN ALL OF THE INFORMATION THAT IS IMPORTANT TO YOU. YOU SHOULD READ THE ENTIRE PROSPECTUS, INCLUDING "RISK FACTORS" AND THE FINANCIAL STATEMENTS AND NOTES TO THOSE STATEMENTS INCLUDED IN THIS PROSPECTUS, BEFORE MAKING AN INVESTMENT DECISION.

## THE WILLIS GROUP

We are the third largest insurance broker in the world. We provide a broad range of value-added risk management consulting and employee benefits and insurance brokering services to approximately 50,000 clients worldwide and place insurance with approximately 4,000 carriers. We trace our history to 1828, and we have significant market positions in the United States, the United Kingdom and, directly and through our associates, many other countries. We are one of three recognized leaders in providing specialized risk management advisory and other services on a global basis to clients in various industries, and have particular expertise in the construction, aerospace, marine and energy industries.

We and our associates serve a diverse base of clients located in more than 160 countries. Those clients include major multinational and middle-market companies in a variety of industries, as well as public institutions. We serve over 30% of the U.K. FTSE 100 companies and over 10% of the Fortune 1000 companies, with an average relationship of more than 10 years. With approximately 13,000 employees around the world and a network of over 300 offices in 74 countries, in each case including our associates, we believe we are one of only three 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. We do not underwrite insurance risks for our own account. For the year ended December 31, 2000, our revenues were approximately $1.3 billion.

Insurance brokers, such as ourselves, provide essential services to users of insurance and reinsurance products. Those users include corporations, public institutions and insurance carriers. Brokers distribute insurance products and provide highly specialized, and often highly technical, value-added risk management consulting services. Through knowledge of the insurance market and risk management techniques, the broker provides value to its clients by assisting in the analysis of risks, helping formulate appropriate strategies to manage those risks, negotiating insurance policy terms and conditions, placing risks to be insured with insurance carriers through the broker's distribution network and providing specialized consulting to companies seeking to retain a portion of their own risk, known as self-insurance consulting, and other risk management consulting services. Additionally, the broker provides value to insurance carriers by assessing a potential insurance user's risk management needs and structuring appropriate insurance programs to meet those needs, acting as a principal distribution channel for insurance products, and providing access to insurance buyers that most insurance companies are not equipped to reach on their own.

According to BUSINESS INSURANCE, the 194 largest commercial insurance brokers globally reported brokerage revenues totaling $19.1 billion in 1999. The insurance brokerage industry, having recently gone through a period of rapid consolidation, is led by its three global participants: Marsh & McLennan Companies, Inc., with approximately 32% of the worldwide market referred to above; Aon Corporation, with approximately 25% of the worldwide market; and us, with approximately 7% of the worldwide market. The industry is highly fragmented beyond these three largest brokers with the next largest broker having approximately 3% of the worldwide market.

We have experienced and incentivized management, with our top eight executives averaging 24 years of experience in the insurance brokerage and insurance industries and 12 years experience with us. To date, 367 of our employees have invested directly in our equity. We also benefit from strong sponsorship through Kohlberg Kravis Roberts & Co. L.P., or KKR, and six major insurance carriers.

## RECENT MANAGEMENT INITIATIVES

We have operated as a private company since late 1998, when Trinity Acquisition Limited, an entity formed by affiliates of KKR for purposes of effecting the acquisition, acquired our predecessor, Willis Corroon Group plc, in a going private transaction. Since then, we have made several significant changes to our management and operations. Most notably, we have:

- named Joseph J. Plumeri, formerly of Citigroup Inc., as Executive Chairman and Chief Executive Officer in October 2000, who is reinvigorating our culture and approach to sales and marketing;

- added over 150 new managers and producers;

- implemented a comprehensive restructuring in our North American operations, resulting in an increase in the time brokers have for needs analysis and product design with clients and a reduction of 275 employees;

- implemented a comprehensive program designed to reduce duplication in finance, information technology and human resources management;

- designed and implemented new business monitoring tools to more rigorously monitor our global operations on a pro-active basis; and

- continued to invest in our International operations, particularly in Europe and Latin America, to fill the few strategic gaps remaining in our global network.

These efforts have contributed to an improvement in our revenue growth and profitability. From 1998 to 2000, our total revenues on a constant currency basis grew at a 7.4% compound annual growth rate despite an environment of declining primary insurance and reinsurance premium rates. In 2000, the growth rate of our total revenues on a constant currency basis accelerated to 8.1%. See "Supplemental Constant Currency Financial Data". In addition, our Adjusted EBITDA margin increased from 17% in 1998 to 21% in 2000. For an explanation of Adjusted EBITDA, see footnote (g) under "Prospectus Summary--Summary Consolidated Financial Information". We believe that there are further benefits to come from our efforts in 1999 and 2000, including further improvement in revenue growth and margins.

## BUSINESS STRATEGY

Our strategic objectives are to continue to grow revenues, cash flow and earnings and to enhance our position as the third largest global provider of risk management services. The key elements of this strategy are to:

- CAPITALIZE ON OUR STRONG GLOBAL FRANCHISE--We intend to expand services to existing clients and target new clients in need of our global reach and specialized expertise.

- EMPHASIZE VALUE-ADDED SERVICES--We emphasize value-added, fee-based risk management services designed to complement our brokerage business and increase the quality and scope of our services.

- FOCUS ON EXPANDING AND CROSS-SELLING OUR EMPLOYEE BENEFITS CAPABILITIES--We intend to sell employee benefits services to our brokerage clients and develop payroll, asset management and other services.

- INCREASE OPERATING EFFICIENCIES--We are implementing cost reduction measures designed to further streamline work processes to increase efficiency and margins while improving client service.

- CREATE A SINGLE COMPANY CULTURE--We are creating a single company culture through a group-wide approach to training, risk analysis, product design and selling and increased employee ownership.

- PURSUE STRATEGIC ACQUISITIONS AND INVESTMENTS--We intend to strengthen our global franchise through selective acquisitions and investments that complement our existing business.

For a complete discussion of our business strategy, see "Business--Business Strategy".

## RISKS RELATING TO OUR BUSINESS

As part of your evaluation of our company, you should take into account the risks we face in our business and not solely our competitive strengths and business strategies. For example, we have substantial debt and debt service requirements which may place us at a competitive disadvantage in our industry. Further, our approximate 7% worldwide market share is significantly smaller than the approximate 32% share held by Marsh & McLennan and the approximate 25% share held by Aon, which may make it difficult for us to compete successfully against these larger competitors. You should also be aware that there are various other risks involved in investing in our common stock, including risks relating to, among other things, our ability to borrow more debt, our reliance on commission income, our exposure to potential liability resulting from errors and omissions, other legal matters in which we are involved or could become involved, our relationship with our controlling shareholders and the future price of our common stock. For more information about these and other risks, see "Risk Factors". You should carefully consider these risk factors together with all of the other information included in this prospectus.

## REDOMICILIATION IN BERMUDA

Willis Group Holdings Limited was incorporated solely for the purpose of redomiciling the ultimate parent company of the Willis group of companies, which we refer to as the Willis Group, from the United Kingdom to Bermuda. Willis Group Holdings is presently the beneficial owner of substantially all of the share capital of TA I Limited, which was previously the ultimate parent company of the Willis Group. The redomiciliation was effected through:

- - the exchange by TA I Limited shareholders, other than employees and former employees, of their ordinary shares in TA I Limited for shares of Willis Group Holdings common stock; and

- - the exchange by substantially all holders of non-voting ordinary shares in TA I Limited for shares of Willis Group Holdings non-voting common stock which will automatically convert into voting shares upon completion of the initial public offering.

## OUR CORPORATE INFORMATION

Willis Group Holdings Limited was incorporated in Bermuda in February 2001. Its principal executive offices are located at Ten Trinity Square, London EC3P 3AX, England. Its telephone number is (011) 44-20-7488-8111.

## THE OFFERING

| | |
|---|---|
| Shares we are offering..... | 20,000,000 shares of common stock |
| Shares we are reserving..... | Up to 2,000,000 shares of our common stock have been reserved for sale to our directors, officers and employees, as well as clients, vendors and individuals associated with us. |
| Shares to be outstanding after this offering..... | 143,995,118 shares of common stock |
| Use of proceeds..... | We intend to use the net proceeds from this offering to redeem preference shares of TA II Limited, one of our subsidiaries, or repurchase senior subordinated notes of Willis North America, one of our subsidiaries, or both. |
| Dividend policy..... | We do not intend to pay dividends on our shares of common stock in the foreseeable future. Some of the debt instruments of our subsidiaries, significantly restrict their ability to pay dividends directly or indirectly to us, which effectively limits our ability to pay dividends on our shares of common stock. |
| Proposed New York Stock Exchange symbol..... | WSH |

The information above does not include:

- 28,884,928 shares issuable upon the exercise of outstanding stock options, 2,775,623 of which are subject to currently exercisable options at an average exercise price of L2.00 ($2.84, based on the exchange rate as of May 10, 2001 of $1.42=L1.00) per share;

- 40,484,928 shares (which includes the 28,884,928 shares issuable upon the exercise of outstanding stock options) authorized and reserved for issuance under our various stock plans; and

- 3,000,000 shares of common stock that the underwriters have the option to purchase from us solely to cover over-allotments.

## SUMMARY CONSOLIDATED FINANCIAL INFORMATION

The summary consolidated financial data presented below should be read in conjunction with the audited consolidated financial statements of TA I Limited and the notes to those statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. The financial information as of March 31, 2001 and for each of the three month periods ended March 31, 2000 and 2001 and for each of the two years ended December 31, 2000 and for the period from September 2, 1998 to December 31, 1998 reflects the financial position and results of operations of TA I Limited, which has become our direct subsidiary as a result of the transactions described under "Redomiciliation in Bermuda". The financial information for the period from January 1, 1998 to September 1, 1998 and for each of the two years ended December 31, 1997 reflects the financial position and results of operations of our predecessor.

The summary historical financial data presented below as of March 31, 2001 and for the three month periods ended March 31, 2000 and 2001 have been derived from the unaudited condensed consolidated financial statements of TA I Limited included elsewhere in this prospectus, which financial statements have been prepared in accordance with generally accepted accounting principles in the United States, or U.S. GAAP. Because we earn revenue in an uneven fashion during the year, the results for the three months ended March 31, 2001 are not necessarily indicative of the results to be expected for the year ended December 31, 2001. See "Management Discussion and Analysis of Financial Condition and Results of Operations".

The summary consolidated financial data presented below for each of the two years ended December 31, 2000 have been derived from the audited consolidated financial statements of TA I Limited included elsewhere in this prospectus, which financial statements have been prepared in accordance with U.S. GAAP. The summary consolidated financial data presented below for the period from September 2, 1998 to December 31, 1998 have been derived from the audited consolidated financial statements of TA I Limited, which are not included in this prospectus. Those financial statements were presented in U.S. dollars and were prepared in accordance with generally accepted accounting principles in the United Kingdom, or U.K. GAAP.

The summary consolidated financial data presented below for the period from January 1, 1998 to September 1, 1998 and for each of the two years ended December 31, 1997 have been derived from the audited consolidated financial statements of our predecessor which are not included in this prospectus. The term "our predecessor" refers to Willis Group Limited (formerly Willis Corroon Group plc) before its acquisition by Trinity Acquisition Limited, one of TA I Limited's wholly owned subsidiaries and an entity formed by affiliates of KKR for purposes of effecting the acquisition. For financial reporting purposes, that acquisition was deemed to have occurred on September 2, 1998. Those financial statements were presented in pounds sterling and were prepared in accordance with U.K. GAAP with a reconciliation of net income and stockholders' equity from U.K. GAAP to U.S. GAAP.

The derived financial data presented below is stated in accordance with U.S. GAAP. In this prospectus, unless otherwise specified or unless the context otherwise requires, all references to "dollars" or "$" are to United States dollars.

The pro forma financial data presented below for the three months ended March 31, 2001 and the year ended December 31, 2000 give effect to this offering and the use of proceeds to redeem preference shares of TA II Limited as if they had occurred on January 1, 2000. See "Use of Proceeds".

| | PREDECESSOR | | | TA I LIMITED | | |
|---|---|---|---|---|---|---|
| | YEAR ENDED DECEMBER 31, | | JANUARY 1 TO SEPTEMBER 1, | SEPTEMBER 2 TO DECEMBER 31, | YEAR ENDED DECEMBER 31, | |
| | 1996(A) | 1997(A) | 1998(A) | 1998(B) | 1999 | 2000 |
| | ($ IN MILLIONS, EXCEPT PER SHARE AMOUNTS) | | | | | |
| STATEMENT OF OPERATIONS DATA: | | | | | | |
| Total revenues | $1,133 | $1,134 | $ 772 | $ 413 | $ 1,244 | $ 1,305 |
| General and administrative expenses | (959) | (968) | (655) | (374) | (1,136) | (1,062) |
| Unusual items (c) | -- | -- | (59) | -- | (47) | (18) |
| Depreciation expense | (38) | (37) | (26) | (14) | (41) | (37) |
| Amortization of goodwill | (28) | (29) | (20) | (11) | (35) | (35) |
| Gain (loss) on disposal of operations | 7 | 7 | 4 | (2) | 7 | 1 |
| Operating income (loss) | 115 | 107 | 16 | 12 | (8) | 154 |
| Interest expense | (3) | (1) | (3) | (27) | (89) | (89) |
| Other expenses | -- | -- | -- | (8) | (7) | -- |
| Loss on closure of operations | -- | -- | (34) | -- | -- | -- |
| Income (loss) before income taxes, equity in net earnings of associates and minority interest | 112 | 106 | (21) | (23) | (104) | 65 |
| Income tax expense | (57) | (49) | (22) | (7) | (7) | (33) |
| Equity in net earnings (losses) of associates | 5 | 3 | 13 | (4) | 7 | 2 |
| Minority interest | (1) | (1) | (1) | (10) | (28) | (25) |
| Net income (loss) available for ordinary stockholders | $ 59 | $ 59 | $ (31) | $ (44) | $ (132) | $ 9 |
| Net earnings (loss) per share--basic | | | | $(0.50) | $ (1.11) | $ 0.07 |
| Net earnings (loss) per share--diluted | | | | $(0.50) | $ (1.11) | $ 0.07 |
| Weighted average number of ordinary shares outstanding--basic | | | | 88 | 119 | 121 |
| Weighted average number of ordinary shares outstanding--diluted | | | | 88 | 119 | 121 |
| PRO FORMA STATEMENT OF OPERATIONS DATA: | | | | | | |
| Net income (d) | | | | | | $ 26 |
| Net earnings per share--basic (d) | | | | | | $ 0.18 |
| Net earnings per share--diluted (d) | | | | | | $ 0.18 |
| Weighted average shares used in computation of pro forma net earnings per share--basic (d) | | | | | | 141 |
| Weighted average shares used in computation of pro forma net earnings per share--diluted (d) | | | | | | 141 |

| | TA I LIMITED | |
|---|---|---|
| | THREE MONTHS ENDED MARCH 31, | |
| | 2000 | 2001 |
| | (UNAUDITED) | |
| STATEMENT OF OPERATIONS DATA: | | |
| Total revenues | $ 352 | $ 375 |
| General and administrative expenses | (270) | (268) |
| Unusual items (c) | -- | -- |
| Depreciation expense | (10) | (9) |
| Amortization of goodwill | (9) | (9) |
| Gain (loss) on disposal of operations | -- | -- |
| Operating income (loss) | 63 | 89 |
| Interest expense | (22) | (21) |
| Other expenses | -- | -- |

| | | |
|---|---|---|
| Loss on closure of operations | -- | -- |
| Income (loss) before income taxes, equity in net earnings of associates and minority interest | 41 | 68 |
| Income tax expense | (27) | (31) |
| Equity in net earnings (losses) of associates | 9 | 9 |
| Minority interest | (6) | (7) |
| Net income (loss) available for ordinary stockholders | $ 17 | $ 39 |
| Net earnings (loss) per share--basic | $ 0.14 | $ 0.31 |
| Net earnings (loss) per share--diluted | $ 0.14 | $ 0.30 |
| Weighted average number of ordinary shares outstanding--basic | 121 | 124 |
| Weighted average number of ordinary shares outstanding--diluted | 121 | 132 |
| PRO FORMA STATEMENT OF OPERATIONS DATA: | | |
| Net income (d) | | $ 43 |
| Net earnings per share--basic (d) | | $ 0.30 |
| Net earnings per share--diluted (d) | | $ 0.28 |
| Weighted average shares used in computation of pro forma net earnings per share--basic (d) | | 144 |
| Weighted average shares used in computation of pro forma net earnings per share--diluted (d) | | 152 |

| | PREDECESSOR | | | TA I LIMITED |
|---|---|---|---|---|
| | YEAR ENDED DECEMBER 31, | | JANUARY 1 TO SEPTEMBER 1, | SEPTEMBER 2 TO DECEMBER 31, |
| | 1996(A) | 1997(A) | 1998(A) | 1998(B) |
| | ($ IN MILLIONS, EXCEPT PER SHARE AMOUNTS) | | | |
| BALANCE SHEET DATA (AS OF PERIOD END): | | | | |
| Total assets (e) | | | | |
| Net assets | | | | |
| Total long-term debt | | | | |
| Preference shares | | | | |
| Ordinary shares and additional paid-in capital | | | | |
| Total stockholders' equity | | | | |
| OTHER FINANCIAL DATA: | | | | |
| EBITDA (f) | $ 181 | $ 191 | $ 132 | $ 45 |
| Adjusted EBITDA (g) | 186 | 205 | 145 | 63 |
| Adjusted EBITDA margin (h) | 16% | 18% | 17% | 16% |
| Operating income before goodwill amortization and unusual items (i) | $ 143 | $ 136 | $ 95 | $ 23 |
| Operating income before goodwill amortization and unusual items margin (i) | 13% | 12% | 12% | 6% |
| Net income (loss) before goodwill amortization and unusual items (i) | $ 87 | $ 88 | $ 69 | $ (28) |
| Net cash flow provided by operations (j) | 77 | 128 | (51) | 70 |
| Net cash flow (used in) provided by investing activities (j) | (38) | (225) | (50) | (1,458) |
| Net cash flow (used in) provided by financing activities (j) | (110) | (19) | 21 | 1,521 |
| Capital expenditures | 45 | 43 | 33 | 16 |

| | TA I LIMITED | | | | |
|---|---|---|---|---|---|
| | YEAR ENDED DECEMBER 31, | | THREE MONTHS ENDED MARCH 31, | | |
| | 1999 | 2000 | 2000 | 2001 | |
| | ($ IN MILLIONS, EXCEPT PER SHARE AMOUNTS) | | | | |
| BALANCE SHEET DATA (AS OF PERIOD END): | | | | ACTUAL | AS ADJUSTED(D) |
| Total assets (e) | | | | $8,604 | $8,604 |
| Net assets | | | | 565 | 565 |
| Total long-term debt | | | | 935 | 935 |
| Preference shares | | | | 273 | 73 |
| Ordinary shares and additional paid-in capital | | | | 411 | 611 |
| Total stockholders' equity | | | | 273 | 473 |
| OTHER FINANCIAL DATA: | | | | | |
| EBITDA (f) | $ 142 | $243 | $ 90 | $ 118 | |
| Adjusted EBITDA (g) | 206 | 276 | 95 | 121 | |
| Adjusted EBITDA margin (h) | 16% | 21% | 22% | 28% | |
| Operating income before goodwill amortization and unusual items (i) | $ 74 | $207 | $ 72 | $ 98 | |
| Operating income before goodwill amortization and unusual items margin (i) | 6% | 16% | 20% | 26% | |
| Net income (loss) before goodwill amortization and unusual items (i) | $ (60) | $ 55 | $ 26 | $ 48 | |
| Net cash flow provided by operations (j) | 19 | 79 | 20 | 38 | |
| Net cash flow (used in) provided by investing | | | | | |

| | | | | |
|---|---|---|---|---|
| activities (j)..... | (26) | (41) | (7) | (3) |
| Net cash flow (used in) provided by financing activities (j)..... | (25) | (23) | (1) | (22) |
| Capital expenditures..... | 41 | 30 | 7 | 5 |

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NOTES TO SUMMARY CONSOLIDATED FINANCIAL INFORMATION

(a) The summary consolidated financial data for each of the two years ended December 31, 1997 and for the period from January 1, 1998 to September 1, 1998 have been derived from the audited consolidated financial statements of our predecessor. Those financial statements were presented in pounds sterling and were prepared in accordance with U.K. GAAP with a reconciliation of net income and stockholders' equity from U.K. GAAP to U.S. GAAP. Upon conversion of the financial information for purposes of disclosure in this prospectus, the U.K. GAAP financial statement line items were adjusted for U.S. GAAP differences. Certain reclassifications have been made to conform prior years' data to the current U.S. GAAP presentation. Consolidated results of operations were translated into U.S. dollars at the average exchange rates of $1.64 and $1.56, in each case for the years ended December 31, 1997 and 1996, respectively. For the period ended September 1, 1998, consolidated results of operations were translated into U.S. dollars at the average exchange rate of $1.65.

(b) The summary consolidated financial data for the period from September 2, 1998 to December 31, 1998 have been derived from the audited consolidated financial statements of TA I Limited. Those financial statements were presented in U.S. dollars and were prepared in accordance with U.K. GAAP. Upon conversion of the financial information for purposes of disclosure in this prospectus, the U.K. GAAP financial statement line items were adjusted for U.S. GAAP differences. Certain

reclassifications have been made to conform prior years' data to the current U.S. GAAP presentation.

(c) Unusual items consist of the following:

- restructuring charges relating to implementation of changes to our North American business processes, which were $11 million for the year ended December 31, 2000, representing excess operating lease obligations, and $7 million for the year ended December 31, 1999, representing employee termination benefits;

- restructuring charges relating to the exit from some U.S. business lines for the year ended December 31, 2000 of $7 million. These consisted of $4 million of employee termination benefits, $1 million relating to excess operating lease obligations and $2 million relating to other costs;

- charges relating to claims and costs associated with the government initiated review of personal pensions plans sold in the United Kingdom between 1988 and 1994 of $40 million for the year ended December 31, 1999 and $41 million for the period from January 1 to September 1, 1998. See note 11 to the audited consolidated financial statements of TA I Limited included elsewhere in this prospectus; and

- costs incurred in connection with the acquisition of our predecessor of $18 million for the period from January 1 to September 1, 1998.

(d) The pro forma and as adjusted information have been prepared assuming that the net proceeds from this offering are $200 million (based upon an assumed public offering of 20,000,000 shares at a price of $11.00 per share) and, because we may redeem preference shares as a matter of right, that all these net proceeds will be used to redeem preference shares of TA II Limited as described under "Use of Proceeds". In the event that we chose to apply all the net proceeds to repurchase senior subordinated notes as described under "Use of Proceeds", pro forma net income, net earnings per share--basic and net earnings per share--diluted would instead be $22 million, $0.16 and $0.16 for the year ended December 31, 2000 and $42 million, $0.29 and $0.28 for the three months ended March 31, 2001, in each case assuming all such repurchases are made at par. Interest expense on a pro forma basis would be $(71) million and $(16) million for the same periods, and on an adjusted basis, total long-term debt would be reduced to $735 million and the preference shares would remain unchanged at $273 million. We may be able to purchase notes at a price less than par or may only be able to purchase notes at a price greater than par. Assuming all the net proceeds are used to purchase notes, each 1% change in the purchase price would change annual pro forma net income by $0.1 million and have less than a $0.01 impact on basic and diluted earnings per share. We also may determine to use the net proceeds in part to redeem preference shares and in part to repurchase notes. The pro forma net income and earnings per share information assumes that these transactions occurred on January 1, 2000. The as adjusted balance sheet data give effect to this offering as if it occurred on March 31, 2001.

(e) As an intermediary, we hold funds in a fiduciary capacity for the account of third parties, typically as the result of premiums received from clients that are in transit to insurance carriers and claims due to clients that are in transit from insurance carriers. We report premiums, which are held on account of, or due from policyholders, as assets with a corresponding liability due to the insurance carriers. Claims held by, or due to, us which are due to clients are also shown as both assets and liabilities of ours. All those balances due or payable are included in insurance and reinsurance balances receivable and payable on the balance sheet. We earn interest on those funds during the time between the receipt of the cash and the time the cash is paid out. Fiduciary cash must be kept in certain regulated bank accounts subject to guidelines, which generally emphasize capital

preservation and liquidity and is not generally available to service our debt or for other corporate purposes.

(f) EBITDA is defined as operating income before unusual items, gain (loss) on disposal of operations, the non-cash charges described below which were required as a result of the conversion of TA I Limited's accounts from U.K. GAAP to U.S. GAAP, depreciation and amortization, plus our equity in pre-tax earnings of associates. Our equity in pre-tax earnings of associates is shown in the table in note (g) below. EBITDA is presented because we believe that it is a useful indicator of a company's ability to incur and service debt. EBITDA should not be considered by investors as an alternative to operating income or net income as an indicator of our performance, nor as an alternative to cash flows from operating activities, investing activities or financing activities as a measure of liquidity. Because all companies do not calculate EBITDA identically, this presentation of EBITDA may not be comparable to other similarly entitled measures of other companies. The non-cash charges excluded from EBITDA consist of the following:

- non-cash adjustments for pension expense of $(19) million and $(13) million for the years ended December 31, 1996 and 1997, $(2) million and $(2) million for the periods January 1 to September 1, 1998 and September 2 to December 31, 1998, $(19) million and $11 million for the years ended December 31, 1999 and 2000 and $7 million and $1 million for the three month periods ended March 31, 2000 and 2001; and

- non-cash adjustments for revaluation of forward exchange contracts and, for periods ending after January 1, 2001, interest rate swaps of $17 million and $(9) million for the years ended December 31, 1996 and 1997, $0 million and $(6) million for the periods January 1 to September 1, 1998 and September 2 to December 31, 1998, $(3) million and $(3) million for the years ended December 31, 1999 and 2000 and $1 million and $3 million for the three month periods ended March 31, 2000 and 2001.

(g) As set forth in the following table, Adjusted EBITDA represents EBITDA, adjusted to give effect to the following items:

- the elimination of the results of all operations disposed of from January 1, 1996 to March 31, 2001, as if those dispositions had taken place on January 1, 1996;

- severance costs incurred in connection with management's improvement initiatives described in "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- consulting fees relating to management's improvement initiative described in "Management's Discussion and Analysis of Financial Condition and Results of Operations";

- additional provisions for a combination of doubtful debts ($6 million) and errors and omissions claims ($4 million); and

- other expenses including those relating to acquisitions of broker teams, costs in connection with our investment in the World Insurance Network and other unusual and non-recurring costs

which, in 1999, included approximately $10 million of costs relating to investigating and rectifying unauthorized billing and settlement practices in one of our business subunits.

| | PREDECESSOR | | | TA I LIMITED | | | | |
|---|---|---|---|---|---|---|---|---|
| | YEAR ENDED DECEMBER 31, | | JANUARY 1 TO SEPTEMBER 1, | SEPTEMBER 2 TO DECEMBER 31, | YEAR ENDED DECEMBER 31, | | THREE MONTHS ENDED MARCH 31, | |
| | 1996 | 1997 | 1998 | 1998 | 1999 | 2000 | 2000 | 2001 |
| Operating income (loss)..... | $115 | $107 | $ 16 | $12 | $ (8) | $154 | $63 | $ 89 |
| Unusual items..... | -- | -- | 59 | -- | 47 | 18 | -- | -- |
| Gain (loss) on disposal of operations..... | (7) | (7) | (4) | 2 | (7) | (1) | -- | -- |
| Non-cash adjustments excluded from EBITDA..... | 2 | 22 | 2 | 8 | 22 | (8) | (8) | (4) |
| Equity in earnings of associates (before tax and amortization)..... | 5 | 3 | 13 | (2) | 12 | 8 | 16 | 15 |
| Depreciation and amortization... | 66 | 66 | 46 | 25 | 76 | 72 | 19 | 18 |
| EBITDA..... | 181 | 191 | 132 | 45 | 142 | 243 | 90 | 118 |
| Adjustments for dispositions.... | (24) | (12) | (1) | -- | 4 | -- | -- | -- |
| Other adjustments: | | | | | | | | |
| Severance..... | 18 | 6 | 8 | 8 | 19 | 19 | 2 | 2 |
| Consultancy..... | 10 | 14 | 3 | 1 | 17 | 8 | 2 | -- |
| Provisions..... | -- | -- | -- | -- | 10 | -- | -- | -- |
| Other expenses..... | 1 | 6 | 3 | 9 | 14 | 6 | 1 | 1 |
| Adjusted EBITDA..... | $186 | $205 | $145 | $63 | $206 | $276 | $95 | $121 |

Adjusted EBITDA is presented because we believe that it is a useful indicator to investors of our ability to incur and service debt based on our present expense structure and ongoing operations. Adjusted EBITDA should not be considered by investors as an alternative to operating income or net income as an indicator of our performance, nor as an alternative to cash flows from operating activities, investing activities or financing activities as a measure of liquidity. Because all companies do not calculate EBITDA identically, this presentation of Adjusted EBITDA may not be comparable to EBITDA, Adjusted EBITDA or other similarly entitled measures of other companies. Investors should not conclude from the presentation of Adjusted EBITDA that additional costs arising from the same or similar items will not be incurred in the future.

We believe that we are adequately reserved regarding our pension review costs and therefore do not anticipate further pension review expense. However, we are unable to assure you that we will not incur additional costs. See "Business--Legal Matters". Also, with ongoing operating improvement initiatives handled by our management, we anticipate expenses relating to external consultancy and other non-recurring expenses to decrease significantly in the short-term. As we continue to implement our improvement initiatives, however, we do expect to continue to incur severance expenses, although at amounts smaller than those incurred in recent years.

(h) Adjusted EBITDA margin represents Adjusted EBITDA, less share of pre-tax profits of associates, as a percentage of operating revenues. Adjusted EBITDA margin is presented because we believe that it is a useful indicator to investors of our profitability.

(i) Operating income before goodwill amortization and unusual items, operating income before goodwill amortization and unusual items margin and net income (loss) before goodwill authorization and unusual items are presented because we believe that they are a useful indicator to investors of our historical operating income on a basis likely to be relevant to how we report future performance. Operating income before goodwill amortization and unusual items, operating income before goodwill amortization and unusual items margin and net income (loss) before goodwill amortization and unusual items should not be considered by investors as an alternative to operating income or net income, as an indicator of our performance, nor as an alternative to other U.S. GAAP measures. However, given the magnitude of our goodwill amortization charge and recent announcements regarding a potential change in accounting for goodwill, we believe operating income before goodwill amortization and unusual items, operating income before

goodwill amortization and unusual items margin and net income (loss) before goodwill amortization and unusual items may more properly reflect our performance on a basis consistent with expected future accounting practice and allow investors to more readily compare our operating results with those of our competitors. There can be no assurance that accounting for goodwill amortization treatment will change. We have included the information under the caption "Other Financial Data" to distinguish the amounts from those required under U.S. GAAP results. Because all companies do not calculate operating income before goodwill amortization and unusual items, operating income before goodwill amortization and unusual items margin and net income (loss) before goodwill amortization and unusual items identically, this presentation of operating income before goodwill amortization and unusual items, operating income before goodwill amortization and unusual items margin and net income (loss) before goodwill amortization and unusual items may not be comparable to other similarly entitled measures of other companies.

These items have been derived as follows:

- Operating income before goodwill amortization and unusual items adjusts the disclosed operating income amount for the unusual items described in footnote (c) and goodwill amortization;

- Operating income before goodwill amortization and unusual items margin represents operating income before goodwill amortization and unusual items as a percentage of operating revenues; and

- Net income (loss) before goodwill amortization and unusual items adjusts for the unusual items described in footnote (c), after tax effects of $13 million in the period January 1, 1998 to September 1, 1998 and $14 million and $7 million in the years ended December 31, 1999 and 2000. In addition, further adjustments are made for other expenses written off of $8 million and $7 million (or $5 million and $4 million net of taxes) in the period September 2, 1998 to December 31, 1998 and the year ended December 31, 1999 and for the non-cash charge of $34 million on the closure of Professional Liability Underwriting Management in the period January 1 to September 1, 1998.

(j) The summary cash flow data presented for each of the three months ended March 31, 2000 and 2001 were derived from the unaudited condensed consolidated financial statements of TA I Limited included elsewhere in this prospectus. Those financial statements were prepared in accordance with U.S. GAAP. The summary cash flow data presented for each of the two years ended December 31, 2000 have been derived from the audited consolidated financial statements of TA I Limited included elsewhere in this prospectus. Those financial statements were prepared in accordance with U.S. GAAP.

The summary cash flow data presented for the period from September 2, 1998 to December 31, 1998 have been derived from the audited consolidated financial statements of TA I Limited. Those financial statements were presented in U.S. dollars and were prepared in accordance with U.K. GAAP. The cash flow data have been restated in summarized form using the categories of cash flow activity under U.S. GAAP. The cash flows in the period September 2, 1998 to December 31, 1998 included the cost of the 1998 acquisition of our predecessor by Trinity Acquisition Limited, one of TA I Limited's wholly owned subsidiaries, and the proceeds from the financing agreements for the acquisition.

The summary cash flow data presented for the period from January 1, 1998 to September 1, 1998 and for each of the two years ended December 31, 1997 have been derived from the audited consolidated financial statements of our predecessor. Those financial statements were presented in pounds sterling and were prepared in accordance with U.K. GAAP and disclosed, in summarized form, the categories of cash flow activity under U.S. GAAP.

## RISK FACTORS

BEFORE INVESTING IN OUR COMMON STOCK, YOU SHOULD CAREFULLY CONSIDER THE RISKS DESCRIBED BELOW AND THE OTHER INFORMATION INCLUDED IN THIS PROSPECTUS.

### RISK FACTORS RELATING TO OUR BUSINESS

#### SUBSTANTIAL DEBT--WE AND OUR SUBSIDIARIES HAVE SIGNIFICANT INDEBTEDNESS WHICH MAY RESTRICT OUR GROWTH, PLACE US AT A COMPETITIVE DISADVANTAGE AND ADVERSELY AFFECT OUR ABILITY TO CONDUCT OUR BUSINESS.

As of March 31, 2001, we had a total of $935 million of long-term debt and $273 million of redeemable preference shares in our subsidiary TA II Limited, our stockholders' equity was $273 million and our debt to equity ratio (excluding the preference shares) was 3.4 to 1. Our interest expense for the year 2000 was $89 million. During 2000, $30 million of debt was repaid, and a further $22.5 million was repaid in February 2001. Our repayment obligations for these periods were $3.25 million for 2000 and $8.25 million for 2001. Our significant debt and debt service requirements could adversely affect our ability to operate our business and may limit our ability to take advantage of potential business opportunities. For example, our high level of debt presents the following risks to you:

- we may have difficulty borrowing money in the future for working capital, capital expenditures, acquisitions or other purposes;
- covenants in our subsidiaries' debt instruments limit their ability to pay dividends to us or make other restricted payments and investments;
- our subsidiaries will need to use a large portion of the money earned by them to pay principal and interest on their indebtedness, which will reduce the amount of money available to them for their operations and other business activities;
- we may have a much higher level of debt than our competitors, which may put us at a competitive disadvantage;
- our debt level makes us more vulnerable to economic downturns and adverse developments in our business;
- we are subject to the risk of interest rate increases on our indebtedness with variable interest rates;
- our debt level reduces our flexibility in responding to changing business and economic conditions, including increased competition in the insurance brokerage industry; and
- our debt level limits our ability to pursue other business opportunities, borrow more money for operations or capital in the future and implement our business strategies.

#### ADDITIONAL BORROWINGS AVAILABLE--DESPITE CURRENT INDEBTEDNESS LEVELS, WE AND OUR SUBSIDIARIES MAY STILL BE ABLE TO INCUR SUBSTANTIALLY MORE DEBT. THIS COULD INCREASE THE IMPACT OF THE RISKS DESCRIBED ABOVE.

Subject to restrictions in the instruments governing our outstanding indebtedness, we and our subsidiaries may borrow more money for working capital, capital expenditures, acquisitions or other purposes. We currently have availability under our revolving credit facility of $150 million. Our expansion strategy, including the pursuit of strategic acquisitions and investments, may involve the incurrence of indebtedness in addition to our revolving credit facility. If new debt is added to our current debt levels, the related risks that we now face could intensify.

ABILITY TO SERVICE DEBT--WE AND OUR SUBSIDIARIES MAY NOT BE ABLE TO GENERATE SUFFICIENT CASH FLOW TO REPAY OR PAY INTEREST ON OUR AND OUR SUBSIDIARIES' OUTSTANDING INDEBTEDNESS.

Our business may not generate cash flow in an amount sufficient to enable us to pay the principal of, or interest on, our and our subsidiaries' indebtedness or to fund our other liquidity needs. Our ability to make payments on or to refinance that indebtedness, to fund planned capital expenditures and to pursue our expansion strategy will depend on our future performance, which, to a certain extent, is subject to general economic, financial, competitive, regulatory and other factors that are beyond our control.

For the year ended December 31, 2000, the ratio of earnings to fixed charges was 1.2 to 1. For these purposes, earnings of $176 million consist of income before income taxes, interest expense and interest within rental expenses, plus dividends from associates, less pre-tax minority interests. Fixed charges of $142 million consist of interest expense (including amortization of debt issuance costs), pre-tax preferred dividends and the interest element of operating lease rentals.

NEED FOR ADDITIONAL FINANCING FOR ACQUISITIONS--IF WE FAIL TO OBTAIN ADDITIONAL FINANCING FOR ACQUISITIONS, WE MAY NOT BE ABLE TO EXPAND OUR BUSINESS.

We have engaged, and expect to continue to engage, in acquisitions to maintain or increase our market share and expand our business. Our acquisition strategy may require us to seek additional financing. If we are unable to obtain sufficient financing on satisfactory terms and conditions, we may not be able to maintain or increase our market share or expand our business. Our ability to obtain additional financing will depend upon a number of factors, many of which are beyond our control. For example, we may not be able to obtain additional financing because we already have substantial debt and because we may not have sufficient cash flow to service or repay our existing or additional debt. In addition, any additional equity financing may be dilutive to you.

PREMIUMS AND COMMISSIONS--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 brokering and consulting services. We do not determine insurance premiums on which commissions are generally based. Historically, although commercial property and casualty pricing has been improving in recent months, premiums have been cyclical in nature and have varied widely based on market conditions. Since the late 1980s, insurance premium rates have generally been declining 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.

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.

LEGAL MATTERS--OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION OR LIQUIDITY MAY BE MATERIALLY ADVERSELY AFFECTED BY ERRORS AND OMISSIONS AND THE OUTCOME OF CERTAIN PENDING LEGAL MATTERS.

ERRORS AND OMISSIONS. We have extensive operations and are subject to claims and litigation in the ordinary course of business resulting from alleged errors and omissions. 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 and errors and omissions claims against us may in turn 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. Errors and omissions could include, for example, our employees or sub-agents failing, whether negligently or intentionally, 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. It is not always possible to prevent and detect errors and omissions and the precautions we take may not be effective in all cases. As of March 31, 2001, we had unutilized provisions of $51 million related to liabilities that may arise from asserted and unasserted claims for errors and omissions in connection with our businesses. This amount excludes provisions established in connection with the pension review discussed below.

While most of the errors and omissions claims made against us have, subject to our self-insured deductibles, been covered by our professional indemnity insurance, our results of operations, financial condition or liquidity may be adversely affected if in the future our insurance coverage proves to be inadequate or unavailable or there is an increase in liabilities for which we self-insure. In addition, errors and omissions claims may harm our reputation or divert management resources away from operating our business.

SOVEREIGN/WFUM. Willis Faber (Underwriting Management) Limited, or WFUM, a wholly-owned subsidiary of ours, provided underwriting agency and other services to Sovereign Marine & General Insurance Company Limited, which is one of our other subsidiaries, and to third party insurance companies, some of which are long-standing clients of ours, which we refer to as the stamp companies.

In July 1997, Sovereign received an adverse arbitration decision in respect of a dispute between Sovereign and one of its reinsurers regarding the enforceability of certain reinsurance arranged by WFUM. The directors of Sovereign were unable to secure the support of Willis Group Limited for unlimited financial backing and, as a consequence, placed Sovereign into provisional liquidation. Sovereign is currently insolvent and subject to a court-approved arrangement between a company and its creditors, referred to as a scheme of arrangement. Following publication of the arbitration decision referred to in this paragraph, Sovereign and some of the stamp companies expressed concern about the enforceability of other reinsurance put in place by WFUM on behalf of Sovereign and the stamp companies. Sovereign and the stamp companies may make claims against WFUM, Willis Group Limited and our insurance brokering subsidiaries in respect of alleged acts or omissions of our subsidiaries or in respect of the costs of the run-off of the stamp companies' liabilities. We cannot assure you that such claims will not be successful or, if successful, would not have a material adverse effect on our results of operations, financial condition or liquidity. For a more detailed discussion of this matter, see "Business--Legal Matters".

PENSION REVIEW. As is the case for many companies involved in selling personal pension plans to individuals in the United Kingdom from 1988 to 1994, we face liabilities as a result of the pension transfers and opt-outs review initiated by the United Kingdom government. Sellers of personal pension plans have been subject to liabilities based on claims that they allegedly mis-sold pension products or gave improper advice. In particular, the regulators of the companies that engaged in this business, such as our independent financial advisory business, Willis Corroon Financial Planning Limited, required these companies to compensate individuals who withdrew from their previous or existing company pension plans or who were otherwise advised to set up personal plans, to the extent that following withdrawal, and the consequent loss of the employer contribution, that individual's personal pension plan did not produce returns equal to those that would have been achievable with an employer's company-sponsored plan. Whether compensation is due to a particular individual, and the amount of any compensation, is dependent on the subsequent performance of the pension plan sold and the relative cost to reinstate that individual into his or her prior company pension plan. These amounts could be significant and, in that case, materially adversely affect our results of operations or financial

condition. Although we believe that the provisions established for the pension review, totaling $100 million (approximately $56 million of which has been paid as of March 31, 2001) are prudent, there remains a possibility that the provisions made will be insufficient. For a more detailed discussion of this matter, see "Business--Legal Matters".

EFFECTS OF INSURANCE MARKET DISPUTE--CLAIMS MAY BE MADE AGAINST WILLIS LIMITED IN RELATION TO THE PERSONAL ACCIDENT EXCESS OF LOSS REINSURANCE MARKET, AND IF THOSE CLAIMS ARE MATERIAL AND SUCCESSFUL, OUR BUSINESS, RESULTS OF OPERATIONS, FINANCIAL CONDITION OR LIQUIDITY MAY BE MATERIALLY ADVERSELY AFFECTED.

Various legal proceedings are pending, have been 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 are taking 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. We also understand that there have been two 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, our principal insurance broking subsidiary in the U.K., acted as the reinsurance broker or otherwise as intermediary, but not as an underwriter, for numerous personal accident reinsurance contracts, including for two contracts that were involved in one of the arbitrations. Due to the small number of reinsurance brokers generally, Willis Limited was one of a small number of brokers active in the market for this insurance during the relevant period. We 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 responsible for any errors and omissions they may have made. Although neither we nor any of our subsidiaries are a party to any of the proceedings or arbitrations, Willis Limited has entered into standstill agreements with certain of the reinsureds for which it has acted as reinsurance broker or otherwise as intermediary, with the primary purpose of tolling the statute of limitations pending the outcome of proceedings between the reinsureds and reinsurers so that those reinsureds would not feel compelled to commence proceedings against Willis Limited in order to avoid the lapse of any claims they may have.

As a result of the significant amount of underwriting losses that the underwriters for personal accident reinsurance have incurred, settlements between reinsureds and reinsurers have largely stopped. It is possible that reinsureds or reinsurers or other intermediaries may bring claims against Willis Limited or may ask Willis Limited to contribute to any settlements that may be reached. We understand that industry groups have been or are being formed with a view to seeking a market-wide settlement of claims arising in various years, and Willis Limited has been approached to join groups for certain years. Although at this time no claims are pending against Willis Limited and we have not joined any settlement effort, claims may be made against Willis Limited if reinsurers do not settle claims on policies issued by them. It is too early to know what amount of underwriting losses will be alleged to be attributable to an abnormal spiral or the other issues that may be raised, or what amount, if any, reinsureds or reinsurers or other intermediaries may seek to recover from Willis Limited. We also do not know whether, if any claims are successful, the amounts paid in respect of such claims will be material. We have not reserved any amounts for potential claims other than in respect of legal costs relating to investigating these issues.

REGULATION--WE ARE SUBJECT TO INSURANCE INDUSTRY REGULATION WORLDWIDE. IF WE FAIL TO COMPLY WITH REGULATORY REQUIREMENTS, WE MAY NOT BE ABLE TO CONDUCT OUR BUSINESS.

The manner in which we conduct our business is subject to legal requirements and governmental and quasi-governmental regulatory supervision in the various countries in which we operate. These requirements 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.

In the United Kingdom, our business activities are regulated by the General Insurance Standards Council, as well as by the Financial Services Authority, which also conducts monitoring visits to assess our compliance with their requirements. Further, our clients have the right to file complaints with our regulators about our services, and the regulators may conduct an investigation or require us to conduct an investigation into these complaints. 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. Lloyd's, whose regulatory responsibilities for our insurance broking activities in the United Kingdom were transferred to the General Insurance Standards Council on July 3, 2000, other than for complaints that arise prior to that date, has disciplined and fined a number of Lloyd's brokers and their employees for misconduct. This misconduct covered failures to maintain procedures and records and to act in the clients' best interests, particularly in the taking of commissions without appropriate disclosure.

Our activities in the United States are subject to regulation and supervision by state authorities. Although the scope of regulation and form of supervision by state authorities in adopting 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. This supervision generally includes the licensing of insurance brokers and agents and third party administrators and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokering and third party administration in the jurisdictions in which we currently operate depends on our compliance with the rules and regulations promulgated from time to time by the regulatory authorities in each of these jurisdictions.

We have in the past failed to comply with some of these regulations and future failures by us or our employees may occur. While past failures have resulted, or are likely to result, in insignificant fines, any future failures could lead to other disciplinary action, including requiring clients to be compensated for loss, the imposition of fines or the revocation of our authorization to operate as well as reputational damage. In addition, changes in legislation or regulations and actions by regulators, including changes in administration and enforcement policies, could from time to time require operational improvements or modifications at various locations which could result in higher costs or hinder our ability to operate our business. See "Business--Regulation".

PUT AND CALL ARRANGEMENTS--WE HAVE ENTERED INTO SIGNIFICANT PUT AND CALL ARRANGEMENTS WHICH MAY REQUIRE US TO PAY SUBSTANTIAL AMOUNTS TO PURCHASE SHARES IN ONE OF OUR ASSOCIATES. THOSE PAYMENTS WOULD REDUCE OUR CASH FLOW AND THE FUNDS AVAILABLE TO GROW OUR BUSINESS.

In connection with many of our investments in our associates, we retain rights to increase our ownership percentages of these associates over time and, in some cases, the existing owners also have a right to put their shares to us. The put arrangement in place for shares of our associate, Gras Savoye, may require us to pay substantial amounts to purchase those shares, which may cause a significant decrease in our liquidity and the funds available to grow our business. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

The rights under the put arrangement may be exercised between 2001 and 2011, and if fully exercised, we would be required to buy shares of Gras Savoye, other than those held by its management, possibly increasing our ownership interest by 57% from 33% to 90%. Management shareholders of Gras Savoye, representing approximately 10% of the outstanding shares, do not have general put rights between 2001 and 2011, but have certain put rights on their death, disability or retirement. We expect that payments in connection with management put rights will not exceed $22 million if those rights are fully exercised.

From 2001 to 2005, the incremental 57% of Gras Savoye may be put to us at a price equal to the greater of approximately 800 million French francs ($108 million at March 31, 2001 exchange rates) for the full 57% or a price determined by a contractual formula based on earnings and revenue. After 2005, the put price is determined solely by the formula. The shareholders may put their shares individually at any time during the put period. The amounts we may have to pay in connection with the put arrangement may significantly exceed these estimates.

We may need to obtain additional financings to satisfy our obligations under the put arrangements described in this risk factor. See "--Substantial Debt" and "--Ability to Service Debt".

COMPETITION--COMPETITION IN OUR INDUSTRY IS INTENSE, AND IF WE ARE UNABLE TO COMPETE EFFECTIVELY, WE MAY LOSE MARKET SHARE AND OUR BUSINESS MAY BE MATERIALLY ADVERSELY AFFECTED.

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. If we are unable to compete effectively against these competitors, we will suffer lower revenue, reduced operating margins and loss of market share.

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, insureds are currently retaining a greater proportion of their risk portfolios than previously. Industrial and commercial companies are increasingly relying upon their own subsidiary insurance companies, known as captive insurance companies, self-insurance pools, risk retention groups, mutual insurance companies and other mechanisms for funding their risks, rather than 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. See "Business--Competition".

DEPENDENCE ON KEY PERSONNEL--THE LOSS OF ANY MEMBER OF OUR SENIOR MANAGEMENT, PARTICULARLY OUR EXECUTIVE CHAIRMAN, OR A SIGNIFICANT NUMBER OF OUR BROKERS COULD NEGATIVELY AFFECT OUR FINANCIAL PLANS, MARKETING AND OTHER OBJECTIVES.

The loss of or failure to attract key personnel 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 senior management, particularly our Executive Chairman, Joseph Plumeri, but also on the individual brokers and teams that service our clients and maintain client relationships. The insurance 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 in the past. We believe that our future success will depend in large 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 be successful in doing so, because the competition for qualified personnel in our industry is intense. Although we have employment agreements with our key employees, we do not generally purchase key man life insurance on our employees.

INTERNATIONAL OPERATIONS--OUR SIGNIFICANT GLOBAL OPERATIONS EXPOSE US TO VARIOUS RISKS THAT COULD IMPACT OUR BUSINESS

A significant portion of our operations is conducted outside the United States and the United Kingdom. Accordingly, we are subject to legal, economic and market risks associated with operating in foreign countries, including:

- devaluations and fluctuations in currency exchange rates;
- imposition of limitations on conversion of foreign currencies into pounds or dollars or remittance of dividends and other payments by foreign subsidiaries;
- imposition or increase of withholding and other taxes on remittances and other payments by subsidiaries;
- hyperinflation in certain foreign countries;
- imposition or increase of investment and other restrictions by foreign governments;
- longer payment cycles;
- greater difficulties in accounts receivable collection; and
- the requirement of complying with a wide variety of foreign laws.

FOREIGN EXCHANGE RISK--OUR SIGNIFICANT NON-U.S. OPERATIONS, PARTICULARLY THOSE IN THE UNITED KINGDOM, EXPOSE US TO EXCHANGE RATE FLUCTUATIONS, AND OUR NET INCOME MAY SUFFER DUE TO CURRENCY TRANSLATIONS.

We report our operating results and financial condition in United States dollars. Our United States operations earn revenue and incur expenses primarily in dollars. In the United Kingdom, however, we earn revenue in a number of different currencies, but expenses are almost entirely incurred in pounds sterling. Outside the United States and the United Kingdom, we predominately generate revenue and expenses in the local currency. The table below details the breakdown of revenues and expenses by currency in 2000.

| | POUNDS STERLING | U.S. DOLLARS | OTHER CURRENCIES |
|---|---|---|---|
| Percentage of Revenues | 20% | 60% | 20% |
| Percentage of Expenses | 40% | 45% | 15% |

Because of devaluations and fluctuations in currency exchange rates or the imposition of limitations on conversion of foreign currencies into dollars, we are subject to currency translation exposure on the profits of our operations, in addition to economic exposure. Furthermore, the mismatch between sterling revenues and expenses creates an exchange exposure. As the pound sterling strengthens, the 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 policy is to convert into pounds sterling all revenues arising in currencies other than U.S. dollars together with sufficient U.S. dollar revenues to fund the remaining pounds sterling expenses. Outside the United Kingdom, only those cash flows necessary to fund mismatches between revenues and expenses are converted into local currency; amounts remitted to the United Kingdom are generally converted into pounds sterling. These transactional currency exposures are generally managed by entering into forward exchange contracts. It is our policy to hedge at least 25% of the next 12 months' exposure in significant currencies. We generally do not hedge exposures beyond three years.

Given these facts, the strength of the pound sterling in recent years has 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.

IMPLEMENTATION OF EXPANSION STRATEGY--IF WE ARE UNABLE TO IMPLEMENT SUCCESSFULLY OUR ACQUISITION AND INVESTMENT STRATEGY, WE MAY NOT BE ABLE TO EXPAND OUR BUSINESS AND REMAIN COMPETITIVE.

If we fail to implement our expansion strategy successfully, we may not be able to grow or remain competitive. Any growth through acquisitions and investments will be dependent upon identifying suitable acquisition or investment candidates and successfully consummating those transactions and integrating the acquired business at reasonable costs, on a timely basis and without disruption to our existing business. See "--Competition" and "Business--Business Strategy".

## RISK FACTORS RELATING TO OUR COMMON STOCK

VOLATILITY OF COMMON STOCK PRICES--THE PRICE OF OUR COMMON STOCK MAY FLUCTUATE SUBSTANTIALLY, WHICH COULD NEGATIVELY AFFECT THE HOLDERS OF OUR COMMON STOCK.

The price of our common stock may fluctuate substantially due to the relatively small percentage of our common stock available publicly, fluctuations in the price of the stock of the small number of public companies in the insurance brokerage business, announcements of acquisitions as part of our expansion strategy, additions or departures of key personnel, announcements of legal proceedings or regulatory matters, as well as the general volatility in the stock market. See "Underwriting" for a discussion of additional factors that may affect the price of our common stock. The market price of our common stock could also fluctuate substantially if we are unable to sustain our recent significantly improved operating results or fail to meet or exceed securities analysts' expectations of our financial results or if there is a change in financial estimates or securities analysts' recommendations. Approximately 14% of our market capitalization will be traded publicly, which can result in a high degree of volatility in our stock price. Purchasers of shares through our directed share program may be exposed to greater price and liquidity risks because they will be subject to lock-up agreements with the underwriters that generally prohibit resale of those shares for 180 days after the date of this prospectus. There is no way to determine what the market price of our stock will be at or after that time or whether an active trading market will exist. In addition, the stock market has experienced volatility that has affected the market prices of equity securities of many companies, and that has often been unrelated to the operating performance of these companies. A number of other factors, many of which are beyond our control, could also cause the market price of our common stock to fluctuate substantially. You may not be able to sell your shares at or above the initial public offering price, or at all.

In the past, companies that have experienced volatility in the market price of their stock have been the objects of securities class action litigation. If we were to be the object of securities class action litigation, it could result in substantial costs and diversion of management's attention and resources, which could materially harm our results of operations, financial condition or liquidity.

FUTURE SALES--FUTURE SALES OR THE POSSIBILITY OF FUTURE SALES OF A SUBSTANTIAL AMOUNT OF OUR COMMON STOCK MAY DEPRESS THE PRICE OF YOUR COMMON STOCK.

Future sales of substantial amounts of shares of our common stock in the public market could adversely affect prevailing market prices and the price of your common stock and could impair our ability to raise capital through future sales of our equity securities. Upon completion of this offering, we will have 143,995,118 shares issued and outstanding. Apart from the shares sold through our directed share program and those shares otherwise subject to lock-up agreements with the underwriters, all of the shares we are selling in this offering, plus any shares issued upon the underwriters' option to

purchase additional common stock from us, will be freely tradeable without restriction under the Securities Act, unless purchased by our affiliates.

Upon completion of this offering, 112,517,320 shares are restricted securities within the meaning of Rule 144. The rules affecting the sale of these securities are summarized under "Shares Eligible for Future Sale". We have granted registration rights to certain holders of restricted securities. See "Shareholders--Shareholder Rights Agreement and Registration Rights Agreement". Sales of restricted securities in the public market, or the availability of these shares for sale, could adversely affect the market price of our common stock.

Subject to important exceptions described under the caption "Underwriting", we, Profit Sharing (Overseas), Limited Partnership, the consortium members and Fisher Capital Corp. L.L.C. have agreed not to offer, sell or agree to sell, directly or indirectly, any common stock without the permission of Salomon Smith Barney Inc. for a period of 180 days from the date of this prospectus. Except in the case of certain of our shares held by the trust that is party to our employee stock purchase agreements, all of our other existing shareholders, including our directors and executive officers, are subject to existing transfer restrictions on their shares in excess of 180 days pursuant to shareholder and subscription agreements with us. We have agreed not to amend, waive or fail to enforce those transfer restrictions for a period of 180 days from the date of this prospectus without the prior written consent of Salomon Smith Barney Inc. In addition, purchasers of shares through our directed share program will be subject to lock-up agreements with the underwriters that generally prohibit resale of those shares for 180 days after the date of the final prospectus. Salomon Smith Barney Inc. may in its sole discretion, however, consent to earlier sales, and when this period expires we and our locked-up shareholders will be able to sell our common stock in the public market. Our shareholders who are subject to the lock-up agreements or similar restrictions on transfer will own 123,682,691 shares of our common stock after giving effect to the offering and up to 2,000,000 shares are being offered under our directed share program. Sales of a substantial number of shares of our common stock following the expiration of these lock-up periods could cause our stock price to fall.

In addition, after the closing of this offering, we intend to file a registration statement under the Securities Act covering all our shares of common stock reserved for issuance under our various stock plans. Shares registered under that registration statement would be available for sale in the open market, unless these shares are subject to vesting restrictions.

We also agreed recently to issue shares of our common stock in connection with an acquisition and may issue shares of our common stock from time to time as consideration for future acquisitions and investments. In the event any such acquisition or investment is significant, the number of shares that we may issue may in turn be significant. In addition, we may also grant registration rights covering those shares in connection with any such acquisitions and investments.

SUBSTANTIAL DILUTION--YOU WILL BE IMMEDIATELY AND SUBSTANTIALLY DILUTED BY $16.82 PER SHARE OF COMMON STOCK IF YOU PURCHASE COMMON STOCK IN THIS OFFERING BECAUSE THE ASSUMED $11.00 PER SHARE OF COMMON STOCK PRICE IN THIS OFFERING IS SUBSTANTIALLY HIGHER THAN THE NET TANGIBLE BOOK VALUE OF EACH SHARE OF COMMON STOCK.

If you purchase common stock in this offering, you will experience an immediate and substantial dilution of $16.82 per share of common stock because the price per share of common stock in this offering is substantially higher than the net tangible book value of each share of common stock outstanding immediately after this offering. Our net tangible book value as of March 31, 2001, was approximately $(1,038) million, or $(8.37) per share of common stock. In addition, if outstanding options to purchase common stock are exercised, there could be substantial additional dilution. See "Dilution" and "Management--Executive Compensation" for information regarding outstanding stock options and additional stock options which we may grant.

CONTROLLING SHAREHOLDER--BECAUSE WE ARE CONTROLLED BY KKR 1996 OVERSEAS, LIMITED, OTHER SHAREHOLDERS HAVE A REDUCED ABILITY TO INFLUENCE OUR BUSINESS.

Following the offering, KKR 1996 Overseas, Limited, an entity controlled by KKR, will own approximately 63.9% of our outstanding common stock, or 53.2% on a fully diluted basis, and will continue to control us. Accordingly, affiliates of KKR will be able to:

- elect our entire board of directors;
- control our management and policies; and
- determine, without the consent of our other shareholders, the outcome of any corporate transaction or other matter submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all our assets.

Affiliates of KKR will have sufficient voting power to prevent or cause a change in control of our company and amend our organizational documents. The interests of KKR may also conflict with the interests of the other holders of our common stock. See "Shareholders".

ANTI-TAKEOVER EFFECT--SOME PROVISIONS IN OUR SHAREHOLDER RIGHTS AGREEMENT MAY HAVE THE EFFECT OF DISCOURAGING CHANGE OF CONTROL EVENTS IN WHICH YOU MAY HAVE HAD THE OPPORTUNITY TO SELL YOUR SHARES AT A PREMIUM OVER PREVAILING MARKET PRICES.

In connection with the transactions described in "Redomiciliation in Bermuda", we and our principal shareholders have entered into a shareholder rights agreement that sets forth various rights and obligations regarding their ownership of our common stock and the preference shares of one of our subsidiaries. The shareholder rights agreement, which we describe under "Shareholders--Shareholder Rights Agreement and Registration Rights Agreements," includes some provisions that could have an anti-takeover effect and deprive you of the opportunity to sell your shares at a premium over prevailing market prices. For example, under specified circumstances, the shareholder rights agreement provides that a specified amount of the preference shares in TA II Limited, one of our subsidiaries, held by consortium members must be redeemed before the KKR affiliates that own our common stock transfer to a third party more than 25% but less than 50% of the shares of our common stock held by them. In addition, under specified circumstances, the shareholder rights agreement provides that all preference shares in TA II Limited held by consortium members must be redeemed before the KKR affiliates that own our common stock transfer to a third party more than 50% of the shares of our common stock held by them. The shareholder rights agreement also grants consortium members the right under specified circumstances to match certain offers for the sale of our business.

UNENFORCEABILITY OF CERTAIN UNITED STATES JUDGMENTS--WE ARE INCORPORATED IN BERMUDA, AND, AS A RESULT, IT MAY NOT BE POSSIBLE FOR SHAREHOLDERS TO ENFORCE CIVIL LIABILITY PROVISIONS OF THE SECURITIES LAWS OF THE UNITED STATES.

We are organized under the laws of Bermuda. A substantial portion of our assets are or may be located outside the United States. As a result, it may not be possible for the holders of our common stock to effect service of process within the United States upon us or to enforce against us in United States courts judgments based on the civil liability provisions of the securities laws of the United States. In addition, there is significant doubt as to whether the courts of Bermuda would recognize or enforce judgments of United States courts obtained against us or our directors or officers based on the civil liability provisions of the securities laws of the United States or any state or hear actions brought in Bermuda against us or those persons based on those laws. We have been advised by our legal advisor in Bermuda, Appleby Spurling & Kempe, that the United States and Bermuda do not currently have a treaty 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 federal or state court

in the United States based on civil liability, whether or not based on United States federal or state securities laws, would not be automatically enforceable in Bermuda.

DIFFERENCE IN LAWS--THE LAWS OF BERMUDA DIFFER FROM THE LAWS IN EFFECT IN THE UNITED STATES AND MAY AFFORD LESS PROTECTION TO HOLDERS OF OUR COMMON STOCK.

Holders of our common stock may have more difficulty in protecting their interests than would shareholders of a corporation incorporated in a jurisdiction of the United States. We are a Bermuda company and, accordingly, are governed by the Companies Act 1981 of Bermuda, as amended. The Companies Act differs in certain material respects from laws generally applicable to United States corporations and shareholders, including:

- INTERESTED DIRECTOR TRANSACTIONS: Our bye-laws generally allow us to enter into any transaction or arrangement in which any of our directors have an interest. Directors may also participate in a board vote approving a transaction or arrangement in which they have an interest, so long as they have disclosed that interest. United States companies are generally required to obtain the approval of a majority of disinterested directors or the approval of shareholders before entering into any transaction or arrangement in which any of their directors have an interest, unless the transaction or arrangement is fair to the company at the time it is authorized by the company's board or shareholders.

- BUSINESS COMBINATIONS WITH INTERESTED SHAREHOLDERS: United States companies in general may not enter into business combinations with interested shareholders, namely certain large shareholders and affiliates, unless the business combination had been approved by the board in advance or by a supermajority of shareholders or the business combination meets specified conditions. There is no similar law in Bermuda.

- SHAREHOLDER SUITS: The circumstances in which a shareholder may bring a derivative action in Bermuda are significantly more limited than in the United States. In general, under Bermuda law, derivative actions are permitted only when the act complained of is alleged to be beyond the corporate power of the company, is illegal or would result in the violation of the company's memorandum of association or bye-laws. In addition, Bermuda courts would consider permitting a derivative action for acts that are alleged to constitute a fraud against the minority shareholders or, for instance, acts that require the approval of a greater percentage of the company's shareholders than those who actually approved them.

- LIMITATIONS ON DIRECTORS' LIABILITY: Our bye-laws provide that each shareholder agrees to waive any claim or right of action he or she may have, whether individually or in the right of the company, against any director, except with respect to claims or rights of action arising out of the fraud or dishonesty of a director. In general, United States companies may limit the personal liability of their directors as long as they acted in good faith and without knowing violation of law.

## FORWARD LOOKING STATEMENTS

We have included in this prospectus forward-looking statements that state our intentions, beliefs, expectations or predictions for the future. All statements other than statements of historical facts included in this prospectus, including statements regarding our future financial position, strategy, projected costs and plans and objectives of management for future operations, may be deemed to be forward-looking statements. Although we believe that the expectations reflected in those forward-looking statements are reasonable, we can give no assurance that those expectations will prove to have been correct. Important factors that could cause actual results to differ materially from our expectations are disclosed under "Risk Factors" and elsewhere in this prospectus, including in conjunction with the forward-looking statements included in this prospectus. All forward-looking statements contained in this prospectus are qualified by reference to this cautionary statement.

## USE OF PROCEEDS

We estimate that the net proceeds to us from this offering, at an assumed public offering price of $11.00 per share of common stock, will be approximately $200 million, or $231 million if the underwriters exercise in full their option to purchase additional shares from us, after deducting assumed underwriting discounts and estimated offering expenses.

We expect to use the net proceeds from this offering to redeem $200 million of the preference shares of TA II Limited, one of our subsidiaries, held by our insurance company investors, including accrued and unpaid dividends. As of May 10, 2001, there was approximately $282 million of preference shares, including accrued and unpaid dividends, outstanding. The preference shares carry the right to a cumulative dividend of 8.5% per annum and TA II Limited has the option to satisfy 1% per annum of this cumulative dividend by the issuance of additional preference shares. The preference shares are required to be redeemed on the earlier of August 1, 2009 or upon the sale of all or substantially all of our business.

However, instead of applying all of the net proceeds to redeem preference shares, we may choose to apply the net proceeds to repurchase senior subordinated notes of our subsidiary, Willis North America, if we can repurchase such notes at an acceptable price. The senior subordinated notes accrue interest at 9% per annum and become due in February 2009. We may also choose to apply a portion of the net proceeds to the redemption of preference shares and a portion to repurchase senior subordinated notes.

Pending those uses, we intend to invest the net proceeds in direct or guaranteed obligations of the United States, interest-bearing, investment grade instruments or certificates of deposit.

## DIVIDEND POLICY

We do not anticipate paying cash dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings to finance the expansion of our business. In addition, our ability to pay dividends is effectively limited by the terms of some of the debt instruments of our subsidiaries, which significantly restrict their ability to pay dividends directly or indirectly to us. See "Description of Material Indebtedness." Future dividends on our common stock, if any, will be at the discretion of our board of directors and will depend on, among other things, our results of operations, cash requirements and surplus, financial condition, contractual restrictions and other factors that our board of directors may deem relevant. We would pay cash dividends, if any, on our common stock in United States dollars.

## CAPITALIZATION

The following table presents:

- the consolidated capitalization of TA I Limited as of March 31, 2001; and

- our consolidated capitalization as of March 31, 2001, as if the transactions described under "Redomiciliation in Bermuda" had occurred on that date; and

- our consolidated capitalization as of March 31, 2001, as if the transactions described under "Redomiciliation in Bermuda" had occurred on that date, and as further adjusted to reflect this offering at an assumed initial public offering price of $11.00 per share of common stock and the use of proceeds to redeem preference shares of TA II Limited, see "Use of Proceeds."

You should read this table in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the accompanying notes included in this prospectus beginning on page F-1.

| | AS OF MARCH 31, 2001 | | |
|---|---|---|---|
| | | WILLIS GROUP HOLDINGS | |
| | TA I LIMITED ACTUAL | PRO FORMA | AS ADJUSTED |
| | ($ IN MILLIONS) | | |
| DEBT: | | | |
| Revolving credit facility (1) | $ -- | $ -- | $ -- |
| Term loans | 385 | 385 | 385 |
| 9% senior subordinated notes (2) | 550 | 550 | 550 |
| Total debt (2) | 935 | 935 | 935 |
| Preference shares (2)(3) | 273 | 273 | 73 |
| STOCKHOLDERS' EQUITY: | | | |
| Preferred stock, par value $0.000115 per share; no shares authorized (actual); 1,000 million shares authorized and none outstanding (pro forma and as adjusted) | -- | -- | -- |
| Ordinary shares, nominal value L0.10 per share, 3,900 million shares authorized, 112,517,320 shares issued and outstanding | 19 | -- | -- |
| Management ordinary shares, nominal value L0.10 per share, 100 million shares authorized, 11,439,219 shares issued and outstanding | 1 | -- | -- |
| Common Stock, par value $0.000115 per share; 4,000 million shares authorized, 123,956,539 shares issued and outstanding (pro forma); 4,000 million shares authorized, 143,956,539 shares issued and outstanding (as adjusted) (4) | -- | -- | -- |
| Additional paid-in capital | 391 | 411 | 611 |
| Accumulated deficit | (128) | (128) | (128) |
| Accumulated other comprehensive loss | (10) | (10) | (10) |
| Total stockholders' equity | 273 | 273 | 473 |
| TOTAL CAPITALIZATION | $1,481 | $1,481 | $1,481 |

The above information does not give effect to 3,000,000 shares which we will issue if the underwriters exercise in full their option to purchase additional shares from us; 28,884,928 shares issuable upon the exercise of outstanding stock options; or 40,484,928 shares (which includes the 28,884,928 shares issuable upon the exercise of outstanding stock options) authorized and reserved for issuance under our various stock plans.

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(1) $150 million was available under our revolving credit facility as of March 31, 2001. As of May 10, 2001, no amounts available under this facility had been drawn.

(2) In the event that we chose to apply all the net proceeds to repurchase senior subordinated notes as described under "Use of Proceeds" and assuming all such repurchases are made at par, on an adjusted basis, the 9% senior subordinated notes would decrease to $350 million, total debt would decrease to $735 million and the preference shares would remain unchanged at $273 million. We may be able to purchase notes at a price less than par or may only be able to purchase notes at a price greater than par which would increase or decrease, respectively, the amount of notes that could be purchased. We also may determine to use the net proceeds in part to redeem preference shares and in part to repurchase notes.

(3) Represents $273 million aggregate liquidation amount, excluding accrued and unpaid dividends, of 8.5% preference shares issued by our subsidiary company, TA II Limited, and held by our insurance company investors. See "Description of Material Indebtedness--Preference Shares".

(4) The pro forma and as adjusted aggregate par value of common stock is $14,255 and $16,555, respectively. These amounts round to zero in millions of dollars.

## DILUTION

The net tangible book value of TA I Limited as of March 31, 2001 was approximately $(1,038) million, or $(8.37) per share of common stock. Our pro forma net tangible book value as of March 31, 2001, as if the transactions described under "Redomiciliation in Bermuda" had occurred on that date, was approximately $(1,038) million or $(8.37) per share of common stock. Net tangible book value per share represents the amount of our tangible assets, meaning:

- total assets less intangible assets;
- reduced by our total liabilities including the preference shares of our subsidiary TA II Limited; and
- divided by the number of shares of common stock outstanding.

Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of our common stock in this offering and the net tangible book value per share immediately following this offering.

After giving effect to 20,000,000 shares of common stock which we are selling under this prospectus at an assumed initial public offering price of $11.00 per share, the midpoint of the range indicated on the cover page of this prospectus, and after deducting an assumed underwriting discount and estimated offering expenses and giving effect to the intended use of proceeds assuming that we used all the net proceeds to purchase preference shares of TA II Limited, our adjusted net tangible book value as of March 31, 2001 would have been approximately $(838) million, or $(5.82) per share. This represents an immediate increase in net tangible book value of $2.55 per share equivalent to existing shareholders. This also represents an immediate dilution of $(16.82) per share to new investors purchasing shares under this prospectus. The following table illustrates this dilution per share:

| | | |
|---|---|---|
| Assumed initial public offering price per share | | $ 11.00 |
| Pro forma net tangible book value per share before this offering | $(8.37) | |
| Increase per share attributable to investors in this offering | $ 2.55 | |
| Pro forma net tangible book value as adjusted to give effect to this offering | | $ (5.82) |
| Dilution per share to new investors | | $ (16.82) |

The above analysis does not give effect to 3,000,000 shares which we will issue if the underwriters exercise in full their option to purchase additional shares from us.

Assuming this offering had occurred on March 31, 2001, the following table summarizes the differences between the total consideration paid and the average price per share paid by our current shareholders and the investors in this offering with respect to the number of shares of common stock purchased from us:

| | SHARES PURCHASED | | TOTAL CONSIDERATION | | AVERAGE PRICE PER SHARE |
|---|---|---|---|---|---|
| | NUMBER | PERCENT | AMOUNT | PERCENT | |
| Existing shareholders | 123,956,539 | 86% | $411 | 65% | $ 3.32 |
| New investors | 20,000,000 | 14% | 220 | 35% | 11.00 |
| Total | 143,956,539 | 100% | $631 | 100% | $ 4.38 |

The table above does not take into account the 29,284,816 shares underlying stock options granted as of March 31, 2001.

## SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA

The selected consolidated financial data presented below should be read in conjunction with the audited consolidated financial statements of TA I Limited and its related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operation" included elsewhere in this prospectus. The financial information as of March 31, 2000 and 2001 and December 31, 1998, 1999 and 2000 and for each of the three month periods ended March 31, 2000 and 2001 and for each of the two years ended December 31, 2000 and for the period from September 2, 1998 to December 31, 1998 reflects the financial position and results of operations of TA I Limited, which has become our direct subsidiary as a result of the transactions described under "Redomiciliation in Bermuda". The financial information for the period from January 1, 1998 to September 1, 1998 and as of and for each of the two years ended December 31, 1997 reflects the financial position and results of operations of our predecessor.

The selected historical financial data presented below as of March 31, 2001 and for the three month periods ended March 31, 2000 and 2001 have been derived from the unaudited condensed consolidated financial statements of TA I Limited included elsewhere in this prospectus, which financial statements have been prepared in accordance with U.S. GAAP. Because we earn revenue in an uneven fashion during the year, the results of the three months ended March 31, 2001 are not necessarily indicative of the results to be expected for the year ended December 31, 2001. See "Management's Discussion and Analysis of Financial Condition and Results of Operations".

There has been no significant change in our financial condition since March 31, 2001.

The selected consolidated financial data presented below as of and for each of the two years ended December 31, 2000 have been derived from the audited consolidated financial statements of TA I Limited included elsewhere in this prospectus, which financial statements have been prepared in accordance with U.S. GAAP. The selected consolidated financial data presented below for the period from September 2, 1998 to December 31, 1998 and as of December 31, 1998 have been derived from the audited consolidated financial statements of TA I Limited which are not included in this prospectus. Those financial statements were presented in U.S. dollars and were prepared in accordance with U.K. GAAP. This information was reconciled from U.K. GAAP to U.S. GAAP for purposes of the presentation below.

The selected consolidated financial data presented below for the period from January 1, 1998 to September 1, 1998 and as of and for each of the two years ended December 31, 1997 have been derived from the audited consolidated financial statements of our predecessor which are not included in this prospectus. Those financial statements were presented in sterling and were prepared in accordance with U.K. GAAP with a reconciliation of net income and stockholders' equity from U.K. GAAP to U.S. GAAP.

The derived financial data presented below are stated in accordance with U.S. GAAP.

| | PREDECESSOR | | | TA I LIMITED | | | | |
|---|---|---|---|---|---|---|---|---|
| | YEAR ENDED DECEMBER 31, | | JANUARY 1 TO SEPTEMBER 1, | SEPTEMBER 2 TO DECEMBER 31, | YEAR ENDED DECEMBER 31, | | THREE MONTHS ENDED MARCH 31, | |
| | 1996(A) | 1997(A) | 1998(A) | 1998(B) | 1999 | 2000 | 2000 | 2001 |
| | ($ IN MILLIONS, EXCEPT PER SHARE DATA) | | | | | | | |
| STATEMENT OF OPERATIONS DATA: | | | | | | | | |
| Total revenues | $1,133 | $1,134 | $ 772 | $ 413 | $ 1,244 | $ 1,305 | $ 352 | $ 375 |
| General and administrative expenses | (959) | (968) | (655) | (374) | (1,136) | (1,062) | (270) | (268) |
| Unusual items (c) | -- | -- | (59) | -- | (47) | (18) | -- | -- |
| Depreciation expense | (38) | (37) | (26) | (14) | (41) | (37) | (10) | (9) |
| Amortization of goodwill | (28) | (29) | (20) | (11) | (35) | (35) | (9) | (9) |
| Gain (loss) on disposal of operations | 7 | 7 | 4 | (2) | 7 | 1 | -- | -- |
| Operating income (loss) | 115 | 107 | 16 | 12 | (8) | 154 | 63 | 89 |
| Interest expense | (3) | (1) | (3) | (27) | (89) | (89) | (22) | (21) |
| Other expenses | -- | -- | -- | (8) | (7) | -- | -- | -- |
| Loss on closure of operations | -- | -- | (34) | -- | -- | -- | -- | -- |
| Income (loss) before income taxes, equity in net earnings of associates and minority interest | 112 | 106 | (21) | (23) | (104) | 65 | 41 | 68 |
| Income tax expense | (57) | (49) | (22) | (7) | (7) | (33) | (27) | (31) |
| Equity in net earnings of associates | 5 | 3 | 13 | (4) | 7 | 2 | 9 | 9 |
| Minority interest | (1) | (1) | (1) | (10) | (28) | (25) | (6) | (7) |
| Net income (loss) | $ 59 | $ 59 | $ (31) | $ (44) | $ (132) | $ 9 | $ 17 | $ 39 |
| Net earnings (loss) per share--basic | | | | $ (0.50) | $ (1.11) | $ 0.07 | $0.14 | $ 0.31 |
| Net earnings (loss) per share--diluted | | | | $ (0.50) | $ (1.11) | $ 0.07 | $0.14 | $ 0.30 |
| Weighted average number of ordinary shares outstanding--basic | | | | 88 | 119 | 121 | 121 | 124 |
| Weighted average number of ordinary shares outstanding--diluted | | | | 88 | 119 | 121 | 121 | 132 |
| BALANCE SHEET DATA (AS OF PERIOD END): | | | | | | | | |
| Total assets (d) | $6,760 | $6,210 | | $ 6,904 | $ 6,969 | $ 7,590 | | $8,604 |
| Net assets | 961 | 972 | | 601 | 513 | 529 | | 565 |
| Total long-term debt | 31 | 56 | | 1,040 | 988 | 958 | | 935 |
| Preference shares | -- | -- | | 267 | 269 | 272 | | 273 |
| Ordinary shares and additional paid-in capital | 121 | 123 | | 365 | 401 | 410 | | 411 |
| Total stockholders' equity | 958 | 963 | | 321 | 226 | 238 | | 273 |
| OTHER FINANCIAL DATA: | | | | | | | | |
| Capital expenditures | $ 45 | $ 43 | $ 33 | $ 16 | $ 41 | $ 30 | $ 7 | $ 5 |

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(a) The selected consolidated financial data as of and for each of the two years ended December 31, 1997 and for the period from January 1, 1998 to September 1, 1998 have been derived from the audited consolidated financial statements of our predecessor. Those financial statements were presented in pounds sterling and were prepared in accordance with U.K. GAAP with a reconciliation of net income and stockholders' equity from U.K. GAAP to U.S. GAAP. Upon conversion of the financial information, for purposes of disclosure in this prospectus, the U.K.

GAAP financial statement line items were adjusted for U.S. GAAP differences. Certain reclassifications have been made to conform prior years' data to the current U.S. GAAP presentation. Consolidated results of operations were translated into U.S. dollars at the average exchange rates of $1.64 and $1.56, and assets and liabilities were translated at the year-end exchange rates of $1.65 and $1.71, for the years ended December 31, 1997 and 1996, respectively. For the period ended September 1, 1998, consolidated results of operations were translated into U.S. dollars at the average exchange rate of $1.65.

(b) The selected consolidated financial data for the period from September 2, 1998 to December 31, 1998 and as of December 31, 1998 have been derived from the audited consolidated financial statements of TA I Limited. Those financial statements were presented in U.S. dollars and were prepared in accordance with U.K. GAAP. Upon conversion of the financial information, for purposes of disclosure in this prospectus, the U.K. GAAP financial statement line items were adjusted for U.S. GAAP differences. Certain reclassifications have been made to conform prior years' data to the current U.S. GAAP presentation.

(c) Unusual items consist of the following:

- restructuring charges relating to implementation of changes to our North American business processes, which were $11 million for the year ended December 31, 2000, representing excess operating lease obligations, and $7 million for the year ended December 31, 1999, representing employee termination benefits;

- restructuring charges relating to the exit from certain U.S. business lines for the year ended December 31, 2000 of $7 million. These consisted of $4 million of employee termination benefits, $1 million relating to excess operating lease obligations and $2 million relating to other costs;

- charges relating to claims and costs associated with the government initiated review of personal pensions plans sold between 1988 and 1994 of $40 million for the year ended December 31, 1999 and $41 million for the period from January 1 to September 1, 1998. See Note 11 to the audited consolidated financial statements of TA I Limited included elsewhere in this prospectus; and

- costs incurred in connection with the acquisition of our predecessor of $18 million for the period from January 1 to September 1, 1998.

(d) As an intermediary, we hold funds in a fiduciary capacity for the account of third parties, typically as the result of premiums received from clients that are in transit to insurance carriers and claims due to clients that are in transit from insurance carriers. We report premiums, which are held on account of, or due from policyholders, as assets with a corresponding liability due to the insurance carriers. Claims held by, or due to, us which are due to clients are also shown as both assets and liabilities of ours. All those balances due or payable are included in insurance and reinsurance balances receivable and payable on the balance sheet. We earn interest on those funds during the time between the receipt of the cash and the time the cash is paid out. Fiduciary cash must be kept in certain regulated bank accounts subject to guidelines, which generally emphasize capital preservation and liquidity and is not generally available to service our debt or for other corporate purposes.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

THE FOLLOWING DISCUSSION GENERALLY RELATES TO TA I LIMITED AND OUR PREDECESSOR'S HISTORICAL CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION AND SHOULD BE READ IN CONJUNCTION WITH THE CONSOLIDATED FINANCIAL STATEMENTS INCLUDED IN THIS PROSPECTUS BEGINNING ON PAGE F-1. THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 1999 AND 2000 AND FOR THE THREE-MONTH PERIODS ENDED MARCH 31, 2000 AND 2001 HAVE BEEN PREPARED IN ACCORDANCE WITH U.S. GAAP. FOR PURPOSES OF COMPARING THE OPERATING RESULTS OF 1999 WITH 1998, OUR PREDECESSOR'S RESULTS FOR THE PERIOD FROM JANUARY 1, 1998 TO SEPTEMBER 1, 1998 HAVE BEEN PRESENTED IN ACCORDANCE WITH U.S. GAAP. THOSE RESULTS HAVE BEEN DERIVED FROM THEIR CONSOLIDATED FINANCIAL STATEMENTS FOR 1998, WHICH WERE PRESENTED IN STERLING AND PREPARED IN ACCORDANCE WITH U.K. GAAP, WITH A RECONCILIATION TO U.S. GAAP.

### OVERVIEW

We generate revenue from:

- commissions and fees on insurance placements and fees from consulting and other services; and

- interest earned on premiums held before remission to the insurer and on claims held before payment to the insured.

The majority of our revenues is commission-based and varies based upon the premiums on the policies we placed on behalf of our clients. As such, when premium rates in the insurance market decline, as they have in certain markets in recent years, although there are many conflicting factors including changes in buying and selling behavior, we experience pressure on our revenues and earnings, and when pricing increases, we tend to benefit. Beginning in late 2000, market pricing generally began to move upward for the first time in recent years. Although commissions and interest have traditionally been the greatest sources of revenues, fee income, from both insurance placements and consulting and other services, has been increasing as a percentage of total revenues in recent years, while commission income has been declining largely because of increased demand by clients for fee-generating risk management consulting services and pressure on insurance premium rates, and therefore brokerage commissions, due to competitive factors impacting the insurance industry. We expect this trend toward increasing fee income to continue.

Insurance is a global business, and its participants are affected by global trends in capacity and pricing. We are a global business. We compete all over the world through the quality of our people, their specialist knowledge and our ability to leverage our global capabilities and our relationships with insurance carriers for the benefit of our clients. Our strategies include building on our global franchise and implementing global best practices. We organize our business into three main areas:

- North American Operations;

- Global Business; and

- International.

See "Business" for a description of our operations.

During 2000, 42% of our total revenues were derived from North American operations, 47% were from Global Business operations and 11% were from International operations. In 2000, Global Business produced a higher percentage of our operating income than our revenues, and North American operations produced a lesser percentage.

The period starting in 1995 has been one of significant change for us. We:

- carried out a series of divestitures of non-core businesses and assets;

- acquired businesses to expand our international presence;

- implemented a series of improvement initiatives to enhance revenues, improve efficiency and add more value-added services to our traditional insurance brokering services; and

- invested substantial amounts of money in non-recurring items such as severance and external consultancy costs in support of these improvement initiatives.

The scale of the changes was such that the growth rates of the businesses we currently operate are not apparent from our reported numbers. In the period from 1995 through the end of 1998, reported operating revenues from continuing operations grew at an annual growth rate of 0.5%. However, if the operating revenues from businesses sold or closed from 1995 through 1998 are excluded, adjusted operating revenues increased at a compound annual growth rate of 3.9%. Operating income before unusual items was $96 million in 1995 and was $87 million in 1998. EBITDA from 1995 through the end of 1998 grew at a compound annual growth rate of 0.8%. Excluding the effects of the non-recurring and unusual items referred to above and businesses sold or closed from 1995 through 1998, Adjusted EBITDA increased at a compound annual growth rate of 9.3%. See notes (f) and (g) under "Prospectus Summary--Summary Consolidated Financial Information" for a description of how EBITDA and Adjusted EBITDA are calculated and their relevance for investors.

These changes continued in the period from 1998 through 2000. During this period, we incurred a number of non-recurring and unusual expenses, a portion of which related to our improvement initiatives. These expenses included the following:

- PENSION REVIEW EXPENSES--the provisions made for claims and costs associated with the government initiated review of personal pension plans sold between 1988 and 1994 in the United Kingdom. Our predecessor company recorded a provision of $41 million for these claims and costs in the period from January 1 to September 1, 1998. In 1999, the provision was increased by $64 million, of which $24 million was recorded as a purchase price adjustment and $40 million was recorded as a charge to operations. See "Business--Legal Matters".

- SEVERANCE EXPENSES--the provisions recorded for severance costs incurred as part of our improvement initiatives. We incurred $16 million, $19 million and $19 million of severance costs in 1998, 1999 and 2000 and $2 million in each of the three-month periods ended March 31, 2000 and 2001.

- CONSULTING EXPENSES--consulting expenses primarily incurred in connection with our improvement initiatives. We incurred $4 million, $17 million and $8 million of consulting expenses in 1998, 1999 and 2000 and $2 million in the three-month period ended March 31, 2000.

- OTHER EXPENSES--including those relating to the acquisition of broker teams, our investment in the World Insurance Network, and business compliance errors. We incurred $12 million, $24 million and $6 million of those expenses in 1998, 1999 and 2000 and $1 million in each of the three-month periods ended March 31, 2000 and 2001. Expenses for 1998 also included, as an unusual item, $18 million in expenses arising out of our acquisition of our predecessor. Expenses for 1999 included $10 million of costs relating to investigating and rectifying unauthorized billing and settlement practices principally within two of our offices in the United Kingdom and $10 million relating to additional provisions for doubtful debts ($6 million) and errors and omissions claims ($4 million).

These non-recurring and unusual expenses affected our actual reported results, offsetting the underlying benefits in both margin and EBITDA improvement.

In addition to these non-recurring expenses, in recent years we have completed a number of dispositions and acquisitions as part of our efforts to focus our operations out of non-core or non-profitable businesses and to expand our global capabilities. The following identifies the operations sold, closed or acquired from 1998 through 2000:

- PROFESSIONAL LIABILITY UNDERWRITING MANAGEMENT--part of North American operations that was closed in the second quarter of 1998. We reported a loss on closure of $34 million, of which $33 million related to goodwill.

- KSA--an underwriting agency based in the Netherlands that was sold in April 1999 for $6 million.

- E J WELTON LIMITED--a small, U.K.-based wholesale broker business that was sold in March 2000 for $1 million.

We also expanded our International presence by making several investments including the following at a total cost of $97 million:

- GROUP ITAL BROKERS--we acquired a 50% interest in an Italian subsidiary in July 1998.

- ASSURANDRGRUPPEN--we acquired a 30% interest in a Danish associate in September 1998.

- S&C WILLIS--we increased our investment in our Spanish associate from 48% to 60% and reorganized our existing Spanish and Portuguese operations in July 1998. Subsequently, our Spanish operation was merged with that of our associate, Gras Savoye, and we retained an effective 46% holding in the merged subsidiary.

- JASPERS WUPPESAHL--we increased our holding in our German associate to 45% in January 1999.

- HERZFELD LEVY--we acquired a 20% interest in an associate in Argentina in March 1999; this holding was subsequently increased to 40%.

- PRIMA/RONTARCA--we acquired a 51% interest in a Venezuelan subsidiary in October 1999.

- BMZ--we acquired a 51% interest in a Mexican subsidiary in December 1999.

- SOUTH AFRICA--we acquired a 70% stake in a South African subsidiary in May 2000.

- SEV DAHL--we acquired a 50.1% interest in a Norwegian subsidiary in August 2000.

- SUMA--we acquired a 51% interest in a Colombian subsidiary in December 2000.

In 1998, significant management attention was absorbed in the transaction which ended with the acquisition of our predecessor and subsequent financing. At the end of 1998, we successfully established a program to retain, attract and incentivize key staff. Through this program, 367 employees have invested in our common equity to date.

1999 was a year of transition in which we, as a private company:

- accelerated the pace of our improvement initiatives, spending $36 million on severance and external consultancy. In particular, we planned and started to implement our Business Process Redesign program in our North American operations, a comprehensive restructuring to categorize our accounts, eliminate unprofitable accounts and activities, consolidate several sales process functions, and streamline and centralize client service functions, resulting in an increase in the time brokers have for needs analysis and product design with clients;

- incurred $7 million in connection with our Business Process Redesign program in North America;

- grew revenues by 3% on a comparable basis (by comparable basis we mean revenues expressed in terms of constant currency, adjusted for the effect of acquisitions and dispositions and adjusted for non-recurring and unusual items);

- incurred approximately $30 million of expenses that we consider investments for the future, including information technology spent in support of the improvement initiatives, training initiatives, internal implementation teams and the launch of our "Willis" brand; partly as a consequence of these items our expenses increased by 6% on a comparable basis.

- recruited over 60 key managers and producers;

- commenced our review of Shared Services, a program designed to reduce duplication globally in finance, information technology and human resource management;

- combined our United Kingdom and Global Specialty businesses under one management;

- continued to expand our International network through acquisitions in Mexico and Venezuela, and merged our Spanish operations with those of Gras Savoye; and

- repaid $12 million of term loans under our senior credit facilities.

Although the financial results in 1999 were disappointing, the improvement initiatives and expense reductions discussed above laid the base for improved performance in 2000.

In 2000, we continued the aggressive implementation of our improvement initiatives as a private company and began to see improvement in our financial results. We:

- grew revenues by over 7% on a comparable basis;

- constrained expense growth to only 1% on a comparable basis;

- made substantial progress with our North American Business Process Redesign program, eliminating 275 positions and establishing centers of excellence for marketing, claims and the issuance of certificates of insurance;

- invested in businesses in Norway, South Africa, Colombia and Chile;

- repaid a further $30 million of term loans under our senior credit facility. We are ahead of our repayment schedule, with the next mandatory payment due in 2004;

- spent $19 million on severance and reduced spending on external consultants to $8 million. We expect to reduce this spending further in 2001;

- recruited an additional 90 key managers and producers, including naming Joseph Plumeri, formerly of Citigroup, as Executive Chairman and Chief Executive Officer, which is reinvigorating our culture and approach to sales and marketing;

- improved operating income by $162 million. 1999 included certain unusual or non-recurring charges and, adjusting for these, we delivered an improvement in Adjusted EBITDA of $73 million on a comparable basis, and improved our Adjusted EBITDA margins from 15% in 1999 to 21% in 2000; and

- delivered an improvement in net cash flows from operating activities of $60 million from $19 million in 1999 to $79 million in 2000.

Given the recent implementation of several of our improvement initiatives and the recent arrival of Mr. Plumeri as Chairman and Chief Executive, we believe that there are further benefits to come from our efforts in 1999 and 2000, including further improvement in revenue growth and margins.

In February 2001, we acquired 100% of Bradstock G.I.S. Pty Limited in Australia which we merged with our existing Australian operation to provide greater scale and depth of management. The consideration for the acquisition was A$8.4 million with A$4.4 million paid in cash and the balance satisfied by the issue of preferred shares in our existing Australian operation. The preferred shares will be exchanged for shares of our common stock on the third anniversary of the acquisition, calculated using a series of specified formulae based on the initial offering price and the trading price of our common stock at the second and third anniversaries of the acquisition. Assuming that the formulae are based on a price of $11.00 per share of common stock at each relevant date, we would issue approximately 190,000 new shares of our common stock in exchange for the preferred shares on the third anniversary of the acquisition.

We continue to review possible acquisitions and investments from time to time. We may seek to pay for acquisitions or investments by issuing, in whole or in part, shares of our common stock. In addition, we continue to review from time to time possible dispositions of certain of our wholly or partly owned subsidiaries, as well as interests in certain of our associates.

Like many insurance brokers, we earn revenue in an uneven fashion during the year, primarily due to the timing of insurance policy renewals. As many insurance and reinsurance policies incept and renew as of December 31 or January 1, we generate the majority of our revenues in the first and fourth

calendar quarters. In 2000, for example, we generated 26.2% of our revenues in the first quarter and 28.4% of our revenues in the fourth quarter. The second and third quarters are less substantial revenue quarters, accounting for 23.3% and 22.1% respectively, of 2000 revenues. Expenses, however, are incurred on a relatively even basis throughout the year. As a result, we have historically earned the majority of our operating income in the first and fourth quarters, with the second and third quarters accounting for a lower percentage of full year operating income. In 2000, for example, we recorded operating income of $63 million (41%), $28 million (18%), $18 million (12%) and $45 million (29%) for the first, second, third and fourth quarters and our associates' after tax contribution was $9 million, $(1) million, $(1) million and $(5) million for those quarters and our net income was $17 million, $(5) million, $(8) million and $5 million.

In recent years, operating revenues have not been significantly influenced by inflation. However, with our staff and related costs generally accounting for approximately 68% of our total operating expenses, general inflationary pressures in each of the countries in which we operate affect us.

We conduct our business in over 100 currencies. Accordingly, movements in foreign currency exchange rates can affect our results. For example, the strength of the pound sterling in recent years has had a material negative impact on our reported results. We use constant exchange rates for internal budgeting and reporting purposes and we believe this allows for a comparison that provides investors with supplemental data with which to assess our operating results. For a full description of our methodology for preparing our results at constant exchange rates, see "Supplemental Constant Currency Financial Data".

We currently have outstanding performance-based options entitling employees to purchase shares of our common stock. These options vest and become exercisable to the extent, if at all, that the performance-based goals under our plans are achieved. No options will vest if actual results are below minimum stated performance targets; options will vest proportionately as actual performance falls within a stated range above the minimum targets. The performance goals generally relate to cumulative consolidated cash flow and annual EBITDA, as defined, of our subsidiary Willis Group Limited for periods ending 2001 and 2002. These options are accounted for under the variable plan method, which will require us to start recording non-cash compensation charges when it becomes probable that any of these performance-based options will vest. No expense has been recorded to date. The initial charges will be based on the difference between the price of our common stock at the time the vesting becomes probable and the exercise price, which is generally L2 per share under our existing plans. In the event the price of our common stock increases or decreases through the end of 2002 when the performance period ends, the associated charge would increase or decrease as well. The charges will generally be expensed on an accelerated basis over the vesting periods of the associated options, generally three to six years under our plans. Under this accelerated method, however, approximately 70% of the overall vesting period will have been deemed to have lapsed by the end of 2001. As of the date hereof, there were outstanding performance-based options to purchase approximately 11 million shares. Assuming that all such options vest and become exercisable, under variable plan accounting every $1 increase in the price of our common stock above the exercise price would result in $11 million of expense before tax charged over the vesting period. Accordingly, if it becomes probable during 2001 or 2002 that the targets will be met, assuming a stock price equal to $11.00 per share, the total non-cash compensation charge over the vesting period would equal approximately $93 million spread over the vesting period. If there is a substantial increase in the price of our common stock subsequent to this offering, the charges we may be required to record in connection with the vesting of these performance-based options would substantially increase as well.

OPERATING RESULTS

QUARTER ENDED MARCH 31, 2001 COMPARED WITH QUARTER ENDED MARCH 31, 2000

SUMMARY

Total revenues increased by $23 million (7%) from $352 million in the first quarter of 2000 to $375 million in the first quarter of 2001. In constant currency terms, total revenues increased by 12%. Excluding the effects of foreign currency exchange rate movements, the loss of revenues from businesses sold and the revenues gained from acquisitions, total revenues were 10% higher in 2001 than in the corresponding period of 2000 due to new business growth and the generally favorable impact across all our operations of a hardening market place which has led to general premium rate increases for the first time in recent years.

Operating income increased by $26 million (41%) from $63 million in the first quarter of 2000 to $89 million in the first quarter of 2001. In constant currency terms, operating income increased by 43% in 2001 compared with the same period a year ago, reflecting improved revenues and continued emphasis on expense management.

Operating income before goodwill amortization increased by $26 million (36%) from $72 million in the first quarter of 2000 to $98 million in the first quarter of 2001. In constant currency terms, excluding the impact of exchange rate movements, operating income before goodwill amortization increased by $29 million in the first quarter of 2001 versus 2000 and the margin increased from 25% to 26%, reflecting improved revenues and continued emphasis on expense management.

Net income increased by $22 million (129%) from $17 million in the first quarter of 2000 to net income of $39 million in the first quarter of 2001.

REVENUES

Revenues consist of commissions and fees, which increased by $22 million (7%) from $337 million in the first quarter of 2000 to $359 million in the first quarter of 2001, and interest income which increased by $1 million (7%) from $15 million to $16 million.

NORTH AMERICAN OPERATIONS: Revenues generated by our North American operations increased by $2 million (2%) from $115 million in the first quarter of 2000 to $117 million in the first quarter of 2001. In constant currency terms, revenues increased by 2%. Adjusting for the effect of the disposal in January 2001 of the public entity and municipal program business of Public Entities National Company (Penco), which provided access to specialized coverage for governmental entities, schools and other municipality and public entities, revenues increased by 4% in constant currency terms. The increase in revenues arose from continued strong new business performance with modest impact from increasing business rates offset partly by the sale of, and loss of, lower value business as anticipated by the Business Process Redesign program.

GLOBAL BUSINESS: Revenues generated by our Global Business increased by $9 million (4%) from $207 million in the first quarter of 2000 to $216 million in the first quarter of 2001. In constant currency terms, revenues increased by 11%, principally from increasing premium rates across most sectors, with some rates increasing significantly.

INTERNATIONAL: Revenues generated by our International unit increased by $12 million (40%) from $30 million in the first quarter of 2000 to $42 million in the first quarter of 2001. In constant currency terms, revenues increased by 50%, mainly as a result of our acquisitions in Norway, Colombia and South Africa. Excluding the effect on revenue of these acquisitions, International revenues increased by 22% in constant currency terms due to a combination of firming markets, the impact of new team hires and improved new business performance in some countries.

EXPENSES

Total expenses decreased by $3 million (1%) from $289 million in the first quarter of 2000 to $286 million in the first quarter of 2001. In constant currency terms, total expenses in 2001 were 4% higher than in the first quarter of 2000. Excluding the effect of foreign currency exchange rate movements and the effect of acquisitions and disposals, operating expenses grew by 3%. Much of the increase related to increased incentive payments due to improved performance, with other expenses reflecting the benefits of the continuing tight control over expenditure.

INTEREST EXPENSE

Interest expense of $21 million in the first quarter of 2001 was $1 million lower than in the first quarter of 2000, reflecting the early repayment of debt. Interest expense represents interest payable on long-term debt consisting of the senior credit facilities and the 9% senior subordinated notes due 2009.

INCOME TAXES

Income tax expense for the first quarter of 2001 amounted to $31 million, giving an effective tax rate of 46%, compared to 66% for the first quarter of 2000. Excluding goodwill amortization charges, for which no tax deductions are available, the underlying tax rate for the first quarter of 2001 was 40%.

ASSOCIATES

Equity in net earnings of our associates was $9 million in the first quarter of 2001, the same as the corresponding period of 2000. Higher earnings from Germany were offset by adverse foreign exchange movements.

FISCAL 2000 COMPARED WITH FISCAL 1999

SUMMARY

Total revenues increased by $61 million (5%) from $1,244 million in 1999 to $1,305 million in 2000. In constant currency terms, total revenues increased by 8%. Excluding the effects of foreign currency exchange rate movements, the loss of revenues from businesses sold, and the revenues gained from acquisitions, total revenues were 7% higher in 2000 than in 1999 due to improved new business and firming premium rates.

Operating income increased by $162 million from a loss of $8 million in 1999 to income of $154 million in 2000. 2000 operating income was impacted by $18 million in unusual items, consisting of restructuring charges in our North American operations of $11 million related to excess operating lease obligations following implementation of the Business Process Redesign program and $7 million related to the exit from certain U.S. business lines. Excluding unusual items and the impact of exchange rate movements, 2000 operating income was $180 million. 1999 operating income was impacted by $47 million in unusual items, consisting of $40 million related to the review of personal pensions and $7 million related to employee termination benefits in connection with the Business Process Redesign program. In constant currency terms, excluding the impact of unusual items and exchange rate movements, operating income increased by $131 million in 2000 versus 1999, reflecting our improved revenues as well as the benefits of effective expense controls and operations improvement initiatives.

Operating income before goodwill amortization increased by $162 million from $27 million in 1999 to $189 million in 2000. Excluding the unusual items described above and the impact of exchange rate movements, 2000 operating income before goodwill amortization was $215 million and the margin was 16%. In constant currency terms, excluding the impact of the unusual items described above and exchange rate movements, operating income before goodwill amortization increased by $131 million in

2000 versus 1999 and the margin increased from 7% to 16%, reflecting our improved revenues as well as the benefits of effective expense controls and operations improvement initiatives.

Net income increased by $141 million from a net loss of $132 million in 1999 to net income of $9 million in 2000. Excluding the impact of unusual items, net income increased by $119 million in 2000 versus 1999.

REVENUES

Revenues consist of commissions and fees, which increased by $57 million (5%) from $1,180 million in 1999 to $1,237 million in 2000, and interest income which increased by $4 million (6%) from $64 million to $68 million.

NORTH AMERICAN OPERATIONS: Revenues generated by our North American operations increased by $22 million (4%) from $520 million in 1999 to $542 million in 2000. In constant currency terms, revenues increased by 5%, reflecting firming premium rates in most areas.

GLOBAL BUSINESS: Revenues generated by our Global Business increased by $35 million (6%) from $581 million in 1999 to $616 million in 2000. In constant currency terms, revenues increased by 8%, mainly from improved rates and increased orders.

INTERNATIONAL: Revenues generated by our International unit increased by $4 million (3%) from $143 million in 1999 to $147 million in 2000. In constant currency terms, revenues increased by 15%, mainly as a result of acquisitions in Norway and Latin America. Excluding these acquisitions, International revenues increased by 9% in constant currency terms.

EXPENSES

Total expenses decreased by $101 million (8%) from $1,252 million in 1999 to $1,151 million in 2000, reflecting the benefits from the improvement initiatives initiated in 1998 and the continuing tight control over expenditures. Total expenses in 2000 included the following unusual item:

- Restructuring charges of $18 million in our North American operations related to excess lease obligations and employee termination benefits,

and total expenses in 1999 included the following unusual items:

- a further provision of $40 million in connection with the government initiated pension review in the United Kingdom (see "Business--Legal Matters").

- employee termination costs of $7 million related to the Business Process Redesign program.

Excluding these unusual items, total expenses in 2000 were 6% lower than in 1999 but were unchanged in constant currency terms. General and administrative expenses declined by 7% in 2000 over 1999 partly as a result of consulting expenses declining by $9 million and non-recurring expenses being $18 million lower. Non-recurring expenses were lower in 2000 primarily due to the absence in 2000 of $10 million of costs in 1999 relating to investigating and rectifying unauthorized billing and settlement practices in one of our business subunits and $10 million of additional provisions made in 1999 for a combination of errors and omissions claims and doubtful debts.

GAIN ON DISPOSAL OF OPERATIONS

The gain on disposal of operations in 2000 of $1 million arose from the disposal of E J Welton Limited, a small United Kingdom based wholesale broker that was sold in March 2000. The gain on disposal of operations in 1999 of $7 million arose from the disposal of KSA, an underwriting agency based in the Netherlands that was sold in April 1999.

INTEREST EXPENSE

Interest expense of $89 million in 2000 was unchanged from 1999 and represented interest payable on long-term debt consisting of the senior credit facilities and the 9% senior subordinated notes due 2009 issued in connection with the acquisition of our predecessor.

INCOME TAXES

Income taxes for 2000 amounted to $33 million, giving an effective tax rate of 51%. Excluding goodwill amortization charges, for which no tax deductions are available, and the need to establish valuation allowances against certain deferred tax asset balances which may not be recoverable, the underlying tax rate for 2000 was 34%, the same as for 1999.

ASSOCIATES

Equity in net earnings of our associates was $2 million in 2000 compared with $7 million in 1999. Lower profits from Germany (accounting for $3 million of the decline), adverse foreign exchange (accounting for $1 million of the decline) and higher effective tax rates (accounting for $1 million of the decline) were the main contributory factors.

FISCAL 1999 COMPARED WITH FISCAL 1998

Our consolidated statement of operations for 1998 has been presented separately for the period from January 1, 1998 to September 1, 1998, the effective date of the acquisition of our predecessor, and for the period from September 2, 1998 to December 31, 1998 in accordance with U.S. GAAP. The following table summarizes the results for the year ended December 31, 1999 compared with the two separate periods for 1998.

| | PREDECESSOR | TA I LIMITED | |
|---|---|---|---|
| | JANUARY 1 TO SEPTEMBER 1, 1998 | SEPTEMBER 2 TO DECEMBER 31, 1998 | YEAR ENDED DECEMBER 31, 1999 |
| | ($ IN MILLIONS) | | |
| Revenues | | | |
| Commissions and fees | $ 728 | $ 390 | $ 1,180 |
| Interest income | 44 | 23 | 64 |
| Total revenues | 772 | 413 | 1,244 |
| Expenses | | | |
| General and administrative expenses | (655) | (374) | (1,136) |
| Unusual items | (59) | -- | (47) |
| Depreciation expense | (26) | (14) | (41) |
| Amortization of goodwill | (20) | (11) | (35) |
| Gain (loss) on disposal | 4 | (2) | 7 |
| Total expenses | (756) | (401) | (1,252) |
| Operating income (loss) | 16 | 12 | (8) |
| Income (loss) on closure of operations | (34) | -- | -- |
| Interest expense | (3) | (27) | (89) |
| Other expenses | -- | (8) | (7) |
| Loss before income taxes, equity in associates and minority interest | (21) | (23) | (104) |
| Income tax expense | (22) | (7) | (7) |
| Loss before equity in net earnings of associates and minority interest | (43) | (30) | (111) |
| Equity in net earnings (loss) of unconsolidated associates | 13 | (4) | 7 |
| Minority interest | (1) | (10) | (28) |
| Net income (loss) available for ordinary stockholders | $ (31) | $ (44) | $ (132) |

SUMMARY

Total revenues increased by $59 million (5%) from $1,185 million in 1998 (being $772 million in the period January 1, 1998 to September 1, 1998, plus $413 million in the period September 2, 1998 to December 31, 1998) to $1,244 million in 1999. In constant currency terms, operating revenues increased by 7%. Excluding the effects of foreign currency exchange rate movements, the loss of operating revenue from businesses sold and the operating revenues gained from acquisitions, operating revenues were 3% higher in 1999 than in 1998.

The 1999 operating loss of $8 million represented a decrease as compared to operating income of $16 million for the period January 1, 1998 to September 1, 1998 and $12 million for the period from September 2, 1998 to December 31, 1998. 1999 operating income was impacted by $47 million in unusual items, consisting of $40 million related to the review of personal pensions and $7 million related to employee termination benefits in connection with the Business Process Redesign program. Excluding unusual items and the impact of exchange rate movements, 1999 operating income was

$49 million. Operating income for the period January 1, 1998 to September 1, 1998 was impacted by $59 million in unusual items, consisting of charges of $41 million related to the pensions review and costs of $18 million incurred in connection with the acquisition of our predecessor. Excluding the impact of unusual items and exchange rate movements, operating income decreased in 1999, primarily as a consequence of higher expenditures for severance, consulting and the expenses incurred in connection with our improvement initiatives. Excluding these adjustments, operating income in 1999 was $109 million as compared to $91 million for the period from January 1, 1998 to September 1, 1998 and $30 million for the period September 2, 1998 to December 31, 1998.

Operating income before goodwill amortization decreased to $27 million in 1999 compared to $36 million for the period January 1, 1998 to September 1, 1998, and $23 million in the period September 2, 1998 to December 31, 1998. Excluding the unusual items described above and the impact of exchange rate movements, 1999 operating income before goodwill amortization was $84 million and the margin was 7%. In constant currency terms, excluding the impact of exchange rate movements and unusual items and other adjustments referred to above, operating income before goodwill amortization was $144 million in 1999 as compared to $111 million for the period January 1, 1998 to September 1, 1998, and $41 million in the period September 2, 1998 to December 31, 1998.

REVENUES

Revenues comprise commissions and fees which increased by $62 million (6%) from $1,118 million in 1998 (being $728 million for the period January 1, 1998 to September 1, 1998, plus $390 million for the period September 2, 1998 to December 31, 1998) to $1,180 million in 1999, and interest income, which decreased by $3 million (5%) from $67 million (being $44 million for the period January 1, 1998 to September 1, 1998, plus $23 million for the period September 2, 1998 to December 31, 1998) to $64 million.

NORTH AMERICAN OPERATIONS: Revenues generated by our North American operations increased by $20 million (4%) from $500 million in 1998 to $520 million in 1999. In constant currency terms, revenues increased by 2%, mainly due to premium increases in the employee benefits sector and strong new business production offset in part by lost business and shrinkage in the property and casualty sector.

GLOBAL BUSINESS: Revenues generated by our Global Business declined by $8 million (1%) from $589 million in 1998 to $581 million in 1999. In constant currency terms, revenues increased by 2%. Revenue shortfalls in the United Kingdom were offset by strong performances by our Aerospace and Global Financial & Executive Risks sub-units. United States units had a more difficult time than United Kingdom and other units in generally unsettled reinsurance markets.

INTERNATIONAL: Revenues generated by our International unit increased by $47 million (49%) from $96 million in 1998 to $143 million in 1999. Excluding the effect of the acquisition of Gruppo Ital Brokers, which was acquired in July 1998, and other acquisitions in 1999, principally in Latin America, revenues increased by 8% in constant currency terms. Strong performances were delivered by operations in Spain, Sweden and Venezuela.

EXPENSES

General and administrative expenses increased by $107 million (10%) from $1,029 million in 1998 (being $655 million for the period January 1, 1998 to September 1, 1998, plus $374 million for the period September 2, 1998 to December 31, 1998) to $1,136 million in 1999. Non-recurring and unusual costs of $60 million, including employee termination costs of $19 million and consulting fees of $17 million incurred as part of the improvement initiatives, additional provisions of $10 million relating to errors and omissions claims and doubtful debts, and $14 million of other expenses including $10 million relating to investigating and rectifying unauthorized billing and settlement practices principally within two of our offices in the United Kingdom, were incurred in 1999. Excluding these non-recurring costs, the effect of foreign currency

exchange rate movements and the effect of acquisitions and disposals, general and administrative expenses increased by 6% over 1998. In addition, total expenses in 1999 included the following unusual items:

- a further provision of $40 million was established in the fourth quarter of 1999 in connection with the United Kingdom Pensions Review (see "Business--Legal Matters"); and

- employee termination costs of $7 million were provided in connection with implementing changes to business processes in our North American operations during 2000.

During the period January 1, 1998 to September 1, 1998, total expenses included two unusual items: $41 million was added to the provision for pension review costs and costs totaling $18 million were written off by our predecessor in connection with the acquisition.

INTEREST EXPENSE

Interest expense of $89 million in 1999 increased significantly over that payable in the period January 1, 1998 to December 31, 1998 as a consequence of interest payable on the senior credit facility and the 9% senior subordinated notes due 2009 incurred in connection with the acquisition of our predecessor.

INCOME TAXES

The income tax charge for 1999 amounted to $7 million. Excluding unusual items, loss on disposal and amortization charges for which no tax deductions are available, the underlying rate of tax was 34% compared with an underlying rate of 36% in 1998.

ASSOCIATES

Equity in net earnings of our associates was $7 million in 1999 compared with $13 million in the period January 1, 1998 to September 1, 1998 and $(4) million in the period September 2, 1998 to December 31, 1998. Our associates typically earn a higher proportion of their full-year revenues in the first quarter than in subsequent quarters.

LIQUIDITY AND CAPITAL RESOURCES

As an intermediary, we hold funds in a fiduciary capacity for the account of third parties, typically as the result of premiums received from clients that are in transit to insurance carriers and claims due to clients that are in transit from insurance carriers. We report premiums, which are held on account of, or due from, policyholders as assets with a corresponding liability due to the insurance carriers. Claims held by, or due to, us which are due to clients are also shown as both assets and liabilities of ours. All those balances due or payable are included in accounts receivable and accounts payable on the balance sheet. We earn interest on those funds during the time between the receipt of the cash and the time the cash is paid out. Fiduciary cash must be kept in certain regulated bank accounts subject to guidelines, which generally emphasize capital preservation and liquidity and is not generally available to service our debt or for other corporate purposes.

Net cash provided by operations increased by $18 million to $38 million in the three months ended March 31, 2001 from $20 million in the corresponding period of 2000. This increase is due mainly to the improved operating results.

Net cash provided by operations improved by $60 million to $79 million in 2000 from $19 million in 1999. This increase was largely due to the improved operating performance of the company.

During 2000, the net cash outflow for acquisitions less proceeds from disposals amounted to $14 million. During 1999, the net cash outflow for acquisitions less proceeds from disposals amounted to $22 million which included a payment of $16 million for a further 15% interest in Jaspers Wuppesahl, increasing our ownership to 45%. We have additional call rights whereby we may increase our ownership in Jaspers Wuppesahl to over 50% in 2012.

In connection with many of our investments in associates, we retain rights to increase our ownership percentage of those associates over time, typically to a majority or 100% ownership position.

In addition, in certain instances, the other owners of the associates have a right, typically at a price calculated pursuant to a formula based on revenues or earnings, to put some or all of their shares in the associates to us.

As part of our acquisition of 33% of Gras Savoye, we entered into a put arrangement, whereby the other shareholders in Gras Savoye (primarily two families, two insurance companies and Gras Savoye's executive management team) could put their shares to us. From 2001 to 2011, we will be obligated to buy the shares of those shareholders to the extent that those shareholders put their shares, potentially increasing our ownership from 33% to 90% if all shareholders put their shares, at a price determined by a contractual formula based on earnings and revenue. Management shareholders of Gras Savoye (representing approximately 10% of shares) do not have general put rights between 2001 and 2011, but have certain put rights on their death, disability or retirement from which payments are not expected to exceed $22 million. From 2001 to 2005, the incremental 57% of Gras Savoye may be put to us at a price equal to the greater of approximately 800 million French francs ($108 million at March 31, 2001 exchange rates), for the full 57%, or a price based on the formula. After 2005, the put price is determined solely by the formula. The shareholders may put their shares individually at any time during the put period.

While neither we nor the management of Gras Savoye expect significant exercises of the puts, on a separate or aggregate basis, in the near to medium term, we nevertheless believe that, should the aggregate amount of shares be put to us, sufficient funds would be available to satisfy this obligation. In addition, we have a call option to move to majority ownership under certain circumstances and in any event by 2009. Upon exercising this call option, the remaining Gras Savoye shareholders have a put.

Although we discontinued our United Kingdom underwriting operations in 1991, we are still required to handle the administration of claims arising from insurance business previously written by Willis Faber (Underwriting Management) on behalf of Sovereign and third party insurance carriers. Sovereign was placed into provisional liquidation on July 11, 1997. See "Business--Legal Matters". Cash payments in connection with the renegotiated arrangements for administering the WFUM run-off amounted to $6 million during 2000. No significant cash payments were made in 1999, as such amounts had been pre-funded in 1998. Annual payments of about $4 million are expected to be payable in 2001.

Cash payments in connection with the government initiated review of pension plans amounted to $21 million in each of 1999 and 2000 and $5 million in the three-month period ended March 31, 2001. We expect the remaining provision of $44 million at March 31, 2001 to be paid out over the next three years.

Capital expenditures for 2000 and 1999, less the proceeds from disposals of fixed assets, were $23 million and $30 million. We expect that capital expenditures for 2001 will continue at approximately the same level. We have funded our requirements for capital expenditures by cash generated internally from operations and from external financing and expect to continue to do so in the future.

Our wholly owned subsidiary, Willis North America, entered into a credit agreement on July 22, 1998 with The Chase Manhattan Bank. The credit agreement, as amended, is comprised of a term loan facility of $450 million under which portions of the loan mature on four different dates between 2005 and 2008 and a revolving credit facility of $150 million. Willis North America borrowed the term loan portions of the credit agreement in full in November 1998 to refinance certain of our existing indebtedness incurred in connection with the tender offer for our predecessor. During 1999 and 2000, repayments totaling $12 million and $30 million, respectively, were made and, during the first quarter of 2001, we made additional repayments totaling $22.5 million. As a consequence, we are ahead of our repayment schedule. At May 1, 2001, the outstanding balance on the term loans was $385 million. The next mandatory repayment under the facility is not due until 2005. The revolving credit portion is available for working capital requirements and general corporate purposes, subject to certain limitations. At May 1, 2001, the revolving credit facility remained undrawn.

On February 2, 1999, Willis North America issued $550 million 9% senior subordinated notes, the proceeds from which were used to repay short-term facilities. The notes mature on February 1, 2009 and interest is payable on the notes semi-annually on February 1 and August 1 of each year.

Willis North America entered into an interest rate swap agreement on December 4, 1998 with The Chase Manhattan Bank under which its LIBOR-based floating rate interest payment obligations on the full amount of the term loans have been swapped for fixed rate interest payment obligations, resulting in an effective base rate of 5.099% per annum, plus the applicable margin, until the final maturity of those term loans. The swap agreement provides for a reduction of the notional amount of the swap obligation on a semi-annual basis and, to the extent the actual amount outstanding under the term loans exceeds the notional amount at any time, Willis North America would be exposed to the risk of increased interest rates on that excess.

TA II Limited, one of our wholly owned subsidiaries, has preference shares outstanding with an aggregate liquidation preference of approximately $273 million as of March 31, 2001, excluding any accrued and unpaid dividends. Those preference shares carry the right to a cumulative dividend of 8.5% per annum, excluding the amount of any associated tax credits. TA II Limited has the option to satisfy 1% per annum of this cumulative dividend by the issue of additional preference shares.

We expect that internally generated funds will be sufficient to meet our foreseeable operating cash requirements, capital expenditures and scheduled debt repayments. In addition, we have our undrawn $150 million revolving credit facility.

FINANCIAL RISK MANAGEMENT

We are exposed to market risk from changes in interest rates and foreign currency exchange 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 derivative or financial instruments for trading purposes.

A discussion of our accounting policies for financial and derivative instruments is included in Note 2 to the consolidated financial statements and further disclosure is provided in Notes 12 and 15 to the consolidated financial statements, included elsewhere in this prospectus.

FOREIGN EXCHANGE RISK MANAGEMENT

We report our operating results and financial condition in U.S. dollars. Our U.S. operations earn revenue and incur expenses primarily in dollars. In the United Kingdom, however, we earn revenue in a number of different currencies, but expenses are almost entirely incurred in pounds sterling. Outside the United States and the United Kingdom, we predominately generate revenue and expenses in the local currency. The table below details the breakdown of revenues and expenses by currency in 2000.

| | POUNDS STERLING | U.S. DOLLARS | OTHER CURRENCIES |
|---|---|---|---|
| Percentage of Revenues..... | 20% | 60% | 20% |
| Percentage of Expenses..... | 40% | 45% | 15% |

Our operations are exposed to foreign exchange risk arising from cash flows and financial instruments that are denominated in currencies other than the U.S. dollar. Our primary foreign exchange risk arises from changes in the exchange rates between U.S. dollars and pounds sterling. Our objective is to maximize our cash flow in U.S. dollars. Our policy is to convert into pounds sterling all revenues arising in currencies other than U.S. dollars together with sufficient U.S. dollar revenues to fund the remaining pound sterling expenses. Outside the United Kingdom, only those cash flows necessary to fund mismatches between revenues and expenses are converted into local currency; amounts remitted to the United Kingdom are generally converted into pound sterling. These transactional currency exposures are generally managed by entering into forward exchange contracts. It is our policy to hedge at least 25% of the next 12 months' exposure in significant currencies. We do not generally hedge exposures beyond three years.

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

| | SETTLEMENT DATE BEFORE DECEMBER 31, | | | |
|---|---|---|---|---|
| | 2001 | | 2002 | |
| | CONTRACT AMOUNT | AVERAGE CONTRACTUAL EXCHANGE RATE | CONTRACT AMOUNT | AVERAGE CONTRACTUAL EXCHANGE RATE |
| | ($ MILLIONS) | | ($ MILLIONS) | |
| DECEMBER 31, 2000 | | | | |
| FORWARD CURRENCY CONTRACTS | | | | |
| U.S. Dollars sold for sterling | 73 | $1.56 = L1 | 55 | |
| Japanese Yen sold for sterling | 11 | Yen 160.81 = L1 | 6 | |
| Euro sold for sterling | 22 | Euro 1.58 = L1 | 8 | |
| Total | 105 | | 69 | |
| Fair Value (1) | (2) | | -- | |

| | SETTLEMENT DATE BEFORE DECEMBER 31, | | | |
|---|---|---|---|---|
| | 2002 | | 2003 | |
| | AVERAGE CONTRACTUAL EXCHANGE RATE | CONTRACT AMOUNT | AVERAGE CONTRACTUAL EXCHANGE RATE | |
| | | ($ MILLIONS) | | |
| DECEMBER 31, 2000 | | | | |
| FORWARD CURRENCY CONTRACTS | | | | |
| U.S. Dollars sold for sterling | $1.50 = L1 | 25 | $1.46 = L1 | |
| Japanese Yen sold for sterling | Yen 144.21 = L1 | | | |
| Euro sold for sterling | Euro 1.60 = L1 | | | |
| Total | | 25 | | |
| Fair Value (1) | | 1 | | |

| | SETTLEMENT DATE BEFORE DECEMBER 31, | | | |
|---|---|---|---|---|
| | 2000 | | 2001 | |
| | CONTRACT AMOUNT | AVERAGE CONTRACTUAL EXCHANGE RATE | CONTRACT AMOUNT | AVERAGE CONTRACTUAL EXCHANGE RATE |
| | ($ MILLIONS) | | ($ MILLIONS) | |
| DECEMBER 31, 1999 | | | | |
| FORWARD CURRENCY CONTRACTS | | | | |
| U.S. Dollars sold for sterling | 54 | $1.59 = L1 | 20 | $1.59 =L1 |
| Japanese Yen sold for sterling | 11 | Yen 182.13 = L1 | 8 | Yen 165.99 =L1 |
| Euro sold for sterling | 11 | Euro 1.43 = L1 | 6 | Euro 1.47 =L1 |
| Total | 76 | | 34 | |
| Fair Value (1) | 1 | | -- | |

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(1) Represents the difference between the contract amount and the cash flow in pounds sterling which would have been receivable had the foreign currency forward exchange contracts been entered into on December 31, 2000 and 1999, as appropriate, at the forward exchange rates prevailing at that date.

INTEREST RATE RISK MANAGEMENT

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

Our operations are financed principally by variable rate bank borrowings and the 9% senior subordinated notes due 2009 issued by a subsidiary. Interest rate swaps are used to generate the desired interest rate profile and to manage our exposure to interest rate fluctuations. Our policy is to minimize our exposure to increases in interest rates on our borrowings. Accordingly, the majority of our variable rate borrowings is currently hedged through the use of interest

rate swaps to convert the borrowings to reflect a fixed rate of interest.

As a consequence of our insurance 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 financial statements as interest 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% of forecast income arising is hedged for each of the next three years.

The table below provides information about our derivative instruments and other financial instruments that are sensitive to changes in interest. 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 an average re-fixing period of three months. Average variable rates are based on interest rates set at December 31, 2000 or 1999, as appropriate, or, in the case of interest rate swaps not yet started, at the rates prevailing at December 31, 2000 or 1999, as appropriate.

| | EXPECTED TO MATURE BEFORE DECEMBER 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2001 | 2002 | 2003 | 2004 | 2005 | THERE-AFTER | TOTAL | FAIR VALUE(1) |
| | (AMOUNTS IN $ MILLION, EXCEPT PERCENTAGES) | | | | | | | |
| DECEMBER 31, 2000 | | | | | | | | |
| SHORT-TERM INVESTMENTS | | | | | | | | |
| Principal ($) | | | | 11 | 7 | 4 | 22 | 22 |
| Fixed rate receivable | | | | 6.07% | 6.21% | 5.62% | 6.03% | |
| Principal (L) | | | 2 | 6 | 9 | | 17 | 18 |
| Fixed rate receivable | | | 6.30% | 6.35% | 6.75% | 6.55% | | |
| FIDUCIARY INVESTMENTS | | | | | | | | |
| Principal ($) | 260 | | | | | | 260 | 260 |
| Fixed rate receivable | 6.86% | | | | | | 6.86% | |
| Principal (L) | 38 | | | | | | 38 | 38 |
| Fixed rate receivable | 6.51% | | | | | | 6.51% | |
| Principal (Euro) | 42 | 6 | | | | | 48 | 48 |
| Fixed rate receivable | 4.53% | 4.50% | | | | | 4.53% | |
| REDEEMABLE PREFERENCE SHARES | | | | | | | | |
| Principal ($) | | | | | | 272 | 272 | 260 |
| Fixed rate receivable | | | | | | 8.50% | 8.50% | |
| LONG-TERM DEBT | | | | | | | | |
| Principal ($) | | | | | | 550 | 550 | 492 |
| Fixed rate payable | | | | | | 9.0% | 9.0% | |
| Principal ($) | | | | 11 | 94 | 302 | 407 | 407 |
| Variable rate payable | | | | 8.20% | 8.28% | 8.30% | 8.29% | |
| INTEREST RATE SWAPS | | | | | | | | |
| Principal ($) | 262 | 336 | 158 | 60 | | | 816 | 3 |
| Fixed rate receivable | 5.96% | 6.02% | 7.07% | 6.83% | | | 6.26% | |
| Variable rate payable | 5.81% | 5.66% | 6.06% | 6.12% | | | 5.82% | |
| Principal ($) | | | | | | 385 | 385 | 8 |
| Fixed rate payable | | | | | | 5.10% | 5.10% | |
| Variable rate receivable | | | | | | 6.22% | 6.22% | |
| Principal (L) | 105 | 95 | 56 | 42 | | | 298 | 3 |
| Fixed rate receivable | 6.20% | 6.59% | 7.11% | 6.63% | | | 6.55% | |
| Variable rate payable | 5.67% | 5.66% | 6.01% | 6.07% | | | 5.79% | |
| Principal (Euro) | 12 | 24 | 7 | 17 | | | 60 | -- |
| Fixed rate receivable | 3.96% | 4.05% | 5.27% | 5.27% | | | 4.52% | |
| Variable rate payable | 4.64% | 4.55% | 4.97% | 5.25% | | | 4.82% | |
| Principal (Japanese Yen) | 7 | | | | | | 7 | -- |
| Fixed rate receivable | 1.70% | | | | | | 1.70% | |
| Variable rate payable | 0.47% | | | | | | 0.47% | |

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(1) Represents the net present value of the expected cash flows discounted at current market rates of interest.

| | EXPECTED TO MATURE BEFORE DECEMBER 31, | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | 2000 | 2001 | 2002 | 2003 | 2004 | THERE-AFTER | TOTAL | FAIR VALUE(1) |
| | (AMOUNTS IN $ MILLION, EXCEPT PERCENTAGES) | | | | | | | |
| DECEMBER 31, 1999 | | | | | | | | |
| SHORT-TERM INVESTMENTS | | | | | | | | |
| Principal ($) | | | 1 | 11 | 6 | | 18 | 18 |
| Fixed rate receivable | | | 7.16% | 5.93% | 6.58% | | 6.22% | |
| Principal (L) | | | 9 | 7 | | | 16 | 16 |
| Fixed rate receivable | | | 7.21% | 6.52% | | | 6.92% | |
| FIDUCIARY INVESTMENTS | | | | | | | | |
| Principal ($) | 251 | | | | | | 251 | 251 |
| Fixed rate receivable | 5.33% | | | | | | 5.33% | |
| Principal (L) | 73 | | | | | | 73 | 73 |
| Fixed rate receivable | 5.44% | | | | | | 5.44% | |
| Principal (Euro) | 20 | | | | | | 20 | 20 |
| Fixed rate receivable | 2.85% | | | | | | 2.85% | |
| REDEEMABLE PREFERENCE SHARES | | | | | | | | |
| Principal ($) | | | | | | 269 | 269 | 239 |
| Fixed rate receivable | | | | | | 8.50% | 8.50% | |
| LONG-TERM DEBT | | | | | | | | |
| Principal ($) | | | | | | 550 | 550 | 458 |
| Fixed rate payable | | | | | | 9.0% | 9.0% | |
| Principal ($) | | 2 | 10 | 13 | 15 | 399 | 439 | 439 |
| Variable rate payable | | 8.10% | 8.25% | 8.22% | 8.20% | 8.47% | 8.43% | |
| INTEREST RATE SWAPS | | | | | | | | |
| Principal ($) | 160 | 202 | 307 | 44 | | | 713 | (8) |
| Fixed rate receivable | 6.46% | 5.44% | 5.98% | 6.62% | | | 5.97% | |
| Variable rate payable | 6.51% | 6.81% | 6.92% | 6.98% | | | 6.80% | |
| Principal ($) | | | | | | 425 | 425 | 26 |
| Fixed rate payable | | | | | | 5.10% | 5.10% | |
| Variable rate receivable | | | | | | 7.12% | 7.12% | |
| Principal (L) | 73 | 113 | 102 | 23 | | | 311 | (1) |
| Fixed rate receivable | 7.19% | 6.30% | 6.52% | 7.21% | | | 6.65% | |
| Variable rate payable | 6.71% | 6.94% | 7.03% | 6.97% | | | 6.92% | |
| Principal (Euro) | 10 | 13 | 26 | | | | 49 | -- |
| Fixed rate receivable | 4.65% | 4.38% | 3.97% | | | | 4.22% | |
| Variable rate payable | 3.93% | 4.46% | 4.77% | | | | 4.52% | |
| Principal (Euro) | 5 | | | | | | 5 | -- |
| Fixed rate payable | 4.61% | | | | | | 4.61% | |
| Variable rate receivable | 3.85% | | | | | | 3.85% | |
| Principal (Japanese Yen) | | 7 | | | | | 7 | -- |
| Fixed rate receivable | | 1.70% | | | | | 1.70% | |
| Variable rate payable | | 0.47% | | | | | 0.47% | |

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(1) Represents the net present value of the expected cash flows discounted at current market rates of interest.

## SUPPLEMENTAL CONSTANT CURRENCY FINANCIAL DATA

THIS PRESENTATION AND ANALYSIS IS INTENDED TO DEMONSTRATE THE IMPACT OF EXCHANGE RATES ON DESIGNATED FINANCIAL LINE ITEMS ON A HISTORICAL BASIS TO PROVIDE INVESTORS WITH SUPPLEMENTAL DATA WITH WHICH TO ASSESS MANAGEMENT'S PERFORMANCE. THIS PRESENTATION AND ANALYSIS IS INTENDED TO SUPPLEMENT THE PRESENTATION AND ANALYSIS OF OUR ACTUAL HISTORICAL RESULTS SET FORTH ELSEWHERE IN THIS PROSPECTUS. SEE "MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS." OUR BUSINESS AND OUR ABILITY TO GENERATE CASH FLOW SUFFICIENT TO MEET OUR FIXED CHARGE OBLIGATIONS WILL CONTINUE TO BE AFFECTED BY MOVEMENTS IN EXCHANGE RATES WHICH HAVE BEEN ELIMINATED IN THE PRESENTATION AND ANALYSIS OF TOTAL REVENUES AND OPERATING INCOME ON A CONSTANT CURRENCY BASIS.

We and our associates transact business with approximately 50,000 clients in more than 160 countries and in over 100 currencies. We report our operating results in United States dollars. The following table details the breakdown of revenues and expenses by currency in 2000.

| | POUNDS STERLING | U.S. DOLLARS | OTHER CURRENCIES |
|---|---|---|---|
| Percentage of Revenues..... | 20% | 60% | 20% |
| Percentage of Expenses..... | 40% | 45% | 15% |

40% of the Willis Group's expenses are in pounds sterling while only 20% of its revenues are in pounds sterling. This is due to a large part of the business based in London being transacted in dollars. Therefore, as the pound sterling strengthens, the dollars required to be translated into pounds sterling to cover net sterling expenses increase, and our results are negatively impacted. Because the largest proportion of our revenues and cash flow is in United States dollars, Willis North America's senior credit facilities and 9% senior subordinated notes are both denominated in dollars.

We transact business in over 100 currencies. Our results, including operating revenues and operating income, are reported in dollars. There are two methods of translating the results into dollars:

- AVERAGE RATE METHOD: The profit and loss account of the subsidiary or associate is translated into dollars using the average rates of exchange for the relevant period. This method is used where the company is a subsidiary or associate preparing its accounts in currency other than dollars.

- ACHIEVED RATE METHOD: A subsidiary or associate which prepares accounts in dollars and trades in a currency other than dollars will translate foreign currency transactions at the achieved rate. For example, if a business generates revenue in a currency other than dollars the achieved rate used is either the rate the funds where sold into dollars after being received or if still in foreign currency at the period end then the closing rate. The achieved rate for the period is the weighted average of rates used to translate funds and the period closing rate weighted by the value of the transactions.

The average rates of exchange and the achieved rates of exchange for five of the major currencies for 1996 to 2000 are shown in note (a) to the table below. We use constant exchange rates for internal budgeting and reporting purposes. These are also shown in note (a).

To prepare the results at constant exchange rates rather than actual exchange rates the same methodology is used in all material respects for deriving the reported results, except that the constant exchange rates are used. The profit and loss accounts of the subsidiaries that prepare accounts in currencies other than dollars are translated into dollars using the constant average rates. Foreign currency transactions by companies reporting in dollars are translated at the constant achieved rate of exchange.

Although we cannot assure you that, if the exchange rates used in this analysis had actually prevailed over all the periods presented, the results would have been comparable to those presented, we believe that the trends indicated would have been comparable. We believe that the constant

currency analysis by itself allows for a comparison that excludes the impact of exchange rates over all the periods presented and provides investors supplemental data with which to assess our operating results since 1996 on a more comparable basis.

| | YEAR ENDED DECEMBER 31, | | JANUARY 1-SEPTEMBER 1, | SEPTEMBER 2-DECEMBER 31, | YEAR ENDED DECEMBER 31, | | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|---|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1998 | 1999 | 2000 | 2000 | 2001 |
| | ($ IN MILLIONS) | | | | | | | |
| Reported total revenues... | $1,133 | $1,134 | $772 | $413 | $1,244 | $1,305 | $ 352 | $ 375 |
| Adjustments to constant exchange rates..... | 13 | 3 | 11 | 6 | 39 | 82 | 15 | 35 |
| Total revenues--constant currency..... | $1,146 | $1,137 | $783 | $419 | $1,283 | $1,387 | $ 367 | $ 410 |
| Reported operating income (loss)..... | 115 | 107 | 16 | 12 | (8) | 154 | 63 | 89 |
| Reported operating income (loss) margin..... | 10.1% | 9.4% | 2.1% | 2.9% | (0.6)% | 11.8% | 17.9% | 23.7% |
| Adjustments to constant exchange rates..... | $ (9) | $ (2) | $ 1 | $ -- | $ 9 | $ 8 | $ 5 | $ 8 |
| Operating income (loss)--constant currency..... | $ 106 | $ 105 | $ 17 | $ 12 | $ 1 | $ 162 | $ 68 | $ 97 |
| Operating income (loss) margin--constant currency..... | 9.2% | 9.2% | 2.2% | 2.9% | 0.1% | 11.7% | 18.5% | 23.7% |

- ------------------------

(a) The average rates of exchange and achieved rates of exchange for the five major currencies are shown in the following table. The constant exchange rates used in the constant currency analysis are also shown below:

| | YEAR ENDED DECEMBER 31, | | | | | THREE MONTHS ENDED MARCH 31, | | |
|---|---|---|---|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1999 | 2000 | 2000 | 2001 | CONSTANT RATES |
| | (DENOMINATED PER US DOLLAR) | | | | | | | |
| AVERAGE RATES: | | | | | | | | |
| Deutschemark..... | 1.51 | 1.73 | 1.75 | 1.83 | 2.11 | 1.98 | 2.12 | 1.70 |
| French Franc..... | 5.12 | 5.83 | 5.89 | 6.14 | 7.08 | 6.64 | 7.11 | 5.69 |
| Italian Lire..... | 1,544.00 | 1,700.66 | 1,732.36 | 1,813.56 | 2,090.39 | 1,960.27 | 2,097.98 | 1,689.05 |
| Japanese Yen..... | 108.99 | 120.96 | 130.45 | 113.51 | 107.76 | 107.03 | 118.16 | 118.29 |
| Pounds Sterling..... | 0.64 | 0.61 | 0.60 | 0.62 | 0.66 | 0.62 | 0.69 | 0.60 |
| ACHIEVED RATES: | | | | | | | | |
| Deutschemark..... | 1.58 | 1.43 | 1.64 | 1.92 | 2.05 | 1.67 | 2.18 | 1.66 |
| French Franc..... | 5.19 | 5.27 | 5.61 | 6.45 | 6.86 | 6.86 | 7.32 | 5.53 |
| Italian Lire..... | 1,606.62 | 1,713.82 | 1,742.90 | 1,903.95 | 2,027.74 | 2,025.51 | 2,159.96 | 1,724.49 |
| Japanese Yen..... | 106.38 | 106.69 | 119.82 | 112.30 | 113.83 | 110.89 | 116.49 | 115.31 |
| Pounds Sterling..... | 0.65 | 0.63 | 0.63 | 0.61 | 0.66 | 0.63 | 0.69 | 0.63 |

With effect from January 1, 1999, the exchange rate between the euro and the legacy currencies of the countries participating in the first wave of the European Monetary Union, including the Deutschemark, French Franc and Italian Lire, became irrevocably fixed. Exchange rates for periods after 1998 are based upon the rates of exchange for the euro and these fixed rates.

(b) Reported operating income (loss) margin is defined as reported operating income (loss) divided by reported total revenues.

(c) Operating income (loss) margin--constant currency is defined as operating income (loss)--constant currency divided by total revenues--constant currency.

As detailed above, total revenues--constant currency have grown from $1,146 million in 1996 to $1,387 million in 2000, a 4.9% annual growth rate since 1996, in an environment of declining primary insurance and reinsurance premium rates, which compares to a 3.6% annual growth rate for total revenues from continuing operations on a reported basis. Operating income (loss)--constant currency has grown from $106 million in 1996 to $162 million in 2000, a 11.2% annual growth rate, which compares to a 7.7% annual growth rate for operating income (loss) on a reported basis. We have improved our operating income (loss) margin--constant currency by 250 basis points from 9.2% in 1996 to 11.7% in 2000, which compares to 170 basis points, from 10.1% in 1996 to 11.8% in 2000, for operating income (loss) margin on a reported basis.

Total revenues--constant currency have grown to $410 million in the first quarter of 2001, a 10% increase over the first quarter of 2000, which compares to a 7% increase in total revenues on a reported basis. Operating income--constant currency has increased to $97 million for the first quarter of 2001, a 43% increase over the first quarter of 2000. Operating income margin--constant currency has increased to 23.7% in the first quarter of 2001 compared to 18.5% for the first quarter of 2000, an increase of 520 basis points. The reported operating income margin improved by 580 basis points to 23.7% over the same period.

IN THIS PROSPECTUS, "WE," "US" OR "OUR" REFERS TO WILLIS GROUP HOLDINGS LIMITED AND ITS CONSOLIDATED SUBSIDIARIES, EXCLUDING ITS ASSOCIATES, AFTER GIVING EFFECT TO THE TRANSACTIONS DESCRIBED UNDER "REDOMICILIATION IN BERMUDA." ASSOCIATES ARE ENTITIES IN WHICH WE MAINTAIN AN OWNERSHIP INTEREST OF AT LEAST 20% BUT NO MORE THAN 50%, AND HAVE THE ABILITY TO EXERCISE SIGNIFICANT INFLUENCE.

UNLESS OTHERWISE SPECIFICALLY INDICATED, ALL MARKET INFORMATION OR OTHER STATEMENTS PRESENTED IN THIS PROSPECTUS REGARDING OUR POSITION RELATIVE TO OUR COMPETITION ARE BASED UPON STATISTICAL DATA OR INFORMATION, INCLUDING BROKERAGE REVENUES, PUBLISHED IN BUSINESS INSURANCE (JULY 17, 2000). FOR PURPOSES OF THE BUSINESS INSURANCE RANKINGS, BROKERAGE REVENUES ARE DEFINED AS GROSS REVENUES GENERATED BY INSURANCE BROKERAGE, CONSULTING AND RELATED SERVICES.

## GENERAL

We are the third largest insurance broker in the world. We provide a broad range of value-added risk management consulting and employee benefits and insurance brokering services to approximately 50,000 clients worldwide. We trace our history to 1828, and we have significant market positions in the United States, the United Kingdom and, directly and through our associates, many other countries. We are one of three recognized leaders in providing specialized risk management advisory and other services on a global basis to clients in various industries, with particular expertise in the construction, aerospace, marine and energy industries. 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, many of which are highly complex;
- helping clients determine the best means of managing their risks; and
- negotiating and placing insurance risks 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 for our client. Our global distribution network enables us to place the risk in the most appropriate insurance or reinsurance market worldwide. We also offer clients a broad range of services to help them to identify and control their risks. These services range from strategic risk consulting (including providing actuarial 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). We also 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 do not underwrite insurance risks for our own account.

We and our associates serve a diverse base of clients located in more than 160 countries. Those clients include major multinational and middle-market companies in a variety of industries, as well as public institutions. Many of our client relationships span decades. With approximately 13,000 employees around the world and a network of over 300 offices in 74 countries, in each case including our associates, we believe we are one of only three 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. For the twelve months ended December 31, 2000, our revenues were $1.3 billion.

## THE 1998 ACQUISITION

Through a series of transactions in late 1998, Trinity Acquisition Limited, an entity formed by KKR for purposes of effecting the acquisition, acquired our predecessor in a going private transaction. Trinity Acquisition financed the acquisition with common and preferred equity investments, senior subordinated debt financing and borrowings under a senior credit agreement. In addition to common

equity invested by the KKR 1996 Fund (Overseas), Limited Partnership, equity financing for the acquisition came from six major insurance companies, Axa Insurance, Royal & SunAlliance Insurance Group, The Chubb Corporation, The Hartford Financial Services Group, Inc., Travelers Property Casualty Corp. and The Tokio Marine and Fire Insurance Co., Limited, which invested in the preferred equity of one of our subsidiaries and, to a lesser extent, in our common equity. We have operated as a private company since the 1998 acquisition.

## DEVELOPMENTS SINCE THE 1998 ACQUISITION

Since completion of the acquisition of our predecessor in late 1998, we have made several changes to our management and operations. We have:

- named Joseph Plumeri, formerly of Citigroup, serving most recently as Chairman of Citibank North America's retail operations and Chairman and Chief Executive of Citigroup's Primerica Financial Services, as Executive Chairman and Chief Executive Officer of Willis Group in October 2000. Since arriving, Mr. Plumeri has reinvigorated our culture and our approach to sales and marketing;

- reorganized management responsibilities and reporting structures in our operations globally; Richard Bucknall, Chief Operating Officer, now has responsibility for our United Kingdom-based operations and International to promote close interaction of these units in servicing their clients;

- significantly added to the management and senior production talent within the organization adding over 150 new managers and producers world-wide;

- implemented Business Process Re-Design in our North American operations, a comprehensive restructuring program to segment our accounts, eliminate unprofitable accounts and activities, consolidate several sales process functions, and streamline and centralize client service functions, such as claims handling, policy issuance and the issuance of insurance certificates. This has resulted in an increase in the time brokers have for needs analysis and product design with clients and a reduction of 275 employees;

- implemented Shared Services Transformation, a comprehensive program designed to reduce duplication globally in finance, information technology and human resource management, resulting in a reduction in headcount, a streamlining of internal processes, and a movement of several back-office operations offshore;

- expanded our service company in Mumbai, India, which provides high quality cost-efficient support. There are now approximately 300 positions in Mumbai;

- stressed the development and selling of employee benefits solutions and risk management consulting capabilities to new and existing clients and more aggressively targeted clients with global risk management needs;

- designed and implemented new business monitoring tools to more rigorously monitor our global operations on a pro-active basis;

- increased interaction between our retail network and our Global Specialty businesses;

- shut down, sold or begun the process of selling numerous non-core operations such as small commercial books of business; and

- continued to invest in our International operations, particularly in Europe and Latin America, to fill the few strategic gaps remaining in our global network.

In addition, we have developed initiatives focused on maximizing the talent and expertise of our brokers and consultants. Accordingly, we:

- developed improved techniques for recruitment and assessment;

- instituted a new incentive structure for brokers in the United States;

- implemented a new and more frequent appraisal process, including peer review;

- invested in technology to enhance communication among employees; and

- formed practice groups to share knowledge and provide electronic access to risk analysis tools for certain specific industry or product areas.

Each of our business units has developed action plans setting out the implementation of the above initiatives. Senior management and our board of directors continually review the performance against these action plans.

Over the past several months, we have implemented a series of actions intended to permit us to more effectively function as one global operation, including creating new roles for the global management of sales and marketing and expenses and procurement. Since joining us in October 2000, Mr. Plumeri has recruited Mario Vitale and appointed him as Global Head of Sales and Marketing. This is a new position in our company and we believe that there is significant scope for improving our practices in prospecting, selling and cross-selling. We will develop strategies by business unit and geographical area to ensure that all parts of the group work together effectively. Mr. Vitale will also be responsible for improving training in critical areas such as presentation skills and fee negotiation and for overseeing our e-business initiatives.

Mr. Plumeri also appointed Frederick Arnold to the position of Chief Administrative Officer of the Willis Group in December 2000. Mr. Arnold is responsible for global procurement, real estate and administration policies. He is also responsible for eliminating duplication and improving efficiency across the group. We believe that we can bring significant improvement and lower expense in many areas by the application of consistent high quality practices globally.

## INDUSTRY OVERVIEW

Insurance brokers, such as ourselves, provide essential services to users of insurance and reinsurance products. Those users include corporations, public institutions and insurance carriers. Brokers distribute insurance products and provide highly specialized, and often highly technical, value-added risk management consulting services. Through its knowledge of the insurance market and risk management techniques, the broker provides value to its clients and the insurance carriers with whom the broker deals by:

### VALUE TO CLIENTS

- assisting clients in their analysis of risk;

- helping clients formulate appropriate strategies to manage those risks;

- negotiating insurance policy terms and conditions;

- placing risks to be insured with insurance carriers through the broker's distribution network obtaining better coverage and terms than the client could achieve on its own through the use of market knowledge and creativity; and

- providing specialized self-insurance consulting and other risk management consulting services.

### VALUE TO INSURANCE CARRIERS

- assessing a potential insurance user's risk management needs, structuring an appropriate insurance program to meet those needs and placing risks to be insured with an insurance carrier;

- acting as a principal distribution channel for insurance products; and

- providing access to insurance buyers that most insurance carriers are not equipped to reach on their own.

There are three main subsectors of the brokerage industry although there are many interdependencies amongst them:

- retail brokering, which involves business and services transacted between brokers and commercial or individual customers;

- wholesale brokering, which involves business and services transacted between two brokers, or agents, when one broker uses the services or products of another broker; and

- reinsurance brokering, which involves placing reinsurance coverage for primary insurance and reinsurance carriers.

According to BUSINESS INSURANCE, the 194 largest commercial insurance brokers globally reported brokerage revenues totaling $19.1 billion in 1999. The insurance brokerage industry, having recently gone through a period of rapid consolidation, is led by its three global participants: Marsh & McLennan Companies, Inc., with approximately 32% of the worldwide market referred to above; Aon Corporation, with approximately 25% of the worldwide market; and us, with approximately 7% of the worldwide market. The industry is highly fragmented beyond these three brokers with the next largest broker having approximately 3% of the worldwide market.

In addition to consolidation, another trend in the industry is the increasing diversification of products and services offered by major insurance brokerage companies. In recent years, the largest brokers have added a variety of new products and services in order to meet the increasingly complex risk management needs of their clients. This diversification is in response to:

- clients' increasing focus on the complex risks faced in the operation of their increasingly global businesses; and

- clients' desire to retain more of the risks themselves.

As a result, the complexity of the risks managed has increased, while the proportion insured by traditional underwriters has decreased. This has led to an increased need for, and the development by brokerage firms of the capability to provide services, in addition to their traditional roles as intermediaries, that deliver expert solutions to clients with complex risk problems. As a response to this trend, we have in some cases augmented our offerings with limited recruitment and specialized training and, where appropriate, formed new teams by bringing together existing expertise from various parts of the Willis Group.

COMPETITIVE STRENGTHS

We benefit from and intend to capitalize on:

STRONG FRANCHISE WITH SIGNIFICANT MARKET POSITIONS. We are the third largest insurance broker in the world and have significant market positions in the United States, the United Kingdom and, directly and through our associates, in many other countries. We are one of three recognized leaders in providing specialized risk management advisory and other services on a global basis to clients in a variety of industries. For example, we have particular expertise in providing risk management services to the aerospace and marine industries. We are also the largest marine and aviation reinsurance broker serving Japan. We are also a prominent insurance broker to the construction industry. Our strong global franchise and significant market positions:

- provide an extensive platform for selling new and existing products and services to our existing clients;

- allow us to meet better the risk management needs of our existing clients and help attract new clients;

- create economies of scale and other efficiencies; and

- attract talented professionals.

STRONG GLOBAL PRESENCE. We have the skills and insurance brokering distribution capabilities necessary to effectively meet the global risk management needs of large multinational and middle-market clients. We have approximately 13,000 employees around the world and a network of over 300 offices in 74 countries, in each case including associates. This strong global franchise enables us and our associates to serve over 50,000 clients located in more than 160 countries worldwide. We estimate that, together with our associates, we enjoy significant market positions in the United Kingdom, the United States, France, Germany, Italy, Spain, Norway, Denmark and certain Latin American countries, including Colombia, Chile and Venezuela. In 2000, we placed insurance with approximately 4,000 insurance carriers, none of which individually accounted for more than 8% of the total premiums placed by us on behalf of our clients. Our worldwide franchise enables us to provide high quality services on a local basis with the resources of a global firm. We believe we are one of only three insurance brokers in the world with the global operating presence necessary to meet the risk management needs of global clients.

EXTENSIVE AND DIVERSE CLIENT BASE. Our clients operate in many businesses and industries throughout the world and generally range in size from major multinational corporations to middle market companies. Many of our client relationships span decades, such as our relationship with The Tokio Marine and Fire Insurance Co., Limited, the largest non-life insurance company in Japan, which dates back over 100 years. In the United States, we serve approximately 10% of the Fortune 1000 companies, with an average relationship of more than 10 years. In the United Kingdom, we serve over 30% of the U.K. FTSE 100 companies. Our largest client accounted for less than 2% of our total revenues in 2000, and our 80 largest clients accounted for less than 12% of those revenues. This diversified client base provides a relatively stable source of revenue and also offers significant additional revenue opportunities to provide these clients with additional products and services and cross-sell existing products and services across our many areas of expertise.

BROAD ARRAY OF CLIENT-ORIENTED SERVICES AND PRODUCTS. In order to serve our extensive client base, we offer a broad range of services and products designed to address our clients' specific risk management needs. With our specialized product and industry teams around the world, we help our clients assess the risks they encounter in their operations worldwide, from employee benefits and healthcare to the specialized risks of the aerospace industry. If the client desires to insure against these risks, we negotiate policy terms and place the appropriate insurance coverage with insurance underwriters using our significant placing power. We also advise clients on appropriate levels of self insurance and help establish and manage captive insurance companies. As a result of our ability to meet our clients' risk management needs, management believes that we enjoy a reputation for exceptional client service throughout our product offerings. In independent surveys for 1998 and 1999 covering United States insurance brokers, our North American operations received higher customer satisfaction and performance ratings than our two main global competitors, Marsh & McLennan and Aon.

EXPERIENCED AND INCENTIVIZED MANAGEMENT. Our Executive Chairman and Chief Executive Officer, Joseph Plumeri, joined Willis Group in October 2000. Mr. Plumeri has 32 years of experience with Citigroup and its predecessor companies, most recently serving as Chairman of Citibank North America's retail operations and Chairman and Chief Executive Officer of Citigroup's Primerica Financial Services. In his tenure at Willis, Mr. Plumeri has already instituted significant strategic and operating changes, positioning us for future growth. Mr. Plumeri joins a highly experienced team. Our top 8 executives average 24 years of experience in the insurance brokerage and insurance industries and an average of 12 years of experience with us. To date, 367 employees have invested directly in our equity. The investment by these employees, together with the options granted to them at the time of investment, is expected to represent approximately 26% of our share capital on a fully diluted basis before giving effect to this offering. This broad distribution of equity throughout the organization should help us to retain and attract high quality managers, brokers, and consultants. We believe this offering should allow us to further expand the employee ownership in our company.

STRONG SPONSORSHIP. Kohlberg Kravis Roberts & Co. L.P. is a leading investment firm with significant investment experience in the insurance industry. In addition to the KKR 1996 Fund (Overseas), Limited Partnership, six major insurance companies, Axa Insurance, Royal & SunAlliance Insurance Group, The Chubb Corporation, The Hartford Financial Services Group, Inc., Travelers Property Casualty Corp. and The Tokio Marine and Fire Insurance Co., Limited, collectively invested in the preference shares of one of our subsidiaries and, to a lesser extent in our common equity. Although the net proceeds from this offering may be used to redeem all or a portion of the preference shares, we believe that these investments by the insurance companies highlight:

- the importance of the role played by the global insurance broker to the insurance industry generally;

- the importance to carriers of our company remaining independent; and

- that we needed time to implement our improvement initiatives in order to secure our future as an independent force.

## BUSINESS STRATEGY

Our strategic objectives are to continue to grow revenues, cash flow, and earnings and to enhance our position as the third largest global provider of risk management services. We will build on our areas of strength and eliminate areas in which we do not see the opportunities for strong profitable growth. The key elements of this strategy are to:

CAPITALIZE ON STRONG GLOBAL FRANCHISE. As one of only three insurance brokers providing risk management services on a global basis, we believe we are well positioned to take advantage of the increased demand for global risk management expertise. We intend to capitalize on our strong global franchise by:

- cross-selling both existing and new products and services to our existing clients;

- targeting new clients in need of our global reach and specialized expertise and knowledge and building in particular areas of strength such as aerospace, marine, construction, reinsurance, financial risks and employee benefits; and

- continuing to make strategic acquisitions and investments to further strengthen our global platform.

We also seek to work more closely with selected insurance carriers to develop new products and services for our clients. While these initiatives continue to be developed and implemented, we have begun to see improvements.

EMPHASIZE VALUE-ADDED SERVICES. We seek to offer value-added, fee-based risk management services, such as risk management consulting advice, including captive insurance company management, loss control techniques and self-insurance consulting, employee benefits consulting, claims administration and alternative risk transfer methods to complement our existing insurance brokerage business. These fee-based services have increased as a percentage of our total revenues and, unlike typical insurance brokerage commissions, are not directly tied to insurance premium rates. For fiscal 2000, we estimate that the percentage of our total revenues from fees, including from insurance placements and consulting and other services, had risen to approximately 30%. We believe that by emphasizing these value-added risk management consulting services we can:

- increase the quality and scope of services we offer to our clients worldwide;

- reduce our exposure to declines in insurance premium rates; and

- continue to enhance revenue growth and operating profit margins despite historical trends toward decreasing insurance premiums and brokerage commissions.

FOCUS ON EXPANDING AND CROSS-SELLING OUR EMPLOYEE BENEFITS CAPABILITIES. We intend to grow our employee benefits capabilities and revenues. Together with our associates, we currently have a global annual employee benefits revenue in excess of $150 million of which approximately two-thirds is in North America where we are a prominent provider of solutions for middle market clients. More than 5.6 million of our clients' employees are covered by plans we have sold. We have established a strong presence in North America and selected European countries and an emerging position in Latin America.

The market for employee benefits is rapidly growing for a number of reasons. First, the increasing proportion of older people in most mature economies is leading governments to turn from state benefits to the private sector for benefits and pensions. Second, the companies for similar reasons are seeking to shift the burden of their employees' benefits from their own balance sheets to external providers. Third, the cost of welfare is increasing in most countries.

We intend to significantly grow our employee benefits capabilities in this favorable environment. We are establishing a coordinated global strategy for employee benefits to:

- cross-sell employee benefits offerings to our existing insurance brokerage clients; and

- develop other products and services, such as payroll, asset management and other employee related services and sell these to our existing, extensive client base.

INCREASE OPERATING EFFICIENCIES. In addition to our revenue growth and improved client service initiatives, we are implementing a number of cost reduction measures designed to streamline work processes to increase efficiency while improving client service. Thus far, these initiatives have reduced our workforce by over 1,400 employees since 1995, or more than 13%. We have changed the reporting structure of the organization since the transaction in 1998 and reorganized all our major operations. Other on-going initiatives include:

- intensifying efforts to develop existing and new accounts;

- increasing cross-selling of both existing and new products and services to our existing clients;

- increasing the proportion of insurance transactions handled electronically;

- reducing real estate, travel, entertainment and other operating expenses;

- further streamlining back-office functions and consolidating offices; and

- reducing purchasing costs by implementing vendor programs.

Additionally, we are increasingly selective in the number of insurance carriers with which we do business in order to create direct economic benefits for clients, carriers and us. We are streamlining administrative processes and working closely with certain insurance carriers to generate new product and service ideas. We believe that there are further benefits to come from our cost reduction and efficiency measures and that there is scope for further improvement in margins.

IMPLEMENT GLOBAL BEST PRACTICES AND CREATE A SINGLE COMPANY CULTURE. Our management team, led by Mr. Plumeri, believes we can be better positioned for continued profitable expansion through the implementation of global best practices and the creation of a single company culture. The key elements of this strategy will be:

- a group wide approach to training, risk analysis, product design, selling, information technology management, procurement and real estate, which will improve delivery quality while reducing duplication and cost;

- increased employee stock ownership, thus further aligning the goals of staff and shareholders;

- improved communications from top management to staff at all levels; and

- investment in key areas will generally be funded by the elimination of unnecessary expenditure.

PURSUE STRATEGIC ACQUISITIONS AND INVESTMENTS. We intend to strengthen our global franchise through selective acquisitions and strategic investments. We believe that the consolidation in the brokerage and risk management consulting industry, coupled with the importance of a global presence, will provide us with opportunities to acquire smaller brokers, consultants and related businesses that have a strong regional or local market position or possess specialized product expertise which complements our existing products. In addition to acquiring controlling interests, we have also expanded internationally through strategic minority investments in, and developing a close working relationship with, other brokers. In connection with these investments, we assume an active role in management and generally retain the right to obtain ownership interests in excess of 50% over time. These and future strategic investments should significantly enhance our global presence and enable us to better leverage our global operations. We believe that we can improve the profitability of acquired companies and strategic investments through economies of scale. We believe that the offering should position us to more effectively capitalize on strategic acquisitions and investment opportunities.

## OUR BUSINESS

Insurance is a global business, and its participants are affected by global trends in capacity and pricing. Accordingly, we operate as a single global business. We organize our business into three main areas:

- North American operations;

- Global Business; and

- International.

## NORTH AMERICAN OPERATIONS

Our North American operations provide risk management, insurance brokerage and related services to a wide variety of clients in the United States and Canada. Headquartered in Nashville, Tennessee, our North American operations operate through a network of more than 100 offices located in 37 states in the United States and six offices in Canada. Certain parts of our Global Business also have operations in the United States.

Our North American operations' clients include principally middle-market and, to a lesser extent, major multinational companies to which we provide a full range of property and casualty products and services. In addition, we supply specialist consulting and brokerage services, including:

- construction;

- employee benefits;

- healthcare; and

- advanced risk management services.

The construction division specializes in providing risk management, insurance and surety bonding services to the construction industry. This division provides services to approximately 20% of the Engineering New Record Top 400 contractors (a listing of the largest 400 North American contractors based on revenue). The employee benefits division helps clients with the design and implementation of benefits and compensation plans. Healthcare provides insurance and consulting services to local healthcare professionals. Our North American advanced risk management services division provides actuarial consulting, captive management services and a wide range of other risk consulting activities to large clients.

In addition to these divisions, we provide specialist expertise to clients and insurance underwriters through other practices operating through expert staff located throughout the North American network. These practices include environmental risk, financial and executive risk and marine risk. During 2000,

centers of excellence in claims and certification of insurance were opened in Nashville, Tennessee and in Phoenix, Arizona. These centers provide fast, focused and tailored services to Willis clients.

We also have a small wholesale unit that provides specialist advice and market expertise in property, casualty, professional and excess and surplus lines insurance placements in a variety of industries, including manufacturing, hospitality, real estate/habitational, transportation, construction, technology, entertainment and social services. The public entity and municipal program business of Public Entities National Company (Penco), which provides access to specialized coverage for governmental entities, schools and other municipality and public entities, was sold in January 2001. We will continue to focus on Penco's pooling and association program business.

GLOBAL BUSINESS

Our Global Business provides specialist brokerage and consulting services to clients throughout the world for the risks of 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 more than 160 countries, primarily from United Kingdom offices, although we also serve clients from offices in the United States and Asia.

Our Global Business is diversified from a geographical perspective. The unit's 2000 revenues were generated in the following geographical regions: 27% in the United Kingdom; 22% in North America and the Caribbean; 23% in continental Europe; 14% in Japan and the Far East; 6% in South America; 5% in the Middle East; and 3% in the rest of the world. In addition, this unit is diversified from a client perspective, with no client accounting for more than 2% of its revenues in 2000.

We have strong global positions in the following areas:

- aerospace;

- marine;

- construction;

- niche products; and

- reinsurance.

We have particular expertise in the provision of insurance brokerage and risk management services to clients in the aerospace industry, including aircraft manufacturers, air cargo handlers and shippers, airport managers and other general aviation companies. Advisory services provided by Aerospace include claims recovery and collections, contract and leasing risk management, safety services and markets information. Aerospace is prominent in supplying the space industry through providing insurance and risk management services to over 60 companies. Aerospace is also a prominent reinsurance broker of aerospace risks. Aerospace's clients are spread throughout the world and include 250 airlines and more than 35% of the world's leading non-American airports by passenger movement. Other clients include those introduced from other intermediaries as well as insurers seeking reinsurance.

We provide marine insurance brokerage services, including hull, cargo and general marine liabilities. Marine's clients include direct buyers, other insurance intermediaries and insurance and reinsurance companies. Marine insurance brokerage is our oldest line of business. Other services of Marine include claims collection and recoveries.

The Construction practice provides risk management advice and places insurance coverage for a wide range of United Kingdom and international construction activities. These range from house building to major projects such as the construction of bridges, dams, airports and the deactivation of the Chernobyl nuclear power plant.

We have four niche products areas:

- Fine Art, Jewelry, and Specie;

- Special Contingency Risks;

- Hughes Gibb; and

- Commercial Risks.

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, political repatriation and product contamination. The Hughes Gibb unit principally services the insurance needs of the horse racing and horse breeding industry and also arranges the reinsurance of horse racing and horse breeding related business for insurance companies worldwide.

We also provide traditional insurance brokerage services primarily to smaller companies, which we call commercial risks. The principal types of risk covered are property damage, employee liability, directors and officers liability, product liability, professional liability and fiduciary liability. From 1998, we have entered into franchise partnerships with local United Kingdom insurance brokers to handle the insurance requirements of small companies and individuals, utilizing specialized electronic systems linking the franchised brokers directly to the commercial panel of insurance carriers. These small companies and individuals represent a very large market in the United Kingdom. Companies with revenues of under $20 million account for 55-70% of premiums paid by companies and over 85% of the number of corporate clients in the United Kingdom. Accordingly, we believe that the franchise program provides an opportunity for growth, and had 43 franchise agreements in place at December 31, 2000 compared with 23 as of December 31, 1999.

We are one of the world's largest intermediaries for reinsurance and have a significant market share in many of the major markets. We are the largest marine and aviation reinsurance broker servicing the Japanese insurance sector. In the reinsurance area, we provide clients, both insurance and reinsurance companies, with a complete range of transactional capabilities as well as analytical and advisory services such as hazard modeling, insurance and reinsurance, financial and balance sheet analysis and reinsurance optimization studies. We have recently concentrated on recruiting top class industry professionals, particularly in Europe and the U.S., where we currently have relatively low market shares, and since 1998 we have recruited 33 senior reinsurance professionals. Additionally, we have established a consulting unit, which markets its capabilities in actuarial and hazard modeling, as well as knowledge of the financial implications of catastrophe losses.

We also provide risk management and insurance brokerage services to industrial and individual clients through 26 offices located in the United Kingdom and Ireland. These operations arrange for their home-based clients similar risk management and insurance brokerage services provided outside the United Kingdom and Ireland through our North American operations, overseas subsidiaries and associates.

We also design and obtain innovative property coverage solutions for large or unusual exposures in a variety of industries, including mining and metals, chemicals and pharmaceuticals, telecommunications, offshore energy, refining, power stations and other utilities, transport authorities and motor manufacturers and also handle the design, implementation and servicing of reinsurance protections for captive insurance companies. A further offering is comprehensive liability programs for coverage against environmental liability, libel and slander.

Further product lines include directors and officers insurance, as well as professional indemnity insurance for corporations, other insurance brokers and other professional firms. Other product lines include designing and obtaining insurance coverage for crime, computer fraud and unauthorized trading

risks for financial institutions on a worldwide basis, and placing specialty directors and officers coverage and related products to the high-technology industry.

Services are tailored to individual client needs and range from strategic risk assessment to transactional risk transfer and alternative risk financing solutions. Services provided may include the development and management of captive insurance companies, specialist insurance services, due diligence on mergers and acquisitions and evaluating risks associated with new business ventures. We have numerous long-standing relationships with both middle-sized and larger companies throughout the United Kingdom and the United States. We serve over 30% of the U.K. FTSE 100 companies and over 10% of the Fortune 1000.

INTERNATIONAL

Our International unit consists of a network of subsidiaries and associates other than those in North America, the United Kingdom and Ireland. This operation is located in 70 countries worldwide, including 22 countries in Europe, 13 in the Asia/Pacific region and 35 elsewhere in the world. The services provided are focused according to the characteristics of each market and are not identical in every office, 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. In 2000, combined total revenues of our International subsidiaries and our associates were $433 million compared to $393 million in 1998. Our consolidated total revenues for 2000 only include the revenues of our international subsidiaries of $147 million and do not include the revenues of our associates of $286 million.

As part of our on-going strategy, we have significantly strengthened International's market share and operations through a number of acquisitions and strategic investments in recent years. The most significant of these was the acquisition, in 1997, of a 33% interest in Gras Savoye, France's leading insurance broker and the tenth largest broker in the world. In addition, in January 1998, our associate in Germany, C. Wuppesahl & Co. Assekuranzmakler, merged with Jaspers Industries Assekuranz GmbH & Co. KG to create Jaspers Wuppesahl, the third largest insurance broker in Germany, in which we now have an interest of approximately 45%.

In July 1998, we acquired 50% of Gruppo Ital Brokers, which merged with UTA Willis Corroon SpA, in which we have a 50% interest, to form Willis Italia. This has since grown to be the second largest broker in Italy. We also acquired a 30% interest in Assurandrgruppen the leading broker in Denmark, which was renamed Willis A/S. In addition, in 1997 and 1998, we entered into a joint venture in Indonesia and increased our existing interests in Brazil, Sweden, Spain, Australia and Holland. We were the first non-Japanese broker to be awarded a domestic license in Japan. During 1999 and 2000, we acquired a 40% interest in Herzfeld & Levy SA, an independent insurance broker in Argentina, and also established with Herzfeld & Levy a joint reinsurance brokering venture under the name Willis SA. Also in 1999, we acquired a 51% interest in an independent Mexican insurance broker, Bourchier, Marquard, Zepeda, Agente de Seguros y de Fianzas, S.A. de C.V. In 1999 we acquired a 51% interest in four Venezuelan companies, which included Ronto-Aralca y Asociados, C.A. Rontarca, the largest insurance broker in that country, and C.A. Prima Corretaje de Seguros, the fourth largest insurance broker in Venezuela. In August 2000, we acquired a majority holding in Sev. Dahl's Assurancekontor AS, the third largest insurance broker in Norway. In addition we have strengthened our management and production capabilities in Singapore and Korea, re-entered the South African market and acquired 51% of Suma, the second largest broker in Colombia. Those investments have improved our market position and the market positions of our associates worldwide. In February 2001, we acquired 100% of Bradstock G.I.S. Pty Limited in Australia which we merged with an existing Australian operation to provide greater scale and depth of management.

The following is a list of the major International associate investments currently held by us and our interest as of March 31, 2001:

| COMPANY | COUNTRY | % OWNERSHIP |
|---|---|---|
| EUROPE | | |
| Gras Savoye & Cie | France | 33% |
| Gras Savoye Belgium S.A. | Belgium | 33% |
| Jaspers Wuppesahl Industrie Assekuranz GmbH & Co., K.G. | Germany | 45% |
| Willis A/S | Denmark | 30% |
| ASIA/PACIFIC | | |
| Multi-Risk Consultants (Thailand) Limited | Thailand | 25% |
| Willis (Malaysia) Sdn. Bhd. | Malaysia | 30% |
| Willis Faber Insurance Brokers (B) Sdn. Bhd. | Brunei | 38% |
| REST OF THE WORLD | | |
| Al-Futtaim Willis Faber (Private) Limited | Dubai | 49% |
| Herzfeld & Levy S.A. | Argentina | 40% |

In connection with many of our investments, we retain rights to increase our ownership percentage over time, typically to a majority or 100% 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. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Liquidity and Capital Resources".

In addition to our strategic investments in associates, we have acquired a controlling interest in a broad geographic spread of other brokers. The following is a list of the significant international subsidiaries in which we have a controlling interest and our interest as of March 31, 2001:

| COMPANY | COUNTRY | % OWNERSHIP |
|---|---|---|
| EUROPE | | |
| Mansfeld, Willis GmbH & Co. K.G. | Germany | 100% |
| Willis A/B | Sweden | 78% |
| Willis OY A/B | Finland | 100% |
| Willis Italia Holding S.p.A.(1) | Italy | 50% |
| Willis Iberia Correduria de Seguros y Reaseguros S.A. | Spain | 60% |
| Willis Sev. Dahl A.S.(2) | Norway | 50% |
| Willis Corretores de Seguros Limitada | Portugal | 60% |
| Willis B.V. | Netherlands | 100% |
| Willis CIS L.L.C. | Russia | 100% |
| Willis Polska S.A. | Poland | 70% |
| Willis s.r.o | Czech Republic | 100% |
| Willis Kft. | Hungary | 80% |
| Willis Faber A.G. | Switzerland | 100% |

| COMPANY | COUNTRY | % OWNERSHIP |
|---|---|---|
| ASIA/PACIFIC | | |
| Willis China (Hong Kong) Ltd. | Hong Kong | 100% |
| Willis India Private Limited | India | 100% |
| PT Willis Corroon BancBali(3) | Indonesia | 50% |
| Willis Korea Limited | Korea | 100% |
| Willis (Singapore) Pte Ltd. | Singapore | 100% |
| Willis (Taiwan) Limited | Taiwan | 100% |
| REST OF THE WORLD | | |
| Willis Faber & Dumas (Mexico) Intermediario de Reaseguro S.A. de C.V. | Mexico | 100% |
| Willis Faber Corretaje de Reaseguros S.A. | Venezuela | 100% |
| Willis Faber do Brasil Consultoria e Participacoes S.A. | Brazil | 100% |
| York Willis Corroon Corretores de Seguros S.A. | Brazil | 100% |
| Willis Faber Chile Limitada | Chile | 100% |
| Willis Australia Limited | Australia | 100% |
| Willis New Zealand Limited | New Zealand | 99% |
| Willis S.A. | Argentina | 76% |
| Willis Correa Insurance Services Limitada | Chile | 80% |
| BMZ-Willis Agente de Seguros y de Fianzas, S.A. de C.V. | Mexico | 51% |
| Willis South Africa (Pty) Limited | South Africa | 70% |
| Rontarca-Prima Y Asociados, C.A. | Venezuela | 51% |
| Suma Corredores de Seguros S.A. | Colombia | 51% |

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(1) This company is treated as a subsidiary because we have entered into a shareholders agreement that enables us to appoint a majority of directors to the board and to exercise control over the company.

(2) We have a 50.1% interest in the company.

(3) We have a 50.3% interest in the company.

CUSTOMERS

Our customers 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 Co., Limited dates back over 100 years. In the United States, we serve approximately 10% of the Fortune 1000 companies, with an average relationship of more than 10 years, and we also serve over 30% of the U.K. FTSE 100 companies. No one client accounted for more than 2% of revenues for fiscal year 2000, and our 80 largest clients accounted for less than 12% of 2000 revenues. Additionally, we place insurance with over 4,000 insurance carriers, none of which individually accounted for more than 8% of the total premiums we placed on behalf of our clients in 2000.

EMPLOYEES

At December 31, 2000, we had approximately 10,470 employees, including approximately 3,890 in the United Kingdom, 3,870 in the United States and 2,710 in the rest of the world, and our associates had approximately 2,550 employees. At December 31, 1999, we had approximately 9,721 employees,

including 3,916 in the United Kingdom, 4,518 in the United States and 1,287 in the rest of the world, and our associates had approximately 2,556 employees. At December 31, 1998, we had approximately 9,400 employees, including approximately 3,900 in the United Kingdom, 4,400 in the United States and 1,100 in the rest of the world, and our associates had approximately 2,600 employees. We are not involved in any material dispute with employees and management believes that relations with employees are good.

COMPETITION

We face competition in all fields in which we operate. The insurance brokerage industry, having recently gone through a period of rapid consolidation, is led by its three global participants: Marsh & McLennan Companies, Inc., with approximately 32% of the worldwide market referred to above; Aon Corporation, with approximately 25% of the worldwide market; and us, with approximately 7% of the worldwide market. The industry is highly fragmented beyond these three brokers with the next largest broker having approximately 3% of the worldwide market.

Competition in the insurance brokering and risk management businesses in general is based on global capability, product breadth, innovation, quality of service and price. Our global capability and product breadth is similar to those of the two other global brokers, and thus we compete with them primarily based on innovation, quality of service and price. In addition, we compete with numerous specialist, regional and local firms. Insurance companies also compete with our brokers by directly soliciting insureds without the assistance of an independent broker or agent. Competition for premiums 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, insurers are currently 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 groups, mutual insurance companies and other mechanisms for funding their risks, rather than buying insurance. We provide management and similar services for those alternative risk transfer programs. 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. Our market share has been stable in recent years. We believe that our strategies of building on our strong global franchise, expanding on our employee benefit capabilities, increasing our operating efficiencies and creating a single company culture will allow us to retain and gain clients in the competitive marketplace. We also believe that our market position will provide us with opportunities to acquire smaller companies with strong regional presence or specialized expertise.

REGULATION

Many of our activities are subject to regulatory supervision in the various countries and jurisdictions in which they are based or undertaken. We have in the past failed to comply with some of these regulations and future failures to comply may occur. While past failures have resulted, or are likely to result in insignificant fines, any future failures could lead to disciplinary action, including requiring clients to be compensated for loss, the imposition of fines and the possible revocation of our authorization to operate as well as reputational damage.

In the United Kingdom, a number of our legal entities are subject to regulatory or self-regulatory supervision. For example, our insurance brokering subsidiaries are subject to the rules of the General Insurance Standards Council of which they are members. Further, our subsidiaries Willis National and Willis Structured Financial Solutions Limited are regulated by the Personal Investment Authority and the Securities and Futures Authority (self-regulatory organizations established under the provisions of the Financial Services Act 1986). The Personal Investment Authority and the Securities and Futures Authority have delegated their regulatory supervisory functions to the Financial Services Authority.

The General Insurance Standards Council and the Financial Services Authority generally conduct their regulatory supervisory functions through the establishment of required levels of net worth and other financial criteria. The General Insurance Standards Council and Financial Services Authority requirements also prescribe the methods by which insurance brokers and those who conduct investment business respectively will conduct business. The General Insurance Standards Council rules in particular require that we maintain amounts of fiduciary cash in bank accounts segregated from our own funds.

HM Treasury, whose regulatory functions have been delegated to the Financial Services Authority, will continue to regulate Sovereign as an insurance company.

Our activities in connection with insurance brokering services and third party administration 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 third party administrators and the regulation of the handling and investment of client funds held in a fiduciary capacity. Our continuing ability to provide insurance brokering and third party administration 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.

All companies carrying on similar activities in a given jurisdiction are subject to that regulation, and we do not consider that these controls adversely affect our competitive position.

## 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. Our headquarters at Ten Trinity Square in London is a landmark building which we own. Our aim is to bring our London employees together into one building to improve our efficiency and further the development of our sales and marketing efforts. Accordingly, we are considering our options with property in London which may include the disposal of Ten Trinity Square.

## LEGAL MATTERS

GENERAL. We have extensive operations and are subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions in connection with our businesses. Most of the errors and omissions claims are covered by professional indemnity insurance. In respect of self-insured deductibles applicable to those claims, we have established provisions which we believe to be adequate in the light of current information and legal advice. These provisions may be adjusted from time to time according to developments. We do not expect the outcome of those claims, either individually or in the aggregate, to have a material effect on our results of operations, financial condition or liquidity. In addition, we are involved in the legal matters discussed below.

SOVEREIGN/WFUM. Sovereign, a wholly-owned subsidiary of ours, operated as an insurance company in the U.K. and from 1972 Sovereign's underwriting activities were managed by another wholly owned subsidiary of ours, Willis Faber (Underwriting Management) Limited, or WFUM. WFUM also provided underwriting agency and other services to third-party insurance companies, which we refer to as the stamp companies, some of which are long-standing clients of ours. As an underwriting agent, WFUM did not issue any contracts of insurance or reinsurance in its own name or retain any underwriting risks for its own account. As part of its services as agent, WFUM arranged insurance and reinsurance business on behalf of Sovereign and the stamp companies in the following main classes of insurance: marine, non-marine, casualty and aviation. WFUM also arranged reinsurance

on behalf of Sovereign and the stamp companies through third-party brokers, as well as through brokers within our group of companies.

In 1991, Sovereign ceased underwriting new business and WFUM ceased arranging new business on behalf of Sovereign and the stamp companies. From that time until August 1998, WFUM administered the business it arranged on behalf of Sovereign and the stamp companies, referred to as handling the "run-off" of the business. From 1998, the run-off services were transferred to a new subsidiary of ours which services have in turn been sub-contracted to a third party with experience in running off pools with an insolvent member. In the case of Sovereign, those services are provided directly by that type of third party. One of our subsidiaries has agreed with certain of the stamp companies to fund certain costs of the run-off, subject to certain agreed guidelines as to timing and amount. The amounts to be funded under the run-off arrangements are currently within the aggregate of the unused provisions we have made. However, we cannot assure you that the provisions will be adequate to cover the actual run-off costs over time. Although we expect the run-off of the business to be conducted in an orderly manner, it may ultimately prove to be a lengthy and expensive process.

In July 1997, Sovereign received an adverse arbitration decision in respect of a dispute between Sovereign and one of its reinsurers regarding the enforceability of certain reinsurance which WFUM had arranged. The award is confidential and non-binding as to third parties. As a result of the decision, the directors of Sovereign determined that Sovereign could not continue to trade unless Willis Group provided unlimited financial support. Willis Group's directors decided that, in the interests of our shareholders, this support for Sovereign could not be justified. Accordingly, Sovereign's directors placed Sovereign into provisional liquidation on July 11, 1997. On January 5, 2000, a scheme of arrangement proposed by Sovereign to its creditors became effective. The stated purpose of the scheme of arrangement is to resolve Sovereign's liabilities and provide that Sovereign's business is run off in as orderly a manner as possible. Sovereign's provisional liquidators have been discharged from office and have been appointed as scheme administrators. On January 16, 2001, the scheme administrators announced an initial payment percentage of 30% payable out of Sovereign's assets. Those creditors with established scheme liabilities are due to be paid by early May 2001. Sovereign's assets are separate and distinct from ours, and any payment from Sovereign will have no effect on our results of operations, financial condition or liquidity.

Following the adverse arbitration decision, Sovereign and certain of the stamp companies expressed concern about the enforceability of other reinsurance put in place by WFUM on behalf of Sovereign and the stamp companies. We understand Sovereign has recently prevailed in an arbitration to ensure that a reinsurer honors its obligations to Sovereign. The reinsurer is seeking permission to appeal to the English courts. We also understand that Sovereign and possibly some of the stamp companies have commenced arbitration proceedings with a number of other reinsurers that are at a preliminary stage. Accordingly, we cannot assure you that there will be no further arbitration decisions, court decisions or discounted settlements arising in the future that result in shortfalls in reinsurance recoveries for Sovereign or the stamp companies. Other reinsurers which underwrite Sovereign's or the stamp companies' reinsurance contracts may seek to challenge the enforceability of such contracts. The failure of Sovereign or the stamp companies to collect reinsurance following any adverse arbitration awards would increase the likelihood of them pursuing claims against WFUM.

Sovereign and the stamp companies have reserved their rights generally in respect of such potential claims, and WFUM, Willis Group and certain of our brokering subsidiaries have entered into standstill agreements which preserve the rights of potential claimants with respect to their potential claims. The scheme administrators and/or the stamp companies may seek to bring claims directly against Willis Group and hold it responsible for the liabilities of its subsidiaries. Although claims that Willis Group is liable merely because it is the subsidiary's parent are difficult to pursue successfully under English law, we cannot assure you that claims will not be made or, if made, that such claims

could not succeed. The scheme administrators or the stamp companies may also seek to bring claims in respect of alleged acts or omissions of other subsidiaries or of Willis Group.

We and our subsidiaries have not made any financial provisions in respect of possible future claims relating to alleged breach of duty by WFUM or otherwise, although if and to the extent that these claims are pursued it may be necessary for our affected subsidiaries to review the need for financial provisions. Those companies in our group with insurance protection have notified their insurance providers of certain potential claims. We do not know whether any of these claims will be made; the validity and amount of such claims and the extent, if any, to which they will be covered by insurance, after giving effect to the applicable deductibles, exclusions and limits, can be assessed only when and if these claims are made.

We plan to continue to deal with the foregoing matters in our best interests and in a manner designed to assist an orderly run-off of the obligations of Sovereign and of the stamp companies while limiting the costs of resolution. It is possible that circumstances may lead the directors of WFUM to place WFUM in liquidation. We do not believe the resolution of these matters, including any possible liquidation of WFUM, will have a material adverse impact on our results of operations, financial condition or liquidity, although we cannot be sure of that.

PENSION REVIEW. As is the case for many companies involved in selling personal pension plans to individuals in the United Kingdom from 1988 to 1994, we face liabilities as a result of the pension transfers and opt-outs review initiated by the United Kingdom government. Sellers of personal pension plans have since been subject to liabilities based on claims that they allegedly mis-sold pension products or gave improper advice. In particular, the regulators of the companies that engaged in this business, such as our independent financial advisory business, Willis Corroon Financial Planning Limited or WCFP, require these companies to compensate individuals who withdrew from their previous or existing company pension plans or who were otherwise advised to set up personal plans, to the extent that following withdrawal, and the consequent loss of the employer contribution, that individual's personal pension plan did not produce returns equal to those that would have been achievable with an employer's company-sponsored plan. Whether compensation is due to a particular individual, and the amount thereof, is dependent on the subsequent performance of the pension plan sold and the relative cost to reinstate that individual into his or her prior company pension plans. These amounts could be significant and, in that case, materially adversely affect our operations or financial condition. The Financial Service Authority, or the FSA, currently requires all offers of compensation to be made by June 30, 2002 and WCFP is on target to meet that deadline, although we cannot be sure the FSA will not impose further requirements which affect those deadlines and WCFP's ability to meet them. Acceptance of offers and settlement can take many months to finalize.

Although we believe that the provisions established for the pension review, currently totaling $100 million (approximately $56 million of which has been paid as of March 31, 2001), are prudent, there remains a possibility that the provisions made will be insufficient. We expect to pay out these established provisions over the next three years; however, if the provisions are insufficient, our results of operations and financial condition may be adversely affected.

BACCALA & SHOOP. Prior to 1984, Baccala and Shoop Insurance Services, a U.S. subsidiary of the Willis Group, acted as managing general agent for certain insurance issuing companies, including three subsidiaries of The Hartford Financial Services Group, Inc. Since Baccala and Shoop ceased active operations in 1983, issuing companies (including Hartford) have notified Baccala and Shoop of potential errors and omissions claims against Baccala and Shoop. In August 1987, Baccala and Shoop, Hartford and Willis North America, a subsidiary of ours, entered into a Standstill Agreement, amended in 1994, pursuant to which the statutes of limitations on Hartford's claims against Baccala and Shoop were tolled indefinitely in exchange for Hartford's agreement to forbear filing complaints against Baccala and Shoop based on these potential claims. Since 1983, Willis Group has paid approximately

$7.9 million in settlement of errors and omissions claims brought by certain other issuing companies, including issuing companies that went into liquidation. There has been no notification of additional potential claims from Hartford or other issuing companies since 1992. Hartford has not stated what it believes to be its total aggregate losses potentially attributable to Baccala and Shoop. For accounting purposes, Willis Group has established provisions in connection with the Baccala and Shoop-related claims, and believes such provisions to be adequate. However, we cannot assure you that the provisions will be adequate to cover claims over time.

OTHER MATTERS. See "Risk Factors--Effects of Insurance Market Dispute", for a discussion of a reinsurance market dispute that may affect our business.

## ENFORCEABILITY OF CIVIL LIABILITIES

We are organized under the laws of Bermuda. A substantial portion of our assets are or may be located outside the United States. As a result, it may not be possible for the holders of our common stock to effect service of process within the United States upon us or to enforce against us in United States court judgments based on the civil liability provisions of the securities laws of the United States. In addition, there is significant doubt as to whether the courts of Bermuda would recognize or enforce judgments of United States courts obtained against us or our directors or officers based on the civil liability provisions of the securities laws of the United States or any state or hear actions brought in Bermuda against us or those persons based on those laws. We have been advised by our legal advisor, Appleby Spurling & Kempe, that currently there is no treaty in force between the United States and Bermuda providing for the reciprocal recognition and enforcement of judgments in civil and commercial matters. As a result, whether a United States judgment is or would be enforceable in Bermuda against us or our officers and directors depends on whether the United States court is recognized by the Bermuda court as having jurisdiction over us or our officers and directors, as determined by reference to Bermuda conflict of law rules. A judgment debt from a United States court which is final and for a specified sum based on United States federal securities law will not be enforceable in Bermuda, unless the judgment debtor had submitted to the jurisdiction of the United States courts, and the issue of submission and jurisdiction is a matter of Bermuda law not United States law. In addition and regardless of the issue of jurisdiction, the Bermuda court will not enforce a United States federal securities law which is either penal or of a public law nature. Also, no claim can be brought in Bermuda against us or our officers or directors in the first instance for violation of United States securities law as United States securities law has no extraterritorial jurisdiction under Bermuda law and does not have the force of law in Bermuda. A Bermuda court may, however, impose civil liability on us or our officers and directors in a suit brought in such a court against us or our officers or directors, if the facts alleged constitute or give rise to a cause of action under Bermuda law. Certain remedies available under the laws of United States jurisdictions, including certain remedies under the United States federal securities laws, would not be available under Bermuda law or enforceable in a Bermuda court as they would be contrary to public policy.

The following are our current directors and executive officers and their ages as of March 31, 2001 and positions within the Willis Group. Their business address is c/o Willis Group Holdings Limited, Ten Trinity Square, London EC3P 3AX, England. Mr. Plumeri, Mr. Lucas and the Willis Group Limited executive officers identified below are members of the Group Executive Committee of the Board of Willis Group Limited as of March 31, 2001. The Group Executive Committee manages the operational business and strategic direction of our operating subsidiaries.

| NAME | AGE | POSITION |
|---|---|---|
| Henry R. Kravis | 57 | Director |
| George R. Roberts | 57 | Director |
| Perry Golkin | 47 | Director |
| Todd A. Fisher | 35 | Director |
| Scott C. Nuttall | 28 | Director |
| Joseph J. Plumeri | 57 | Executive Chairman and Director; Executive Chairman and Chief Executive Officer of Willis Group Limited |
| James R. Fisher | 45 | Director |
| Paul M. Hazen | 59 | Director |
| Frederick Arnold | 46 | Group Chief Administrative Officer of Willis Group Limited |
| Richard J. S. Bucknall | 52 | Group Chief Operating Officer of Willis Group Limited |
| Thomas Colraine | 42 | Group Chief Financial Officer of Willis Group Limited |
| Brian D. Johnson | 58 | Chief Executive Officer of the North American operations of Willis Group Limited |
| Patrick Lucas | 62 | Managing Partner of Gras Savoye |
| Joseph M. McSweeny | 52 | Chief Executive Officer of International operations (excluding the United Kingdom and North America) of Willis Group Limited |
| John M. Pelly | 48 | Chairman of Global Reinsurance of Willis Group Limited |
| Mario Vitale | 45 | Executive Vice President -- Group Sales and Marketing of Willis Group Limited |

HENRY R. KRAVIS--Henry R. Kravis is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Kravis is a founding partner of KKR and, since January 1, 1996, has been a managing member of KKR & Co. L.L.C., the limited liability company which is the general partner of KKR & Co. L.P. Mr. Kravis is also a general partner of KKR Associates, L.P. and a director of Accuride Corporation, Amphenol Corporation, Borden, Inc., The Boyds Collection, Ltd., BRW Acquisition, Inc., Evenflo Company, Inc., The Gillette Company, IDEX Corporation, KinderCare Learning Centers, Inc., KSL Recreation Corporation, MedCath Incorporated, Owens-Illinois, Inc., PRIMEDIA, Inc., Regal Cinemas, Inc., Sotheby's Holdings, Inc., Spalding Holdings Corporation, U.S. Natural Resources, Inc., Accel-KKR Company, Alliance Imaging, Inc., Birch Telecom Inc., United Fixtures Company and Worldcrest Group. Messrs. Kravis and Roberts are first cousins.

GEORGE R. ROBERTS--George R. Roberts is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Roberts is a founding partner of KKR, and, since January 1, 1996, has been a managing member of KKR & Co. L.L.C. Mr. Roberts is also a general partner of KKR Associates, L.P. and a director of Accuride Corporation, Amphenol Corporation, Borden, Inc., The Boyds Collection, Ltd., Evenflo Company, Inc., IDEX Corporation, KinderCare Learning Centers, Inc., KSL Recreation Corporation, Owens-Illinois, Inc., PRIMEDIA, Inc., Safeway Inc., Spalding Holdings Corporation, U.S. Natural Resources, Inc, Accel-KKR Company, Alliance Imaging, Inc., Birch Telecom Inc., United Fixtures Company and Worldcrest Group.

PERRY GOLKIN--Perry Golkin is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Golkin has been a member of KKR & Co. L.L.C. since January 1, 1996. Mr. Golkin was a general partner of KKR from 1995 to January 1996. Prior to 1995, he was an executive of KKR. He is a general partner of KKR Associates, L.P. He is also a member of the board of directors of BRW Acquisition, Inc., PRIMEDIA, Inc., Alea Group Holdings A.G., Rockwood Specialties, Inc. and Walter Industries, Inc.

TODD A. FISHER--Todd A. Fisher is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Fisher has been a member of KKR & Co. L.L.C. since January 1, 2001. Mr. Fisher was an executive of KKR from June 1993 to December 31, 2000. Mr. Fisher was an associate at Goldman Sachs & Co. from July 1992 to June 1993. He is also a member of the board of directors of Accuride Corporation, Layne Christensen Company, BRW Acquisition, Inc., Alea Group Holdings A.G. and Rockwood Specialties, Inc.

SCOTT C. NUTTALL--Scott C. Nuttall is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Nuttall has been an executive of KKR since November 1996. Mr. Nuttall was an executive at The Blackstone Group from January 1995 to November 1996. He is also a member of the board of directors of Amphenol Corporation, BRW Acquisition, Inc., KinderCare Learning Centers and Walter Industries, Inc.

JOSEPH J. PLUMERI--Joseph J. Plumeri is our Executive Chairman and director and has been a director of TA I Limited since October 2000. He is also the Executive Chairman, Chief Executive Officer and a director of Willis Group, positions held since October 15, 2000. Before joining us, Mr. Plumeri spent 32 years as an executive with Citigroup Inc. and its predecessors. Of note, Mr. Plumeri oversaw the 450 North American retail branches of Citigroup's Citibank unit. Mr. Plumeri also served as Chairman and Chief Executive Officer of Citigroup's Primerica Financial Services from 1995 to 1999. In 1994, Mr. Plumeri was appointed Vice Chairman of Citigroup's predecessor, Travelers Group Inc., and in 1993 Mr. Plumeri became the President of a predecessor of Citigroup's Salomon Smith Barney unit after overseeing the merger of Smith Barney and Shearson and serving as the President and Managing Partner of Shearson since 1990. Mr. Plumeri also serves as a director of Velcero, Inc., Debix Systems, Inc. and Telex Communications, Inc. He is also a board member and advisor to many organizations, including The Board of Visitors of the College of William & Mary, The United Negro College Fund, The National Center on Addiction and Substance Abuse. He is also a commissioner of the New Jersey Sports and Exposition Authority.

JAMES R. FISHER--James R. Fisher is our director and has been a director of TA I Limited since the 1998 acquisition. Mr. Fisher is the Managing Member and majority owner of Fisher Capital Corp. L.L.C. From 1986 through March 1997, Mr. Fisher was a senior executive at American Re Corporation and served most recently as Senior Vice President and Chief Financial Officer of American Reinsurance Company and American Re Corporation, President of American Re Financial Products and President and Chief Executive Officer of American Re Asset Management. Before joining American Re, Mr. Fisher was a Senior Accountant at Peat, Marwick, Mitchell & Co., Chief Financial Officer of The Lawrence Corporation and Senior Manager/Director of Insurance Industry Services at Price Waterhouse. Mr. Fisher is also Chairman and Interim Chief Executive Officer of BRW

Acquisition, Inc. and a member of the board of directors and Chairman of the audit committee of Alea Group Holdings, A.G.

PAUL M. HAZEN--Paul M. Hazen is our director and has been a director of TA I Limited since January 1, 2001. Mr. Hazen joined Wells Fargo in 1970 and was named Chairman on November 2, 1998. Mr. Hazen served as Chairman and Chief Executive Officer from January 1, 1995 to November 2, 1998, President and Chief Operating Officer from 1984 to 1995 and Vice Chairman from 1981 to 1984. Mr. Hazen is also a director of Safeway Inc., Phelps Dodge Corporation, E.piphany Inc., Xstrata AG, Epoch Partners and is Chairman of Accel-KKR Company and Deputy Chairman of Vodafone plc. He serves as a trustee of the San Francisco Museum of Modern Art, a governor of the San Francisco Symphony and President of Intermountain Center for Human Development.

FREDERICK ARNOLD--Frederick Arnold became a member of the Group Executive Committee and Group Chief Administrative Officer in December 2000. Mr. Arnold joined the Willis Group in March 2000 as Executive Vice President--Development, Finance and Administration of the North American operations. Prior to joining Willis Group, Mr. Arnold worked for 20 years as an investment banker, primarily at Lehman Brothers, Smith Barney and Arnhold and S. Bleichroeder, specializing in mergers and acquisitions and equity capital markets.

RICHARD J.S. BUCKNALL--Richard J.S. Bucknall joined the board of directors of Willis Group Limited on November 1, 1998 and has been a member of the Group Executive Committee since April 1995. He was appointed Chief Operating Officer on January 1, 2001. He has been responsible for our Global Specialties business since 1995, and for our U.K. Retail business from October 1999. He also has responsibilities for the discontinued United Kingdom underwriting operations. Mr. Bucknall has 34 years of experience in the insurance brokerage industry, of which 15 years have been with us.

THOMAS COLRAINE--Thomas Colraine joined the board of directors of Willis Group Limited and the Group Executive Committee on August 31, 1997 and has been the Group Chief Financial Officer since September 1997. From January 1995 to October 1996, he was Chief Financial Officer of our North American operations and was Change Program Director from October 1996 to September 1997. Mr. Colraine has 12 years of experience in the insurance brokerage industry, all 12 years of which have been with us.

BRIAN D. JOHNSON--Brian D. Johnson joined the board of directors of Willis Group Limited and the Group Executive Committee on January 1, 1993. He is an actuary and has been the Chief Executive Officer of Willis Group's North American operations since October 1, 1999. From 1994 until 1997 he was Vice Chairman and Chief Operating Officer of the North American retail business and from 1997 he was Chief Executive of that area. Mr. Johnson has 37 years of experience in the insurance brokerage industry, of which 35 years have been with us.

PATRICK LUCAS--Patrick Lucas joined the board of directors of Willis Group Limited on April 15, 1998 as a non-executive director and became a member of the Group Executive Committee on January 1, 2001. He is the Managing Partner of Gras Savoye and Chairman and Chief Executive Officer of Gras Savoye S.A. and Gras Savoye Reassurance, positions held since 1991, 1979 and 1976 respectively. Mr. Lucas has 35 years of experience in the insurance brokerage industry.

JOSEPH M. MCSWEENY--Joseph M. McSweeny joined the board of directors of Willis Group Limited on September 1, 2000 and has been a member of the Group Executive Committee since October 1, 1999. He has been the Chief Executive Officer of Willis Group's International businesses since 1998. He joined the Willis Group in 1994 and until 1998 held senior executive positions in the North American retail business. Mr. McSweeny has 24 years of experience in the insurance industry, of which six years have been with us.

JOHN M. PELLY--John M. Pelly joined the board of directors of Willis Group Limited on November 1, 1998 and has been a member of the Group Executive Committee since April 1995. He is

Chairman and Chief Executive of the Willis Group's Global Reinsurance business, a position held since 1995. Mr. Pelly has 28 years of experience in the insurance brokerage industry, all 28 years of which have been with us. Mr. Pelly is also a non-executive director of Mitsui Marine & Fire Insurance Co. (Europe) Limited and Mitsui Marine International Limited.

MARIO VITALE--Mario Vitale joined the Willis Group as a Group Executive Vice President of Group Sales and Marketing on November 13, 2000 and became a member of the Group Executive Committee in December 2000. Prior to joining Willis Group, Mr. Vitale was President of the Risk Management Division of Kemper Insurance Company for one year and President of the Risk Management Division of Reliance National with full global responsibilities for 13 years. He is also on the board of directors of the College of Insurance in New York. Mr. Vitale has 24 years of experience in the insurance industry.

Directors are elected annually. Each of Willis Group Holdings Limited's current directors was elected on February 8, 2001. Under a shareholder rights agreement we have entered into in connection with the transactions described under "Redomiciliation in Bermuda," our majority shareholder, Profit Sharing (Overseas) Limited, will have obligations to the consortium shareholders, and the consortium shareholders will have rights, in respect of the appointment and removal of our directors. Under certain circumstances, members of the shareholder consortium can require removal and replacement of the independent director we are required to have under the shareholders rights agreement and may become entitled to nominate two directors for appointment to our board of directors. See "Shareholders--Shareholders Rights Agreement and Registration Rights Agreements."

Paul Hazen has recently joined our board as an independent director. We expect over time that one or two additional independent directors will join our board.

BOARD COMMITTEES

Our board of directors has standing audit and compensation committees

AUDIT COMMITTEE. The purpose of the audit committee will be to:

- make recommendations concerning the engagement of independent public accountants;

- review with our management and the independent public accountants the plans for, and scope of, the audit procedures to be utilized and results of audits;

- approve the professional services provided by the independent public accountants;

- review the adequacy and effectiveness of our internal accounting controls;

- review major findings of internal investigations, management's response to them and implementation of recommendations; and

- perform any other duties and functions in connection with the adequacy of internal control and security systems throughout the Willis Group.

The members of the audit committee are James R. Fisher (Chairman), Perry Golkin, Todd A. Fisher, Scott C. Nuttall and Paul M. Hazen.

COMPENSATION COMMITTEE. The purpose of the compensation committee will be to establish and submit to our board of directors recommendations with respect to:

- compensation of officers and senior key employees; and

- awards to be made under our stock incentive plans.

The members of the compensation committee are Perry Golkin, Todd A. Fisher, Scott C. Nuttall and Paul M. Hazen.

We also intend to establish an executive committee, the purpose of which will be to manage the strategic direction of the business at the Willis Group Holdings Limited level. The members of the executive committee are expected to be Joseph J. Plumeri, Perry Golkin and Todd A. Fisher.

COMPENSATION OF DIRECTORS AND OFFICERS

Partners and executives of KKR who serve as our directors do not receive additional compensation for service in those capacities, other than customary directors' fees which for us is currently $40,000 per annum. These directors are entitled to defer receipt of those fees under the directors' deferred compensation plan described below. See "Certain Relationships and Related Transactions."

The aggregate fees or compensation paid to all our directors and executive officers during 2000 was $4,825,417, which included contributions made to the pension plans in respect of our directors and executive officers of $684,493. The figures do not include (1) compensation paid to Mr. Reeve, who resigned as TA I Limited's Chairman and as Executive Chairman of Willis Group Limited on October 15, 2000, (2) compensation paid to Messrs. Nixon and Pinkston who resigned from the Group Executive Committee of Willis Group Limited as of December 31, 2000 or (3) the $40,000 fee paid to Mr. Viault who resigned as one of the TA I Limited directors on December 31, 2000. For the year ended December 31, 2000, our highest paid director received $434,343, including pension plan contributions of approximately $5,270.

Mr. Lucas, who was a director of Willis Group Limited during 2000, receives a meeting allowance of $2,274 for attending meetings of that company's board of directors or its committees outside his country of residence. For the year ended December 31, 2000, Mr. Lucas received $6,822. The compensation and pension contributions for Mr. Lucas are paid by his employing company, our associate Gras Savoye & Cie.

The following table provides summary information for each of our directors and executive officers who held options to purchase shares of our common stock as of May 10, 2001, at an exercise price of L2 per share. All our existing directors and executive officers as a group held options to purchase 7,921,433 shares as of May 10, 2001.

| | DATE OF GRANT | NO. OF SHARES UNDERLYING OPTION GRANTED | OPTION EXPIRATION PERIOD |
|---|---|---|---|
| Henry R. Kravis | -- | -- | -- |
| George R. Roberts | -- | -- | -- |
| Perry Golkin | -- | -- | -- |
| Todd A. Fisher | -- | -- | -- |
| Scott C. Nuttall | -- | -- | -- |
| Joseph J. Plumeri | October 15, 2000 | 5,164,222 | October 15, 2010 |
| James R. Fisher(1) | -- | -- | -- |
| Paul M. Hazen | -- | -- | -- |
| Frederick Arnold | July 6, 2000 | 200,000 | December 18, 2010 |
| Richard J.S. Bucknall | December 18, 1998 | 400,000 | December 18, 2008 |
| | December 29, 2000 | 187,500 | December 29, 2010 |
| Thomas Colraine | December 18, 1998 | 406,656 | December 18, 2008 |
| Brian D. Johnson | December 18, 1998 | 400,000 | December 18, 2008 |
| Patrick Lucas | -- | -- | -- |
| Joseph M. McSweeny | December 18, 1998 | 209,411 | December 18, 2008 |
| | July 6, 2000 | 218,644 | July 6, 2010 |
| John M. Pelly | December 18, 1998 | 360,000 | December 18, 2008 |
| | December 29, 2000 | 125,000 | December 29, 2010 |
| Mario Vitale | December 29, 2000 | 250,000 | December 29, 2010 |

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(1) Fisher Capital Corp. L.L.C., of which James R. Fisher is the managing member and majority owner, is the beneficial owner of options to purchase 422,501 shares of our common stock. Mr. Fisher may be deemed to share beneficial ownership of options held by Fisher Capital Corp. L.L.C. and in the shares of common stock should the options be exercised, but disclaims such beneficial ownership.

## NON-EMPLOYEE DIRECTORS' DEFERRED COMPENSATION PLAN

We have adopted a directors' deferred compensation plan for our non-employee members of the board of directors. Under this plan, non-employee directors may elect to defer all or any portion of their fees to be earned in any given calendar year into (1) a cash account, in which the deferred fees earn interest at a rate equal to that which we do or could earn on an equal amount of money deposited with our principal lender, or (2) a stock account, which we credit with a number of shares equal to the amount of the fees deferred into the stock account divided by the 10-day average sales price of our shares with respect to the date the director defers his or her fees. A director shall only receive a distribution of his or her cash account (in cash) and stock account (in shares of our common stock), upon the earlier to occur of (1) a change of control of our company, (2) the first business day of the calendar year following the date the director retires, resigns or otherwise separates from service as a director and (3) the termination of the plan by the board of directors. As of the date of this prospectus, there are 500,000 shares available for distribution into stock accounts under this plan.

## NON-EMPLOYEE DIRECTORS SHARE OPTION PLAN

Due to certain adverse tax consequences associated with certain non-employee directors' participation in the Non-Employee Directors' Deferred Compensation Plan, we have established a share option plan for certain non-employee members of the board of directors who are subject to income taxation in the United Kingdom. Under this share option plan, non-employee directors may receive an immediately exercisable option to purchase shares of our common stock at nominal value. The number of shares subject to the option will be limited, in each calendar year, to that number of our shares having a market value, as of the date of grant of the option, equal to the amount of fees which that non-employee director waived in respect of that calendar year. We anticipate that under the plan, a non-employee director may either exercise his or her option at any time and receive shares of our common stock, or we may elect to repurchase the option at any time, at a price equal to the excess of the fair market value of the shares subject to the option at the time of the repurchase minus the nominal exercise price, payable in shares of our common stock, net of all income taxes required to be withheld by us under applicable tax laws. As of the date of this prospectus, there are 100,000 shares available for grant under this plan.

## PAUL M. HAZEN SHARE PURCHASE AND OPTION GRANTS

In connection with Mr. Hazen becoming a non-employee member of the board of directors, we expect Mr. Hazen will purchase $500,000 worth of our common stock at a per share purchase price equal to the per share price of our common stock being sold pursuant to this prospectus. We also expect to grant Mr. Hazen under the Amended and Restated 1998 Share Purchase and Option Plan an option to purchase three times the number of shares Mr. Hazen initially purchases, at a per share purchase price equal to the per share price of our stock being sold pursuant to this prospectus. We expect that Mr. Hazen's option will vest and become exercisable with respect to 20% of the shares underlying the option on each of the first five anniversaries of the date the option is granted, and that the option will vest and become 100% exercisable upon the occurrence of a change in control of our company.

## EXECUTIVE CHAIRMAN'S EMPLOYMENT ARRANGEMENTS

On October 15, 2000, we entered into a five year employment agreement with Mr. Plumeri, by which Mr. Plumeri receives an annual base salary equal to $1,000,000, which is subject to an annual review, a guaranteed bonus equal to his base salary for each year during the term of the employment agreement, and the opportunity to earn additional annual or other bonus amounts in excess of the guaranteed bonus if extraordinary performance targets, established by our board of directors at the beginning of each fiscal year after consulting with Mr. Plumeri regarding these targets, are achieved.

We have assumed TA I Limited's Amended and Restated 1998 Share Purchase and Option Plan for Key Employees and the Willis Award Plan for Key Employees, each providing for the grant of time-based vesting options, performance-based vesting options and various other share-based grants to our employees and to employees of our subsidiaries to purchase our shares of common stock. The 1998 Plan and the Willis Award Plan are intended to:

- promote our and our subsidiaries' long-term financial interests and growth by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of our business;
- motivate management personnel by means of growth-related incentives to achieve long range goals; and
- further the alignment of interests of participants with those of our shareholders through opportunities for increased share ownership in us.

As of the date of this prospectus, of the time- and performance-based options granted, 28,653,677 remain unforfeited under the 1998 Plan and 150,000 vested options have been granted and 140,000 remain unforfeited under the Willis Award Plan. There are 30,000,000 shares available to be granted under the 1998 Plan, of which 10,000,000 may be granted to any one employee in any given calendar year, and 5,000,000 shares are available to be granted under the Willis Award Plan. Under the 1998 Plan, unless otherwise provided by our board of directors, time-based options generally become exercisable in five equal annual installments beginning on the second anniversary of the date of grant and performance-based options generally become exercisable to the extent, if any, that performance goals generally based on Willis Group Limited's cumulative consolidated cash flow and annual EBITDA, as defined, for periods ending 2001 and 2002 are achieved. 30% of the performance-based options are calculated based upon Willis Group Limited's achievement of the cash flow targets, and the remaining 70% of the performance-based options are calculated based upon Willis Group Limited's achievement of the EBITDA targets. Upon the determination of whether and to what extent the targets are achieved, the performance-based options will vest and become exercisable in four equal annual installments, generally beginning on the third anniversary of the date of grant. The exercisability of the options may accelerate or terminate based on the circumstances surrounding an optionee's termination of employment, and both time-based and performance-based options may (in the discretion of our board of directors), fully accelerate upon a change in control of our company. Under the 1998 Plan and Willis Award Plan, unless otherwise provided by our board of directors, all exercisable options are exercisable from the date of grant until the tenth anniversary of the date of grant.

Unless sooner terminated by our board of directors, the 1998 Plan and Willis Award Plan will expire 10 years after their adoption. That termination will not affect the validity of any grant outstanding on the date of the termination of either of the 1998 Plan or the Willis Award Plan.

The compensation committee of our board of directors will administer the 1998 Plan and Willis Award Plan, including, without limitation, the determination of the employees to whom grants will be made, the number of shares subject to each grant and the various terms of those grants. Our board of directors may from time to time amend the terms of any grant, but, except for adjustments made upon a change in our shares by reason of a stock split, spin-off, stock dividend, stock combination or reclassification, recapitalization, reorganization, consolidation, change of control or similar event, that action may not adversely affect the rights of any participant under the 1998 Plan or Willis Award Plan, as applicable, with respect to the options without at least a majority of the participants approving such action. Our compensation committee of our board of directors will retain the right to amend, suspend or terminate the 1998 Plan and Willis Award Plan at any time. It is expected that no further grants, other than Mr. Hazen's award referred to above, will be made under the 1998 Plan.

## 2001 SHARE PURCHASE AND OPTION PLAN

We have established a 2001 Share Purchase and Option Plan, which provides for the grant of options, including "incentive stock options," to purchase our shares of common stock and various other share-based grants to our employees and employees of our subsidiaries. The 2001 Share Purchase and Option Plan is intended to:

- promote our and our subsidiaries' long-term financial interests and growth by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of our business;

- motivate management personnel by means of growth-related incentives to achieve long range goals; and

- further the alignment of interests of participants with those of our shareholders through opportunities for increased share ownership in us.

As of the date of this prospectus, there are 10,000,000 shares available to be granted under the 2001 Plan, of which 5,000,000 may be granted to any one employee in any given calendar year. As of the date of this prospectus, we have not determined what the vesting schedule of options granted under the 2001 Plan will be, although we have determined that the exercisability of the options may accelerate or terminate based on the circumstances surrounding an optionee's termination of employment, and the vesting of options and other share-based awards may be accelerated, in the discretion of our board of directors, upon a change in control of our company. Under the 2001 Plan, unless otherwise provided by our board of directors, it is anticipated that all exercisable options are exercisable from the date of grant until the tenth anniversary of the date of grant.

Unless sooner terminated by our board of directors, the 2001 Plan will expire 10 years after its adoption. That termination will not affect the validity of any grant outstanding on the date of that plan's termination.

The compensation committee of our board of directors will administer the 2001 Plan, including, without limitation, the determination of the employees to whom grants will be made, the number of shares subject to each grant and the various terms of those grants. Our board of directors may from time to time amend the terms of any grant, and retains the right to amend, suspend or terminate the 2001 Plan at any time. As of the date of this prospectus, we expect to grant options to purchase our common stock to up to 200 management employees who purchase shares of our common stock in the offering through our directed share program. In the event and to the extent that these employees purchase between a specified minimum and maximum number of shares, these employees will receive an option to purchase additional shares of our common stock in a number to be determined by our board at a price equal to the initial public offering price. We expect that these options will vest and become generally exercisable in equal installments of 20% per year over a five-year period commencing on the second anniversary of grant. We also expect that the shares purchased by these management employees through the directed share program will be subject to restrictions on transfer and may also be subject to repurchase rights similar to those described in "Employee Stock Purchase Agreements," below.

## EMPLOYEE STOCK PURCHASE PLAN

Following the offering, we intend to establish an employee stock purchase plan for employees of certain of our subsidiaries under which the employees will have the opportunity to purchase up to a maximum amount of shares of our common stock through the use of payroll deductions over certain specified periods of time. The plan is intended to qualify as an employee stock purchase plan under Section 423 of the Internal Revenue Code, which will provide the participants in the plan with certain tax benefits upon their subsequent sale or other disposition of the shares of our common stock that they will purchase under the terms of the plan. We expect to offer the participants in the plan the

opportunity to elect to have up to a certain amount of their salaries deducted from their paychecks over a period of six months, and to use that money to purchase shares of our common stock. In no event may a participant purchase more than $25,000 worth of our common stock in any given calendar year. We anticipate that this plan will become effective, and the participants will begin to have the opportunity to participate in this plan, immediately after we file a registration statement on Form S-8 registering the shares of common stock under this plan, which we expect to occur shortly after the effectiveness of the registration statement. It is anticipated that the first offering will have a limit of $5,000 per employee. As of the date of this prospectus, there are 1,000,000 shares available for sale and purchase under this plan.

SHARESAVE PLAN

We have established a "save as you earn" plan, which we refer to as our Sharesave Plan, to be approved by the Inland Revenue of the United Kingdom, under which all executive directors and employees of our company and its subsidiaries who have completed a minimum service requirement not exceeding five years and are subject to certain taxes in the United Kingdom will be granted options to purchase shares of our common stock. We intend that the first grant of options under this Plan will be granted at the time that the registration statement becomes effective and will have an exercise price equal to the per share purchase price of the common stock being offered pursuant to this prospectus. Otherwise, options may be granted with a sterling option price that is not less than 80% of the market value of the shares on the date of grant and, where the shares are to be subscribed, the nominal value if greater. The options may vest in three, five or seven years' time, with each participant being able to pay for his or her options by entering into a savings contract with a building society under which he or she agrees to save a regular monthly amount, not to exceed L250 per month. It is anticipated that the first grant of options will vest in three years and the maximum monthly saving amount will be L100. When the option vests, the participant will receive his or her savings back plus a tax-free bonus, which may be used, at the employees discretion, to exercise the option. Options not exercised within six months at the end of the contract will lapse. In addition, in the event of a change of control of our company, options may be exercised within six months of the change of control.

The board of directors may determine the maximum number of shares available for any option grant. Options may be adjusted, subject to the prior approval of the Inland Revenue, to reflect variations in the share capital of the company, including the capitalization, rights issue and subdivision, consolidation or reduction in the capital of our company. Also, the board of directors may at any time amend the Sharesave Plan, which amendments must be approved by the Inland Revenue prior to taking effect in order to ensure that the Sharesave Plan retains its tax-qualified status. However, the board of directors may not make any amendments that would adversely affect the rights of participants without obtaining appropriate consents. No options may be granted under the Sharesave Plan after the tenth anniversary of the adoption of the Sharesave Plan. The Sharesave Plan is a sub-plan of the 2001 Share Purchase and Option Plan and the 1,500,000 shares available for grant under this plan are part of the 10,000,000 shares available for grant under the 2001 Share Purchase and Option Plan.

EMPLOYEE STOCK PURCHASE AGREEMENTS

As of the date of this prospectus, the shares of common stock purchased by employees and former employees, the options granted to the employees and the shares of common stock an employee may receive upon exercise of an option (all as granted under either the 1998 Plan or the Willis Award Plan) generally are subject to transfer restrictions until the sixth anniversary of the date the employees originally purchased their stock. One exception to this transfer restriction allows an employee to sell shares of his or her common stock under an effective registration statement at the time Profit Sharing (Overseas), our majority shareholder and an indirect wholly owned subsidiary of KKR, sells its shares pursuant to such registration statement, in the same proportion as Profit Sharing (Overseas) sells its shares. The shares of common stock and options are also subject to certain risks of forfeiture, in whole

or in part, prior to the sixth anniversary of the date the employees originally purchased the stock, including, without limitation, our right to repurchase the stock and to terminate options at a stated repurchase or termination price, which price ranges from the fair market value of the stock to the book value per share of the stock (for stock purchased and options granted prior to January 20, 2001), depending upon the circumstances of an employee's termination of employment. In the event Profit Sharing (Overseas) is selling all or a portion of its shares to an unaffiliated third party, the shares of common stock purchased by the employees are also subject to Profit Sharing (Overseas)'s right to cause the employees to sell all or a portion of their shares, and the employees have a right to cause Profit Sharing (Overseas) to permit employees and former employees to sell a portion of their shares.

EMPLOYEE STOCK OWNERSHIP PLANS AND TRUST

Willis Group maintains Employee Share Ownership Plans, which as of May 10, 2001, held 828,746 shares of our common stock on behalf of Willis Group directors, officers and other employees. These shares were acquired by the Plans at the time of the 1998 acquisition of our predecessor in return for the employees forfeiting cash awards held by the Plans for their benefit. As part of the forfeiture arrangements, TA I Limited granted certain employees, under its Zero Cost Share Option Scheme, options over TA I shares (now shares of our common stock), the value of which equaled on grant the cash amount of forfeited cash awards. The Plans are obliged to deliver the shares held when the zero cost option is exercised upon payment of L1 and relevant taxes. No option may be exercised more than 10 years from the date of grant and no further options will be granted under the Scheme.

Those employees who forfeited cash awards but did not receive a zero cost option grant have their shares vested under the Plans at the same time they would have received the cash awards.

The options and shares subject to the options, as well as the other shares held in the Plans, will be subject, among other things, to our right to repurchase them at varying purchase prices upon certain terminations of employment, pursuant to the employee stock purchase agreements above. However, in the event that the shares subject to the option are, as also described below, required by Profit Sharing (Overseas) to be sold to a third party, the participant will be entitled to receive a cash payment in respect of his or her shares, if the participant would have received cash under his or her forfeited award in that circumstance.

In addition, options may be adjusted to reflect variations in the share capital of our company, including the capitalization, rights issue and subdivision, consolidation or reduction in the capital of our company. The board of directors may amend the provisions of the Zero Cost Share Option Scheme at any time; however the board of directors may not make any amendments that would disadvantage the participants without obtaining prior approval of the amendments from a majority of the participants.

In connection with the employee stock purchase agreements described above, TA I Limited established at the time of the 1998 acquisition a trust, which through its trustees, is a party to the Management and Employees Shareholders' Agreement, which governs the shares purchased by our employees. Under this agreement, the trust can be required to purchase TA I Limited shares (now shares of our common stock) and options owned by these employees whose employment with us is terminated. Also, the trust has the power to repurchase the shares and options owned by such former employees. As of May 10, 2001, the trust held 580,552 shares of our common stock, which can be purchased by employees or used to satisfy options grants made by TA I Limited. As of May 10, 2001, 331,250 of the shares held by the trust were reserved to satisfy option grants when exercised.

OTHER

Willis also maintains a deferred compensation plan for certain employees that allows employees to defer a portion of their annual compensation and Willis North America has a 401(K) plan covering all eligible employees of Willis North America and its subsidiaries. We expect to make our shares of common stock available as an investment option to participants in these plans following this offering.

BENEFICIAL OWNERSHIP

The following presents information with respect to the beneficial ownership of our shares as of May 10, 2001, after giving effect to this offering, by (1) each person who is known by us to beneficially own more than 5% of the shares of our common stock, as well as each member of the consortium, consisting of Axa Insurance plc, Royal & SunAlliance Insurance Group plc, The Chubb Corporation, The Hartford Financial Services Group, Inc., Travelers Property Casualty Corp. and The Tokio Marine and Fire Insurance Co., Limited, (2) each of our directors and executive officers and (3) all of our directors and executive officers as a group.

Unless otherwise indicated, the address of each person named in the table below is Ten Trinity Square, London EC3P 3AX, England. The amounts and percentages of our shares beneficially owned are reported on the basis of regulations of the Commission governing the determination of beneficial ownership of securities. Under the rules of the Commission, a person is deemed to be a beneficial owner of a security if that person has or shares voting power, which includes the power to vote or to direct the voting of that security, or investment power, which includes the power to dispose of or to direct the disposition of that security. A person is also deemed to be a beneficial owner of any securities of which that person has a right to acquire beneficial ownership within 60 days. Under these rules, more than one person may be deemed to be a beneficial owner of the same securities and a person may be deemed to be a beneficial owner of securities as to which that person has no economic interest. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options held by that person that are currently exercisable or exercisable within 60 days of the date of our initial public offering are deemed issued and outstanding. These shares, however, are not deemed outstanding for purposes of computing percentage beneficial ownership in the table below. The percentage of our share capital before the offering is based on 123,886,539 shares of common stock outstanding on May 10, 2001, and thus excludes 83,125 shares of TA I Limited not exchanged in the management exchange offer described under "Redomiciliation in Bermuda", 63,125 shares of which have been called for repurchase by our employee ownership trust. The percentage of our share capital after this offering is based on 143,995,118 shares of common stock, which consists of 123,886,539 shares outstanding on May 10, 2001, 20,000,000 shares to be sold in the offering, 63,125 shares we expect to issue in exchange for the 63,125 shares of TA I Limited called for repurchase by our employee stock ownership trust, and approximately 45,454 shares of common stock to be issued to Paul M. Hazen in connection with his becoming one of our directors. Further, in presenting the information below, we have assumed that the underwriters will not exercise their right to purchase additional shares of common stock from us. Also, any shares of common stock that may be purchased by the directors and officers referred to below in the directed share program are excluded.

| | BEFORE THIS OFFERING | | AFTER THIS OFFERING | |
|---|---|---|---|---|
| NAME AND ADDRESS OF BENEFICIAL OWNER | NUMBER OF SHARES BENEFICIALLY OWNED | PERCENT BENEFICIALLY OWNED | NUMBER OF SHARES BENEFICIALLY OWNED | PERCENT BENEFICIALLY OWNED |
| KKR 1996 Overseas, Limited(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |
| Henry R. Kravis(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |
| George R. Roberts(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |
| Perry Golkin(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |
| Todd A. Fisher(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |
| Scott C. Nuttall(1)..... | 92,002,916 | 74.3% | 92,002,916 | 63.9% |

| NAME AND ADDRESS OF BENEFICIAL OWNER | BEFORE THIS OFFERING | | AFTER THIS OFFERING | |
|---|---|---|---|---|
| | NUMBER OF SHARES BENEFICIALLY OWNED | PERCENT BENEFICIALLY OWNED | NUMBER OF SHARES BENEFICIALLY OWNED | PERCENT BENEFICIALLY OWNED |
| Fisher Capital Corp. L.L.C.(2) | 256,725 | * | 256,725 | * |
| James R. Fisher(2) | -- | -- | -- | -- |
| Paul Hazen(3) | -- | -- | 45,454 | * |
| Axa Insurance(4) | 4,000,000 | 3.2% | 4,000,000 | 2.8% |
| Royal & SunAlliance Insurance Group(5) | 4,000,000 | 3.2% | 4,000,000 | 2.8% |
| The Chubb Corporation(6) | 4,000,000 | 3.2% | 4,000,000 | 2.8% |
| The Hartford Financial Services Group, Inc.(7) | 3,333,333 | 2.7% | 3,333,333 | 2.3% |
| Travelers Property Casualty Corp.(8) | 4,000,000 | 3.2% | 4,000,000 | 2.8% |
| The Tokio Marine and Fire Insurance Co., Limited(9) | 1,000,000 | 0.8% | 1,000,000 | 0.7% |
| Joseph J. Plumeri | 1,721,407 | 1.4% | 1,721,407 | 1.2% |
| Frederick Arnold | 72,805 | * | 72,805 | * |
| Richard J.S. Bucknall | 222,500 | * | 222,500 | * |
| Thomas Colraine | 133,344 | * | 133,344 | * |
| Brian D. Johnson | 200,000 | * | 200,000 | * |
| Patrick Lucas | 50,000 | * | 50,000 | * |
| Joseph M. McSweeny | 143,678 | * | 143,678 | * |
| John M. Pelly | 225,000 | * | 225,000 | * |
| Mario Vitale | 90,000 | * | 90,000 | * |
| All our directors and executive officers (15 persons) | 2,858,734 | 2.1% | 2,904,188 | 1.9% |
| All our directors and executive officers together with other employees as a group (377 persons)(10) | 13,002,102 | 8.7% | 13,047,556 | 7.5% |

- ------------------------

* Less than 1%.

(1) Shares shown as beneficially owned by KKR 1996 Overseas, Limited are owned of record by Profit Sharing (Overseas), Limited Partnership. KKR 1996 Overseas, Limited is the general partner of KKR Associates II (1996), Limited Partnership, which is the general partner of KKR 1996 Fund (Overseas), Limited Partnership, which is the general partner of Profit Sharing (Overseas), Limited Partnership, which owns approximately 74% of our issued and outstanding shares. Messrs. Henry R. Kravis, George R. Roberts, Robert I. McDonnell, Paul E. Raether, Michael W. Michelson, James H. Greene, Jr., Michael T. Tokarz, Edward A. Gilhuly, Perry Golkin, Scott M. Stuart, and Todd A. Fisher as members of KKR 1996 Overseas, Limited, may be deemed to share beneficial ownership of any shares beneficially owned by KKR 1996 Overseas, Limited but disclaim such beneficial ownership. Scott C. Nuttall is a director and an executive of Kohlberg Kravis Roberts & Co. L.P. Mr. Nuttall is also a limited partner of KKR Associates II (1996), Limited Partnership. Mr. Nuttall disclaims beneficial ownership of any of our shares beneficially owned by Kohlberg Kravis Roberts & Co. L.P. and KKR Associates II (1996), Limited Partnership. The address of KKR 1996 Overseas, Limited is Ugland House, P.O. Box 309, George Town, Grand Cayman, Cayman Islands, B.W.I., and the address of each individual listed above is c/o Kohlberg Kravis Roberts & Co., L.P., 9 West 57th Street, New York, New York 10019.

(2) Fisher Capital Corp. L.L.C., is the beneficial owner of 181,071 of our shares. James R. Fisher, as the managing member and majority owner of Fisher Capital Corp. L.L.C., may be deemed to share ownership of any shares beneficially owned by Fisher Capital Corp. L.L.C. but disclaims such beneficial ownership. James R. Fisher has an interest in 75,654 of our shares as an investor through KKR Partners (International) Limited Partnership. Mr. Fisher may be deemed to share beneficial ownership of any shares beneficially owned by KKR Partners (International) Limited Partnership but disclaims such beneficial ownership. The address of Mr. Fisher and Fisher Capital Corp. L.L.C is 8 Clarke Drive, Cranbury, New Jersey 08512.

(3) See "Management--Paul M. Hazen Share Purchase and Option Grants."

(4) The address of Axa Insurance plc is 107 Cheapside, London EC2V 6DU, England.

(5) The address of Royal & SunAlliance Insurance Group plc is 30 Berkeley Square, London, W1J 6EW, England.

(6) The address of The Chubb Corporation is 15 Mountain View, Warren, New Jersey 07059.

(7) Our shares shown as beneficially owned by The Hartford Financial Services Group, Inc. are owned of record by its affiliate Nutmeg Insurance Company, and its address is 55 Farmington Avenue, 9th Floor, Hartford, Connecticut 06115.

(8) Our shares shown as beneficially owned by Travelers Property Casualty Corp. are owned of record by its affiliate Travelers Casualty and Surety Company and its address is One Tower Square, 10 CR Hartford, Connecticut 06183.

(9) The address of The Tokio Marine and Fire Insurance Co., Limited is 2-1 Marunouchi 1-Chome, Chiyoda-ku, Tokyo, 100, Japan.

(10) This includes 809,059 shares held in trust on behalf of our executive officers and other employees subject to vesting. These shares were issued in connection with the cancellation of unvested incentive awards owned by such employees prior to the 1998 acquisition.

## SHAREHOLDER RIGHTS AGREEMENT AND REGISTRATION RIGHTS AGREEMENTS

In connection with the transactions described under "Redomiciliation in Bermuda," we have entered into an amendment to a shareholder rights agreement (that will replace TA I Limited with us as a party) with TA II Limited, an indirect wholly owned subsidiary of ours, Profit Sharing (Overseas), Limited Partnership and the members of the consortium referred to above. Under that shareholder rights agreement, certain holders of shares of our common stock and preference shares of TA II Limited will be subject to rights of, and restrictions on, transfer, as well as the other provisions described below. In addition to replacing TA I Limited with us, the amendment provides that the basic terms of the original agreement are to continue, but that references to ordinary shares shall be deemed to be references to our common shares.

Under the shareholder rights agreement, each member of the consortium has the right to require a proposed acquirer of any shares of our common stock held by Profit Sharing (Overseas) or any of its affiliates to purchase a specified percentage of that member's holding of shares of common stock in us on similar terms. Additionally, if Profit Sharing (Overseas) or any of its affiliates receives a bona fide offer from a third party to purchase a majority of our shares of common stock then owned by them, they may require each member of the consortium to sell a similar proportion of their shares in us to that third party on similar terms.

In the event of a transfer from Profit Sharing (Overseas) to a third party which would result in Profit Sharing (Overseas) and its affiliates having transferred legal and beneficial ownership of more than 25% but less than 50% of our shares of common stock subscribed by Profit Sharing (Overseas), the shareholder rights agreement will require that a pro rata amount of the preference shares held by each member of the consortium but not that member's transferees, other than affiliates, must first have

been redeemed or transferred, and if a transfer would result in Profit Sharing (Overseas) and its affiliates having transferred legal and beneficial ownership of more than 50% of shares in us, all of the preference shares held by each member of the consortium but not that member's transferees, other than affiliates, must first have been redeemed.

The shareholder rights agreement provides that if before September 2, 2003 Profit Sharing (Overseas), any of its affiliates or we or any of our subsidiaries receive a written, unsolicited offer from a third party to enter into a transaction which would result in a sale of the business, then the members of the consortium will have the right to match the unsolicited offer, and that offer may not be accepted if any member of the consortium makes an offer at the same price and on the same terms in writing within 35 days of being notified of the unsolicited offer. In addition, if during that period Profit Sharing (Overseas) or we or any of our subsidiaries propose to enter into a transaction which would result in a sale of the business other than in an unsolicited offer, that entity must first allow the members of the consortium to make an offer to enter into a similar transaction within 30 days, but if Profit Sharing (Overseas) or we decide to refuse that offer, or if no member of the consortium makes this type of offer, then Profit Sharing (Overseas) or we or any of our subsidiaries, as the case may be, will be free to enter into a transaction resulting in a sale of the business, provided that a definitive agreement is entered into within specified time periods at the same or a higher price. These provisions will also apply to the entering into of a transaction or series of related transactions, whether by an unsolicited offer or a proposal by Profit Sharing (Overseas) or any of its affiliates to enter into such a transaction, whereby Profit Sharing (Overseas) and its affiliates would transfer at least 30% of our then issued shares of common stock to a single person or a group of persons acting in concert.

The shareholder rights agreement also provides that Profit Sharing (Overseas) must use its best efforts to ensure that we have an independent director, and to remove and replace that director if so requested by the holders of at least 60% of the then outstanding preference shares, until (1) no member of the consortium owns at least 75% of the preference shares originally purchased by it and (2) the members of the consortium collectively own in aggregate less than $80 million in redemption value of preference shares. In the event that the members of the consortium have the right to appoint directors to the board of TA II Limited under the articles of association of TA II Limited and provided that the members of the consortium still hold at least a majority of the preference shares originally issued to them, and for so long as those conditions prevail, the members of the consortium are also entitled to nominate two directors for appointment to our board of directors. See "Description of Material Indebtedness--Preference Shares". In any of these events, Profit Sharing Overseas will use its best efforts to expand the size of our board of directors by two and to cause the newly created directorships to be filled with those nominees.

In connection with the transactions described under "Redomiciliation in Bermuda," we have entered into an amendment to a registration rights agreement (that will replace TA I Limited with us as a party) with the members of the consortium. Under the registration rights agreement, the consortium members and certain of their transferees, subject to a number of conditions and limitations, may require us to file a registration statement under the Securities Act to register the sale of shares of our common stock held by them. We may be required to file up to four registration statements. The registration rights agreement also provides, subject to a number of conditions and limitations, that the consortium members and those transferees have piggy-back registration rights in connection with registered offerings of our shares that we initiate, including this offering. All piggy-back rights in relation to this offering have been waived. Under this agreement, we will be required to pay all registration expenses. In addition, we are required to indemnify the persons whose shares we register, and they in turn are required to indemnify us with respect to any information they provide, against certain liabilities in respect of any registration statement or offering covered by the registration rights agreement.

We have entered into an amendment to a registration rights agreement with Profit Sharing (Overseas), Limited Partnership. Like the registration rights agreement with the members of the consortium discussed in the previous paragraph, this agreement gives Profit Sharing (Overseas), Limited Partnership the right, subject to a number of conditions and limitations, to demand the registration of the shares of our common stock that it owns or to partake in a registration initiated by us. We are responsible for expenses for the first 10 registrations of each class or series of our securities held by it. In addition, we are required to indemnify Profit Sharing (Overseas), and it in turn is required to indemnify us, with respect to any information they provide, against certain liabilities in respect of any registration statement or offering covered by the registration rights agreement.

## REDOMICILIATION IN BERMUDA

Willis Group Holdings Limited was incorporated solely for the purpose of redomiciling the ultimate parent company of the Willis Group from the United Kingdom to Bermuda. Willis Group Holdings is presently the beneficial owner of substantially all of the share capital of TA I Limited, which was previously the ultimate parent company of the Willis Group. The redomiciliation was effected through:

- the exchange by the TA I Limited shareholders, other than employees and former employees, of their ordinary shares in TA I Limited for shares of Willis Group Holdings common stock; and

- the exchange by substantially all holders of non-voting ordinary shares in TA I Limited for shares of Willis Group Holdings non-voting common stock which will automatically convert into voting shares upon completion of the initial public offering.

A portion of our shareholdings will not be entered into the register of shareholders of TA I Limited until the U.K. Stamp Office stamps the relevant stock transfer forms.

## EXCHANGE OF TA I LIMITED SHARES

Profit Sharing (Overseas), Fisher Capital Corp. L.L.C. and each member of the consortium have exchanged their shares in TA I Limited for shares of our common stock. The beneficial ownership in us of Profit Sharing (Overseas), Fisher Capital Corp. L.L.C. and each member of the consortium is as indicated under the third column in the table under "Shareholders".

## MANAGEMENT EXCHANGE OFFER

We exchanged one new share of our non-voting common stock for each tendered TA I Limited non-voting share owned by employees or former employees of TA I Limited. In addition, all management stock options of TA I Limited have been "rolled-over" into identical stock options in us. No cash consideration was paid in connection with the share-for-share exchange or option "roll-over." The non-voting shares of Willis Group Holdings Limited will automatically convert into voting shares upon completion of this offering.

We have not acquired 20,000 shares (less than 0.02%) of TA I Limited held by two former employees. Although these minority shareholders of TA I Limited will not have the right to vote on ordinary shareholder matters, they will have certain limited rights under English law. In addition, 63,125 shares held by six former employees have been called for repurchase by the trust that is party to our employee stock purchase agreements as described under "Management--Employee Stock Ownership Plan and Trust." These shares will be exchanged by the trust for new shares in Willis Group Holdings Limited. The issued and outstanding share information in the prospectus after giving effect to this offering assumes that those shares of TA I Limited have been repurchased by the trust and exchanged for new shares in Willis Group Holdings Limited.

## RELATED AGREEMENTS

In connection with these transactions, we have assumed various incentive plans of TA I Limited and entered into shareholder and registration rights agreements with our principal shareholders that are substantially similar to agreements entered into by TA I Limited in connection with the 1998 acquisition.

Following this offering, KKR Overseas Limited, an entity controlled by KKR, will own approximately 63.9% of our outstanding common stock, or 53.2% on a fully diluted basis, and will continue to control us. Accordingly, affiliates of KKR will be able to:

- elect our entire board of directors;
- control our management and policies; and
- determine, without the consent of our other shareholders, the outcome of any corporate transaction or other matter submitted to our shareholders for approval, including mergers, consolidations and the sale of all or substantially all our assets.

Affiliates of KKR will have sufficient voting power to prevent or cause a change in control of our company and amend our organizational documents. See "Shareholders".

In connection with the acquisition of our predecessor, KKR received aggregate fees of $7.5 million and Fisher Capital Corp. L.L.C. received aggregate fees of $2.0 million. KKR and Fisher Capital Corp. L.L.C. render management, consulting, and certain other services to us and our subsidiaries for annual fees payable quarterly in arrears. In 1998, 1999 and 2000, we paid $250,000, $1.0 million and $1.0 million to KKR and $87,500, $350,000 and $350,000 to Fisher Capital Corp. L.L.C. for those services. We also reimburse their incidental expenses in connection with those services. Partners and employees of KKR and Fisher Capital Corp. L.L.C. who also serve as our directors do not receive additional compensation for service in that capacity, other than customary directors' fees, which for us is currently $40,000 per annum. In addition, on January 27, 1999, TA I Limited granted Fisher Capital Corp. L.L.C. 422,501 options to purchase an equivalent number of shares. The options are currently exercisable and expire on January 27, 2014.

In 2000, our United States subsidiary, Willis North America, purchased an interest of approximately 5% in OneShield Inc., a company it is partnering with to bring major segments of its workflow process on United States business to the Internet. Our subsidiary also has warrants in OneShield Inc., which on exercise could increase its interest to approximately 7.1% on a fully diluted basis. The partners and employees of KKR and Fisher Capital Corp. L.L.C., some of whom serve as our directors, have current interests of 6.5% in aggregate and 0.2% respectively in OneShield Inc. Fisher Capital Corp. L.L.C. also has an interest of 0.3% in OneShield Inc.

Also in 2000, our United States and United Kingdom subsidiaries received advice and consultancy services relating to their overall approach to e-business strategy and specific opportunities from Dynamis Solutions Inc., who received fees of approximately $319,000. The partners and employees of KKR, some of whom serve as our directors, have current interests of 14.23% in aggregate in Dynamis Solutions.

In the ordinary course of our business we have placed and will continue to place premiums with the members of the consortium who, before the offering, beneficially owned approximately 16% of our common stock as well as preference shares of TA II Limited, one of our subsidiaries. We may redeem a portion of the preference shares held by the consortium members in TA II Limited.

Richard J.S. Bucknall, a member of the Group Executive Committee of Willis Group Limited, was an Underwriting Member of Lloyd's during 2000. Some of our insurance brokering subsidiaries place risks with the syndicates in which Mr. Bucknall participates in the normal course of their brokering activities on the same basis as those subsidiaries do with other Lloyd's syndicates. Willis Group Limited has given Mr. Reeve, the former Chairman of TA I Limited and Willis Group Limited, a guarantee in respect of the performance obligations of Willis Limited, his employing company, in respect of an unfunded pension scheme established for him and Willis Group Limited has also guaranteed the performance obligations of Willis North America in respect of the pension benefits for Brian D.

Johnson and Mr. Pinkston, a director of Willis Group Limited, under the Willis Corroon Executive Supplemental Plan, an unfunded pension plan. We have given Joseph J. Plumeri a guarantee in respect of Willis North America, Inc.'s performance obligations under its employment agreement with Mr. Plumeri.

During 2000, our subsidiary, Willis North America, acquired from Joseph J. Plumeri, our Executive Chairman and the Executive Chairman and Chief Executive Officer of Willis Group Limited, a 12.5% undivided interest in a Citation V Ultra aircraft for $693,719. The transaction was conducted on terms equivalent to those that prevail in arms length transactions.

We have entered into a shareholder rights agreement and a registration rights agreement with the consortium members and Profit Sharing (Overseas), which we describe under "Shareholders--Shareholder Rights Agreement and Registration Rights Agreements".

Our bye-laws permit directors to hold office with our company or act in a professional capacity for us, other than as an auditor. In addition, our bye-laws permit directors to be interested in any transaction or arrangement with us or in which we are otherwise interested. Under our bye-laws, so long as a director declares the nature of his or her interest as required by the Companies Act, any transaction or arrangement in which he or she is interested may not be voided on the basis of his or her interest. In addition, under our bye-laws, a director that has disclosed his or her interest in a transaction or arrangement with us may be counted in the quorum and vote at any meeting at which the transaction or arrangement is considered by our board of directors.

We believe that the transactions described in this section between us or our subsidiaries and affiliates of ours are on terms no less favorable to us or our subsidiaries than the terms that would be available to us or our subsidiaries in transactions with a non-affiliated third party. We intend that future transactions with our affiliates will be on a similar basis.

## SENIOR CREDIT FACILITIES

Our wholly owned subsidiary, Trinity Acquisition, entered into a credit agreement, dated as of July 22, 1998, among Trinity Acquisition, as guarantor, Willis North America, as borrower, Willis Group, as guarantor, the lenders and The Chase Manhattan Bank, as administrative agent and collateral agent, providing up to $450 million in term loans and $150 million in revolving credit facilities.

### GENERAL

The credit agreement, as amended, was comprised of a term loan facility under which portions, or tranches, of the loan mature on four different dates, and a revolving credit facility in the amounts indicated below:

- a $125 million tranche A facility;
- a $125 million tranche B facility;
- a $100 million tranche C facility;
- a $100 million tranche D facility; and
- a $150 million revolving credit facility.

Borrowings under the term loan portions of the credit agreement were borrowed in full on November 19, 1998:

- to refinance outstanding indebtedness;
- to make an intercompany loan to Trinity Acquisition; and
- to finance the payment of fees and expenses incurred in connection with the tender offer.

However, as of March 27, 2001, voluntary prepayments totaling $65 million had been made on the term loans. Accordingly at that date the amounts outstanding were as follows:

- Tranche A $82.8 million
- Tranche B $116.3 million
- Tranche C $93.0 million
- Tranche D $93.0 million

The revolving credit facility is available for working capital requirements and other general corporate purposes, subject to certain limitations. The revolving credit facility is available for loans denominated in United States dollars, pounds sterling and certain other currencies and for letters of credit, including to support loan note guarantees.

### AMORTIZATION; PREPAYMENTS

The final maturity of the loans under the tranche A facility will be the seventh anniversary of November 19, 1998, which we refer to as the initial funding date, with interim amortization commencing on the thirtieth month after the initial funding date. The final maturity of the loans under the tranche B facility will be the eighth anniversary of the initial funding date, with nominal interim amortization. The final maturity of the loans under the tranche C facility will be the ninth anniversary of the initial funding date, with nominal interim amortization. The final maturity of the loans under the tranche D facility collectively with the other term loans under the credit agreement will be nine years

and six months after the initial funding date, with nominal interim amortization. The revolving credit facility will be available until the seventh anniversary of the initial funding date, and extensions of credit outstanding under that facility on that seventh anniversary will mature on that date.

Certain mandatory prepayments of term loans under the credit agreement will be required with the proceeds of certain non-ordinary course asset sales and other dispositions of property, to the extent not reinvested and subject to other exceptions, and, for each fiscal year in which the ratio of consolidated total debt to consolidated EBITDA, as defined in the credit agreement, is equal to or greater than 3.0:1.0, 50% of excess cash flow, as defined in the credit agreement, to the extent not reinvested and subject to other exceptions. In addition, certain prepayments of the revolving credit facility will be required in the event that the aggregate dollar equivalent of all loans and letter of credit outstandings thereunder exceed 105% of the aggregate revolving credit commitments.

INTEREST RATES; FEES

Loans under the credit agreement bear interest at a rate per annum equal to, at the applicable borrower's election, either

- a base rate determined by reference to the highest of an announced prime rate, the United States federal funds effective rate plus 0.50% or a rate for certificates of deposit plus 1%; or

- the cost of funds for United States dollar deposits at LIBOR for one, two, three or six months (or certain other periods to the extent available, subject to certain conditions) as the applicable borrower may elect, adjusted for certain additional costs,

plus, in each case, a margin which will be subject to adjustment depending on the ratio of consolidated total debt to consolidated EBITDA from time to time. The applicable margin for LIBOR loans under the permanent facility agreement will range, based on those performance pricing adjustments, from 2.25% to 0.875%, in the case of revolving credit loans and tranche A loans, from 2.50% to 1.75%, in the case of tranche B loans, from 2.75% to 2.00%, in the case of tranche C loans, and from 3.00% to 2.25%, in the case of tranche D loans, in each with applicable margins for base rate loans being 1.25% lower than the margins for LIBOR loans at the corresponding performance pricing levels.

A commitment fee calculated based on the available unused commitments under the credit agreement is payable quarterly in arrears at a per annum rate of 0.50%, subject, in the case of commitments under the revolving credit facility, to adjustment in a range from 0.50% to 0.25% depending on the ratio of consolidated total debt to consolidated EBITDA from time to time.

Fees in respect of letters of credit or loan note guarantees are calculated at a rate per annum equal to

- in the case of letters of credit, the applicable margin for LIBOR loans then applicable to utilizations under the revolving credit facility, less 0.25%, and

- in the case of loan note guarantees, 2.25%,

based on the maximum amount of each letter of credit or loan note guarantee, payable quarterly in arrears and upon the termination of the revolving credit facility. In addition, a fronting fee calculated at a rate equal to 0.25% of the maximum amount of each letter of credit or loan note guarantee is payable for the account of the issuing bank in respect thereof, payable quarterly in arrears and upon the termination of the revolving credit facility.

GUARANTEE; SECURITY

All obligations of Willis North America under the credit agreement are guaranteed by Trinity Acquisition and its United Kingdom and United States subsidiaries, including Willis Group Limited, with certain exceptions.

Obligations under the credit agreement are secured by a pledge of capital stock of certain subsidiaries of Trinity Acquisition, including capital stock of Willis Group, its direct subsidiaries (with certain exceptions), Willis North America and its direct United States subsidiaries, the partnership interests of Willis Partners, as well as, in some circumstances, certain intercompany notes and certain non-cash proceeds of asset sales, in each case subject to exceptions and conditions included in the credit agreement. The obligations of Willis Group are supported by a general lien, known as a floating charge in the United Kingdom, filed in the United Kingdom against Willis Group's assets.

CERTAIN COVENANTS

The credit agreement contains numerous operating and financial covenants, including, without limitation, requirements in the case of the credit agreement to maintain minimum ratios of adjusted EBITDA to interest and maximum levels of indebtedness in relation to adjusted EBITDA. In addition, the credit agreement includes 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 capital expenditures, limitations on investments, mergers, acquisitions, loans and advances, limitations on dividends and other distributions, limitations on prepayment, redemption or amendment of the notes, maintenance of property, environmental matters, employee benefit matters, maintenance of insurance, nature of business, compliance with applicable laws, corporate existence and rights, payment of taxes and access to information and properties.

EVENTS OF DEFAULT

The credit agreement contains events of default after expiration of applicable grace periods, including failure to make payments under the credit agreement, breach of covenants, breach of representations and warranties, certain events relating to employee benefit plans, invalidity of certain loan documents, default under other agreements or conditions relating to indebtedness, including the 9% senior subordinated notes due 2009, certain events of liquidation, moratorium, insolvency, bankruptcy or similar events, certain litigation or other proceedings, certain events relating to changes in control and certain issuances by TA II of equity or debt securities.

Upon the occurrence of an event of default, the banks will be able to terminate the commitments under the credit agreement, and declare all amounts, including accrued interest, under the credit agreement to be due and payable and take certain other actions, including enforcement of rights in respect of the collateral securing the credit agreement.

9% SENIOR SUBORDINATED NOTES DUE 2009

In February 1999, our wholly owned subsidiary, Willis North America, issued 9% senior subordinated notes due 2009 in an aggregate principal amount of $550 million in a private transaction not subject to the registration requirements under the Securities Act. In September 1999, Willis North America completed an exchange offer in which holders exchanged the notes for identical freely tradeable notes registered under the Securities Act. The notes are guaranteed by Willis Group and Willis Partners.

Willis North America pays interest on the notes semi-annually on February 1 and August 1 of each year. The notes are redeemable at the option of Willis North America in the following cases:

- On or before February 1, 2002, Willis North America may redeem up to 35% of the aggregate principal amount of the notes at a redemption price equal to 109% of the aggregate principal amount of those notes, plus accrued and unpaid interest, using the net proceeds of certain equity offerings, which would include this offering.

- From and after February 1, 2004, Willis North America may redeem the notes, in whole or in part, at a redemption price equal to 104.5% of the aggregate principal amount of the notes being redeemed in 2004, which percentage declines over the next years to 100% in 2007, plus accrued and unpaid interest.

If Willis North America becomes subject to a change of control, holders of its notes will have the right to require it to purchase all of their notes at a price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest to the date of repurchase. In addition, under specified circumstances, Willis North America will be required to offer to purchase the notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest to the date of purchase, with the excess proceeds of certain assets sales.

The indenture for the notes contains covenants that, among other things, limit the ability of Willis North America, Willis Group, Willis Partners and some of their subsidiaries to:

- incur additional indebtedness and issue preferred stock;

- pay dividends or make other distributions;

- repurchase capital stock or subordinated indebtedness;

- create liens;

- enter into some transactions with affiliates;

- sell assets and assets of subsidiaries;

- issue or sell capital stock of some subsidiaries; and

- enter into some mergers and acquisitions.

The indenture also provides for events of default which, if any of them occurs, would permit or require the principal of, premium, if any, interest and any other monetary obligations on the notes to become or to be declared to be immediately due and payable. Holders of notes may under specified circumstances be entitled to receive additional payments in respect of taxes and similar charges.

PREFERENCE SHARES

In connection with the acquisition of our predecessor, six of the world's leading insurance companies invested in the preference shares of TA II Limited, a wholly owned subsidiary of ours. The preference shares have an aggregate liquidation preference of approximately $273 million at March 31, 2001, excluding any accrued and unpaid dividends, and carry the right to a cumulative dividend of 8.5% per annum, excluding the amount of any associated tax credits, on a fixed amount of $25 per preference share. TA II Limited has the option to satisfy 1% per annum of this cumulative dividend by the issuance of additional preference shares. The dividend is payable in dollars semi-annually on June 30 and December 31 of each year, with the first dividend paid on June 30, 1999. If the cash dividend has not been paid on three or more consecutive dividend payment dates, the holders of the preference shares have the right to appoint two directors to the board of TA II Limited. The preference shares may be redeemed at any time by TA II Limited by payment of a fixed amount of $25 per share plus any accrued and unpaid dividends. The preference shares are required to be redeemed

in full by payment of a fixed amount of $25 per share plus any accrued and unpaid dividends on the earlier of August 1, 2009 or the sale of all or substantially all of our business, including whether in a single transaction or series of transactions and whether by sale of shares, sale of assets or otherwise. Holders of preference shares have a preferential right to receive out of surplus assets arrears and accruals of dividends and $25 per share, but do not have any further right to participate in surplus assets.

The following is a brief description of each of the members of the consortium:

AXA INSURANCE PLC is the UK member of the Axa group of companies which are present in more than 60 countries with approximately 140,000 employees and agents. The Axa group is one of the world's leading insurers in life insurance and property casualty business and in asset management and financial services. In 2000, the Axa group's total consolidated revenues, excluding mutuals, was FF523 billion ($75 billion).

ROYAL & SUNALLIANCE INSURANCE GROUP PLC is the U.K.'s largest general insurer, with 2000 net premium income of $17.7 billion in respect of its general insurance and life business. Royal & SunAlliance Insurance Group provides general and life insurance products and services and asset management and administrative services. In addition to the U.K., Royal & Sun Alliance Insurance Group operates in the United States, Canada, Scandinavia and some 50 countries worldwide with around 50,000 employees.

THE CHUBB CORPORATION is a global leader in providing business and personal property and liability insurance. The company concentrates on specialty commercial lines and insuring high value homes and their contents. Founded in 1882, Chubb is headquartered in Warren, New Jersey, and has more than 110 offices in 30 countries worldwide. In 2000, Chubb had net written premiums of $6.3 billion.

THE HARTFORD FINANCIAL SERVICES GROUP, INC. is one of the oldest insurance and financial services firms in the United States, with 2000 revenues of $14.7 billion and assets under management of $183.0 billion. The company is a leading writer of commercial property and casualty insurance, and is the number one annuity writer in the United States. It is also one of the largest writers of personal automobile and homeowners insurance through independent agents. The company has 25,000 employees worldwide and offices in over 10 countries.

TRAVELERS PROPERTY CASUALTY CORP. is one of the oldest and largest insurance groups in the United States. The company writes all forms of property casualty insurance for businesses and individuals, primarily through independent agents. Its 2000 net written premiums were approximately $8.8 billion. Travelers Property Casualty Corp. is headquartered in Hartford, Connecticut and has approximately 20,000 employees. Travelers Property Casualty Corp. is an affiliate of Salomon Smith Barney Inc., which is an underwriter in this offering.

THE TOKIO MARINE AND FIRE INSURANCE CO., LIMITED is the oldest and largest non-life company in Japan and is a leader in commercial and personal lines underwriting. In 1999/2000, Tokio had net premiums of Y1,298.0 billion ($12.2 billion). The company writes marine, fire, casualty, automobile and allied lines of insurance, principally covering risks in Japan. The company is headquartered in Tokyo, Japan and has approximately 13,600 employees.

## DESCRIPTION OF CAPITAL STOCK

The following summary is a description of the material terms of our capital stock. We intend to file our memorandum of association and bye-laws as exhibits to the registration statement of which this prospectus is a part.

### GENERAL

We were incorporated as an exempted company under The Companies Act 1981 of Bermuda. Accordingly, the rights of our shareholders are governed by Bermuda law and our memorandum of association and bye-laws.

Upon completion of the offering and the transactions described under "Redomiciliation in Bermuda", our authorized capital will consist of 4,000 million shares of common stock and 1,000 million shares of preferred stock. Our issued and outstanding share capital will consist of 143,995,118 shares of common stock. Under the consent of the Bermuda Monetary Authority that we expect to obtain, persons who are not residents of Bermuda may freely hold, vote and transfer the shares that we are offering in this prospectus.

### COMMON STOCK

Our current authorized but unissued shares are at the disposal of our board of directors, who may issue, grant options over or otherwise dispose of those shares to any persons and on any terms they deem appropriate, provided the issuance does not violate Bermuda law or our bye-laws and we obtain Bermuda Monetary Authority approval in applicable circumstances.

#### VOTING RIGHTS AND SHAREHOLDERS' MEETINGS

Holders of our common stock are entitled to one vote per share held of record on all matters submitted to a vote of shareholders. Unless required by Bermuda law or our bye-laws, voting at general meetings is decided by a simple majority of the votes cast at a meeting at which a quorum is present. Under our bye-laws, shareholders representing at least 50% of the issued and outstanding shares of common stock present in person or by proxy and entitled to vote constitute a quorum. Under our bye-laws, the vote of 75% of the outstanding shares entitled to vote and the approval of a majority of the board is required to amend bye-laws regarding appointment and removal of directors, remuneration, powers and duties of the board, indemnification of directors and officers, director's interests and the procedures for amending bye-laws. Any share entitled to vote may be voted by written proxy and proxies may be valid for all general meetings. There are no limitations under Bermuda law on the voting rights of non-resident or foreign shareholders.

Under Bermuda law, a company is required to convene at least one general shareholders' meeting per calendar year. Under Bermuda law and our bye-laws, general meetings of shareholders may either be annual or special. Under Bermuda law, special general meetings must be called upon the request of shareholders holding not less than 10% of the paid up capital of the company carrying the right to vote at general meetings. Directors may also convene special general meetings as they deem necessary.

Bermuda law requires that shareholders be given at least five days' advance notice of a general meeting, although the accidental omission of notice to any person does not invalidate the proceedings at a meeting. Under our bye-laws, notice of annual general meetings must be made in writing at least 21 days before the meeting and notice of special general meetings must be made in writing at least 7 days before the meeting.

ELECTION OR REMOVAL OF DIRECTORS

Under Bermuda law and our bye-laws, directors are elected at the annual general meeting or to serve until their successors are elected or appointed, unless they are earlier removed or resign.

The election of our directors is determined by a simple majority of votes cast, except as otherwise required by law. Our shareholders do not have cumulative voting rights. Accordingly, holders of a majority of the shares of common stock entitled to vote in any election of directors may elect all directors. Also, holders of the preference shares of TA II Limited, our subsidiary, have the right to appoint directors in certain circumstances. See "Shareholders--Shareholders Rights Agreement and Registration Rights Agreements".

Under Bermuda law and our bye-laws, a director may be removed at a special general meeting of shareholders specifically called for that purpose, provided that the director was served with at least 14 days' notice. The director has a right to be heard at the meeting. Any vacancy created by the removal of a director at a special general meeting may be filled at that meeting by the election of another director in his or her place or, in the absence of any election, by the board of directors.

DUTIES OF DIRECTORS AND OFFICERS

Under the Companies Act 1981, the duties of directors and officers are to act honestly and in good faith with a view to the best interests of the company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the company is also required to comply with the provisions of the Companies Act 1981, all related regulations and the Company's bye-laws. In addition, the directors are subject to common law fiduciary duties. These duties include the duty to act bona fide in the best interests of the company, and not for any collateral purpose.

Under Bermuda law, the directors' duties are owed to the company itself, not to its shareholders or members, creditors, or any class of either shareholders, members or creditors. In discharging his or her duties, a director is required to exercise the care and skill which may be reasonably expected of a person with the director's skills and experience.

Bermuda law renders void any provision in the bye-laws or in any contract between a company and any director exempting him or her from or indemnifying him or her against any liability in respect of any fraud or dishonesty of which he or she may be guilty in relation to the company. In addition, the Companies Act 1981 provides that where a director, officer or auditor of a company is found liable to any person for damages arising out of the performance of any function of his or her duties, he will only be held jointly and severally liable if it is proved that he or she knowingly engaged in fraud or dishonesty. In any other case, the court will determine the percentage of responsibility of all parties it determines has contributed to the loss or liability of the plaintiff, and the liability of any one director, officer or auditor shall be equal to the total loss suffered by the plaintiff multiplied by the director's, officer's or auditor's percentage of responsibility as determined by the court.

DIVIDEND RIGHTS

Dividends are payable only when declared by the board of directors. Bermuda law prohibits a company from declaring a dividend or making a distribution out of contributed surplus if there are reasonable grounds for believing that the company is, or would after payment, be unable to pay its liabilities as they become due, or the realizable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts. All dividends unclaimed for a period of six years after having been declared will be forfeited and revert to us. Except as noted in this paragraph, there are no limitations under Bermuda law on the rights of non-resident or foreign shareholders to receive dividends.

RIGHTS IN LIQUIDATION

In the event of our liquidation, after payment of all debts and liabilities, we will distribute our remaining assets to our shareholders in proportion to their ownership of outstanding shares, subject to the preferential rights accorded to any series of preferred stock.

NO PRE-EMPTIVE RIGHTS

Holders of our common stock have no pre-emptive rights.

CHANGES IN CAPITAL

We may from time to time by shareholder resolution passed by a simple majority:

- increase our share capital to be divided into shares in the amount that the resolution prescribes;

- divide our shares into several classes with different rights;

- consolidate and divide any or all of our share capital into shares of a larger amount than our existing shares;

- sub-divide any of our shares into shares of a smaller amount than that fixed by our memorandum of association, as long as the proportion between the amount paid and the amount, if any, unpaid on each reduced share be the same as on the share from which the reduced share is derived;

- cancel shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person, and diminish the amount of our share capital by the amount of the cancelled shares;

- change the currency denomination of our share capital; and

- authorize the reduction of issued share capital or any share premium.

TRANSFER OF SHARES

Transfer of shares must be in writing. The instruments of transfer of a share may be in any form which our board of directors approves.

MODIFICATION OF RIGHTS

Our bye-laws provide that, subject to Bermuda law, the rights attached to any class of shares of common stock may be modified by a resolution passed at a separate general meeting of the holders representing at least a majority of the votes cast of that class. For purposes of this meeting, one or more shareholders present in person or by proxy representing at least a majority of the issued and outstanding shares of that class and entitled to vote will be a quorum.

BORROWING POWER

Neither Bermuda law nor our bye-laws will restrict in any way our power to borrow and raise funds. The decision to borrow funds is passed by or under direction of our board of directors, no shareholders' resolution being required.

PREFERRED STOCK

Authorized shares of our preferred stock may be issued at the discretion of our board of directors without any further action by the shareholders, except as required by applicable law or regulation. Our board of directors is authorized, from time to time, to divide the preferred stock into classes or series,

to designate each class or series and to determine for each class or series its respective rights and preferences, including, without limitation, any of the following:

- the rate of dividends and whether dividends will be cumulative or have a preference over the common stock in right of payment;

- the terms and conditions upon which shares may be redeemed and the redemption price;

- sinking fund provisions for the redemption of shares;

- the amount payable in respect of each share upon a voluntary or involuntary liquidation of us;

- the terms and conditions upon which shares may be converted into other securities of ours, including common stock;

- limitations and restrictions on payment of dividends or other distributions on, or redemptions of, other classes of our capital stock junior that that series, including the common stock;

- conditions and restrictions on the incurrence of certain indebtedness or issuance of other senior classes of capital stock;

- the terms on which shares may be redeemed, if any; and

- voting rights.

Any series or class of preferred stock could, as determined by our board of directors at the time of issuance, rank senior to our common stock with respect to dividends, voting rights, redemption and liquidation rights. The preferred stock authorized is of the type commonly known as blank-check preferred stock.

OTHER MATTERS

ACCESS TO BOOKS AND RECORDS AND DISSEMINATION OF INFORMATION. Members of the general public have the right to inspect the public documents of a company available at the office of the Registrar of Companies in Bermuda. These documents include the company's certificate of incorporation, its memorandum of association, including its objects and powers, and any alteration to the company's memorandum of association.

The shareholders have the additional right to inspect the bye-laws of the company, minutes of general meetings and the company's audited financial statements, which must be presented at the annual general meeting. The register of shareholders of a company is also open to inspection by shareholders without charge and to members of the general public on the payment of a fee. A company is required to maintain its share register in Bermuda but may, subject to the provisions of the Companies Act 1981, establish a branch register outside Bermuda.

A company is required to keep at its registered office a register of its directors and officers which is open for inspection for not less than two hours in each day by members of the public without charge. Bermuda law does not, however, provide a general right for shareholders to inspect or obtain copies of any other corporate records.

AMENDMENT OF MEMORANDUM OF ASSOCIATION AND BYE-LAWS. Bermuda law provides that the memorandum of association of a company may be amended by a resolution passed at a general meeting of shareholders of which due notice has been given. In certain circumstances, an amendment to the memorandum of association also requires the approval of the Bermuda Minister of Finance, who may grant or withhold approval at his discretion. However, such approval of the Bermuda Minister of Finance is not required for an amendment which alters or reduces a company's share capital as provided in the Companies Act 1981. Except as set forth therein, the bye-laws may be amended by a resolution passed by a majority of votes cast at a general meeting.

Under Bermuda law, the holders of an aggregate of no less than 20% in par value of a company's issued share capital have the right to apply to the Bermuda Court for an annulment of any amendment of the memorandum of association adopted by shareholders at any general meeting. This does not apply to an amendment which alters or reduces a company's share capital as provided in the Companies Act 1981. Where such an application is made, the amendment becomes effective only to the extent that it is confirmed by the Bermuda Court. An application for amendment of the memorandum of association must be made within 21 days after the date on which the resolution altering the company's memorandum is passed. Such application may be made on behalf of the persons entitled to make the application by one or more of their number as they may appoint in writing for the purpose. No such application may be made by persons voting in favor of the amendment.

APPRAISAL RIGHTS AND SHAREHOLDER SUITS. Under Bermuda law, in the event of an amalgamation of two Bermuda companies, a shareholder who did not vote in favor of the amalgamation and is not satisfied that fair value has been paid for his shares may apply to the Bermuda Court to appraise the fair value of his shares. The amalgamation of a company with another company requires the amalgamation agreement to be approved by:

- a meeting of the holders of shares of the amalgamating company;

- a meeting of the holders of each class of such shares; and

- in certain circumstances, the consent of the Bermuda Minister of Finance (who may grant or withhold consent at his discretion).

Class actions and derivative actions are generally not available to shareholders under Bermuda law. The Bermuda courts, however, would ordinarily be expected to permit a shareholder to commence an action in the name of a company to remedy a wrong done to the company where the act complained of:

- is alleged to be beyond the corporate power of the company;

- is illegal; or

- would result in the violation of the company's memorandum of association or bye-laws.

Furthermore, consideration would be given by the Bermuda courts to acts that are alleged to constitute a fraud against the minority shareholders or, for instance, where an act requires the approval of a greater percentage of the company's shareholders than those who actually approved it.

When the affairs of a company are being conducted in a manner oppressive or prejudicial to the interests of some part of the shareholders, one or more shareholders may apply to the Bermuda courts for an order regulating the company's conduct of affairs in the future or ordering the purchase of the shares of any shareholder by other shareholders or by the company.

## CERTAIN INCOME TAX CONSEQUENCES

### BERMUDA TAXATION

The following summary of Bermuda tax matters is based upon the advice of Appleby Spurling & Kempe, our Bermuda counsel, regarding current law and practice in Bermuda. This summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase our shares. Investors should consult their professional advisers on the possible tax consequences of their subscribing for, purchasing, holding, selling or redeeming our shares under the laws of their countries of citizenship, residence, ordinary residence or domicile.

On the date of this prospectus, there is no Bermuda income, corporation or profits tax, withholding tax, capital gains tax, capital transfer tax, estate duty or inheritance tax payable by us or our shareholders, other than shareholders ordinarily resident in Bermuda.

Tax Protection Act 1966, as amended, an undertaking that, in the event of there being enacted in Bermuda any legislation imposing withholding or other tax computed on profits or income, or computed on any capital assets, gain or appreciation or any tax in the nature of estate duty or inheritance tax, such tax shall not until March 28, 2016 be applicable to us or to any of our operations, or to our shares, debentures or other obligations except and so far as suchtax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations or any land leased or let to us in Bermuda.

As an exempted company, we are liable to pay to the Bermuda Government an annual Government fee based upon our assessable capital. Based on an assumed initial public offering price per share of $11.00 and without taking into account the 3,000,000 shares which we will issue if the underwriters exercise in full their option to purchase additional shares from us, our estimated assessable capital immediately after this offering would be approximately $220.6 million, and the fee would be approximately $16,700 per annum.

### UNITED STATES TAXATION

The following summary describes the material United States federal income tax consequences of ownership of ordinary shares as of the date of this prospectus. The discussion included below is applicable to U.S. Holders (as defined below).

As used in this prospectus, the term U.S. Holder means a beneficial holder of an ordinary share that is:

- a citizen or resident of the United States;
- a corporation or partnership created or organized in or under the laws of the United States or any political subdivision of the United States;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust (1) which is subject to the supervision of a court within the United States and the control of one or more United States persons as described in section 7701(a)(30) of the Internal Revenue Code of 1986 or (2) that has a valid election in effect under applicable U.S. Treasury regulations to be treated as a United States person.

Except where noted, this summary deals only with ordinary shares held as capital assets and does not deal with special situations, such as those of dealers in securities or currencies, traders in securities that elect to use a mark-to-market method of accounting for their securities holdings, financial institutions, tax-exempt entities, insurance companies, persons holding ordinary shares as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, or persons whose

functional currency is not the United States dollar. In addition, this discussion does not address the tax consequences that could apply to persons that own 10% or more of our voting stock. Furthermore, the discussion below is based upon the provisions of the Code, and regulations, rulings and judicial decisions promulgated under the Code as of the date of this prospectus, and those authorities may be repealed, revoked or modified so as to result in United States federal income tax consequences different from those discussed below.

PERSONS CONSIDERING THE PURCHASE, OWNERSHIP OR DISPOSITION OF SHARES SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE UNITED STATES FEDERAL INCOME TAX CONSEQUENCES IN LIGHT OF THEIR PARTICULAR SITUATIONS AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION.

If a partnership holds shares, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. If a U.S. Holder is a partner of a partnership holding shares, that holder is urged to consult its tax advisors.

TAXATION OF DIVIDENDS

The gross amount of dividends paid to U.S. Holders of ordinary shares will be treated as dividend income to these holders, to the extent paid out of current or accumulated earnings and profits, as determined under United States federal income tax principles. This income will be includable in the gross income of a U.S. Holder as ordinary income on the day received by the U.S. Holder. These dividends will not be eligible for the dividends received deduction allowed to corporations under the Code.

To the extent that the amount of any distribution exceeds our current and accumulated earnings and profits for a taxable year, the distribution will first be treated as a tax-free return of capital, causing a reduction in the adjusted basis of the ordinary shares. This will increase the amount of gain, or decrease the amount of loss, to be recognized by the investor on a subsequent disposition of the ordinary shares, and the balance in excess of adjusted basis will be taxed as capital gain recognized on a sale or exchange.

If, for United States federal income tax purposes, we are classified as a United States owned foreign corporation, distributions made to you with respect to your shares of common stock that are taxable as dividends generally will be treated for United States foreign tax credit purposes as:

- foreign source passive income or, in the case of some holders, foreign source financial services income; and

- United States source income,

in proportion to our earnings and profits in the year of such distribution allocable to foreign and United States sources, respectively. For this purpose, we will be treated as a United States-owned foreign corporation so long as stock representing 50% or more of the voting power or value of our stock is owned, directly or indirectly, by United States persons.

PASSIVE FOREIGN INVESTMENT COMPANY

We do not believe that we are, for United States federal tax purposes, a passive foreign investment company, and we expect to continue our operations in such a manner that we will not be a passive foreign investment company. If, however, we are or become a passive foreign investment company, U.S. Holders could be subject to additional federal income taxes on gain recognized with respect to the ordinary shares and on certain distributions, plus an interest charge on certain taxes treated as having been deferred by the U.S. Holder under the passive foreign investment company rules.

FOREIGN PERSONAL HOLDING COMPANY

We do not believe that we are, or that any of our non-U.S. subsidiaries is, a foreign personal holding company for United States federal income tax purposes. If we or one of our non-U.S. subsidiaries were so classified, you would be required, regardless of your percentage ownership, to include in income, as a dividend, your pro rata share of our relevant non-U.S. subsidiary's undistributed foreign personal holding company income--generally, taxable income with certain adjustments--if you held shares of common stock or shares of preferred stock on the last day of our taxable year or, if earlier, the last day on which we satisfied the shareholder test described below. In addition, if we were classified as a foreign personal holding company, and you acquired your shares of common stock or shares of preferred stock from a decedent, you would not receive a "stepped-up" basis in that stock. Instead, you would have a tax basis equal to the lower of the fair market value of those shares or the decedent's basis in them.

A foreign corporation will be classified as a foreign personal holding company if:

(1) at any time during the corporation's taxable year, five or fewer individuals, who are United States citizens or residents, directly or indirectly own more than 50% of the corporations' stock, by either voting power or value; and

(2) the corporation receives at least 60% of its gross income, 50% after the initial year of qualification, in each case as adjusted, for the taxable year from certain passive sources.

TAXATION OF CAPITAL GAINS

For United States federal income tax purposes, a U.S. Holder will recognize taxable gain or loss on any sale or exchange of an ordinary share in an amount equal to the difference between the amount realized for the ordinary share and the U.S. Holder's basis in the ordinary share. That gain or loss will be capital gain or loss. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. Any gain or loss recognized by a U.S. Holder will generally be treated as United States source gain or loss.

INFORMATION REPORTING AND BACKUP WITHHOLDING

In general, information reporting requirements will apply to dividends in respect of the ordinary shares or the proceeds received on the sale, exchange or redemption of the ordinary shares paid within the United States and in certain cases, outside of the United States, to U.S. Holders other than certain exempt recipients, such as corporations, and a 31% backup withholding may apply to those amounts if the U.S. Holder fails to provide an accurate taxpayer identification number or to report interest and dividends required to be shown on its federal income tax returns. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's United States federal income tax liability.

## SHARES ELIGIBLE FOR FUTURE SALE

Before this offering, there has been no market for our common stock, and we cannot assure you that a significant public market for our common stock will develop or be substantial after this offering. Future sales of substantial amounts of our common stock, including shares issued upon the exercise of outstanding options, in the public market following this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through sale of our equity securities. As described below, only a limited number of shares will be available for sale shortly after this offering due to contractual and legal restrictions on resale. Nevertheless, sales of our common stock in the public market after the restrictions lapse, or the perception that such sales may occur, could adversely effect the prevailing market price.

Upon completion of this offering, we will have outstanding 143,995,118 shares of common stock, or 146,995,118 shares if the underwriters exercise the over-allotment option in full, without taking into account 28,884,928 shares that may be issued upon exercise of options outstanding as of the date of our initial public offering.

The 20,000,000 shares of common stock being sold in this offering will be freely tradeable (other than by an affiliate of our company as that term is defined in the Securities Act of 1933, or Securities Act) without restriction or registration under the Securities Act, unless they are sold under our directed share program. All remaining shares were issued and sold by us in private transactions and are eligible for public sale if registered under the Securities Act or sold under Rule 144 or Rule 701. All of our shares held by our principal shareholders, directors and officers will be restricted securities within the meaning of Rule 144 and may be sold in the public market only if registered or sold under an exemption from registration under the Securities Act, including the exemption provided by Rule 144. We have entered into a registration rights agreement with some of our principal shareholders with respect to the shares of our common stock they hold. See "Shareholders--Shareholders Rights Agreement and Registration Rights Agreements".

Except in the case of certain of our shares held by the trust that is party to our employee stock purchase agreements, all of our existing shareholders, who collectively hold an aggregate of approximately 123,682,691 shares of common stock, including our directors and executive officers, have agreed, under lock-up agreements or restrictions on transfer contained in shareholder and subscription agreements with us, that, subject to certain important exceptions described under the caption "Underwriting," they will not sell any common stock owned by them for a period of at least 180 days from the date of this prospectus. In the case of lock-up agreements, sales may be made only with the prior written consent of Salomon Smith Barney Inc. Where these agreements are not directly with the representatives of the underwriters, we have agreed with the representatives that these agreements will not be waived, amended or failed to be enforced in that 180 day period without the prior written consent of Salomon Smith Barney Inc. In addition, shares sold in this offering under our directed share program will be subject to lock-up agreements that generally prohibit resales for 180 days from the date of this prospectus.

Following the expiration of the lock-up period, at least 112,517,320 shares of common stock will be available for sale in the public market subject to compliance with Rule 144 or Rule 701, including approximately 20,333,333 shares eligible for sale under Rule 144(k). If all shares reserved for our directed share program are purchased, an additional 2,000,000 shares will become available for sale in the public market following the expiration of the lock-up period.

In general, under Rule 144 as currently in effect, beginning 90 days after the date of this prospectus, a person, or persons whose shares are aggregated, who has beneficially owned restricted

shares for at least one year, including a person who may be deemed an affiliate of ours, would be entitled to sell within any three-month period a number of shares that does not exceed the greater of:

- 1% of the number of the shares then outstanding, which will be approximately 152 million shares immediately after this offering, assuming no exercise of the underwriters' over-allotment option and no exercise of outstanding options; or

- the average weekly trading volume of the shares of our common stock on the New York Stock Exchange during the four calendar weeks before the filing of a Form 144 with respect to that sale.

Sales under Rule 144 are also subject to requirements relating to manner of sale, notice and availability of current public information about us. Under Rule 144(k), a person who is not deemed to have been an affiliate of ours at any time during the three months preceding a sale and who has beneficially owned the shares proposed to be sold for at least two years, including the holding period of any previous owner except an affiliate of ours, is entitled to sell those shares without complying with the manner of sale, public information, volume limitation or notice provisions of Rule 144.

In addition, after the effectiveness of this offering we intend to file a registration statement on Form S-8 under the Securities Act covering all shares of our common stock reserved for issuance under our various stock incentive plans. Shares registered under that registration statement would be available for sale in the open market unless these shares are subject to vesting restrictions.

We also may issue shares of our common stock from time to time as consideration for future acquisitions and investments. In the event any such acquisition or investment is significant, the number of shares that we may issue may in turn be significant. In addition, we may also grant registration rights covering those shares in connection with any such acquisitions and investments.

We also recently agreed to issue shares of our common stock in connection with our acquisition of Bradstock G.I.S. Pty Limited in Australia upon the third anniversary of such acquisition. Based on a price of $11.00 per share of common stock at each relevant date specified in the formulae used to calculate the number of shares to be issued, we would issue approximately 190,000 new shares on such third anniversary.

Salomon Smith Barney Inc. is acting as sole bookrunning lead manager of this offering and J.P. Morgan Securities Inc. and Morgan Stanley & Co. Incorporated are acting as co-lead managers and, together with Banc of America Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, and UBS Warburg LLC, are acting as representatives of the underwriters named below. Subject to the terms and conditions stated in the underwriting agreement dated the date of this prospectus, each underwriter named below has agreed to purchase, and we have agreed to sell to that underwriter, the number of shares set forth opposite the underwriter's name.

| UNDERWRITER | NUMBER OF SHARES |
|---|---|
| Salomon Smith Barney Inc. | |
| J.P. Morgan Securities Inc. | |
| Morgan Stanley & Co. Incorporated | |
| Banc of America Securities LLC | |
| Merrill Lynch, Pierce, Fenner & Smith Incorporated | |
| UBS Warburg LLC | |
| Total | 20,000,000 |

The underwriting agreement provides that the obligations of the underwriters to purchase the shares included in this offering are subject to approval of legal matters by counsel and to other conditions. The underwriters are obligated to purchase all the shares (other than those covered by the over-allotment option described below) if they purchase any of the shares.

The underwriters propose to offer some of the shares directly to the public at the public offering price set forth on the cover page of this prospectus and some of the shares to dealers at the public offering price less a concession not to exceed $ per share. The underwriters may allow, and the dealers may reallow, a concession not to exceed $ per share on sales to other dealers. If all the shares are not sold at the initial offering price, the representatives may change the public offering price and the other selling terms. The representatives have advised us that the underwriters do not intend to confirm any sales to any accounts over which they exercise discretionary authority.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus, to purchase up to 3,000,000 additional shares of common stock at the public offering price less the underwriting discount. The underwriters may exercise this option solely for the purpose of covering over-allotments, if any, in connection with this offering. To the extent the option is exercised, each underwriter must purchase a number of additional shares approximately proportionate to that underwriter's initial purchase commitment.

We, Profit Sharing (Overseas), Limited Partnership, the consortium members and Fisher Capital Corp. L.L.C. have agreed that, for a period of 180 days from the date of this prospectus, we and they will not, without the prior written consent of Salomon Smith Barney Inc., dispose of or hedge any shares of our common stock or any securities convertible into or exchangeable for our common stock, except that we may issue and sell common stock and grant options pursuant to our employee benefit plans, issue common stock upon the exercise of options and issue common stock as consideration for acquisitions so long as the recipient of the common stock in connection with the acquisition agrees not to sell the common stock for the remainder of the 180 day period. Except in the case of certain of our shares held by the trust that is party to our employee stock purchase agreements, all of our other

existing shareholders, including our directors and executive officers, are subject to existing restrictions on sales of their shares in excess of 180 days pursuant to shareholder and subscription agreements with us. We have agreed not to amend, waive or fail to enforce those transfer restrictions for a period of 180 days from the date of this prospectus without the prior written consent of Salomon Smith Barney Inc. Salomon Smith Barney Inc. in its sole discretion may release any of the securities subject to these arrangements at any time without notice.

At our request, the underwriters have reserved up to 10% of the shares of common stock for sale at the initial public offering price to persons who are directors, officers or employees, or who are otherwise associated with us, through a directed share program. Any shares purchased by these individuals will be locked-up for 180 days on terms similar to those described in the preceding paragraph. The number of shares of common stock available for sale to the general public will be reduced by the number of directed shares purchased by participants in the program. Any directed shares not purchased will be offered by the underwriters to the general public on the same basis as all other shares of common stock offered. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with the sales of the directed shares.

Prior to this offering, there has been no public market for our common stock. Therefore, the initial public offering price for our shares was determined by negotiations between us and the representatives. Among the factors considered in determining the initial public offering price were our record of operations, including our significantly improved results for the first quarter of 2001, our current financial condition, our future prospects, our markets, the economic conditions in and future prospects for the industry in which we compete, our management, and currently prevailing general conditions in the equity securities markets, including current market valuations of publicly traded companies considered comparable to us. We cannot assure you, however, that the prices at which the shares will sell in the public market after this offering will not be lower than the initial public offering price or that an active trading market in our common stock will develop and continue after this offering.

We have applied to have our common stock listed on the New York Stock Exchange under the symbol "WSH". The underwriters have undertaken to sell shares of common stock to a minimum of 2,000 beneficial owners in lots of 100 or more shares to meet the New York Stock Exchange distribution requirements for trading.

The following table shows the underwriting discounts and commissions that we are to pay to the underwriters in connection with this offering. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

| | PAID BY WILLIS GROUP HOLDINGS LIMITED | |
|---|---|---|
| | NO EXERCISE | FULL EXERCISE |
| Per share | $ | $ |
| Total | $ | $ |

In connection with this offering, Salomon Smith Barney Inc., on behalf of the underwriters, may purchase and sell shares of common stock in the open market. These transactions may include short sales, syndicate covering transactions and stabilizing transactions. Short sales involve syndicate sales of common stock in excess of the number of shares to be purchased by the underwriters in the offering, which creates a syndicate short position. "Covered" short sales are sales of shares made in an amount up to the number of shares represented by the underwriters' over-allotment option. In determining the source of shares to close out the covered syndicate short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase shares through the over-allotment option. Transactions to close out

the covered syndicate short involve either purchases of the common stock in the open market after the distribution has been completed or the exercise of the over-allotment option. The underwriters may also make "naked" short sales of shares in excess of the over-allotment option. The underwriters must close out any naked short position by purchasing shares of common stock in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the shares in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of the bids for or purchases of shares in the open market while the offering is in progress.

The underwriters also may impose a penalty bid. Penalty bids permit the underwriters to reclaim a selling concession from a syndicate member when Salomon Smith Barney Inc. repurchases shares originally sold by that syndicate member in order to cover syndicate short positions or making stabilizing purchases.

Any of these activities may have the effect of preventing or retarding a decline in the market price of the common stock. They may also cause the price of the common stock to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The underwriters may conduct these transactions on the New York Stock Exchange or in the over-the-counter market, or otherwise. If the underwriters commence any of these transactions, they may discontinue them at any time.

We estimate that our portion of the total expenses of this offering will be approximately $6 million, which consist of approximately $249,500 for filing and listing fees and $5.7 million for accounting and legal fees and expenses.

Travelers Property Casualty Corp., an affiliate of Salomon Smith Barney Inc., has beneficially owned 3.2% of the ordinary shares of TA I Limited since the 1998 acquisition. These shares have been exchanged for 3.2% of our common stock, before giving effect to this offering, as part of the transactions described in "Redomiciliation in Bermuda." In addition, Travelers Property Casualty Corp. owns 19.7% of the preferred stock of TA II Limited, our subsidiary. Because we may use the proceeds of this offering to redeem a portion of the preference shares of TA II Limited and, as a result, an affiliate of Salomon Smith Barney Inc. may receive more than 10% of the net proceeds of this offering, it may be deemed to have a "conflict of interest" with us under Rule 2710(c) (8) of the National Association of Securities Dealers, Inc., known as the NASD. When a NASD member with a conflict of interest participates as an underwriter in a public offering, that rule requires that the initial public offering price may be no higher than that recommended by a "qualified independent underwriter," as defined by the NASD. In accordance with this rule, J.P. Morgan Securities Inc. has assumed the responsibilities of acting as a qualified independent underwriter. In its role as a qualified independent underwriter, J.P. Morgan Securities Inc. has performed a due diligence investigation and participated in the preparation of this prospectus and the registration statement of which this prospectus is a part. We have agreed to indemnify J.P. Morgan Securities Inc. against liabilities incurred in connection with acting as a qualified independent underwriter, including liabilities under the Securities Act.

The Chase Manhattan Bank, an affiliate of J.P. Morgan Securities Inc., is the Administrative Agent and Collateral Agent, Morgan Stanley Senior Funding, Inc., an affiliate of Morgan Stanley & Co. Incorporated, is the Syndicate Agent, and Bank of America N.A., an affiliate of Banc of America Securities LLC, is the Documentation Agent, and each are lenders under our senior credit facilities.

The underwriters and their affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business.

Morgan Stanley Dean Witter Online Inc., an affiliate of Morgan Stanley & Co. Incorporated, will be distributing shares of common stock over the Internet to its respective eligible account holders. In addition, Merrill Lynch, Pierce, Fenner & Smith Incorporated will be facilitating Internet distribution for this offering to certain of its Internet subscription customers. Merrill Lynch, Pierce, Fenner & Smith

Incorporated intends to allocate a number of shares for sale to its online brokerage customers. An electronic prospectus is available on the Internet website maintained by Merrill Lynch, Pierce, Fenner & Smith Incorporated. Other than the prospectus in electronic format, the information on the Merrill Lynch, Pierce, Fenner & Smith Incorporated website is not a part of this prospectus. Finally, while J.P. Morgan Securities Inc. may make the prospectus available to customers via password-protected website, J.P. Morgan Securities Inc. will not rely on any means of electronic delivery to satisfy legal prospectus requirements, but instead will deliver paper copies.

A prospectus in electronic format may be made available on the websites maintained by one or more of the underwriters. The representatives may agree to allocate a number of shares to underwriters for sale to their online brokerage account holders. The representatives will allocate shares to underwriters that may make Internet distributions on the same basis as other allocations. In addition, shares may be sold by the underwriters to securities dealers who resell shares to online brokerage account holders.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make because of any of those liabilities.

## VALIDITY OF COMMON STOCK

Appleby Spurling & Kempe, Bermuda, will pass upon the validity of the issuance of the shares of common stock offered by this prospectus. Certain legal matters will be passed upon for us by Simpson Thacher & Bartlett, New York, New York 10017 as to matters of United States and New York law and by Clifford Chance Limited Liability Partnership as to matters of English law. Certain partners of Simpson Thacher & Bartlett, members of their families, related persons and others, have an indirect interest, through limited partnerships, who are investors in KKR 1996 Fund (Overseas) Limited Partnership, in less than 1% of the common stock. In addition, Simpson Thacher & Bartlett has in the past provided, and may continue to provide, legal services to KKR and its affiliates, including KKR 1996 Fund (Overseas) Limited Partnership. The underwriters are being represented as to United States legal matters by Cravath, Swaine & Moore, New York, New York 10019.

## EXPERTS

The consolidated financial statements of TA I Limited as of December 31, 2000 and 1999 and for the two years then ended included in this prospectus have been audited by Deloitte & Touche, independent auditors, as stated in their report appearing herein, and have been so included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

## WHERE YOU CAN FIND MORE INFORMATION

We have filed with the Commission a registration statement on Form F-1 under the Securities Act about the securities we offer under this prospectus. As a result of the effectiveness of the registration statement under the Securities Act, we will be subject to the informational requirements of the Securities Exchange Act of 1934. We will be subject to the informational requirements of the United States Exchange Act of 1934, as amended, as applicable to foreign private issuers, and will file periodic reports and other information relating to our business, financial statements and other matters with the Commission. We will be exempt from the rules under the Securities Exchange Act prescribing the furnishing and content of proxy statements to shareholders, and our officers, directors and principal shareholders will be exempt from the reporting and "short swing" profit recovery provisions contained in Section 16 of the Act. You may read and copy these reports and other information at the public reference facilities maintained by the Commission located at Room 1024, Judiciary Plaza, 450 Fifth Street, N.W., Washington D.C. 20549 and at the regional public reference facilities maintained by the Securities and Exchange Commission located at Citicorp Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661 and Seven World Trade Center, Suite 1300, New York, New York 10048. Copies of that material, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Section of the Securities and Exchange Commission at prescribed rates by calling the Commission at 1-800-SEC-0330. That material may be accessed electronically by means of the Commission's home page on the Internet (http://www.sec.gov). After our shares of common stock are listed on the New York Stock Exchange, information concerning us will also be available for inspection at the offices of the exchange, 20 Broad Street, New York, New York 10005.

You may also request a copy of those materials, free of cost, by writing or telephoning us at the following address and telephone number:

Willis Group Holdings Limited
Ten Trinity Square
London EC3P 3AX
England
Attention: Company Secretary
Telephone: +44-20-7488-8111

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We intend to apply to the Bermuda Monetary Authority for its consent to the issue and transfer of the shares of common stock that we may sell under this prospectus. Approvals or permissions we expect to receive from the Bermuda Monetary Authority do not constitute a guaranty by the Bermuda Monetary Authority as to our performance or our credit worthiness. Accordingly, in giving those approvals or permissions, the Bermuda Monetary Authority will not be liable for our performance or default or for the correctness of any opinions or statements expressed in this document.

We will file this document as a prospectus with the Registrar of Companies in Bermuda. That filing will not constitute a guaranty by the Registrar as to our performance or creditworthiness, nor does it suggest that the Registrar is liable for our performance or default or the correctness of any opinions or statements expressed in this document.

The Bermuda Monetary Authority has classified us as non-resident in Bermuda for exchange control purposes. Accordingly, we may convert currency, other than Bermuda currency, held for our account to any other currency without restriction. Persons, firms or companies regarded as residents of Bermuda for exchange control purposes require specific consent under the Exchange Control Act, 1972 of Bermuda, and regulations promulgated under that Act, to purchase any shares in our capital stock or any other securities that we may issue. Under the terms of the consent that we expect the Bermuda Monetary Authority to give to us, the issuance and transfer of the shares of common stock between persons, firms or companies regarded as non-resident in Bermuda for exchange control purposes may be effected without further permission from the Bermuda Monetary Authority.

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INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
TA I Limited

We have audited the accompanying consolidated balance sheets of TA I Limited and subsidiaries as of December 31, 2000 and 1999 and the related consolidated statements of operations, comprehensive income (loss), cash flows and stockholders' equity for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the companies as of December 31, 2000 and 1999 and the results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Deloitte & Touche

London, England

February 13, 2001

TA I LIMITED

CONSOLIDATED STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2000 AND 1999

(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

| | 2000 | 1999 |
|---|---|---|
| REVENUES: | | |
| Commissions and fees | $ 1,237 | $ 1,180 |
| Interest income | 68 | 64 |
| Total revenues | 1,305 | 1,244 |
| EXPENSES, NET: | | |
| General and administrative expenses | 1,062 | 1,136 |
| Pension review expense (Note 11) | -- | 40 |
| Restructuring costs (Note 3) | 18 | 7 |
| Depreciation expense | 37 | 41 |
| Amortization of goodwill | 35 | 35 |
| Gain on disposal of operations (Note 4) | (1) | (7) |
| Total expenses | 1,151 | 1,252 |
| OPERATING INCOME (LOSS) | 154 | (8) |
| OTHER EXPENSES: | | |
| Interest expense | 89 | 89 |
| Other expenses | -- | 7 |
| Other expenses, net | 89 | 96 |
| INCOME (LOSS) BEFORE INCOME TAXES, EQUITY IN NET EARNINGS OF ASSOCIATES AND MINORITY INTEREST | 65 | (104) |
| INCOME TAX EXPENSE (Note 5) | 33 | 7 |
| INCOME (LOSS) BEFORE EQUITY IN NET EARNINGS OF ASSOCIATES AND MINORITY INTEREST | 32 | (111) |
| EQUITY IN NET EARNINGS OF ASSOCIATES (Note 6) | 2 | 7 |
| MINORITY INTEREST (Including $23 and $23, respectively, of preferred stock dividends on Company--Obligated Mandatorily Redeemable Preferred Capital Securities of Subsidiary) (Note 7) | (25) | (28) |
| NET INCOME (LOSS) AVAILABLE FOR ORDINARY STOCKHOLDERS | $ 9 | $ (132) |
| EARNINGS (LOSS) PER ORDINARY SHARE--Basic and Diluted (Note 8) | $ 0.07 | $ (1.11) |
| WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING--Basic and Diluted (Note 8) | 121,311,497 | 119,005,203 |

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

TA I LIMITED

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

| | 2000 | 1999 |
|---|---|---|
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 88 | $ 80 |
| Fiduciary funds--restricted (Note 9) | 978 | 897 |
| Short-term investments (Note 9) | 41 | 33 |
| Accounts receivable, net of allowance for doubtful accounts of $24 and $25, respectively | 4,675 | 4,110 |
| Deferred tax assets (Note 5) | 14 | 11 |
| Other current assets | 94 | 88 |
| Total current assets | 5,890 | 5,219 |
| NONCURRENT ASSETS: | | |
| Fixed assets, net of accumulated depreciation of $79 and $52, respectively (Note 10) | 192 | 220 |
| Goodwill, net of accumulated amortization of $80 and $45, respectively | 1,225 | 1,259 |
| Investments in associates (Note 6) | 134 | 137 |
| Deferred tax assets (Note 5) | 45 | 36 |
| Other noncurrent assets | 104 | 98 |
| Total noncurrent assets | 1,700 | 1,750 |
| TOTAL | $7,590 | $6,969 |

(Continued)

TA I LIMITED

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2000 AND 1999

(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

| | 2000 | 1999 |
|---|---|---|
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $5,484 | $4,837 |
| Deferred revenue and accrued expenses | 130 | 108 |
| Provisions (Note 11) | 37 | 49 |
| Income taxes payable | 43 | 35 |
| Other current liabilities | 189 | 182 |
| Total current liabilities | 5,883 | 5,211 |
| NONCURRENT LIABILITIES: | | |
| Long-term debt (Note 12) | 958 | 988 |
| Provisions (Note 11) | 121 | 143 |
| Other noncurrent liabilities | 99 | 114 |
| Total noncurrent liabilities | 1,178 | 1,245 |
| Total liabilities | 7,061 | 6,456 |
| COMMITMENTS AND CONTINGENCIES (Note 18) | | |
| MINORITY INTEREST | 19 | 18 |
| COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED CAPITAL SECURITIES OF SUBSIDIARY (Note 7) | 272 | 269 |
| STOCKHOLDERS' EQUITY: | | |
| Ordinary shares, L0.10 par value ($0.15); Authorized: 3,900,000,000; Issued and outstanding, 112,517,320 shares | 19 | 19 |
| Management ordinary shares, L0.10 par value ($0.15); Authorized: 100,000,000; Issued and outstanding, 11,181,219 shares and 8,050,382 shares, respectively | 1 | 1 |
| Additional paid-in capital | 390 | 381 |
| Accumulated deficit | (167) | (176) |
| Accumulated other comprehensive (loss) income (Note 16) | (5) | 1 |
| Total stockholders' equity | 238 | 226 |
| TOTAL | $7,590 | $6,969 |

(Concluded)

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

TA I LIMITED

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

YEARS ENDED DECEMBER 31, 2000 AND 1999

(DOLLARS IN MILLIONS)

| | 2000 | 1999 |
|---|---|---|
| NET INCOME (LOSS) AVAILABLE FOR ORDINARY STOCKHOLDERS..... | $ 9 | $(132) |
| OTHER COMPREHENSIVE INCOME, NET OF TAX: | | |
| Foreign currency translation adjustment..... | (8) | 3 |
| Unrealized holding gains (losses) (net of tax of $1 and ($1))..... | 2 | (2) |
| Other comprehensive (loss) income, net of tax..... | (6) | 1 |
| COMPREHENSIVE INCOME (LOSS)..... | $ 3 | $(131) |

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

TA I LIMITED

CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2000 AND 1999
(DOLLARS IN MILLIONS)

| | 2000 | 1999 |
|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income (loss) available for ordinary stockholders | $ 9 | $(132) |
| Adjustments to reconcile net income (loss) to net cash provided by operating activities: | | |
| Loss (gain) on sale of subsidiary, fixed assets and short-term investments | 2 | (4) |
| Depreciation | 37 | 41 |
| Amortization of goodwill | 35 | 35 |
| Provision for doubtful accounts | 8 | 10 |
| Minority interest | 3 | 5 |
| Provisions | (23) | 23 |
| Provision for deferred income taxes | (8) | (18) |
| Other | 3 | 4 |
| Changes in operating assets and liabilities, net of effects from purchase of subsidiaries: | | |
| Fiduciary funds -- restricted | (124) | 66 |
| Accounts receivable | (742) | (84) |
| Accounts payable | 851 | 154 |
| Other | 28 | 51 |
| Net cash provided by operations | 79 | 19 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds on disposal of fixed assets | 7 | 11 |
| Additions to fixed assets | (30) | (41) |
| Net cash proceeds from sale of subsidiaries | 1 | 15 |
| Acquisitions of subsidiaries, net of cash acquired | (8) | (19) |
| Investments in and advances to associates | (1) | (17) |
| Purchase of short-term investments | (32) | (22) |
| Proceeds on sale of short-term investments | 25 | 46 |
| Other, net | (3) | 1 |
| Net cash used in investing activities | (41) | (26) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Proceeds of issuances of debt | -- | 550 |
| Repayments of debt | (32) | (598) |
| Debt issuance costs | -- | (13) |
| Proceeds from the issuances of ordinary shares | -- | 31 |
| Proceeds from the issuances of management ordinary shares | 9 | 5 |
| Net cash used in financing activities | (23) | (25) |
| INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 15 | (32) |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (7) | (6) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 80 | 118 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | $ 88 | $ 80 |

(Continued)

TA I LIMITED
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2000 AND 1999
(DOLLARS IN MILLIONS)

| | 2000 | 1999 |
|---|---|---|
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash payments for income taxes | $27 | $18 |
| Cash payments for interest | $85 | $72 |
| SUPPLEMENTAL DISCLOSURES OF NONCASH FLOW INVESTING AND FINANCING ACTIVITIES: | | |
| Investment in associated companies | $-- | $ 1 |
| Issuance of mandatorily redeemable subsidiary preferred shares in lieu of dividend | 3 | 2 |
| Purchase of fixed assets | -- | 2 |
| Deferred payments on acquisitions of subsidiaries | 4 | 6 |
| Acquisitions: | | |
| Fair value of assets acquired | 38 | 39 |
| Less: liabilities assumed | (25) | (21) |
| Cash acquired | (6) | (2) |
| Acquisitions, net of cash acquired | $ 7 | $16 |

(Concluded)

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

TA I LIMITED
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2000 AND 1999
(DOLLARS IN MILLIONS)

| | 2000 | 1999 |
|---|---|---|
| ORDINARY SHARES | | |
| Balance, beginning of year | 112,517,320 | 103,027,162 |
| Ordinary share issuances | -- | 9,490,158 |
| Balance, end of year | 112,517,320 | 112,517,320 |
| MANAGEMENT ORDINARY SHARES | | |
| Balance, beginning of year | 8,050,382 | 6,572,655 |
| Management ordinary share issuances | 3,069,462 | 1,477,727 |
| Exercise of stock options | 61,375 | -- |
| Balance, end of year | 11,181,219 | 8,050,382 |
| ORDINARY STOCK | | |
| Balance, beginning of year | $ 19 | $ 17 |
| Proceeds from issuance of ordinary shares | -- | 2 |
| Balance, end of year | 19 | 19 |
| MANAGEMENT ORDINARY STOCK | | |
| Balance, beginning of year | 1 | 1 |
| Proceeds from issuance of management ordinary shares | -- | -- |
| Balance, end of year | 1 | 1 |
| ADDITIONAL PAID-IN CAPITAL | | |
| Balance, beginning of year | 381 | 347 |
| Proceeds from issuances of ordinary shares | -- | 30 |
| Proceeds from issuances of management ordinary shares | 9 | 4 |
| Balance, end of year | 390 | 381 |
| ACCUMULATED DEFICIT | | |
| Balance, beginning of year | (176) | (44) |
| Net income (loss) available for ordinary stockholders | 9 | (132) |
| Balance, end of year | (167) | (176) |
| ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME | | |
| Balance, beginning of year | 1 | -- |
| Foreign currency translation adjustment | (8) | 3 |
| Unrealized holding gains (losses) | 2 | (2) |
| Balance, end of year | (5) | 1 |
| TOTAL STOCKHOLDERS' EQUITY | $ 238 | $ 226 |

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

## 1. THE COMPANY AND ITS OPERATIONS

TA I Limited ("TA I") and subsidiaries (collectively, the "Company") provide a broad range of value-added risk management consulting and insurance brokering services both directly, and indirectly through its associates, to a diverse base of clients internationally. The Company provides specialized risk management advisory and other services on a global basis to clients in various industries, including the construction, aerospace, marine and energy industries. In its capacity as an insurance advisor and 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. The Company also provides other value-added services.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared on the accrual basis of accounting. A summary of the major accounting policies followed in the preparation of the accompanying consolidated financial statements, which conform to accounting principles generally accepted in the United States of America (the "US"), is presented below.

PRINCIPLES OF CONSOLIDATION--The accompanying consolidated financial statements include the accounts of TA I. 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 earnings only upon sale or liquidation of the underlying foreign subsidiary or associated company.

USE OF ESTIMATES--The preparation of financial statements in conformity with accounting principles generally accepted in the US require 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 selection of useful lives of fixed assets and goodwill, provisions necessary for trade receivables and liabilities, the carrying value of investments, income tax valuation allowances and other similar evaluations. Actual results could differ from those estimates.

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

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

FIDUCIARY FUNDS--RESTRICTED--Fiduciary funds--restricted, represent unremitted premiums received from insureds and unremitted claims received from insurance underwriters. 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 interest 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-restricted are cash and cash equivalents, time deposits, certificates of deposit and debt securities. These securities are carried at fair market value, with unrealized gains and losses reported in other comprehensive income. Realized gains and losses on investments sold are included in earnings and are derived using the specific identification method for determining the cost of securities.

ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE--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. Unremitted insurance premiums and claims are held in a fiduciary capacity. The obligation to remit these funds is recorded as accounts payable 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 brokering 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.

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. The write-off of account receivables was $7 and $5 in the years ended December 31, 2000 and 1999, respectively.

SHORT-TERM INVESTMENTS--The Company classifies all short-term investments as available-for-sale in accordance with the provisions of SFAS No. 115, ACCOUNTING FOR CERTAIN INVESTMENTS IN DEBT AND EQUITY SECURITIES. These securities are carried at fair market value, with unrealized gains and losses reported in other comprehensive income. Realized gains and losses on investments sold are included in earnings and are derived using the specific identification method for determining the cost of securities.

FIXED ASSETS--Fixed assets are stated at cost less accumulated depreciation. Expenditures for improvements are capitalized; repairs and maintenance are charged to expense 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 50 years. Depreciation on leasehold improvements is calculated over the lesser of the useful life of the assets or the lease term. Depreciation on furniture and equipment is calculated based on a range of 3 to 25 years and vehicles are depreciated over a period up to 4 years.

RECOVERABILITY OF FIXED ASSETS--In accordance with SFAS No. 121, ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS AND FOR LONG-LIVED ASSETS TO BE DISPOSED OF, long-lived assets and certain identifiable

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
intangibles held and used by a company are required to be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, the Company estimates the future cash flows expected to result from the use of the asset and its eventual disposition. If the undiscounted future cash flow is less than the carrying amount of the asset, the asset is deemed impaired. The amount of the impairment is measured as the difference between the carrying value and the fair value of the asset. Generally, long-lived assets and certainidentifiable intangibles to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

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. The Company reviews goodwill for impairment whenever facts or circumstances indicate that the carrying amounts may not be recoverable. If an evaluation is required, the estimated future undiscounted cash flows associated with the underlying business operation are compared to the carrying amount of goodwill to determine if a write-down is required. If such an assessment indicates that the undiscounted future cash flows will not be recovered, the carrying amount is reduced to the estimated fair value.

Effective September 2, 1998, Trinity Acquisition Limited ("Trinity Acquisition"), a wholly owned subsidiary of TA I, acquired Willis Group Limited in a going private transaction. Trinity Acquisition was incorporated in June 1998 by Kohlberg Kravis Roberts & Co. L.P. for the sole purpose of effecting the acquisition of Willis Group Limited. Prior to the acquisition, the activities of Trinity Acquisition and TA I were de minimis. The acquisition of Willis Group Limited was accounted for under the purchase method of accounting, included the purchase of outstanding shares of common stock of Willis Group Limited at L2 per share which, plus acquisition costs, resulted in a total purchase price of $1,468. A portion of the purchase price was allocated to assets acquired and liabilities assumed based on estimated fair market values at the date of acquisition while the balance of $1,374 was recorded as goodwill and is being amortized over 40 years on a straight line basis. Goodwill arising on subsequent acquisitions is amortized over 20 years. The weighted average goodwill amortization period is 39 years.

INVESTMENTS IN ASSOCIATES--Investments in entities owned associates in which the Company has the ability to exercise significant influence are accounted for by the equity method of accounting whereby the investment is carried at cost of acquisition, plus the Company's equity in undistributed earnings or losses since acquisition, less dividends received.

Investments in less than 20% owned associates are accounted for by the cost method. Such investments are not publicly traded.

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 results of operations as a realized loss.

PUT AND CALL OPTIONS RELATING TO SUBSIDIARIES AND ASSOCIATES--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 of 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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)
price of such puts and calls is formula-based (using revenues and earnings) and is designed to reflect fair value.

On inception of an option agreement, the Company records the puts and calls at fair value. The put and call options are subsequently marked to market at each reporting period with changes in value being recognized in the statement of operations.

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 and amounts payable and receivable are recognized in interest income or expense on an accrual basis based on the terms of the agreement and the interest rates prevailing at that time. Forward foreign currency exchange contracts are used to manage currency exposures arising from future income. These contracts are recorded at their fair value with unrealized gains and losses recognized currently in the statement of operations.

INCOME TAXES--The Company accounts for income taxes under the provisions of SFAS No. 109, ACCOUNTING FOR INCOME TAXES ("SFAS 109"). SFAS 109 requires recognition of 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 loss and tax credit carryforwards. 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 and liabilities 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.

PENSIONS--The Company has two principal defined benefit pension plans, one in the United Kingdom (the "UK") and the other in the US. The plans cover substantially all eligible employees based on employees' service lives calculated over a constant percentage of pensionable earnings. The pension cost of both plans is accounted for in accordance with SFAS No. 87, EMPLOYERS' ACCOUNTING FOR PENSIONS. Pension information is presented in accordance with SFAS No. 132, EMPLOYERS' DISCLOSURES ABOUT PENSIONS AND OTHER POSTRETIREMENT BENEFITS.

STOCK-BASED COMPENSATION--The Company accounts for its stock option and stock-based compensation plans using the intrinsic-value method prescribed in Accounting Principles Board Opinion No. 25, ACCOUNTING FOR STOCK ISSUED TO EMPLOYEES ("APB 25"). Accordingly, the Company computes compensation costs for each employee stock option granted as the amount by which the estimated fair value of the Company's management ordinary shares on the date of the grant exceeds the amount the employee must pay to acquire the shares. As required by SFAS No. 123, ACCOUNTING FOR STOCK-BASED COMPENSATION ("SFAS 123"), the Company has included, in Note 14, the required SFAS 123 pro forma disclosures of net income (loss) and earnings (loss) per share as if the fair value-based method of accounting had been applied.

REVENUE RECOGNITION--Revenue includes insurance commissions, fees for services rendered, certain commissions receivable from insurance carriers and interest income.

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

The Company takes credit for commissions (or fees negotiated in lieu of commission) in respect of insurance placements at the date when the insured is billed or at the inception date of the policy, whichever is later. Commissions on additional premiums and adjustments are recognized as and when advised. Fees for consulting services are recorded as the services are provided or, for short term projects, on completion of the project. Fees for other services, including captive management and third party administration, are recognized over the period for which the services are rendered. The Company establishes contract cancellation reserves where appropriate. At December 31, 2000 and 1999, such amounts were not material.

Commissions receivable from insurance carriers such as commissions contingent on the performance of insurance policies placed are recognized at the earlier of the date when cash is received, or when formal, written notification of the actual amount due is received from the insurance carrier. If some of the commissions received are potentially subject to full or partial repayment to the carrier, then recognition is deferred until the conditions for repayment have passed. Interest income is recognized as earned.

RECENT ACCOUNTING PRONOUNCEMENTS--SFAS No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES ("SFAS 133") as amended by SFAS No. 137, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES--DEFERRAL OF THE EFFECTIVE DATE OF FASB STATEMENT NO. 133, and SFAS No. 138, ACCOUNTING FOR CERTAIN DERIVATIVE INSTRUMENTS AND CERTAIN HEDGING ACTIVITIES, is effective for the Company as of January 1, 2001. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at fair value. Gains or losses resulting from changes in the value of derivatives are accounted for depending on the intended use of the derivative and whether they qualify for hedge accounting. The adoption of SFAS 133, effective January 1, 2001, will result in an increase in other comprehensive income, net of tax, of $8 reported as the cumulative effect of adopting an accounting principle.

In November 1999, the United States Securities and Exchange Commission (the "SEC") issued Staff Accounting Bulletin No. 101, REVENUE RECOGNITION ("SAB 101"). This Bulletin sets forth the SEC Staff's position regarding the point at which it is appropriate for a company to recognize revenue. The Staff believes that revenue is realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred or service has been rendered, (iii) the seller's price to the buyer is fixed or determinable and (iv) collectibility is reasonably assured. The Company has reviewed these criteria and believes its policy for revenue recognition to be in accordance with SAB 101.

3. RESTRUCTURING COSTS

The Company recorded charges of $18 and $7 primarily for employee termination benefits and excess operating lease obligations as a result of restructuring plans during the years ended December 31, 2000 and 1999, respectively. Such charges have been recorded as restructuring costs in the consolidated statements of operations.

In the fourth quarter of 1999, the Company announced a comprehensive restructuring plan to segment accounts, eliminate unprofitable accounts and activities, consolidate several sales process functions and streamline and centralize client service functions such as claims handling, policy issuance and the issuance of insurance certificates in the North American operations. Pursuant to this plan, the

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

3. RESTRUCTURING COSTS (CONTINUED)
Company expects to eliminate 275 positions and physically segregate and discontinue use of certain leased office space which, where economically feasible, will be subleased. This restructuring plan resulted in the Company recording a charge of $7 representing employee termination benefits in 1999 and a charge of $11 representing excess operating lease obligations (net of expected sublease income) in 2000. As of December 31, 2000, 266 employees had been terminated as a result of the restructuring plan.

In 2000, the Company developed a plan to exit certain business lines including the sale of the municipality business of Public Entities National Company ("PENCO"), part of the US wholesale operations, and the sale or closure of certain other non-strategic businesses. As a result of these plans, it is expected that approximately 250 employees will be terminated. The sale of the municipality business of PENCO was completed in January 2001 while the proposed sale or closure of certain other non-strategic businesses is expected to be completed by July 2001. Restructuring charges of $7 were recorded by the Company in the fourth quarter of 2000, representing $4 of employee termination benefits, $1 of excess operating lease obligations and $2 of other exit costs relating to these plans. As of December 31, 2000, no employees had been terminated.

Selected information for restructuring charges follows:

| | EMPLOYEE TERMINATION BENEFITS | EXCESS OPERATING LEASE OBLIGATIONS | OTHER | TOTAL |
|---|---|---|---|---|
| January 1, 1999..... | $-- | $-- | $-- | $ -- |
| Restructuring charge..... | 7 | -- | -- | 7 |
| December 31, 1999..... | 7 | -- | -- | 7 |
| Restructuring charge..... | 4 | 12 | 2 | 18 |
| Used in year..... | (6) | (4) | -- | (10) |
| December 31, 2000..... | $ 5 | $ 8 | $ 2 | $ 15 |

4. ACQUISITIONS AND DISPOSITIONS

ACQUISITIONS--During 2000 and 1999, the Company acquired a number of businesses and also increased its ownership interest in certain associates. All of these transactions were recorded using the purchase method of accounting. Accordingly, the results of operations of the acquired businesses and the Company's increased share of the undistributed earnings of associates have been included in the Company's consolidated results from their respective acquisition dates. The assets acquired and liabilities assumed were recorded at estimated fair values.

The aggregate purchase price of all acquisitions approximated $12 and $32, including amounts of $4 and $6 for deferred payments as of December 31, 2000 and 1999, respectively.

The preliminary purchase price allocations for the acquisitions are subject to adjustment during the year following acquisition when finalized. In most of the acquisitions, the preliminary allocation resulted in an excess of purchase price over the fair value of net assets acquired being allocated to goodwill, which is being amortized on a straight-line basis over 20 years.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

4. ACQUISITIONS AND DISPOSITIONS (CONTINUED)

If all of the Company's 2000 and 1999 acquisitions had occurred on January 1, 2000 and January 1, 1999, respectively, pro forma revenues, pro forma net income (loss), pro forma basic net income (loss) per common share and pro forma diluted net income (loss) per common share for 2000 and 1999 would not have been materially different from the amounts reported.

DISPOSITIONS--The Company disposed of a number of businesses during 2000 and 1999. Total proceeds relating to 2000 were not material. Total proceeds relating to 1999 dispositions of subsidiaries and associates amounted to $7 with a gain of $7 recorded in the consolidated statement of operations. Additional cash was received in 1999 in the amount of $7 which related to deferred amounts on acquisitions completed in prior years.

5. INCOME TAXES

The components of income (loss) before income taxes, equity in net earnings of associates and minority interest for the years ended December 31, are as follows:

| | 2000 | 1999 |
|---|---|---|
| UK | $23 | $ (88) |
| US | 21 | (57) |
| Other jurisdictions | 21 | 41 |
| Income (loss) before income taxes, equity in net earnings of associates and minority interest | $65 | $(104) |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

5. INCOME TAXES (CONTINUED)

The provision for income taxes by location of the taxing jurisdiction for the years ended December 31, consisted of the following:

| | 2000 | 1999 |
|---|---|---|
| Current income taxes: | | |
| UK corporation tax | $ 4 | $ 6 |
| US federal tax | 13 | -- |
| US state and local taxes | 5 | 2 |
| Other jurisdictions | 14 | 16 |
| Total current taxes | 36 | 24 |
| Deferred: | | |
| UK corporation tax | 6 | 2 |
| US federal tax | (5) | (16) |
| US state and local | (1) | (3) |
| Other jurisdictions | (3) | -- |
| Total deferred taxes | (3) | (17) |
| Total income taxes | $33 | $ 7 |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

5. INCOME TAXES (CONTINUED)

The following table reconciles, for the years ended December 31, the income tax provision (benefit) at the UK corporation tax rate to that in these financial statements.

| | 2000 | 1999 |
|---|---|---|
| Income (loss) before income taxes, equity in net earnings of associates and minority interest | $65 | $(104) |
| Corporation tax rate | 30% | 30% |
| Income tax provision (benefit) at corporation tax rate | 19 | (31) |
| Adjustments to derive effective rate: | | |
| Nondeductible items: | | |
| Goodwill amortization | 11 | 13 |
| Other | 8 | 6 |
| Other items: | | |
| Change in valuation allowance | (2) | 29 |
| Prior year adjustment | (1) | -- |
| Tax differentials of foreign earnings: | | |
| US earnings | 3 | (3) |
| Other jurisdictions | 4 | 2 |
| Other | (9) | (9) |
| Provision for income taxes | $33 | $ 7 |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

5. INCOME TAXES (CONTINUED)

The significant components of deferred income tax assets and liabilities and their balance sheet classifications, as of December 31, are as follows:

| | 2000 | 1999 |
|---|---|---|
| Deferred tax assets: | | |
| Accrued expenses not currently deductible | $ 9 | $ 10 |
| UK net operating losses | 30 | 24 |
| UK capital losses | 71 | 77 |
| Accrued retirement benefits | 19 | 24 |
| Provisions | 32 | 46 |
| Allowance for doubtful accounts | 4 | 1 |
| Deferred compensation | 12 | 11 |
| Other | 2 | 2 |
| Gross deferred tax assets | 179 | 195 |
| Less: valuation allowance | (101) | (125) |
| Net deferred tax assets | 78 | 70 |
| Deferred tax liabilities: | | |
| Tax-leasing transactions | 12 | 12 |
| Unremitted foreign earnings | 2 | 3 |
| Other | 5 | 8 |
| Deferred tax liabilites | 19 | 23 |
| Net deferred tax assets | $ 59 | $ 47 |
| Balance sheet classifications: | | |
| Deferred tax assets -- current | $ 14 | $ 11 |
| Deferred tax assets -- noncurrent | 45 | 36 |
| | $ 59 | $ 47 |

As of December 31, 2000, the Company had a valuation allowance of $101 to reduce its deferred tax assets to estimated realizable value. The valuation allowance primarily relates to the deferred tax assets arising from tax loss operating carryforwards and capital loss carryforwards in the UK as well as other temporary differences. In the UK, tax loss operating carryforwards and capital loss carryforwards have no expiration date. The utilization of tax operating carryforwards is, however, restricted to the taxable income of the subsidiary generating the losses. In addition, capital loss carryforwards can only be offset against capital gains. The reduction in the total valuation allowance for the year ended December 31, 2000 arises principally from confirmation received from the UK Inland Revenue regarding the future utilization of certain temporary differences, an element of which was recorded as a fair value adjustment. Offsetting this reduction was an increase in the valuation allowance attributable to UK net operating losses. As of December 31, 2000, based upon the level of historical taxable income and projections for future taxable income over the periods in which the temporary differences are anticipated to reverse, and prudent and feasible tax-planning strategies, management believes it is more likely than not that the Company will realize the benefits of these deductible differences, net of the

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

5. INCOME TAXES (CONTINUED)
valuation allowances, as of December 31, 2000. However, the amount of the deferred tax asset considered realizable could be adjusted in the future if estimates of taxable income are revised. In the event that the valuation allowance of $101 as of December 31, 2000 is reduced in future years to recognize deferred tax assets, $77 will be allocated to reduce goodwill.

The Company recognizes a deferred tax liability 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 located outside the UK because, in management's opinion, such earnings have been indefinitely reinvested in these operations, will be remitted in a tax free liquidation, or will be remitted as dividends with taxes substantially offset by foreign tax credits. It is not practical to determine the amount of unrecognized deferred tax liabilities for temporary differences related to investments in these non-UK subsidiaries.

6. INVESTMENT IN ASSOCIATES

As of December 31, 2000 and 1999, the Company held a number of investments which it accounts for using the equity method. The Company's interest in the outstanding common stock of the more significant associates as of December 31, 2000, is as follows.

| | COUNTRY | 2000 | 1999 |
|---|---|---|---|
| Al-Futtaim Willis Faber (Private) Limited..... | Dubai | 49% | 49% |
| Jaspers Wuppesahl Industrie Assekuranz GmbH & Co., KG ("Jaspers Wuppesahl")..... | Germany | 45% | 45% |
| Gras Savoye & Cie ("Gras Savoye")..... | France | 33% | 33% |
| Willis A/S..... | Denmark | 30% | 30% |
| Herzfeld & Levy SA..... | Argentina | 40% | 20% |

Of those listed above, the Company's principal investments as of December 31, 2000 and 1999 comprised of Gras Savoye, a French insurance broker, and Jaspers Wuppesahl, an insurance broker in Germany. Included in the carrying amount of the Gras Savoye investment is goodwill of $74 and $76 net of accumulated goodwill amortization of $5 and $3 as of December 31, 2000 and 1999, respectively. Included in the carrying amount of the Jaspers Wuppesahl investment is goodwill of $35 and $37 net of accumulated goodwill amortization of $3 and $1 as of December 31, 2000 and 1999, respectively. Goodwill related to Gras Savoye and Jaspers Wuppesahl is being amortized on a straight-line basis over a weighted-average period of 38 years. As of December 31, 2000 and 1999, the Company's other investments in associates individually and in the aggregate were not material to the Company's operations.

On July 23, 1997, the Company entered into an agreement with Gras Savoye whereby, among other things, the co-shareholders of Gras Savoye (other than management) have the right to sell (put option) their shares to the Company possibly increasing the Company's ownership interest from 33% to 90%. The option expires in 2011 and Gras Savoye's eligible co-shareholders may exercise their rights from January 1, 2001. In addition, the Company has the right to purchase (call option) at least 50.1% of Gras Savoye's shares from the co-shareholders. The call option is exercisable from December 1,

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

6. INVESTMENT IN ASSOCIATES (CONTINUED)

2009. The exact amount payable by the Company under the put and call is based on the greater of a price per Gras Savoye share defined contractually or a formula-based price contingent on Gras Savoye's future results. The Company recorded the put and call options related to Gras Savoye at fair value on July 23, 1997, and have subsequently marked them to market at each reporting period with changes in value being recognized in the statement of operations.

Unaudited condensed financial information for associates, in the aggregate, as of and for the years ended December 31, 2000 and 1999 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) consolidated statement of operations data has been translated to US dollars at the relevant average exchange rate.

| | 2000 | 1999 |
|---|---|---|
| Condensed balance sheet data: | | |
| Current assets | $650 | $808 |
| Noncurrent assets | 110 | 115 |
| Current liabilities | (638) | (639) |
| Stockholders' equity | 77 | 78 |
| Condensed statement of operations data: | | |
| Net sales | 286 | 296 |
| Income before income taxes | 33 | 35 |
| Net income | 17 | 33 |

7. COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED CAPITAL SECURITIES OF SUBSIDIARY

In 1998, TA II Limited, a wholly owned subsidiary of TA I, issued $10 par value company-obligated mandatorily redeemable preferred capital securities (the "preference shares") at a premium of $15 per share. The proceeds were used to assist in financing the acquisition of Willis Group Limited by Trinity Acquisition.

The preference shares have no voting rights (except in the case of a winding up resolution) and have an aggregate liquidation preference of approximately $270. They carry the right to a cumulative dividend of 8.5% per annum, excluding the amount of any associated tax credits, on a fixed amount of $25 per preference share. TA II Limited has the option to satisfy 1% per annum of the cumulative dividend by the issuance of additional preference shares. The dividend is payable in US dollars semiannually on June 30 and December 31 of each year. Holders of preference shares have a preferential right to receive out of surplus assets, arrears and accruals of dividends and $25 per share, but do not have any further right to participate in surplus assets.

The preference shares may be redeemed at any time by TA II Limited by payment of a fixed amount of $25 per share plus any accrued and unpaid dividends. The preference shares are required to be redeemed in full by payment of a fixed amount of $25 per share plus any accrued and unpaid dividends on the earlier of August 1, 2009 or the sale of all or substantially all of the business of Willis Group Limited, a wholly-owned subsidiary of TA I, including whether in a single transaction or series of transactions and whether by sale of shares, sale of assets or otherwise.

Dividend payments on the preference shares are classified on the consolidated statements of operations within minority interest.

8. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per ordinary share, including management ordinary shares (collectively, the "Ordinary Shares") is calculated by dividing net income (loss) by the weighted-average number of Ordinary Shares of the Company's ordinary stock outstanding during each year. The computation of diluted earnings (loss) per share is similar to basic earnings (loss) per share, except that diluted earnings (loss) per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue Ordinary Shares were exercised or converted into ordinary shares or resulted in the issuance of Ordinary Shares that then shared in the earnings (losses) of the Company.

In 2000 and 1999, time-based options to purchase 17,865,957 and 11,426,610 management ordinary shares were outstanding. Given that the Company's Ordinary Shares are not publicly traded and the exercise price of these options was established based on management's estimate of the fair value of same on the measurement date, such options have no dilutive nor antidilutive effect on earnings per share as of December 2000 and 1999, respectively.

9. FIDUCIARY FUNDS--RESTRICTED AND SHORT-TERM INVESTMENTS

The Company's short-term investments and fiduciary funds-restricted are comprised of cash, time deposits and certificates of deposit, and debt securities. Accrued interest on investments is recorded as other current assets.

The debt securities are recorded at fair market value. Fair market value is based upon the market price of the security plus accrued interest, if any. Unrealized holding gains and losses are reported, net of tax, as a component of other comprehensive income. As of December 31, 2000 and 1999, the amortized cost of securities approximated fair value.

Realized gains and losses on debt securities are included in earnings. During 2000 and 1999, sales of debt securities totaled $52 and $72, respectively, on which realized gains and losses were not material to the consolidated results of the Company.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

9. FIDUCIARY FUNDS--RESTRICTED AND SHORT-TERM INVESTMENTS (CONTINUED)

As of December 31, fiduciary funds--restricted and short-term investments consisted of the following:

| | 2000 | 1999 |
|---|---|---|
| Short-term investments(1): | | |
| US Government securities | $ 8 | $ 6 |
| UK Government securities | 5 | 10 |
| Other foreign government securities | 20 | 7 |
| Corporate debt securities | 8 | 10 |
| | $ 41 | $ 33 |
| Fiduciary funds-restricted: | | |
| Cash and cash equivalents(2) | $632 | $553 |
| Commercial paper(1) | -- | 15 |
| Certificates of deposits | 306 | 270 |
| US Treasury bills(1) | 7 | 11 |
| Time deposits | 33 | 48 |
| | $978 | $897 |

- ------------------------

(1) Debt securities classified as available-for-sale.

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

10. FIXED ASSETS

The components of fixed assets as of December 31 are as follows:

| | 2000 | 1999 |
|---|---|---|
| Land and buildings | $102 | $109 |
| Leasehold improvements | 27 | 27 |
| Vehicles | 24 | 26 |
| Furniture and equipment | 118 | 110 |
| Total fixed assets, cost | 271 | 272 |
| Less accumulated depreciation | (79) | (52) |
| Total fixed assets, net | $192 | $220 |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

11. PROVISIONS

Provisions as of and for the years ended December 31, are as follows:

| | CLAIMS | PENSIONS REVIEW | SURPLUS PROPERTIES | DISCONTINUED OPERATIONS | TOTAL |
|---|---|---|---|---|---|
| January 1, 1999 | $45 | $34 | $28 | $39 | $146 |
| Charge to operations | 18 | 40 | 1 | -- | 59 |
| Purchase price adjustment | -- | 24 | -- | -- | 24 |
| Used in the year | (7) | (21) | (7) | (1) | (36) |
| Foreign exchange and other adjustments | -- | -- | -- | (1) | (1) |
| December 31, 1999 | 56 | 77 | 22 | 37 | 192 |
| Charge to operations | 15 | -- | 11 | -- | 26 |
| Used in the year | (14) | (21) | (8) | (6) | (49) |
| Foreign exchange and other adjustments | (4) | (5) | (2) | -- | (11) |
| December 31, 2000 | $53 | $51 | $23 | $31 | $158 |

The claims provision represents management's assessment of liabilities that may arise from asserted and unasserted claims for errors and omissions that arise in the course of the Company's business. Where some of the potential liability is recoverable under the Company'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. There were no insurance recoveries recognized as of December 31, 2000 and 1999.

In common with many companies involved in selling personal pension plans in the UK, the Company's financial advisory business, Willis Corroon Financial Planning Limited ("WCFP"), is required by the Financial Services Authority and the Personal Investment Authority ("the Regulator"), which regulates these matters, to review certain categories of personal pension plans sold to individuals between 1988 to 1994. WCFP is required to compensate those individuals who transferred from, opted out or did not join, their employer-sponsored pension plan if the expected benefits from their personal pension plan did not equal the benefits that would have been available from their employer-sponsored pension plan. Whether compensation is due to a particular individual, and the amount thereof, is dependent upon the subsequent performance of the personal pension plan sold and the net present value of the benefits that would have been available from the employer-sponsored pension plan calculated using financial and demographic assumptions prescribed by the Regulator. The Regulator currently requires all offers of compensation to be made by June 30, 2002.

In 1999, the pension review provision was increased by $64, $24 of which was recorded as a purchase price adjustment and $40 of which was recorded as a charge to operations. The purchase price adjustment was recognized in the second quarter of 1999 to reflect the expected higher cost of compensation as a consequence of falling UK interest rates. The charge to income of $40 in the fourth quarter of 1999 was necessitated by adverse changes in the demographic assumptions to be used and the Regulator's announcement of the discovery of errors in their prescribed method of calculating compensation resulting in the prospective reworking of previously settled claims. Although the Company considers the established provisions to be prudent and expects to pay out these provisions

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

11. PROVISIONS (CONTINUED)
over the next three years, there remains some uncertainty as to the ultimate exposure relating to the review. This exposure is subject to a number of variable factors including, among others, the effect of future changes in prescribed UK interest rates and in financial and other assumptions which are issued by the Regulator on a quarterly basis.

The surplus properties provision relates to future lease rentals of leasehold properties which are surplus to the Company's operational requirements. The provision amount represents the discounted contracted lease payment less an allowance for future rental income.

The provision for discontinued operations includes estimates for future costs of administering the run-off of the Company's former UK underwriting operations. Willis Faber (Underwriting Management) Limited ("WFUM"), a wholly-owned subsidiary of the Company provided underwriting agency and other services to certain insurance companies including Sovereign Marine & General Insurance Company Limited ("Sovereign") (in Scheme of Arrangement) (collectively, the "stamp companies") and in 1991 ceased arranging new business on behalf of the stamp companies. Willis Faber Limited has agreed with certain of the stamp companies to fund certain costs of the run-off, subject to agreed guidelines as to timing and amount. Although the Company expects the run-off to be conducted in an orderly manner, it may ultimately prove to be a lengthy and expensive process. The amounts to be funded under the run-off arrangements are currently within the aggregate of the provisions made.

12. LONG-TERM DEBT

Long-term debt as of December 31, consists of the following:

| | 2000 | 1999 |
|---|---|---|
| Senior Credit Facility term loan, variable rate due 2005 to 2008 | $408 | $438 |
| 9% Senior Subordinated Notes, due 2009 | 550 | 550 |
| | $958 | $988 |

SENIOR CREDIT FACILITY--During 1998, TA I's wholly owned subsidiary, Trinity Acquisition, entered into a credit agreement among Trinity Acquisition, as guarantor, Willis North America Inc. ("Willis North America"), as borrower, Willis Group Limited, as guarantor, the lenders and The Chase Manhattan Bank, as administrative agent and collateral agent, providing up to $450 in term loans and $150 in revolving credit facilities. The credit agreement, as amended, includes a term loan facility under which portions, or tranches of the loan mature on four different dates between 2005 and 2008.

Pursuant to the credit agreement, the Company makes loan repayments based on the amortization schedule specified in the credit agreement. In addition, during 2000 and 1999, the Company made non-mandatory early repayments totaling $30 and $12, respectively. As a consequence, the Company's next scheduled repayment under the facility is not due until 2004. In the years ended December 31, 2000 and 1999, the weighted-average interest rate relating to all loans under the Senior Credit Facility ranged from 8.40% to 9.22% and 7.52% to 8.30%, respectively; net of an interest rate swap, the ranges were 6.96% to 7.76% and 7.30% to 8.05%, for the years ended December 31, 2000 and 1999, respectively.

12. LONG-TERM DEBT (CONTINUED)

The revolving credit facility is available for working capital requirements and general corporate purposes, subject to certain limitations, until 2005. The revolving credit facility is available for loans denominated in US dollars, pounds sterling and certain other currencies and for letters of credit, including to support loan note guarantees.

The credit agreement contains numerous operating and financial covenants, including, without limitation, requirements in the case of the credit agreement to maintain minimum ratios of adjusted earnings before interest, tax, depreciation and amortization ("EBITDA"), to interest and maximum levels of indebtedness in relation to adjusted EBITDA. In addition, the credit agreement includes covenants relating to limitation on liens, limitations on sales and other disposals of assets, limitations on indebtedness and other liabilities, limitations on capital expenditures, limitations on investments, mergers, acquisitions, loans and advances, limitations on dividends and other distributions, limitations on prepayment, redemption or amendment of the notes, maintenance of property, environmental matters, employee benefit matters, maintenance of insurance, nature of business, compliance with applicable laws, corporate existence and rights, payment of taxes and access to information and properties.

All obligations of Willis North America under the credit agreement are guaranteed by Trinity Acquisition and its UK and US subsidiaries, including Willis Group Limited, with certain exceptions. Obligations under the credit agreement are secured by a pledge of capital stock of certain subsidiaries of Trinity Acquisition, including capital stock of Willis Group Limited, its direct subsidiaries (with certain exceptions), Willis North America and its direct US subsidiaries, the partnership interests of Willis Partners, as well as, in some circumstances, certain intercompany notes and certain non-cash proceeds of asset sales, in each case subject to exceptions and conditions included in the credit agreement. The pledge of stock owned by Willis Group Limited is supported by a general lien filed in the UK against Willis Group Limited's assets.

9% SENIOR SUBORDINATED NOTES--In February 1999, Willis North America refinanced a short-term loan by issuing 9% Senior Subordinated Notes due 2009 (the "Notes") in the aggregate principal amount of $550. The interest on the Notes is payable semiannually on February 1 and August 1 of each year, beginning August 1, 1999.

The Notes are redeemable at the option of Willis North America in the following cases:

- On or before February 1, 2002, Willis North America may redeem up to 35% of the aggregate principal amount of the Notes at a redemption price equal to 109% of the aggregate principal amount of those Notes, plus accrued and unpaid interest, using the net proceeds of certain equity offerings.

- From and after February 1, 2004, Willis North America may redeem the Notes, in whole or in part, at a redemption price equal to 104.5% of the aggregate principal amount of the Notes being redeemed in 2004, which percentage declines by 1.5% per annum over the next years to 100% in 2007, plus accrued and unpaid interest.

If Willis North America becomes subject to a change of control, holders of its Notes will have the right to require the Company to purchase all of their Notes at a price equal to 101% of the aggregate

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12. LONG-TERM DEBT (CONTINUED)
principal amount of the Notes, plus accrued and unpaid interest to the date of repurchase. In addition, under specified circumstances, Willis North America will be required to offer to purchase the Notes at a price equal to 100% of the principal amount of the Notes, plus accrued and unpaid interest to the date of purchase, with the excess proceeds of certain assets sales.

The indenture for the Notes contains covenants that, among other things, limit the ability of Willis North America, Willis Group Limited, Willis Partners and some of their subsidiaries to incur additional indebtedness and issue preferred stock; pay dividends or make other distributions; repurchase capital stock or subordinated indebtedness; create liens; enter into some transactions with associates; sell assets and assets of subsidiaries; issue or sell capital stock of some subsidiaries; and enter into some mergers and acquisitions.

Two of TA I's wholly owned subsidiaries, Willis Group Limited and Willis Partners, have jointly and severally and fully and unconditionally guaranteed the prompt and complete performance of Willis North America in respect of the Notes.

SCHEDULED DEBT REPAYMENTS--Aggregate maturities of long-term debt for the five years subsequent to December 31, 2000 are as follows:

| | |
|---|---|
| 2004 | $ 11 |
| 2005 | 94 |
| Thereafter | 853 |
| | $958 |

LINES OF CREDIT--The Company also has available $17 in lines of credit, of which $13 was drawn as of December 31, 2000 (excluding the $150 revolving credit facility).

13. PENSION PLANS

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 and the Company provides a matching contribution of 3% of employees' annual eligible compensation. All investment assets of the plan are held in a trust account administered by independent trustees. The Company's 401(k) mandatory matching contributions for 2000 and 1999 were approximately $6 and $5, respectively.

The Company has two principal defined benefit pension plans funded externally which cover all eligible employees. One plan exists in the UK and the other in the US. It is the Company's policy to fund pension costs as required by applicable laws and regulations.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

13. PENSION PLANS (CONTINUED)

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 | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Change in benefit obligation: | | | | |
| Benefit obligation, beginning of year | $ 997 | $1,080 | $314 | $327 |
| Service cost | 27 | 34 | 13 | 16 |
| Interest cost | 56 | 58 | 22 | 21 |
| Employee contribution | 2 | 2 | -- | -- |
| Actuarial (gain) loss | (17) | (100) | 2 | (60) |
| Benefits paid | (44) | (57) | (14) | (12) |
| Foreign currency changes | (75) | (20) | -- | -- |
| Termination benefits | -- | -- | -- | 22 |
| Benefit obligations, end of year | 946 | 997 | 337 | 314 |
| Change in plan assets: | | | | |
| Fair value of plan assets, beginning of year | 1,363 | 1,174 | 366 | 318 |
| Actual return on plan assets | 12 | 248 | 5 | 58 |
| Employee contributions | 2 | 2 | -- | -- |
| Employer contributions | 14 | 17 | 1 | 2 |
| Benefits paid | (44) | (57) | (14) | (12) |
| Foreign currency changes | (101) | (21) | -- | -- |
| Fair value of plan assets, end of year | 1,246 | 1,363 | 358 | 366 |
| Reconciliation of funded status: | | | | |
| Funded status | 300 | 366 | 21 | 52 |
| Unrecognized net actuarial gain | (277) | (355) | (75) | (112) |
| Net asset (liability) recognized | 23 | 11 | (54) | (60) |
| Amounts recognized in balance sheet consist of: | | | | |
| Prepaid benefit cost | 23 | 11 | -- | -- |
| Accrued benefit liability | -- | -- | (54) | (60) |
| Net asset (liability) recognized | $ 23 | $ 11 | $(54) | $(60) |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

13. PENSION PLANS (CONTINUED)

The weighted average actuarial assumptions utilized in determining the above amounts for the UK and US defined benefit plans for the years ended December 31 were as follows:

| | UK PENSION BENEFITS | | US PENSION BENEFITS | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Weighted average assumptions: | | | | |
| Discount rate | 6.0% | 6.0% | 7.3% | 7.3% |
| Expected return on plan assets | 7.3% | 7.5% | 8.5% | 8.5% |
| Rate of compensation increase | 3.8% | 4.0% | 5.0% | 5.0% |

The components of the net periodic benefit cost of the UK and US defined benefit plans for the years ended December 31 are as follows:

| | UK PENSION BENEFITS | | US PENSION BENEFITS | |
|---|---|---|---|---|
| | 2000 | 1999 | 2000 | 1999 |
| Components of net periodic benefit cost: | | | | |
| Service cost | $27 | $34 | $13 | $16 |
| Interest cost | 56 | 58 | 22 | 21 |
| Expected return on plan assets | (80) | (77) | (30) | (28) |
| Termination benefits | -- | -- | -- | 22 |
| Recognized actuarial gain | (2) | -- | (9) | (2) |
| | $ 1 | $15 | $(4) | $29 |

14. STOCK BENEFIT PLANS

TA I has adopted the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees and the 2000 Willis Award Plan for Key Employees providing for the grant of time-based vesting options and performance-based vesting options and various other share-based grants to employees. The objectives of these plans include attracting and retaining the best personnel, motivating management personnel by means of growth-related incentives to achieve long range goals and providing employees with the opportunity to increase their share ownership in TA I.

AMENDED AND RESTATED 1998 SHARE PURCHASE AND OPTION PLAN--This plan, which was established on December 18, 1998, provides for the granting of time-based vesting and performance-based vesting options to employees of the Company. There are 30,000,000 management ordinary shares available for grant under this plan provided, however, that in no event the total number of management ordinary shares subject to options and other equity for current and future participants exceed 25% of the equity of the Company on a fully diluted basis. All options granted under this plan are exercisable at L2 per share ($3 using the year-end exchange rate of L1 = $1.5) and expire on December 18, 2008.

14. STOCK BENEFIT PLANS (CONTINUED)

Time-based options are earned upon the fulfillment of vesting requirements. Options are generally exercisable in equal installments of 20% per year over a five-year period commencing on or after December 18, 2000.

Performance-based options will generally become exercisable in the event and to the extent that certain performance targets are met, which targets are based on the achievement of cash flow targets and EBITDA targets of the Company, as defined in the plan agreements. The number of management ordinary shares subject to performance options which will become exercisable will be zero if threshold performance targets are not met and will thereafter be dependent upon the extent to which such minimum threshold levels are exceeded, up to specified maximum performance targets. If the performance conditions are met, the options will generally become exercisable in equal installments of 25% per year over a four-year period commencing on or after December 18, 2001.

2000 WILLIS AWARD PLAN--This plan, which was established on July 13, 2000, provides for the granting of time-based options to selected employees who have been identified as superior performers. There are 5,000,000 management ordinary shares available under this plan provided, however, that in no event the total number of management ordinary shares subject to options and other equity for current and future participants exceed 25% of the equity of TA I on a fully diluted basis. All options granted under this plan are exercisable at L2 per share ($3 using the year-end exchange rate of L1 = $1.5).

The options vest immediately on the grant date and are exercisable any time up to July 13, 2010.

COMPENSATION COST--TA I applies the intrinsic value method allowed by APB 25 in accounting for its stock option plans. Under APB 25, compensation expense resulting from awards under fixed plans (the time-based vesting options, options granted pursuant to the 2000 Willis Award Plan and various other share-based grants to employees) are measured as the difference between the best estimate of market price at the first date on which both the number of shares that an individual is entitled to receive and the exercise price, if any, are known. Compensation expense resulting from awards under variable plans, however, is measured as the difference between the best estimate of market price at the date when the number of shares of stock is known (the date the performance conditions are satisfied) and the exercise price; the cost is recognized over the period the employee performs related services. Since the ultimate compensation is unknown until the performance conditions are satisfied, estimates of compensation cost are recorded before the measurement date based on the estimate of market price of the management ordinary shares at the intervening dates in situations where it is probable that the performance conditions will be attained. All fixed plan options were granted at an exercise price equal to TA I management's best estimate of market price at the measurement date. In addition, the criteria for recognition of compensation expense related to performance-based options have not yet been met. Accordingly, no compensation expense has been recognized in the consolidated statements of operations pursuant to APB 25. Had compensation cost for such plans been determined consistent with the fair value method prescribed by SFAS 123, the Company's net income (loss) and net earnings (loss)

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14. STOCK BENEFIT PLANS (CONTINUED)
per Ordinary Share for 2000 and 1999 would have been reduced to the pro forma amounts indicated in the table below.

| | 2000 | 1999 |
|---|---|---|
| NET INCOME (LOSS) AVAILABLE FOR ORDINARY STOCKHOLDERS: | | |
| As reported | $ 9 | $(132) |
| Pro forma | 4 | (136) |
| NET INCOME EARNINGS (LOSS) PER SHARE: | | |
| Basic and diluted: | | |
| As reported | 0.07 | (1.11) |
| Pro forma | 0.03 | (1.14) |

The fair value of each of TA I's option grants included in pro forma net income (loss) presented above is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants in 2000 and 1999, respectively: dividend yield of 0% in 2000 and 0% in 1999, expected volatility of 30% in 2000 and 1999, risk-free interest rate of 5.26% in 2000 and 6.42% in 1999, and a weighted-average expected life of three years in both 2000 and 1999. The compensation cost as generated by the Black-Scholes model may not be indicative of the future benefit, if any that may be received by the option holder. The weighted average fair value of options granted during the years ended December 31, 2000 and 1999 was $0.82 and $0.95 per Ordinary Share, respectively.

The Black-Scholes model was developed for use in estimating the fair value of traded options which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions. Because TA I's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options.

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14. STOCK BENEFIT PLANS (CONTINUED)

Stock option transactions under the plans as of and for the years ended December 31, are as follows:

| | 2000 | | 1999 | |
|---|---|---|---|---|
| | SHARES | WEIGHTED AVERAGE EXERCISE PRICE(1) | SHARES | WEIGHTED AVERAGE EXERCISE PRICE(1) |
| Balance, beginning of period | 22,008,216 | $3.00 | 21,976,966 | $3.24 |
| Granted | 8,534,222 | | 796,250 | |
| Exercised | (61,375) | | -- | |
| Forfeited | (1,549,498) | | (765,000) | |
| Balance, end of period | 28,931,565 | $3.00 | 22,008,216 | $3.24 |
| Options exercisable as of year-end | 2,438,622 | | -- | |

- ------------------------

(1) All options are exercisable at L2 per share. Year-end exchange rates of L1 = $1.5 and L1 = $1.62 have been used as of December 31, 2000 and 1999, respectively.

As of December 31, 2000, TA I has 28,931,565 options outstanding of which 2,438,622 are currently exercisable. All options are exercisable at L2 per share ($3 using the year-end exchange rate of L1 = $1.5).

15. FINANCIAL INSTRUMENTS

The Company's principal financial instruments, other than derivatives, comprise bank loans and overdrafts, the Senior Credit Facility and the Notes, cash deposits and short-term investments. The Company also 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 instruments for trading purposes.

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. These policies have remained unchanged since the beginning of 1999.

15. FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST RATE RISK--The Company's operations are financed principally through the Senior Credit Facility, which has a variable interest rate and the Notes, which have a 9% fixed interest rate. Interest rate swaps are used to generate the desired interest rate profile and to manage the Company's exposure to interest rate fluctuations.

Willis North America has entered into an interest rate swap agreement under which its LIBOR-based variable rate interest payment obligations on the full amount of the term loans have been swapped for fixed rate interest payment obligations until the final maturity of those term loans. The swap agreement provides for a reduction of the notional amount of the swap obligation on a semi-annual basis, and to the extent the actual amount outstanding under the term loans exceeds the notional amount at any time, Willis North America would be exposed to the risk of increased interest rates on that excess.

The differential to be paid or received is recognized as an adjustment to interest expense as incurred. The swap agreement matures on or before the Senior Credit Facility to which it is matched.

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 foreign currencies. The Company earns interest on these funds, which is included in the Company's financial statements as interest 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 investments to fixed rates. It is Company policy that, for currencies with significant balances, a minimum of 25% of forecast income arising is hedged for each of the next three years.

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15. FINANCIAL INSTRUMENTS (CONTINUED)

A summary of the Company's interest rate swaps by major currency as of December 31, is as follows:

| | | NOTIONAL AMOUNT(1) | TERMINATION DATES | WEIGHTED AVERAGE INTEREST RATES | |
|---|---|---|---|---|---|
| | | | | RECEIVE | PAY |
| 2000 | | | | | |
| US dollar | Receive fixed -- pay variable | $816 | 2001-2004 | 6.26% | 5.82% |
| | Receive variable -- pay fixed | 385 | 2006 | 6.22 | 5.10 |
| Pounds sterling | Receive fixed -- pay variable | 298 | 2001-2004 | 6.55 | 5.79 |
| Euro | Receive fixed -- pay variable | 60 | 2001-2004 | 4.52 | 4.82 |
| Japanese yen | Receive fixed -- pay variable | 7 | 2001 | 1.70 | 0.47 |
| 1999 | | | | | |
| US dollar | Receive fixed -- pay variable | 713 | 2000-2003 | 5.97 | 6.80 |
| | Receive variable -- pay fixed | 425 | 2006 | 7.12 | 5.10 |
| Pounds sterling | Receive fixed -- pay variable | 311 | 2000-2003 | 6.65 | 6.92 |
| Euro | Receive fixed -- pay variable | 49 | 2000-2002 | 4.22 | 4.52 |
| | Receive variable -- pay fixed | 5 | 2000 | 3.85 | 4.61 |
| Japanese yen | Receive fixed -- pay variable | 7 | 2001 | 1.70 | 0.47 |

- ------------------------------

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

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 matter, 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 its resources can meet liquidity requirements. These resources are supplemented by a $150 revolving credit facility which expires on November 19, 2005, of which no amount is currently drawn.

FOREIGN CURRENCY RISK--The Company's objective is to maximize its cash flow in US dollars. In all locations with the exception of the UK, the Company predominately generates revenues and expenses in the local currency. In the UK, however, the Company earns revenues in a number of different currencies but expenses are almost entirely in pounds sterling. This mismatch creates a currency exposure. In the year ended December 31, 2000, approximately 20% of the Company's total revenues were earned in sterling, 60% in the US dollar and 20% in other currencies. However, in 2000, approximately 40% of total expenses were incurred in sterling, 45% in US dollars and 15% in other currencies.

The Company's policy within the UK is to convert into sterling all revenues arising in currencies other than US dollars together with sufficient US dollar revenues to fund the remaining sterling expenses. Outside the UK, only those cash flows necessary to fund mismatches between revenues and expenses are converted into local currency; amounts remitted to the UK are generally converted into sterling. These transactional currency exposures are principally managed by entering into forward foreign exchange contracts. It is Company policy to hedge at least 25% of the next 12 months' exposures in significant currencies.

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15. FINANCIAL INSTRUMENTS (CONTINUED)

The table below summarizes by major currency the contractual amounts of the Company's forward contracts to exchange foreign currencies for pounds sterling. Foreign currency notional amounts are reported in US dollars translated at spot rates as of December 31.

| | SELL 2000(1) | SELL 1999 |
|---|---|---|
| US dollar | $143 | $74 |
| Euro | 30 | 15 |
| Japanese yen | 15 | 19 |

- ------------------------

(1) Forward exchange contracts range in maturity from 2001 to 2003.

CREDIT RISK AND CONCENTRATIONS OF CREDIT RISK--Credit risk represents the accounting 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 nonperformance 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 (whether on or off-balance sheet) 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 high quality financial institutions to limit the amount of credit risk exposure. 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, 2000.

FAIR VALUE--The estimated fair value of the Company's financial instruments as of December 31, 2000 and 1999 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

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15. FINANCIAL INSTRUMENTS (CONTINUED)
the Company would realize upon disposition nor do they indicate the Company's intent or ability to dispose of the financial instrument.

| | 2000 | | 1999 | |
|---|---|---|---|---|
| | BOOK VALUE | ESTIMATED FAIR VALUE | BOOK VALUE | ESTIMATED FAIR VALUE |
| Primary financial instruments held or issued to finance the Company's operations: | | | | |
| Cash and cash equivalents | $88 | $88 | $80 | $80 |
| Fiduciary funds -- restricted | 978 | 978 | 897 | 897 |
| Short-term investments | 41 | 41 | 35 | 33 |
| Long-term debt | 958 | 900 | 988 | 895 |
| Company-obligated mandatorily redeemable preferred capital securities of subsidiary | 272 | 260 | 269 | 239 |
| Derivative financial instruments held to manage interest rate and currency exposures: | | | | |
| Interest rate swaps -- assets | -- | 16 | -- | 25 |
| -- liabilities | -- | 2 | -- | 9 |
| Forward foreign exchange contracts -- assets | 3 | 3 | 3 | 3 |
| -- liabilities | 4 | 4 | 2 | 2 |

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 AND SHORT-TERM INVESTMENTS--Fair values are based on quoted market values.

LONG-TERM DEBT--The estimated fair values of the Company's long-term debt are based on current interest rates available to the Company for debt instruments with similar terms and remaining maturities.

COMPANY-OBLIGATED MANDATORILY REDEEMABLE PREFERRED CAPITAL SECURITIES OF SUBSIDIARY--The estimated fair values of the company-obligated mandatorily redeemable preferred capital securities of a subsidiary are based on discounted future cash flows using current interest rates available for securities with similar terms and remaining maturities.

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.

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16. ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The components of accumulated other comprehensive (loss) income as of and for the years ended December 31, are as follows:

| | FOREIGN CURRENCY TRANSLATION ADJUSTMENTS | UNREALIZED HOLDING GAINS (LOSSES) | TOTAL |
|---|---|---|---|
| January 1, 1999 | $ -- | $ -- | $ -- |
| Current period change | 3 | (2) | 1 |
| December 31, 1999 | 3 | (2) | 1 |
| Current period change | (8) | 2 | (6) |
| December 31, 2000 | $ (5) | $ -- | $ (5) |

17. STOCKHOLDERS' EQUITY

Ordinary shares and management ordinary shares rank PARI PASSU in all respects except that management ordinary shares do not confer on the holder the right to receive notice of or to attend and vote at general meetings. Holders of ordinary shares are entitled to one vote per share. Management ordinary shares are automatically reclassified as ordinary shares on listing of the latter.

Dividend distributions are limited to retained earnings of TA I as determined in accordance with generally accepted accounting principles in the UK. The Company has no distributable retained earnings as of December 31, 2000.

18. CONTINGENCIES AND COMMITMENTS

OPERATING LEASES--The Company leases certain land, buildings and equipment under various operating lease arrangements. Original non-cancelable 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, 2000, the aggregate future minimum rental commitments under all non-cancelable operating lease agreements are as follows:

| | GROSS RENTAL COMMITMENTS | RENTALS FROM SUBLEASES | NET RENTAL COMMITMENTS |
|---|---|---|---|
| 2001 | $ 56 | $ 5 | $ 51 |
| 2002 | 48 | 4 | 44 |
| 2003 | 40 | 2 | 38 |
| 2004 | 33 | 1 | 32 |
| 2005 | 29 | 2 | 27 |
| Thereafter | 143 | 9 | 134 |
| Total | $349 | $23 | $326 |

18. CONTINGENCIES AND COMMITMENTS (CONTINUED)

Rent expense amounted to $66 and $64 for the years ended December 31, 2000 and 1999, respectively. The Company's rental income from subleases was $4 and $3 for the years ended December 31, 2000 and 1999, respectively.

GUARANTEES--Guarantees issued by certain of TA I's subsidiaries with respect to the Senior Credit Facility and the Notes are discussed elsewhere in these consolidated financial statements.

Certain of TA I's subsidiaries have given the landlords of some leasehold properties occupied by the Company in the UK and the US 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 $157 and $181 as of December 31, 2000 and 1999, respectively.

In addition, the Company has given guarantees to bankers and other third parties relating principally to letters of credit amounting to $8 and $7 as of December 31, 2000 and 1999, respectively.

The Company has also given guarantees to bankers in respect of commitments entered into by them to provide security for membership of Lloyd's of certainGroup employees who are not Directors of TA I amounting to $52,500 (figure presented in dollars) and $500,000 (figure presented in dollars), as of December 31, 2000 and 1999, respectively.

PUT AND CALL OPTIONS RELATING TO SUBSIDIARIES AND ASSOCIATES--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 certainsubsidiaries 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 puts and calls 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 in 2001 from these options is not expected to exceed $121. Of this balance, $120 relates to Gras Savoye, as disclosed in Note 6.

CLAIMS--The Company has extensive operations and is subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions in connection with its businesses. Most of the errors and omissions claims are covered by professional indemnity insurance. In respect of self-insured deductibles applicable to those claims, the Company has established provisions which are believed to be adequate in the light of current information and legal advice. These provisions may be adjusted from time to time according to developments. The Company does not expect the outcome of those claims, either individually or in the aggregate, to have a material effect on the Company's financial condition, results of operations or liquidity.

19. SEGMENT INFORMATION

SFAS No. 131, DISCLOSURES ABOUT SEGMENTS OF AN ENTERPRISE AND RELATED INFORMATION ("SFAS 131") establishes standards for reporting information about operating segments and related disclosures products and services, geographic areas, and major customers. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources and in assessing performance.

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

19. SEGMENT INFORMATION (CONTINUED)

The Company conducts its worldwide insurance brokering activities through three operating segments: US Operations, International and Global Business. Each operating segment exhibits similar economic characteristics, provides similar products and services and distributes same through common distribution channels to a common type or class of customer. In addition, the regulatory environment in each region is similar. Consequently, for financial reporting purposes the Company has aggregated these three operating segments into one reportable segment.

None of the Company's customers represented more than 10% of the Company's consolidated commissions and fees for the years ended December 31, 2000 and 1999.

Information regarding the Company's geographic locations for the years ended December 31, is as follows:

| | UK | US | OTHER(3) | TOTAL |
|---|---|---|---|---|
| 2000 | | | | |
| Commissions and fees(1) | $479 | $616 | $142 | $1,237 |
| Long-lived assets(2) | 135 | 42 | 15 | 192 |
| 1999 | | | | |
| Commissions and fees(1) | 454 | 585 | 141 | 1,180 |
| Long-lived assets(2) | 155 | 50 | 15 | 220 |

- ----------

(1) Commissions and fees are attributed to countries based upon the location of the subsidiary generating the revenue.

(2) Long-lived assets include identifiable fixed assets.

(3) Other than in the UK and the US, the Company does not conduct business in any country in which its commissions and fees and/or long-lived assets exceed 10% of consolidated commissions and fees and/or long-lived assets, respectively.

The Company has not reported revenues from external customers for each product and service or each group of similar products and services as the Company's internal systems do not allow for the generation of such information.

20. RELATED PARTY TRANSACTIONS (ALL FIGURES ARE PRESENTED IN DOLLARS)

The Company has an Employee Stock Ownership Plan (the "ESOP") which invests in TA I management ordinary shares. The trustee of the ESOP transferred 527,495 and 34,687 management ordinary shares during the years ended December 31, 2000 and 1999, respectively. As of December 31, 2000 and 1999, the ESOP shares outstanding were 1,253,411 and 1,780,906, respectively, representing approximately 1.0% and 1.5% of total Ordinary Shares as of December 31, 2000 and 1999, respectively. Shares held by the ESOP have been considered outstanding for purposes of calculating the Company's basic and diluted earnings per Ordinary Share. No dividends have been distributed on the management ordinary shares held by the ESOP.

20. RELATED PARTY TRANSACTIONS (ALL FIGURES ARE PRESENTED IN DOLLARS) (CONTINUED)

KKR 1996 Fund (Overseas), Limited Partnership beneficially owns approximately 74% of TA I's share capital. The general partner of KKR 1996 Fund (Overseas) Limited Partnership is KKR Associates II (1996), Limited Partnership, a limited partnership of which the general partners is KKR 1996 Overseas, Limited, a company owned by Messrs. Kravis, Roberts, Golkin and Fisher and other members of the limited liability company which is the general partner of Kohlberg Kravis Roberts & Co. L.P. KKR 1996 Overseas has sole voting and investment power with respect to the share capital owned by KKR 1996 Fund (Overseas).

Kohlberg Kravis Roberts & Co. L.P. and Fisher Capital Corp. LLC, a company for which Mr. J.R. Fisher, a Director of TA I is the managing member and majority owner, render management, consulting and certain other services to the Company for annual fees payable quarterly in arrears. In 2000, the Company paid an amount of $1,000,000, in the case of Kohlberg Kravis Roberts & Co. L.P. and $350,000, in the case of Fisher Capital Corp. LLC for those services. Included in accrued expenses is $249,970 and $250,000 payable to Kohlberg Kravis Roberts & Co. L.P. and $87,520 and $0 payable to Fisher Capital Corp. LLC as of December 31, 2000 and 1999, respectively.

In addition, the Company and Fisher Capital Corp. LLC entered into a share option agreement dated January 27, 1999, whereby the Company granted to Fisher Capital Corp. LLC 422,501 options to purchase an equivalent number of ordinary shares. The options vest upon grant date and are exercisable any time up to January 27, 2014. The fair value of the options, computed on grant date using the Black-Scholes option-pricing model and assuming a dividend yield of 0%, expected volatility of 30%, a risk-free interest rate of 6.42% and a weighted-average expected life of three years, amounts to $334,905. This cost may not be indicative of the future benefit to be received by Fisher Capital Corp. LLC. Mr. J.R. Fisher, as the managing member and majority owner of Fisher Capital Corp., may be deemed to share beneficial ownership of any options owned by Fisher Capital Corp., L.L.C but disclaims such beneficial ownership.

During 2000, Willis North America acquired from Mr. J. Plumeri, the Chairman and the Executive Chairman and Chief Executive Officer of Willis Group Limited, a 12 1/2% undivided interest in a Citation V Ultra Aircraft for $693,719; as of December 31, 2000, this balance was recorded as a payable. This transaction was consummated on terms equivalent to those that prevail in arms-length transactions.

21. SUBSEQUENT EVENTS

Willis Group Holdings Limited was incorporated in Bermuda as an exempted company under The Companies Act 1981 of Bermuda for the sole purpose of redomiciling the business of the Company from the UK to Bermuda. Willis Group Holdings Limited is currently wholly-owned by Profit Sharing (Overseas), Limited Partnership, an affiliate of Kohlberg Kravis Roberts & Co., L.P. and one of the existing shareholders of TA I. Willis Group Holdings Limited currently has no assets. TA I is currently contemplating a transaction whereby Willis Group Holdings Limited will become the beneficial owner of all or substantially all of the share capital of TA I through the consummation, before or simultaneously with a proposed equity offering by TA I in the US, of: (i) the exchange by the TA I stockholders, other than management employees, of the shares they own in TA I for shares of Willis Group Holdings common stock, and (ii) the exchange by all or substantially all management employees

21. SUBSEQUENT EVENTS (CONTINUED)
of shares of, and options to purchase shares of, TA I for shares of, and options to purchase shares of, Willis Group Holdings Limited common stock. Based on the current transaction structure, there will be no cash consideration paid in connection with the share-for-share exchange or options exchange.

As a result of the exchange offers, the former shareholders of TA I will acquire a majority voting interest in Willis Group Holdings Limited. Under US GAAP, the company whose stockholders retain the majority interest in a combined business must be treated as the acquirer for accounting purposes. Accordingly, the transaction will be accounted for as a "reverse acquisition" for financial reporting purposes and TA I will be deemed to have acquired 100% of the equity interest in Willis Group Holdings Limited as of the acquisition date (an in substance capital transaction). The relevant acquisition process will utilize the capital structure of Willis Group Holdings Limited and the assets and liabilities of the Company will be recorded at historical cost.

The Company is the operating entity for financial reporting purposes, and the financial statements prior to the date of consummation of the exchange offer will represent the Company's financial position and results of operations. The assets and liabilities and results of operations of the Company will be included as of the date of consummation of the exchange offer. Although TA I will be deemed to be the acquiring corporation for financial accounting and reporting purposes, the legal status of Willis Group Holdings Limited as the surviving corporation will not change.

TA I LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA)

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| | 2001 | 2000 |
| | UNAUDITED | |
| REVENUES: | | |
| Commissions and fees | $ 359 | $ 337 |
| Interest income | 16 | 15 |
| Total revenues | 375 | 352 |
| EXPENSES, NET: | | |
| General and administrative expenses | 268 | 270 |
| Depreciation expense | 9 | 10 |
| Amortization of goodwill | 9 | 9 |
| Total expenses | 286 | 289 |
| OPERATING INCOME | 89 | 63 |
| INTEREST EXPENSE | 21 | 22 |
| INCOME BEFORE INCOME TAXES, EQUITY IN NET EARNINGS OF ASSOCIATES AND MINORITY INTEREST | 68 | 41 |
| INCOME TAX EXPENSE | 31 | 27 |
| INCOME BEFORE EQUITY IN NET EARNINGS OF ASSOCIATES AND MINORITY INTEREST | 37 | 14 |
| EQUITY IN NET EARNINGS OF ASSOCIATES | 9 | 9 |
| MINORITY INTEREST (Including $6 and $6, respectively, of preferred stock dividends on Company-Obligated Mandatorily Redeemable Preferred Capital Securities of Subsidiary) | (7) | (6) |
| NET INCOME AVAILABLE FOR ORDINARY STOCKHOLDERS | $ 39 | $ 17 |
| EARNINGS PER ORDINARY SHARE--(Note 5) | | |
| --Basic | $0.31 | $0.14 |
| --Diluted | $0.30 | $0.14 |
| WEIGHTED-AVERAGE NUMBER OF ORDINARY SHARES OUTSTANDING--(Note 5) | | |
| --Basic | 124 | 121 |
| --Diluted | 132 | 121 |

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

TA I LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

| | MARCH 31, 2001 | DECEMBER 31, 2000 |
|---|---|---|
| | UNAUDITED | |
| ASSETS | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | $ 96 | $ 88 |
| Fiduciary funds--restricted | 1,002 | 978 |
| Short-term investments | 42 | 41 |
| Accounts receivable, net of allowance for doubtful accounts of $24 and $24, respectively | 5,678 | 4,675 |
| Deferred tax assets | 15 | 14 |
| Other current assets | 80 | 94 |
| Total current assets | 6,913 | 5,890 |
| NONCURRENT ASSETS: | | |
| Fixed assets, net of accumulated depreciation of $84 and $79, respectively | 180 | 192 |
| Goodwill, net of accumulated amortization of $89 and $80, respectively | 1,220 | 1,225 |
| Investments in associates | 142 | 134 |
| Deferred tax assets | 43 | 45 |
| Other noncurrent assets | 106 | 104 |
| Total noncurrent assets | 1,691 | 1,700 |
| TOTAL | $8,604 | $7,590 |

(Continued)

TA I LIMITED

CONDENSED CONSOLIDATED BALANCE SHEETS

(DOLLARS IN MILLIONS, EXCEPT SHARE DATA)

| | MARCH 31, 2001 | DECEMBER 31, 2000 |
|---|---|---|
| | UNAUDITED | |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| CURRENT LIABILITIES: | | |
| Accounts payable | $6,510 | $5,484 |
| Deferred revenue and accrued expenses | 91 | 130 |
| Provisions | 35 | 37 |
| Income taxes payable | 68 | 43 |
| Other current liabilities | 188 | 189 |
| Total current liabilities | 6,892 | 5,883 |
| NONCURRENT LIABILITIES: | | |
| Long-term debt | 935 | 958 |
| Provisions | 112 | 121 |
| Other noncurrent liabilities | 100 | 99 |
| Total noncurrent liabilities | 1,147 | 1,178 |
| Total liabilities | 8,039 | 7,061 |
| COMMITMENTS AND CONTINGENCIES (Note 7) | | |
| MINORITY INTEREST | 19 | 19 |
| COMPANY--OBLIGATED MANDATORILY REDEEMABLE PREFERRED CAPITAL SECURITIES OF SUBSIDIARY | 273 | 272 |
| STOCKHOLDERS' EQUITY: | | |
| Ordinary shares, L0.10 par value ($0.14); Authorized: 3,900,000,000; Issued and outstanding, 112,517,320 shares | 19 | 19 |
| Management ordinary shares, L0.10 par value ($0.14); Authorized: 100,000,000; Issued and outstanding, 11,439,219 shares and 11,181,219 shares, respectively | 1 | 1 |
| Additional paid-in capital | 391 | 390 |
| Accumulated deficit | (128) | (167) |
| Accumulated other comprehensive loss (Note 6) | (10) | (5) |
| Total stockholders' equity | 273 | 238 |
| TOTAL | $8,604 | $7,590 |

(Concluded)

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

TA I LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(DOLLARS IN MILLIONS)

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| | 2001 | 2000 |
| | UNAUDITED | |
| NET INCOME AVAILABLE FOR ORDINARY STOCKHOLDERS | $39 | $17 |
| OTHER COMPREHENSIVE LOSS, NET OF TAX: | | |
| Foreign currency translation adjustment | (9) | (4) |
| Cumulative effect of accounting change (net of tax of $5 and $-nil-) | 8 | -- |
| Net loss on derivative instruments (net of tax of $3 and $-nil-) | (4) | -- |
| Other comprehensive loss, net of tax | (5) | (4) |
| COMPREHENSIVE INCOME | $34 | $13 |

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

TA I LIMITED

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(DOLLARS IN MILLIONS)

| | THREE MONTHS ENDED MARCH 31, | |
|---|---|---|
| | 2001 | 2000 |
| | UNAUDITED | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Net income available for ordinary stockholders | $ 39 | $ 17 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation | 9 | 10 |
| Amortization of goodwill | 9 | 9 |
| Provision for doubtful accounts | 2 | 1 |
| Minority interest | 2 | 1 |
| Provisions | (6) | (7) |
| Provision for deferred income taxes | (1) | 1 |
| Other | (8) | (8) |
| Changes in operating assets and liabilities, net of effects from purchase of subsidiaries: | | |
| Fiduciary funds -- restricted, net | (46) | (73) |
| Accounts receivable | (1,174) | (983) |
| Accounts payable | 1,233 | 1,078 |
| Other | (21) | (26) |
| Net cash provided by operations | 38 | 20 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Proceeds on disposal of fixed assets | 1 | 1 |
| Additions to fixed assets | (5) | (7) |
| Acquisitions of subsidiaries, net of cash acquired | (2) | (2) |
| Purchase of short-term investments | (1) | (9) |
| Proceeds on sale of short-term investments | -- | 10 |
| Proceeds from sale of operations | 4 | -- |
| Net cash used in investing activities | (3) | (7) |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Repayments of debt | (23) | (1) |
| Proceeds from the issuance of management ordinary shares | 1 | -- |
| Net cash used in financing activities | (22) | (1) |
| INCREASE IN CASH AND CASH EQUIVALENTS | 13 | 12 |
| EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS | (5) | (2) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 88 | 80 |
| CASH AND CASH EQUIVALENTS, END OF PERIOD | $ 96 | $ 90 |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION: | | |
| Cash payments for income taxes | $ 10 | $ 5 |
| Cash payments for interest | $ 32 | $ 34 |

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

## 1. THE COMPANY AND ITS OPERATIONS

TA I Limited ("TA I") and subsidiaries (collectively, the "Company") provide a broad range of value-added risk management consulting and insurance brokering services both directly, and indirectly through its associates, to a diverse base of clients internationally. The Company provides specialized risk management advisory and other services on a global basis to clients in various industries, including the construction, aerospace, marine and energy industries. 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. The Company also provides other value-added services.

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements (hereinafter referred to as the "Interim Financial Statements") have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

The Interim Financial Statements are unaudited but include all adjustments (consisting of normal recurring adjustments) which the Company's management considers necessary for a fair presentation of the financial position as of such dates and the operating results and cash flows for those periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. The results of operations for the three-month period ended March 31, 2001 may not necessarily be indicative of the operating results that may be incurred for the entire fiscal year.

The December 31, 2000 balance sheet was derived from audited financial statements but does not include all disclosures required by US GAAP. However, the Company believes that the disclosures are adequate to make the information presented not misleading. These Interim Financial Statements should be read in conjunction with the consolidated balance sheets of TA I and its subsidiaries as of December 31, 2000 and 1999, and the related consolidated statements of operations, comprehensive income, cash flows and changes in shareholders' equity for each of the two years in the period ended December 31, 2000.

### NEW ACCOUNTING PRONOUNCEMENTS

In June of 1998, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES, which establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. In June of 1999, the FASB issued SFAS No. 137, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES--DEFERRAL OF THE EFFECTIVE DATE OF FASB STATEMENT NO. 133, which deferred the effective date of SFAS No. 133 for one year to fiscal years beginning after June 15, 2000. In June 2000, the FASB issued SFAS No. 138, ACCOUNTING FOR CERTAIN DERIVATIVES INSTRUMENTS AND CERTAIN HEDGING ACTIVITIES--AN AMENDMENT OF FASB STATEMENT NO. 133. The Company adopted SFAS No. 133 as amended by SFAS No. 138 effective January 1, 2001.

At the date of adoption, the Company maintained active interest rate exchange agreements which had previously been designated as "cash flow hedges" within the meaning defined in the Statement.

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

These derivative positions were established prior to 2001 in order to stabilize the effect of interest rate changes. Due to the historic hedging relationship and accounting treatment for these derivatives, and per the applicable requirements of SFAS No. 133, effective January 1, 2001 the active interest rate swaps were marked to fair value and recorded as an asset on the Company's balance sheet. A corresponding adjustment, net of tax effect, was posted to a separate component of stockholders' equity through a credit to Other Comprehensive Income of $8. Prior to the adoption of SFAS No. 133, these positions were accounted for on an accrual basis with the net periodic amount payable (receivable) debited (credited) to interest expense.

In addition, as of January 1, 2001 the Company also maintained forward foreign exchange contracts to mitigate its exposure to cash flows relating to revenues and expenses denominated in foreign currencies. Prior to the adoption of SFAS No. 133, these instruments were marked to fair value with changes in fair value recorded in the income statement in general and administrative expenses.

As part of the adoption, effective January 1, 2001, the Company evaluated the effectiveness of the swaps and forward derivative instruments as cash flow hedges and determined certain transactions to be ineffective or the Company has not elected to designate these instruments as hedges for the first quarter ended March 31, 2001, as defined in SFAS No. 133. As a result, for those transactions not designated as effective hedges, changes in fair values arising during the period are reflected in current earnings. For those interest rate swaps that were not designated as effective hedges as defined in SFAS No. 133, the changes in fair value due to the passage of time were reclassified from Other Comprehensive Income.

3. DERIVATIVE FINANCIAL INSTRUMENTS

The financial risks the Company manages through the use of derivative financial instruments are interest rate risk and foreign currency risk. The Company's Board of Directors reviews and agrees on policies for managing each of these risks.

INTEREST RATE RISK--The Company's operations are financed principally through the Senior Credit Facility term loan, which has a variable interest rate and the Notes, which have a 9% fixed interest rate. Interest rate swaps are used to generate the desired interest rate profile and to manage the Company's exposure to interest rate fluctuations.

Willis North America Inc., "Willis North America", has entered into an interest rate swap agreement under which its LIBOR-based variable rate interest payment obligations on the full amount of the term loans have been swapped for fixed rate interest payment obligations until the final maturity of those term loans. The swap agreement provides for a reduction of the notional amount of the swap obligation on a semi-annual basis, and to the extent the actual amount outstanding under the term loans exceeds the notional amount at any time, Willis North America would be exposed to the risk of increased interest rates on that excess. The Company has designated the interest rate swap agreement as a cash flow hedge as defined by SFAS No. 133 with fair value recorded in receivables on the balance sheet. Changes in fair value are recorded as a component of Other Comprehensive Income. The amount recorded for the quarter ended March 31, 2001 was $5. Amounts are reclassified from Other Comprehensive Income into earnings when the hedged exposure affects earnings.

3. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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 foreign currencies. The Company earns interest on these funds, which is included in the Company's financial statements as interest 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 the variable return of groups of short-term investments to fixed rates. For these contracts, the Company has chosen not to achieve hedge accounting for the first quarter ended March 31, 2001, as defined under SFAS No. 133, and therefore changes in fair value of these instruments of $7 have been recorded through earnings. For those derivatives not designated as effective hedges under SFAS No. 133 for the first quarter ended March 31, 2001, the Company estimates $1 will be reclassified from Other Comprehensive Income into earnings within the next 12 months representing the net amount of existing unrealized gains or losses as of March 31, 2001.

FOREIGN CURRENCY RISK--The Company's objective is to maximize its cash flow in US dollars. In all locations with the exception of the UK, the Company predominately generates revenues and expenses in the local currency. In the UK, however, the Company earns revenues in a number of different currencies but expenses are almost entirely in pounds sterling. This mismatch creates a currency exposure. In the year ended December 31, 2000, approximately 20% of the Company's total revenues were earned in sterling, 60% in US dollars and 20% in other currencies. However, in 2000, approximately 40% of total expenses were in sterling, 45% in US dollars and 15% in other currencies.

The Company's policy within the UK is to convert into sterling all revenues arising in currencies other than US dollars together with sufficient US dollar revenues to fund the remaining sterling expenses. Outside the UK, only those cash flows necessary to fund mismatches between revenues and expenses are converted into local currency; amounts remitted to the UK are generally converted into sterling. These transactional currency exposures are principally managed by entering into forward foreign exchange contracts. It is Company policy to hedge at least 25% of the next 12 months' exposures in significant currencies.

The fair value of these contracts is recorded in payables in the balance sheet, with changes in fair value of effective hedges recorded in Other Comprehensive Income and changes in fair value of ineffective hedges recorded in general and administrative expenses. For the first quarter ended March 31, 2001, the Company has recorded $1 in Other Comprehensive Income relating to changes in fair value on contracts which are effective hedges as defined in SFAS 133. For contracts which were not designated for hedge accounting as defined in SFAS No. 133, the Company has recorded $6 in general and administrative expenses representing the changes in fair value for the first quarter of 2001.

4. RESTRUCTURING COSTS

In the fourth quarter of 1999, the Company announced a comprehensive restructuring plan to consolidate several sales process functions and streamline and centralize client service functions such as claims, policy insurance and coverage in the North American retail operations. Pursuant to this plan, the Company expected to eliminate 275 positions and physically segregate and discontinue use of

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

4. RESTRUCTURING COSTS (CONTINUED)

certain leased office space which, where economically feasible, was to be subleased. As of March 31, 2001, all 275 employees (March 31, 2000--100) had been terminated as a result of this restructuring plan.

In the fourth quarter of 2000, the Company developed a plan to exit certain business lines including the sale of the municipality business of Public Entities National Company ("PENCO"), part of the US wholesale operations, and the sale or closure of certain other non-strategic businesses. As a result of these plans, it is expected that approximately 250 employees will be terminated. The sale of the municipality business of PENCO was completed in January 2001 while the proposed sale or closure of certain other non-strategic business is expected to be completed by July 2001. As of March 31, 2001, an aggregate of 51 employees had been terminated pursuant to these plans.

5. EARNINGS PER SHARE

Basic earnings per ordinary share, including management ordinary shares (collectively, the "Ordinary Shares") is calculated by dividing net income available for ordinary stockholders by the weighted-average number of Ordinary Shares of the Company's ordinary stock outstanding during each period. The computation of diluted earnings per share is similar to basic earnings per share, except that diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue Ordinary Shares were exercised or converted into Ordinary Shares or resulted in the issuance of Ordinary Shares that then shared in the earnings of the Company.

For the three-month period ended March 31, 2000, time-based options to purchase 11,325,046 management ordinary shares were outstanding. The exercise price of these options was established based on management's estimate of the fair value of these options on the measurement dates. In addition, the Company's ordinary shares were not publicly traded during this period and, in the opinion of management, the average market value was not in excess of the exercise price. Such options had no dilutive nor antidilutive effect on earnings per share as of March 31, 2000.

For the three-month period ended March 31, 2001, time-based options to purchase 17,672,895 management ordinary shares were outstanding. The following table represents the basic and diluted earnings per ordinary share for the three months ended March 31, 2001.

| | THREE MONTHS ENDED MARCH 31, 2001 |
|---|---|
| Weighted-average Ordinary Shares outstanding: | |
| Basic weighted-average Ordinary Shares outstanding..... | 124 |
| Dilutive effect of employee share options..... | 8 |
| Diluted weighted-average Ordinary Shares outstanding..... | 132 |
| Earnings per Ordinary Share: | |
| Basic earnings per Ordinary Share..... | $ 0.31 |
| Dilutive effect of employee stock options..... | (0.01) |
| Diluted earnings per Ordinary Share..... | $ 0.30 |

(DOLLARS IN MILLIONS, EXCEPT PER SHARE AND OTHER DATA, UNLESS OTHERWISE STATED)

## 6. ACCUMULATED OTHER COMPREHENSIVE LOSS

The components of accumulated other comprehensive (loss) income as of and for the three-month periods ended March 31, 2001 and 2000, are as follows:

| | FOREIGN CURRENCY TRANSLATION ADJUSTMENTS | UNREALIZED HOLDING LOSSES | CUMULATIVE EFFECT OF ACCOUNTING CHANGE | NET LOSS ON DERIVATIVE INSTRUMENTS | TOTAL |
|---|---|---|---|---|---|
| January 1, 2000 (audited)..... | 3 | (2) | -- | -- | 1 |
| Current period change..... | (4) | -- | -- | -- | (4) |
| March 31, 2000 (unaudited).... | $ (1) | $(2) | $ -- | $ -- | $ (3) |
| January 1, 2001 (audited)..... | (5) | -- | -- | -- | (5) |
| Current period change..... | (9) | -- | 8 | (4) | (5) |
| March 31, 2001 (unaudited).... | $(14) | $-- | $ 8 | $ (4) | $(10) |

## 7. CONTINGENCIES AND COMMITMENTS

In common with many companies involved in selling personal pension plans in the UK, the Company's financial advisory business, Willis Corroon Financial Planning Limited ("WCFP"), is required by the Financial Services Authority and the Personal Investment Authority ("the Regulator"), which regulates these matters, to review certain categories of personal pension plans sold to individuals between 1988 to 1994. WCFP is required to compensate those individuals who transferred from, opted out or did not join, their employer-sponsored pension plan if the expected benefits from their personal pension plan did not equal the benefits that would have been available from their employer-sponsored pension plan. Whether compensation is due to a particular individual, and the amount thereof, is dependent upon the subsequent performance of the personal pension plan sold and the net present value of the benefits that would have been available from the employer-sponsored pension plan calculated using financial and demographic assumptions prescribed by the Regulator. The Regulator currently requires all offers of compensation to be made by June 30, 2002.

At December 31, 2000, the Company had a provision of $51, which forms part of the Provisions amount on the condensed consolidated balance sheet, relating to this issue. During the quarter ended March 31, 2001, the Company used $5 of this provision in settling claims and other related costs and, allowing for foreign exchange adjustments, the remaining balance at March 31, 2001 was $44. Although the Company considers the established provisions to be prudent and expects to pay out these provisions over the next three years, there remains some uncertainty as to the ultimate exposure relating to the review. This exposure is subject to a number of variable factors including, among others, the effect of future changes in prescribed UK interest rates and in financial and other assumptions which are issued by the Regulator on a quarterly basis.

At December 31, 2000, the Company had a provision of $31, which forms part of the Provisions amount on the condensed consolidated balance sheet, for discontinued operations that includes estimates for future costs of administering the run-off of the Company's former UK underwriting operations. Willis Faber (Underwriting Management) Limited ("WFUM"), a wholly-owned subsidiary of the Company, provided underwriting agency and other services to certain insurance companies

7. CONTINGENCIES AND COMMITMENTS (CONTINUED)

including Sovereign Marine & General Insurance Company Limited ("Sovereign") (in Scheme of Arrangement) (collectively, the "stamp companies") and in 1991 ceased arranging new business on behalf of the stamp companies. Willis Faber Limited has agreed with certain of the stamp companies to fund certain costs of the run-off, subject to agreed guidelines as to timing and amount. Although the Company expects the run-off to be conducted in an orderly manner, it may ultimately prove to be a lengthy and expensive process. The amounts to be funded under the run-off arrangements are currently within the aggregate of the provisions made. There were no significant movements in the provision during the quarter ended March 31, 2001.

The Company has extensive operations and is subject to claims and litigation in the ordinary course of business resulting principally from alleged errors and omissions in connection with its businesses. At December 31, 2000, the Company had a provision of $53, also forming part of the Provisions amount on the condensed consolidated balance sheet, representing management's assessment of liabilities that may arise from asserted and unasserted claims for errors and omissions. During the quarter ended March 31, 2001, the Company charged $3 to operations and used $4 in settling claims and, allowing for foreign exchange adjustments, the balance remaining at March 31, 2001 was $51. Most of the errors and omissions claims are covered by professional indemnity insurance. In respect of self-insured deductibles applicable to those claims, the Company has established provisions which are believed to be adequate in the light of current information and legal advice. These provisions may be adjusted from time to time according to developments. The Company does not expect the outcome of those claims, either individually or in the aggregate, to have a material effect on the Company's financial condition, results of operations or liquidity.

8. SEGMENT INFORMATION

The Company conducts its worldwide insurance brokering activities through three operating segments: US Operations, International and Global Businesses. Each operating segment exhibits similar economic characteristics, provides similar products and services and distributes same through common distribution channels to a common type or class of customer. In addition, the regulatory environment in each region is similar. Consequently, for financial reporting purposes the Company has aggregated these three operating segments into one reportable segment.

9. SUBSEQUENT EVENTS

Willis Group Holdings Limited was incorporated on February 8, 2001 as an exempted company under The Companies Act 1981 of Bermuda, for the sole purpose of redomiciling the ultimate parent company of the Willis group of companies from the United Kingdom to Bermuda. On incorporation, Willis Group Holdings Limited was wholly-owned by Profit Sharing (Overseas), Limited Partnership, an affiliate of Kohlberg Kravis Roberts & Co., L.P. and one of the existing stockholders of TA I.

Willis Group Holdings Limited, effective from May 8, 2001, exchanged its common shares for all the issued and outstanding ordinary shares of TA I. Further, on April 10, 2001, Willis Group Holdings Limited made an offer to exchange one of its non-voting management common shares for each outstanding non-voting management ordinary share of TA I. The offer expired on May 8, 2001 and at expiration Willis Group Holdings Limited had received acceptances in respect of, or otherwise has rights to acquire, 99.8% of the outstanding non-voting management ordinary shares of TA I. As a

9. SUBSEQUENT EVENTS (CONTINUED)

consequence of these transactions, Willis Group Holdings Limited is the beneficial owner of 99.98% of TA I's issued and outstanding share capital.

As a result of the exchange offers, the former shareholders of TA I have acquired a majority voting interest in Willis Group Holdings Limited. Under US GAAP, the company whose stockholders retain the majority interest in a combined business must be treated as the acquirer for accounting purposes. Accordingly, the transaction will be being accounted for as a "reverse acquisition" for financial reporting purposes and TA I will be deemed to have acquired 100% of the equity interest in Willis Group Holdings Limited as of May 8, 2001. The relevant acquisition process will utilize the capital structure of Willis Group Holdings Limited and the assets and liabilities of the Company will be recorded at historical cost.

The Company is the operating entity for financial reporting purposes, and the financial statements prior to the date of consummation of the exchange offer represents the Company's financial position and results of operations. The assets and liabilities and results of operations of the Company will be included as of the date of consummation of the exchange offer. Although TA I will be deemed to be the acquiring corporation for financial accounting and reporting purposes, the legal status of Willis Group Holdings Limited as the surviving corporation will not change.

* * * * * *

20,000,000 SHARES

WILLIS GROUP HOLDINGS LIMITED

COMMON STOCK

[LOGO]

---

P R O S P E C T U S
, 2001

---

SALOMON SMITH BARNEY

JPMORGAN
MORGAN STANLEY DEAN WITTER
BANC OF AMERICA SECURITIES LLC
MERRILL LYNCH & CO.
UBS WARBURG

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 6 INDEMNIFICATION OF DIRECTORS AND OFFICERS

The Bye-laws of the Registrant provide for indemnification of the Registrant's officers and directors against all liabilities, loss, damage or expense incurred or suffered by such party as an officer or director of the Registrant; provided that such indemnification shall not extend to any matter which would render it void pursuant to the Companies Act of 1981 as in effect from time to time in Bermuda.

The Companies Act provides that a Bermuda company may indemnify its directors in respect of any loss arising or liability attaching to them as a result of any negligence, default, breach of duty or breach of trust of which they may be guilty. However, the Companies Act also provides that any provision, whether contained in the company's bye-laws or in a contract or arrangement between the company and the director, indemnifying a director against any liability which would attach to him in respect of his fraud or dishonesty will be void.

The directors and officers of the Registrant are covered by directors' and officers' insurance policies maintained by the Registrant.

Under the Amended and Restated Limited Partnership Agreement of Profit Sharing (Overseas), Limited Partnership, directors of the Registrant who are officers, directors, employees, partners, stockholders, members or agents of KKR 1996 Fund (Overseas), Limited Partnership or its affiliates are indemnified by Profit Sharing (Overseas), Limited Partnership to the fullest extent permitted by law from and against all liabilities, loss, damage or expense relating to the performance as a director of the Registrant during the period of time in which Profit Sharing (Overseas), Limited Partnership holds an interest in the Registrant; provided that such indemnification shall not cover acts not made in good faith and not in the best interest of the Profit Sharing (Overseas), Limited Partnership or constitute malfeasance.

ITEM 7 RECENT SALES OF UNREGISTERED SECURITIES

The following is a summary of the transactions by the Registrant during the past three years involving sales of the Registrant's securities that were not registered under the Securities Act of 1933:

- an exchange by Profit Sharing (Overseas), Limited Partnership and each consortium member of their shares in TA I Limited for shares of our common stock (see "Redomiciliation in Bermuda" in the Prospectus included in this Registration Statement);

- a one-for-one exchange of shares of TA I Limited held by certain employees and former employees of TA I Limited for shares of our common stock and a one-for-one exchange of options to purchase TA I Limited shares for options to purchase our common stock (see "Redomiciliation in Bermuda" in the Prospectus included in this Registration Statement); and

- an issuance pursuant to Rule 701 under the Securities Act of $500,000 of common stock to Paul M. Hazen in connection with Mr. Hazen's becoming a member of the board of directors.

ITEM 8 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Exhibits

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|---|---|
| 1 | Form of Underwriting Agreement (filed herewith) |
| 3.1 | Memorandum of Association of Willis Group Holdings Limited, dated February 8, 2001, as altered by registration pursuant to the Companies Act 1981 of Bermuda on April 10, 2001 (filed herewith) |
| 3.2 | Form of Bye-Laws of Willis Group Holdings Limited (filed herewith) |
| 3.3 | Certificate of Deposit of Memorandum of Increase in the Share Capital of Willis Group Holdings Limited (filed herewith) |
| 4.1 | Form of Specimen Certificate for Registrant's Common Stock (filed herewith) |
| 4.2 | Registration Rights Agreement, dated December 18, 1998, between TA I Limited and Profit Sharing (Overseas), Limited Partnership (the "Profit Sharing Registration Rights Agreement") (filed herewith) |
| 4.3 | Amendment No. 1 to the Profit Sharing Registration Rights Agreement (filed herewith) |
| 4.4 | Registration Rights Agreement, dated July 21, 1998, among TA I Limited, TA II Limited, Royal & SunAlliance Insurance Group plc, Guardian Royal Exchange plc, The Chubb Corporation, The Hartford Financial Services Group, Inc. and The Travelers Indemnity Company (the "Consortium Registration Rights Agreement") (filed herewith) |
| 4.5 | Amendment and Assumption Agreement, dated November 12, 1998, relating to the Consortium Registration Rights Agreement (filed herewith) |
| 4.6 | Amendment to the Carrier Agreements relating to, among other things, the Consortium Registration Rights Agreement (filed herewith) |
| 4.7 | Management and Employee Shareholders' and Subscription Agreement, dated as of December 20, 1999, among TA I Limited, Mourant & Co. Trustees Limited, and certain management members of TA I Limited and its subsidiaries (the "Management Registration Rights Agreement") (filed herewith) |
| 4.8 | Global Amendment to the Equity Participation Plan Agreements of TA I Limited (filed herewith) |
| 5.1 | Opinion of Appleby Spurling & Kempe (filed herewith) |
| 10.1 | Credit Agreement, dated as of July 22, 1998, and amended and restated as of September 1, 1998, September 25, 1998 and February 19, 1999 and amended as of October 28, 1998, among Willis Corroon Corporation, as borrower, Willis Corroon Group Limited and Trinity Acquisition plc, as guarantors, the lenders thereunder and The Chase Manhattan Bank, as administrative agent and collateral agent (the "Credit Agreement") (incorporated by reference to Exhibit No. 10.2 to Registration Statement No. 333-74483) |
| 10.2 | Indenture, dated February 2, 1999, among Willis Corroon Corporation, as issuer, Willis Corroon Partners and Willis Corroon Group Limited, as guarantors, and The Bank of New York, as trustee (incorporated by reference to Exhibit No. 4.1 to Registration Statement No. 333-74483) |

| EXHIBIT NO. | DESCRIPTION OF EXHIBIT |
|---|---|
| 10.3 | Form of 9% Senior Subordinated Notes due 2009 (the "Exchange Note") (included as part of Exhibit 10.2 hereto) |
| 10.4 | Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited (filed herewith) |
| 10.5 | Form of Amendment to the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of TA I Limited (filed herewith) |
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| 10.8 | Willis Group Holdings Limited 2001 Share Purchase and Option Plan (filed herewith) |
| 10.9 | Amended and Restated Employment Agreement, dated as of March 26, 2001, between Willis Group Holdings Limited and Joseph J. Plumeri (to be filed by amendment) |
| 10.10 | Guarantee by Willis Corroon Group Limited of pension plan of Brian Johnson (incorporated by reference to Exhibit No. 10.11 to Registration Statement No. 333-74483) |
| 10.11 | Willis Group Holdings Limited Zero Cost Share Option Scheme (incorporated by reference to Exhibit No. 10.12 to Registration Statement No. 333-74483) |
| 10.12 | Agreement, dated July 23, 1997, among Assurances Generales de France IART, UAP Incendie-Accidents, Athena, Gras Savoye Euro Finance S.A., Mr. Emmanuel Gras, Mr. Patrick Lucas, Mr. Daniel Naftalski, Willis Corroon Group plc, Willis Corroon Europe B.V., and Gras Savoye & Cie, along with Amendment No. 1 thereto, dated December 11, 1997, and Addendum thereto dated July 23, 1997 (incorporated by reference to Exhibit No. 2.11 to Registration Statement No. 333-74483) |
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| 10.14 | Contribution and Share Subscription Agreement, dated as of July 22, 1998, among TA I Limited, TA II Limited, TA III plc, Trinity Acquisition plc, KKR 1996 Fund (Overseas), Limited Partnership and Profit Sharing (Overseas), Limited Partnership (filed herewith) |
| 10.15 | Share Subscription Agreement, dated as of July 22, 1998, among TA I Limited, TA II Limited and the consortium members listed therein (filed herewith) |
| 10.16 | Share Subscription Agreement, dated as of November 12, 1998, among The Tokio Marine and Fire Insurance Co., TA I Limited and TA II Limited (filed herewith) |
| 21.1 | List of subsidiaries of Willis Group Holdings Limited (filed herewith) |
| 23.1 | Consent of Appleby Spurling & Kempe (included as part of Exhibit 5.1) |
| 23.2 | Consent of Deloitte & Touche (filed herewith) |
| 24.1 | Powers of Attorney (included on signature page) |

(b) Financial Statement Schedules

ITEM 9 UNDERTAKINGS

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the provisions described in Item 14, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question of whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the Underwriting Agreements, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this Registration Statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this Registration Statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the Registrant has duly caused this Registration Statement on Form F-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of London, Country of England, on May 15, 2001.

WILLIS GROUP HOLDINGS LIMITED

By: /s/ JOSEPH J. PLUMERI
---
Name: Joseph J. Plumeri
Title: Executive Chairman and Director

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Thomas Colraine, Mary E. Caiazzo and Michael Chitty and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him in his name, place and stead, in any and all capacity, in connection with this Registration Statement, including to sign and file in the name and on behalf of the undersigned as director or officer of the Registrant (i) any and all amendments or supplements (including any and all stickers and post-effective amendments) to this Registration Statement, with all exhibits thereto, and other documents in connection therewith, and (ii) any and all additional registration statements, and any and all amendments thereto, relating to the same offering of securities as those that are covered by this Registration Statement that are filed pursuant to Rule 462(b) promulgated under the Securities Act of 1933, as amended, with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorney-in-fact and agents, and each of them full power and authority to do and perform each and every act and things requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ JOSEPH J. PLUMERI<br>Joseph J. Plumeri | Executive Chairman and Director<br>(principal executive officer) | May 15, 2001 |
| /s/ THOMAS COLRAINE<br>Thomas Colraine | Chief Financial Officer<br>(principal accounting officer) | May 15, 2001 |
| /s/ HENRY R. KRAVIS<br>Henry R. Kravis | Director | May 15, 2001 |
| /s/ GEORGE R. ROBERTS<br>George R. Roberts | Director | May 15, 2001 |
| /s/ PERRY GOLKIN<br>Perry Golkin | Director | May 15, 2001 |

| SIGNATURE | TITLE | DATE |
|---|---|---|
| /s/ TODD A. FISHER<br>Todd A. Fisher | Director | May 15, 2001 |
| /s/ SCOTT C. NUTTALL<br>Scott C. Nuttall | Director | May 15, 2001 |
| /s/ JAMES R. FISHER<br>James R. Fisher | Director | May 15, 2001 |
| /s/ PAUL M. HAZEN<br>Paul M. Hazen | Director | May 15, 2001 |
| /s/ MARY E. CAIAZZO<br>Mary E. Caiazzo | Authorized U.S. Representative | May 15, 2001 |

EXHIBIT INDEX

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Exhibit 1

Willis Group Holdings Limited

20,000,000 Shares a/
-
Common Stock
($0.000115 par value)

Underwriting Agreement

New York, New York
, 2001

Salomon Smith Barney Inc.
Banc of America Securities LLC
J.P. Morgan Securities Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. Incorporated
UBS Warburg LLC
As Representatives of the Underwriters,
c/o Salomon Smith Barney Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

Willis Group Holdings Limited, a Bermuda company (the "Company"), proposes to sell to the several underwriters named in Schedule I hereto (the "Underwriters"), for whom you (the "Representatives") are acting as representatives, 20,000,000 shares of Common Stock, par value $0.000115 per share ("Common Stock"), of the Company (said shares to be issued and sold by the Company being hereinafter called the "Underwritten Securities"). The Company also proposes to grant to the Underwriters an option to purchase up to 3,000,000 additional shares of Common Stock to cover over- allotments (the "Option Securities"; the Option Securities, together with the Underwritten Securities, being hereinafter called the "Securities"). To the extent there are no additional Underwriters listed on Schedule I other than you, the term Representatives as used herein shall mean you, as Underwriters, and the terms Representatives and Underwriters shall mean either the singular or plural as the context requires. Certain terms used herein are defined in Section 17 hereof.

As part of the offering contemplated by this Agreement, Salomon Smith Barney Inc. has agreed to reserve out of the Securities set forth opposite its name on the Schedule I to this Agreement up to 2,000,000 shares for sale to the Company's directors, officers, and employees and other parties associated with the Company (collectively, "Participants"), as set forth in the Prospectus under the heading "Underwriting" (the "Directed Share Program"). The Securities to be sold by Salomon Smith Barney Inc. pursuant to the Directed Share Program (the "Directed Shares") will be sold by Salomon Smith Barney Inc. pursuant to this Agreement at the public offering price. Any Directed Shares not orally confirmed for purchase by any Participants by the end of the business day immediately following the date on which this Agreement is executed will be offered to the public by Salomon Smith Barney Inc. as set forth in the Prospectus.

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a/ Plus an option to purchase from the Company, up to 3,000,000 additional Securities to cover over-allotments.

1. REPRESENTATIONS AND WARRANTIES. The Company represents and warrants to, and agrees with, each Underwriter as set forth below in this Section 1.

(a) The Company has prepared and filed with the Commission a registration statement (file number ) on Form F-1, including a related preliminary prospectus, for registration under the Act of the offering and sale of the Securities. The Company may have filed one or more amendments thereto, including a related preliminary prospectus, each of which has previously been furnished to you. The Company will next file with the Commission either (1) prior to the Effective Date of such registration statement, a further amendment to such registration statement (including the form of final prospectus) or (2) after the Effective Date of such registration statement, a final prospectus in accordance with Rules 430A and 424(b). In the case of clause (2), the Company has included in such registration statement, as amended at the Effective Date, all information (other than Rule 430A Information) required by the Act and the rules thereunder to be included in such registration statement and the Prospectus. As filed, such amendment and form of final prospectus, or such final prospectus, shall contain all Rule 430A Information, together with all other such required information, and, except to the extent the Representatives shall agree in writing to a modification, shall be in all substantive respects in the form furnished to you prior to the Execution Time or, to the extent not completed at the Execution Time, shall contain only such specific additional information and other changes (beyond that contained in the latest Preliminary Prospectus) as the Company has advised you, prior to the Execution Time, will be included or made therein.

(b) On the Effective Date, the Registration Statement did or will, and when the Prospectus is first filed (if required) in accordance with Rule 424(b) and on the Closing Date (as defined herein) and on any date on which Option Securities are purchased, if such date is not the Closing Date (a "settlement date"), the Prospectus (and any supplements thereto) will, comply in all material respects with the applicable requirements of the Act and the rules thereunder; on the Effective Date and at the Execution Time, the Registration Statement did not or will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the state- ments therein not misleading; and, on the Effective Date, the Prospectus, if not filed pursuant to Rule 424(b), will not, and on the date of any filing pursuant to Rule 424(b) and on the Closing Date and any settlement date, the Prospectus (together with any supplement thereto) will not, include any untrue statement of a material fact or omit to state a material fact necessary in order to make the state- ments therein, in the light of the circumstances under which they were made, not misleading; PROVIDED, HOWEVER, that the Company makes no representations or warranties as to the information contained in or omitted from the Registration Statement, or the Prospectus (or any supplement thereto) in reliance upon and in conformity with information furnished in writing to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion in the Registration Statement or the Prospectus (or any supplement thereto).

(c) Each of the Company and its subsidiaries (other than Sovereign Marine & General Insurance Company Limited and its subsidiaries) has been duly organized and is validly existing and in good standing under the laws of the

jurisdiction in which it is organized with requisite power and authority to own or lease, as the case may be, and to operate its properties and conduct its business as described in the Prospectus, and is duly qualified to do business and is in good standing under the laws of each jurisdiction which requires such qualification, except where the failure to be so qualified would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise), business or results of operations of the Company and its subsidiaries, taken as a whole (a "Material Adverse Effect").

(d) All the outstanding common equity interests in each subsidiary have been duly authorized and validly issued and are fully paid and nonassessable, and, except as otherwise set forth on Schedule II, all outstanding common equity interests in each subsidiary are owned by the Company either directly or indirectly and, except as set forth in the Prospectus, are owned free and clear of any perfected security interest or any other security interests, claims, liens or encumbrances.

(e) The Company's authorized equity capitalization as of March 31, 2001 is and, after giving effect to the transactions described in the Prospectus under the heading "Redomiciliation in Bermuda" (the "Redomiciliation Transactions") and the issue and sale of the Securities as contemplated hereby, will be as set forth in the Prospectus; the capital stock of the Company conforms in all material respects to the description thereof contained in the Prospectus; the outstanding shares of Common Stock have been duly authorized and validly issued and are fully paid and nonassessable; the Securities have been duly and validly authorized, and, when issued and delivered to and paid for by the Underwriters pursuant to this Agreement, will be fully paid and nonassessable; the Securities are duly listed, and admitted and authorized for trading, subject to official notice of issuance and evidence of satisfactory distribution, on the New York Stock Exchange; on the Closing Date the certificates for the Underwritten Securities will be in valid and sufficient form; in the event that Option Securities are purchased, on the Closing Date or any settlement date, as applicable, the certificates for such Option Securities will be in valid and sufficient form; the holders of outstanding shares of capital stock of the Company are not entitled to preemptive or other rights to subscribe for the Securities; and, except as set forth in the Prospectus, no options, warrants or other rights to purchase, agreements or other obligations to issue, or rights to convert any obligations into or exchange any securities for, shares of capital stock of or ownership interests in the Company are outstanding.

(f) The descriptions in the Prospectus (exclusive of any supplement thereto) of statutes, and other laws, rules and regulations, legal and governmental proceedings and contracts and other documents are accurate and fairly present in all material respects the information that is required to be described therein under the Act; and there is no franchise, contract or other document of a character required to be described in the Registration Statement or Prospectus, or to be filed as an exhibit thereto, which is not described or filed as required.

(g) This Agreement has been duly authorized, executed and delivered by the Company.

(h) The Company is not and, after giving effect to the offering and sale of the Securities and the application of the proceeds thereof as described in the Prospectus, will not be an "investment company" as defined in the Investment Company Act of 1940, as amended.

(i) No consent, approval, authorization, filing, order, registration or qualification of or with any court or governmental agency or body is required in connection with the transactions contemplated herein, including the Redomiciliation Transactions and the offering of Directed Shares outside the United States, except (1) that (i) the consent of the Bermuda Monetary Authority (the "Authority") is required and has been obtained for the issue by the Company of shares as required in respect of the Redomiciliation Transactions; (ii) the consent of the Authority is required and has been obtained for the issue and subsequent transferability of the Securities; (iii) the Prospectus is required to be and has been filed with the Registrar of Companies in Bermuda pursuant to Part III of the Companies Act 1981 of Bermuda; and (iv) the Company has filed for and will obtain an exemption for the offering of Directed Shares in Canada; (2) such as have been obtained under the Act; and (3) such as may be required under the state securities laws ("Blue Sky laws") of any jurisdiction in connection with the purchase and distribution of the Securities by the Underwriters in the manner contemplated herein and in the Prospectus.

(j) None of the execution and delivery of this Agreement, the issue and sale of the Securities, the consummation of the Redomiciliation Transactions, the consummation of any other of the transactions herein contemplated or the fulfillment of the terms hereof will conflict with, result in a breach or violation of, or constitute a default under, or result in the imposition of any lien, charge or encumbrance upon any property or assets of the Company or any of its subsidiaries pursuant to (i) the Memorandum of Association or Bye-laws of the Company or the charter or by-laws (or similar organizational documents) of any of the Company's subsidiaries, (ii) the terms of any indenture, contract, lease, mortgage, deed of trust, note agreement, loan agreement, partnership agreement, joint venture agreement or other agreement or instrument to which the Company or any of its subsidiaries is, or as a result of the Redomiciliation Transactions will be, a party or is, or as a result of the Redomiciliation Transactions will be, bound or to which its or their properties or assets are, or as a result of the Redomiciliation Transactions will be, subject (collectively, "CONTRACTS") or (iii) any statute, law, rule, regulation, judgment, order or decree applicable to the Company or any of its subsidiaries of any court, regulatory body, administrative agency, governmental body, arbitrator or other authority having jurisdiction over the Company or any of its subsidiaries or any of its or their properties or assets, except in the case of clauses (ii) and (iii) for such conflicts, breaches, violations or defaults that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(k) Except for registration rights described in the Prospectus, which have been duly and irrevocably waived as to the Registration Statement, no holders of securities of the Company have, or as a result of the Redomiciliation Transactions will have, rights to the registration of such securities under the Registration Statement.

(l) The consolidated historical financial statements of TA I Limited and its consolidated subsidiaries, and the related notes thereto, included in the Prospectus and the Registration Statement present fairly in all material respects the consolidated financial condition, results of operations and cash flows of TA I Limited as of the dates and for the periods indicated, comply as to form in all material respects with the applicable accounting requirements of the Act, including the Division of Corporate Finance: International Financial Reporting and Disclosure Issues, dated July 21, 2000, and have been prepared in conformity with United States generally accepted accounting principles applied on a consistent basis throughout the periods involved (except as otherwise noted therein). The selected financial data set forth under the caption "Selected Historical Consolidated Financial Data" in the Prospectus and Registration Statement fairly present in all material respects, on the basis stated in the Prospectus and the Registration Statement, the information included therein. The pro forma financial information included in the Prospectus and the Registration Statement include assumptions that provide a reasonable basis for presenting the significant effects directly attributable to the transactions and events described therein, the related pro forma adjustments give appropriate effect to those assumptions, and the pro forma adjustments reflect the proper application of those adjustments to the historical financial statement amounts included in the Prospectus and the Registration Statement.

(m) Except as disclosed in the Prospectus (exclusive of any supplement thereto), there is (i) no action, suit or proceeding before or by any court, arbitrator or governmental agency, body or official, domestic or foreign, now pending, or to the knowledge of the Company or any of its subsidiaries threatened or contemplated, to which the Company or any of its subsidiaries is or may be a party or to which the business, property or assets of the Company or any of its subsidiaries is or may be subject, (ii) to the Company's knowledge, no statute, rule, regulation or order that has been enacted, adopted or issued by any governmental agency or that has been proposed by any governmental body, and (iii) no injunction, restraining order or order of any nature by a court of competent jurisdiction to which the Company or any of its subsidiaries is or may be subject, that has been issued and is outstanding that, in the case of clauses (i), (ii) or (iii) above (x) would reasonably be expected to have a Material Adverse Effect or (y) seeks to restrain, enjoin, interfere with, or would reasonably be expected to adversely affect in any material respect, the performance of this Agreement or any of the transactions contemplated by this Agreement, including the Redomiciliation Transactions; and the Company and each of its subsidiaries has complied with any and all requests by any securities authority in any jurisdiction for additional information to be included in the Prospectus.

(n) None of the Company or its Subsidiaries is (i) in violation of its charter or by-laws (or similar organizational documents), (ii) in breach or violation of any statute, judgment, decree, order, rule or regulation applicable to the Company or its Subsidiaries or any of their properties or assets or (iii) in breach or default in the performance of any Contract, except, in the case of clauses (i), (ii) and (iii) (and in the case of clause (i), only with respect to the Subsidiaries) for any such violation, breach or default that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(o) Deloitte & Touche, who have certified certain financial statements of the Company and its consolidated subsidiaries and delivered their report with respect to certain audited consolidated financial statements included in the Prospectus, are independent public accountants with respect to the Company within the meaning of the Act and the applicable rules and regulations thereunder. Ernst & Young, who have certified certain financial statements and financial statement schedules of Willis Corroon Group Limited for all years prior to 1999 included in the Willis Corroon Corporation Registration Statement on Form F-4 (File No. 333-744483) (the "Willis Corroon Corporation Form F-4"), were at such time independent public accountants with respect to Willis Corroon Corporation within the meaning of the Act and the applicable rules and regulations thereunder.

(p) No stamp duty, stock exchange tax, value-added tax, withholding or any other similar duty or tax is payable in the United States, the United Kingdom, Bermuda or any other jurisdiction in which either the Company or any of its subsidiaries is organized or engaged in business for tax purposes or, in each case, any political subdivision thereof or any authority having power to tax, in connection with the execution or delivery of this Agreement or the authorization, issuance, sale or delivery of the Securities by the Company to the Underwriters or the initial resales thereof by the Underwriters in the manner contemplated by this Agreement and the Prospectus.

(q) Each of the Company and its subsidiaries has filed all necessary federal, state and foreign (including, without limitation, United Kingdom and Bermuda) income and franchise tax returns required to be filed to the date hereof, except where the failure to so file such returns would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and has paid all material taxes shown as due thereon; and other than tax deficiencies which the Company or any subsidiary is contesting in good faith and for which the Company or such subsidiary has provided adequate reserves, there is no tax deficiency that has been asserted against the Company or any of the subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

(r) Each of the Company and its subsidiaries has good and marketable title, free and clear of all liens, claims, encumbrances and restrictions, to all property and assets described in the Prospectus as being owned by it and good title to all leasehold estates in the real property described in the Prospectus as being leased by it except for (i) liens for taxes not yet due and payable, (ii) liens and encumbrances that are contemplated by the Senior Credit Facilities, (iii) liens, claims, encumbrances and restrictions that do not materially interfere with the use made and proposed to be made of such properties (including, without limitation, purchase money mortgages), and (iv) to the extent the failure to have such title or the existence of such liens, claims, encumbrances and restrictions would not reasonably be expected to have a Material Adverse Effect.

(s) Neither the Company nor any of its subsidiaries is involved in any labor dispute nor, to the best of the knowledge of the Company and its subsidiaries, is any labor dispute threatened which, if such dispute were to occur, would reasonably be expected to have a Material Adverse Effect.

(t) The Company and each of its subsidiaries maintain insurance insuring against such losses and risks as the Company reasonably believes is adequate to protect the Company and each of its subsidiaries and their respective businesses, except where the failure to maintain such insurance would not reasonably be expected to have a Material Adverse Effect; the Company and its subsidiaries are in compliance with the terms of such policies and instruments in all material respects; and there are no claims by the Company or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause that would reasonably be expected to have a Material Adverse Effect; none of the Company or its subsidiaries has been refused any insurance coverage sought or applied for; and neither the Company nor any such subsidiary has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not reasonably be expected to have a Material Adverse Effect whether or not arising from transactions in the ordinary course of business, except as set forth in the Prospectus (exclusive of any supplement thereto).

(u) Under the current laws and regulations of Bermuda, all dividends and other distributions declared and payable on the Securities may be paid by the Company to the holder thereof in United States dollars that may be freely transferred out of Bermuda and all such payments made to holders thereof who are non-residents of Bermuda will not be subject to income, withholding or other taxes under the laws or regulations of Bermuda and will otherwise be free of any other tax, duty, withholding or deduction in Bermuda and without the necessity of obtaining any governmental authorization in Bermuda.

(v) Each of the Company and its subsidiaries possesses all licenses, permits, certificates, consents, orders, approvals and other authorizations from, and have made all declarations and filings with, all appropriate federal, state, local, foreign and other governmental authorities, all self-regulatory organizations and all courts and other tribunals, presently required or necessary to own or lease, as the case may be, and to operate their respective properties and to carry on the business of the Company and its subsidiaries as now conducted as set forth in the Prospectus, the lack of which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect ("PERMITS"); each of the Company and its subsidiaries has fulfilled and performed all of its obligations with respect to such Permits and, to the best knowledge of the Company, no event has occurred which allows, or after notice or lapse of time would allow, revocation or termination thereof or results in any other impairment of the rights of the holder of any such Permit, except where the failure to fulfill or perform such obligations or such impairment, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and none of the Company or its subsidiaries has received any notice of any proceeding relating to revocation or modification of any such Permit except where such revocation or modification would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(w) Each of the Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that

transactions are recorded as necessary to permit preparation of consolidated financial statements in conformity with United States generally accepted accounting principles.

(x) The Company has not taken, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(y) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, to the knowledge of the Company and its subsidiaries, the Company and its subsidiaries are in compliance with all applicable existing federal, state, local and foreign laws and regulations relating to the protection of human health or the environment or imposing liability or requiring standards of conduct concerning any Hazardous Materials ("ENVIRONMENTAL LAWS"). The term "HAZARDOUS MATERIAL" means (a) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, (b) any "hazardous waste" as defined by the Resource Conservation and Recovery Act, as amended, (c) any petroleum or petroleum product, (d) any polychlorinated biphenyl and (e) any pollutant or contaminant or hazardous, dangerous or toxic chemical, material, waste or substance regulated under or within the meaning of any other Environmental Law. None of the Company or its subsidiaries has received any written notice and there is no pending or, to the best knowledge of the Company and its subsidiaries, threatened action, suit or proceeding before or by any court or governmental agency or body alleging liability (including, without limitation, alleged or potential liability for investigatory costs, cleanup costs, governmental response costs, natural resources damages, property damages, personal injuries, or penalties) of the Company or any of its subsidiaries arising out of, based on or resulting from (i) the presence or release into the environment of any Hazardous Material at any location owned by the Company or any subsidiary, or (ii) any violation or alleged violation of any Environmental Law, in either case (x) which alleged or potential liability would be required to be described in the Registration Statement under the Act, or (y) which alleged or potential liability would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(z) None of the Company or its subsidiaries has any material liability for any prohibited transaction or funding deficiency or any complete or partial withdrawal liability with respect to any pension, profit sharing or other plan which is subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), to which it makes or ever has made a contribution and in which any employee of it is or has ever been a participant. With respect to such plans, each of the Company and its subsidiaries is in compliance in all material respects with all applicable provisions of ERISA. In addition, the Company has caused (i) all pension schemes maintained by or for the benefit of any of its subsidiaries organized under the laws of England and Wales or any of its employees to be maintained and operated in all material respects in accordance with all applicable laws from time to time and (ii) all such pension schemes to be funded in accordance with the governing provisions of such schemes, except to the extent

failure to do so would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) The Company has not offered, or caused the Underwriters to offer, Securities to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer's or supplier's level or type of business with the Company or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products or services.

(bb) The Registration Statement, the Prospectus and any preliminary prospectus comply, and any further amendments or supplements thereto will comply, in each case in all material respects, with any applicable laws or regulations of foreign jurisdictions in which the Prospectus or any preliminary prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program.

(cc) The subsidiaries listed on Schedule III attached hereto are the only significant subsidiaries of the Company as defined by Rule 1-02 of Regulation S-X (the "Subsidiaries").

(dd) The Company and each of its subsidiaries own or possess adequate licenses or other rights to use all patents, patent applications, trademarks, service marks, trade names, trademark registrations, service mark registrations, copyrights, licenses and know-how (including, without limitation, trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and copyrights necessary to conduct the business described in the Prospectus, except where the failure to own or possess or have the ability to acquire any of the foregoing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and none of the Company or its subsidiaries has received any notice of infringement of or conflict with asserted rights of others with respect to any patents, trademarks, service marks, trade names or copyrights which, if such assertion of infringement or conflict were sustained, would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(ee) None of the Company or its subsidiaries or its or their properties or assets has any immunity from the jurisdiction of any court or from any legal process (whether through service or notice, attachment prior to judgment, attachment in aid of execution or otherwise) under the laws of the United States, the United Kingdom or Bermuda.

(ff) The Company is a "foreign private issuer" as defined by Rule 405 of the Act.

(gg) To ensure the legality, validity, enforceability and admissibility into evidence of each of this Agreement, the Securities and any other document to be furnished hereunder in Bermuda, it is not necessary that this Agreement, the Securities or such other document be filed or recorded with any court or other authority in Bermuda or any stamp or similar tax be paid in Bermuda on or in respect of this Agreement, the Securities or any such other document except that (i) the

consent of the Authority is required and has been obtained for the issue by the Company of shares as required in respect of the Redomiciliation Transactions; (ii) the consent of the Authority is required and has been obtained for the issue and subsequent transferability of the Securities; and (iii) the Prospectus is required to be and has been filed with the Registrar of Companies in Bermuda pursuant to Part III of the Companies Act 1981 of Bermuda.

(hh) Each offer or sale of securities in connection with the Redomiciliation Transactions, and the offer and sale of securities to Paul M. Hazen as described in the Prospectus, is or will be exempt from, or not subject to, the registration requirements of the Act, and no offer or sale of a security of the Company or any of its subsidiaries has been or will be made that would be integrated for purposes of the Act with the offering of the Securities contemplated in this Agreement.

(ii) The Company has duly and irrevocably appointed Mary Caiazzo, Willis North America Inc., 26 Century Boulevard, P.O. Box 305026, Nashville, TN 37230, as its agent to receive service of process with respect to actions arising out of or in connection with (i) this Agreement; and (ii) violations of United States federal securities laws relating to offers and sales of the Securities.

(jj) Under Bermuda law the Underwriters will not be deemed to be resident, domiciled, carrying on any commercial activity in Bermuda or subject to any taxation in Bermuda by reason only of the entry into, performance or enforcement of this Agreement to which they are a party or the transactions contemplated hereby. It is not necessary under Bermuda law that the Underwriters be authorised, licensed, qualified or otherwise entitled to carry on business in Bermuda for their execution, delivery, performance or enforcement of this Agreement.

(kk) A final and conclusive judgment of a court located outside Bermuda against the Company based upon this Agreement (other than a court of jurisdiction to which The Judgments (Reciprocal Enforcement) Act, 1958 applies, and it does not apply to the federal and state courts of the Borough of Manhattan in New York City) under which a sum of money is payable (not being a sum payable in respect of taxes or other charges of a like nature, in respect of a fine or other penalty, or in respect of multiple damages as defined in The Protection of Trading Interests Act 1981) may be the subject of enforcement proceedings in the Supreme Court of Bermuda under the common law doctrine of obligation by action on the debt evidenced by the judgment of such court located outside Bermuda.

(ll) The Company beneficially owns 99.98% of the issued share capital of TA I Limited; and such failure to own all the outstanding shares of TA I Limited would not reasonably be expected to have a Material Adverse Effect.

(mm) All currently outstanding shares of Common Stock held by directors, officers and other employees of the Company or its subsidiaries, and all shares of Common Stock that will be issued pursuant to any employee stock option plan, stock ownership plan, stock purchase plan, dividend reinvestment plan or other employee or director benefit plan (other than the shares held pursuant to the 2001 Share Purchase and Option Plan, Employee Stock Purchase

Plan and Sharesave Plan) of the Company to, or that will be issued upon the exercise of options by, such directors, officers or other employees of the Company or its subsidiaries (the "Management Shares") are subject to the provisions of various Management and Employee Shareholders' and Subscription Agreements (the "Shareholders' Agreement"), true and complete copies of which have been provided to the Representatives prior to the date of this Agreement; pursuant to the Shareholders' Agreement, no officer or other employee is permitted to sell, transfer, assign, pledge or hypothecate its shares of Common Stock prior to the sixth anniversary of the date such officer or other employee purchased shares (except that he may sell his shares under an effective registration statement or pursuant to sale participation rights at the time Profit Sharing (Overseas), Limited Partnership sells its shares), and, in any event, prior to the 180th day following the issue and sale of the Securities as contemplated hereby, in each case without the prior written consent of the Company (the "Management Transfer Restrictions"); and prior to the date of this Agreement the shares of Common Stock held by Profit Sharing (Overseas), Limited Partnership, Fisher Capital Corp. L.L.C. and the members of the Consortium, together with the Management Shares, comprise 99.98% of the issued Common Stock.

Any certificate signed by any officer of the Company and delivered to the Representatives or counsel for the Underwriters in connection with the offering of the Securities shall be deemed a representation and warranty by the Company, as to matters covered thereby, to each Underwriter.

2. PURCHASE AND SALE. (a) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to each Underwriter, and each Underwriter agrees, severally and not jointly, to purchase from the Company, at a purchase price of $ per share, the amount of the Underwritten Securities set forth opposite such Underwriter's name in Schedule I hereto.

(b) Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company hereby grants an option to the several Underwriters to purchase, severally and not jointly, up to Option Securities at the same purchase price per share as the Underwriters shall pay for the Underwritten Securities. Said option may be exercised only to cover over-allotments in the sale of the Underwritten Securities by the Underwriters. Said option may be exercised in whole or in part at any time (but not more than once) on or before the 30th day after the date of the Prospectus upon written or telegraphic notice by the Representatives to the Company setting forth the number of shares of the Option Securities as to which the several Underwriters are exercising the option and the settlement date. The number of Option Securities to be purchased by each Underwriter shall be the same percentage of the total number of shares of the Option Securities to be purchased by the several Underwriters as such Underwriter is purchasing of the Underwritten Securities, subject to such adjustments as you in your absolute discretion shall make to eliminate any fractional shares.

3. DELIVERY AND PAYMENT. Delivery of and payment for the Underwritten Securities and the Option Securities (if the option provided for in Section 2(b) hereof shall have been exercised on or before the third Business Day prior to the Closing Date) shall be made at 10:00 AM, New York City time, on , 2001, or at such time on

such later date not more than three Business Days after the foregoing date as the Representatives shall designate, which date and time may be postponed by agreement between the Representatives and the Company or as provided in Section 9 hereof (such date and time of delivery and payment for the Securities being herein called the "Closing Date"). Delivery of the Securities shall be made to the Representatives for the respective accounts of the several Underwriters against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. Delivery of the Underwritten Securities and the Option Securities shall be made through the facilities of The Depository Trust Company unless the Representatives shall otherwise instruct.

If the option provided for in Section 2(b) hereof is exercised after the third Business Day prior to the Closing Date, the Company will deliver the Option Securities (at the expense of the Company) to the Representatives, at 388 Greenwich Street, New York, New York, on the date specified by the Representatives (which shall be within three Business Days after exercise of said option) for the respective accounts of the several Underwriters, against payment by the several Underwriters through the Representatives of the purchase price thereof to or upon the order of the Company by wire transfer payable in same-day funds to an account specified by the Company. If settlement for the Option Securities occurs after the Closing Date, the Company will deliver to the Representatives on the settlement date for the Option Securities, and the obligation of the Underwriters to purchase the Option Securities shall be conditioned upon receipt of, supplemental opinions, certificates and letters confirming as of such date the opinions, certificates and letters delivered on the Closing Date pursuant to Section 6 hereof.

4. OFFERING BY UNDERWRITERS. It is understood that the several Underwriters propose to offer the Securities for sale to the public in the United States and certain other investors in other countries as set forth in the Prospectus.

5. AGREEMENTS. The Company agrees with the several Underwriters that:

(a) The Company will use its best efforts to cause the Registration Statement, if not effective at the Execution Time, and any amendment thereof, to become effective. Prior to the termination of the offering of the Securities, the Company will not file any amendment of the Registration Statement or supplement to the Prospectus or any Rule 462(b) Registration Statement unless the Company has furnished you a copy for your review prior to filing and will not file any such proposed amendment or supplement to which you reasonably object. Subject to the foregoing sentence, if the Registration Statement has become or becomes effective pursuant to Rule 430A, or filing of the Prospectus is otherwise required under Rule 424(b), the Company will cause the Prospectus, properly completed, and any supplement thereto to be filed with the Commission pursuant to the applicable paragraph of Rule 424(b) within the time period prescribed. The Company will promptly advise the Representatives (i) when the Registration Statement, if not effective at the Execution Time, shall have become effective, (ii) when the Prospectus, and any supplement thereto, shall have been filed (if required) with the Commission pursuant to Rule 424(b) or when any Rule 462(b) Registration Statement shall have been filed with the Commission, (iii) when, prior to termination of the offering of the Securities, any amendment to the

Registration Statement shall have been filed or become effective, (iv) of any request by the Commission or its staff for any amendment of the Registration Statement, or any Rule 462(b) Registration Statement, or for any supplement to the Prospectus or for any additional information, (v) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement or the institution or threatening of any proceeding for that purpose and (vi) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Securities for sale in any jurisdiction or the institution or threatening of any proceeding for such purpose. The Company will use its best efforts to prevent the issuance of any such stop order or the suspension of any such qualification and, if issued, to obtain as soon as possible the withdrawal thereof.

(b) If, at any time when a prospectus relating to the Securities is required to be delivered under the Act, any event occurs as a result of which the Prospectus as then supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein in the light of the circumstances under which they were made not misleading, or if it shall be necessary to amend the Registration Statement or supplement the Prospectus to comply with the Act or the rules thereunder, the Company will (i) promptly notify the Representatives of any such event, (ii) as soon as practicable, prepare and file with the Commission, subject to the second sentence of paragraph (a) of this Section 5, an amendment or supplement which will correct such statement or omission or effect such compliance; and (iii) thereafter, promptly supply any supplemented Prospectus to you in such quantities as you may reasonably request.

(c) As soon as practicable, the Company will make generally available to its security holders and to the Representatives an earnings statement or statements of the Company and its subsidiaries which will satisfy the provisions of Section 11(a) of the Act and Rule 158 under the Act.

(d) The Company will furnish to the Representatives and counsel for the Underwriters signed copies of the Registration Statement (including exhibits thereto) and to each other Underwriter a copy of the Registration Statement (without exhibits thereto) and, so long as delivery of a prospectus by an Under- writer or dealer may be required by the Act, as many copies of each Preliminary Prospectus and the Prospectus and any supplement thereto as the Representatives may reasonably request.

(e) The Company will cooperate with you and counsel for the Underwriters in connection with the qualification of the Securities for sale under the laws of such jurisdictions as the Representatives may designate and will maintain such qualifications in effect so long as required for the distribution of the Securities; PROVIDED that in no event shall the Company be obligated to qualify to do business in any jurisdiction where it is not now so qualified or to take any action that would subject it to service of process in suits, other than those arising out of the offering or sale of the Securities, or taxation in any jurisdiction where it is not now so subject.

(f) The Company will not, without the prior written consent of Salomon

Smith Barney Inc., (i) offer, sell, contract to sell, pledge, or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Company or any affiliate of the Company or any person in privity with the Company or any affiliate of the Company) directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Exchange Act, any other shares of Common Stock or any securities convertible into, or exercisable, or exchangeable for, shares of Common Stock; (ii) publicly announce an intention to effect any such transaction or (iii) amend, waive or fail to enforce the Management Transfer Restrictions in respect of the Management Shares, in the case of clauses (i), (ii) or (iii) for a period of 180 days after the date of the Underwriting Agreement, PROVIDED, HOWEVER, that the Company may (x) issue and sell Common Stock and options as described in the Prospectus under the heading "Redomiciliation in Bermuda" and pursuant to any employee stock option plan, stock ownership plan, stock purchase plan, dividend reinvestment plan or other employee or director benefit plan of the Company described in the Prospectus (upon the terms of such plan as described in the Prospectus), (y) issue Common Stock issuable upon the exercise of options pursuant to any such plans and (z) issue Common Stock as consideration in connection with the acquisition by the Company or any of its subsidiaries of any person (including broker teams) or assets and, in connection therewith, file a registration statement with the SEC, PROVIDED that in the case of this clause (z), such registration does not become effective prior to the expiration of the 180 day period set forth above and the recipient of such Common Stock agrees to sign a lock-up letter in the form of Exhibit A for the remainder of such 180 day period.

(g) The Company will not take, directly or indirectly, any action designed to or that would constitute or that might reasonably be expected to cause or result in, under the Exchange Act or otherwise, stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Securities.

(h) The Company agrees to pay the costs and expenses relating to the following matters: (i) the preparation, printing or reproduction and filing with the Commission of the Registration Statement (including financial statements and exhibits thereto), each Preliminary Prospectus, the Prospectus, and each amendment or supplement to any of them; (ii) the printing (or reproduction) and delivery (including postage, air freight charges and charges for counting and packaging) of such copies of the Registration Statement, each Preliminary Prospectus, the Prospectus, and all amendments or supplements to any of them, as may, in each case, be reasonably requested for use in connection with the offering and sale of the Securities; (iii) the preparation, printing, authentication, issuance and delivery of certificates for the Securities, including any stamp or transfer taxes in connection with the original issuance and sale by the Company and the initial resale by the Underwriters of the Securities; (iv) the printing (or reproduction) and delivery of this Agreement, any blue sky memorandum and all other agreements or documents printed (or reproduced) and delivered in connection with the offering of the Securities; (v) the registration of the Securities under the Exchange Act and the listing of the Securities on the New York Stock

Exchange; (vi) any registration or qualification of the Securities for offer and sale under the securities or blue sky laws of the several states (including filing fees and the reasonable fees and expenses of one counsel for the Underwriters relating to such registration and qualification); (vii) any filings required to be made with the National Association of Securities Dealers, Inc. (including filing fees and the reasonable fees and expenses of one counsel for the Underwriters relating to such filings); (viii) one-half of the aircraft costs; and all other transportation and other expenses incurred by or on behalf of Company representatives in connection with presentations to prospective purchasers of the Securities; (ix) the fees and expenses of the Company's accountants and the fees and expenses of counsel (including local and special counsel) for the Company; and (x) all other costs and expenses incurred by the Company that are incidental to the performance by the Company of its obligations hereunder.

(i) The Company shall ensure that no Participant who purchased shares pursuant to the Directed Share Program will sell, transfer, assign, pledge or hypothecate such person's shares for a period of 180 days following the date of the effectiveness of the Registration Statement. The Company will not register the transfer by Mourant & Co. Trustees Limited (the "Trinity Trustee") of its shares for a period of 180 days following the date of the effectiveness of the Registration Statement, except for sales and transfers of shares to the Company's management employees in accordance with the Shareholders' Agreement and except for the exchange of shares of TA I Limited for shares of the Company.] The Company will ensure that the restrictions set forth in this Section 5(i) satisfy the applicable National Association of Securities Dealers, Inc. (the "NASD") rules.

(j) The Company will pay up to $50,000 worth of fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program (but only to the extent such counsel's involvement was previously approved by the Company) and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program.

(k) The Company will pay all applicable stamp taxes to the U.K. stamp office in connection with the Redomiciliation Transactions.

(l) The Company will take all actions necessary to cause (i) the share transfer forms relating to the shares of TA I Limited to be submitted to and stamped by the U.K. Stamp Office and (ii) it to be entered onto the list of the shareholders of TA I Limited, in each case as promptly as possible.

Furthermore, the Company covenants with Salomon Smith Barney Inc. that the Company will comply in all material respects with all applicable securities and other applicable laws, rules and regulations in each foreign jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

6. CONDITIONS TO THE OBLIGATIONS OF THE UNDERWRITERS. The obligations of the Underwriters to purchase the Underwritten Securities and the Option Securities, as the case may be, shall be subject to the accuracy of the representations and warranties on the part of the Company contained herein as of the Execution Time, the Closing Date and any

settlement date pursuant to Section 3 hereof, to the accuracy of the statements of the Company made in any certificates pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) If the Registration Statement has not become effective prior to the Execution Time, unless the Representatives agree in writing to a later time, the Registration Statement will become effective not later than (i) 6:00 PM New York City time on the date of determination of the public offering price, if such determination occurred at or prior to 3:00 PM New York City time on such date or (ii) 9:30 AM on the Business Day following the day on which the public offering price was determined, if such determination occurred after 3:00 PM New York City time on such date; if filing of the Prospectus, or any supplement thereto, is required pursuant to Rule 424(b), the Prospectus, and any such supplement, will be filed in the manner and within the time period required by Rule 424(b); and no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or threatened.

(b) The Company shall have requested and caused Simpson Thacher & Bartlett, U.S. counsel for the Company, to have furnished to the Representatives their opinion, dated the Closing Date and addressed to the Representatives, in the form set forth on Annex A hereto.

(c) The Company shall have requested and caused Appleby Spurling & Kempe, Bermuda counsel for the Company, to have furnished to the Representatives their opinion, dated the Closing Date and addressed to the Representatives, in the form set forth on Annex B hereto.

(d) The Company shall have requested and caused Clifford Chance Limited Liability Partnership, counsel for the Company, to have furnished to the Representatives their opinion, dated the Closing Date and addressed to the Representatives, in the form set forth on Annex C hereto.

(e) Oliver Goodinge, Esq., the Company's Assistant General Counsel, shall have furnished to the Representatives his opinion, dated the Closing Date and addressed to the Representatives, in the form set forth on Annex D hereto.

(f) Mary Caiazzo, Senior Vice President and General Counsel of Willis North America Inc., shall have furnished to the Representatives her opinion, dated the Closing Date and addressed to the Representatives, in the form set forth on Annex E hereto.

(g) The Representatives shall have received from Cravath, Swaine & Moore, counsel for the Underwriters, such opinion or opinions, dated the Closing Date and addressed to the Representatives, with respect to the issuance and sale of the Securities, the Registration Statement, the Prospectus (together with any supplement thereto) and other related matters as the Representatives may reasonably require, and the Company shall have furnished to such counsel such documents as they request for the purpose of enabling them to pass upon such matters.

(h) The Company shall have furnished to the Representatives a certificate of the Company, signed by Thomas Colraine, Michael Chitty and Oliver Goodinge, Esq., dated the Closing Date, to the effect that the signers of such certificate have carefully examined the Registration Statement, the Prospectus, any supplements to the Prospectus and this Agreement and that:

(i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date;

(ii) no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose have been instituted or, to the Company's knowledge, threatened; and

(iii) since the date of the most recent financial statements included in the Prospectus (exclusive of any supplement thereto), there has been no event or development that has had, or that would reasonably be expected to have, a Material Adverse Effect.

(i) The Company shall have requested and caused Deloitte & Touche to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they are independent accountants within the meaning of the Act and the applicable rules and regulations adopted by the Commission thereunder and stating in effect that:

(i) in their opinion the audited financial statements and financial statement schedules included in the Registration Statement and the Prospectus and reported on by them comply as to form in all material respects with the applicable accounting requirements of the Act and the related rules and regulations adopted by the Commission, including the Division of Corporate Finance: International Financial Reporting and Disclosure Issues, dated July 21, 2000;

(ii) on the basis of a reading of the latest unaudited financial statements made available by the Company and its subsidiaries; carrying out certain specified procedures (but not an examination in accordance with generally accepted auditing standards) which would not necessarily reveal matters of significance with respect to the comments set forth in such letter; a reading of the minutes of the meetings of the stockholders, directors and compensation and audit committees of the Company and the Subsidiaries; and inquiries of certain officials of the Company who have responsibility for financial and accounting matters of the Company and its subsidiaries as to transactions and events subsequent to December 31, 2000, nothing came to their attention which caused them to believe that:

(1) with respect to the period subsequent to December 31, 2000, there were any changes, at a specified date not more than

five days prior to the date of the letter, in the total long-term debt of the Company and its subsidiaries or capital stock of the Company or decreases in the total stockholders' equity of the Company as compared with the amounts shown on the December 31, 2000 consolidated balance sheet included in the Registration Statement and the Prospectus, or for the period from January 1, 2001 to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in total revenues, net income, operating income, EBITDA or basic and diluted net earnings per share, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof unless said explanation is not deemed necessary by the Representatives;

(2) the information included in the Registration Statement and Prospectus in response to Form 20-F, Item 3.A. (Key Information - Selected Financial Data), Item 8 (Financial Information) and Item 6.B. (Directors, Senior Management and Employees - Compensation) is not in conformity with the applicable disclosure requirements of Form 20-F and Regulation S-K;

(iii) they have performed certain other specified procedures as a result of which they determined that certain information of an accounting, financial or statistical nature (which is limited to accounting, financial or statistical information derived from the general accounting records of the Company and its subsidiaries) set forth in the Registration Statement and the Prospectus that has previously been identified to you agrees with the accounting records of the Company and its subsidiaries, excluding any questions of legal interpretation; and

(iv) on the basis of a reading of the unaudited pro forma financial statements from which the pro forma financial information included in the Registration Statement and the Prospectus (the "pro forma financial statements") is derived; carrying out certain specified procedures; inquiries of certain officials of the Company who have responsibility for financial and accounting matters; and proving the arithmetic accuracy of the application of the pro forma adjustments to the historical amounts in the pro forma financial statements, nothing came to their attention which caused them to believe that the pro forma adjustments have not been properly applied to the historical amounts in the compilation of such statements.

References to the Prospectus in this paragraph (i) include any supplement thereto at the date of the letter.

(j) The Company shall have requested and caused Ernst & Young to have furnished to the Representatives, at the Execution Time and at the Closing Date, letters, dated respectively as of the Execution Time and as of the Closing Date, in form and substance satisfactory to the Representatives, confirming that they were

independent accountants to Willis Corroon Corporation within the meaning of the Act and the applicable published rules and regulations adopted by the Commission thereunder and stating in effect that in their opinion the audited financial statements and financial statement schedules of Willis Corroon Group Limited for all years prior to 1999 included in the Willis Corroon Corporation Form F-4 and reported on by them complied as to form in all material respects with the applicable accounting requirements of the Act and the related rules and regulations adopted by the Commission and that copies of such reports are attached to such letters.

References to the Prospectus in this paragraph (j) include any supplement thereto at the date of the letter.

(k) Subsequent to the Execution Time or, if earlier, the dates as of which information is given in the Registration Statement (exclusive of any amendment thereof) and the Prospectus (exclusive of any supplement thereto), there shall not have been (i) any change or decrease specified in the letter or letters referred to in paragraphs (i) and (j) of this Section 6 or (ii) any change, or any development that can be expected to have a material adverse effect on the condition (financial or otherwise), business or results of operations of the Company and its subsidiaries taken as a whole, whether or not arising from transactions in the ordinary course of business, except as set forth in the Prospectus (exclusive of any supplement thereto) the effect of which, in any case referred to in clause (i) or (ii) above, is, in the judgment of the Representatives, so material and adverse as to make it impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Registration Statement (exclusive of any amendment thereof) and the Prospectus (exclusive of any supplement thereto).

(l) Prior to the Closing Date, the Company shall have furnished to the Representatives such further customary information, certificates and documents as the Representatives may reasonably request.

(m) Subsequent to the Execution Time, there shall not have been any decrease in the rating of debt securities of the Company or any of its subsidiaries by any "nationally recognized statistical rating organization" (as defined for purposes of Rule 436(g) under the Act) or any notice given of any intended or potential decrease in any such rating or of a possible change in any such rating that does not indicate the direction of the possible change.

(n) The Securities shall have been listed and admitted and authorized for trading on the New York Stock Exchange, and satisfactory evidence of such actions shall have been provided to the Representatives.

(o) At the Execution Time, the Company shall have furnished to the Representatives a letter substantially in the form of Exhibit A hereto (each a "Lock-up Letter") and addressed to the Representatives from each director, each executive officer listed in the Prospectus, Profit Sharing (Overseas), Limited Partnership, each member of the Consortium, Fisher Capital Corp. L.L.C. and each person who purchased shares pursuant to the Directed Share Program.

(p) The Company shall have provided a representation to the Representatives reasonably satisfactory to the Representatives, evidencing the waiver by Profit Sharing (Overseas), Limited Partnership and each member of the Consortium of all their rights to include their shares of Common Stock in the Registration Statement pursuant to the Profit Sharing Registration Rights Agreement and the Consortium Registration Rights Agreement.

If any of the conditions specified in this Section 6 shall not have been fulfilled in all material respects when and as provided in this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Representatives and counsel for the Underwriters, this Agreement and all obligations of the Underwriters hereunder may be canceled at, or at any time prior to, the Closing Date by the Representatives. Notice of such cancelation shall be given to the Company in writing or by telephone or facsimile confirmed in writing.

The documents required to be delivered by this Section 6 shall be delivered at the office of Cravath, Swaine & Moore, counsel for the Underwriters, at Worldwide Plaza, 825 Eighth Avenue, New York, New York, 10019-7475 on the Closing Date.

7. REIMBURSEMENT OF UNDERWRITERS' EXPENSES. If the sale of the Securities provided for herein is not consummated because any condition to the obligations of the Underwriters set forth in Section 6 hereof is not satisfied because of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally through Salomon Smith Barney Inc. on demand accompanied by reasonable supporting documentation for all reasonable out- of-pocket expenses (including reasonable fees and disbursements of counsel) that shall have been incurred by them in connection with the proposed purchase and sale of the Securities.

8. INDEMNIFICATION AND CONTRIBUTION. (a) The Company agrees to indemnify and hold harmless each Underwriter, the directors, officers, employees and agents of each Underwriter and each person who controls any Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject under the Act, the Exchange Act or other foreign, federal, state or statutory law or regulation, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the registration statement for the registration of the Securities as originally filed or in any amendment thereof, or in any Preliminary Prospectus or the Prospectus, or in any amendment thereof or supplement thereto, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and agrees to reimburse each such indemnified party, as incurred, for any legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in

reliance upon and in conformity with written information furnished to the Company by or on behalf of any Underwriter through the Representatives specifically for inclusion therein; PROVIDED, FURTHER, that with respect to any untrue statement or omission of material fact made in any Preliminary Prospectus, the indemnity agreement contained in this Section 8(a) shall not inure to the benefit of any Underwriter from whom the person asserting any such loss, claim, damage or liability purchased the Securities concerned, to the extent that any such loss, claim, damage or liability of such Underwriter occurs under the circumstance where it shall be determined by a court of competent jurisdiction by final and non-appealable judgment that (i) the Company had previously furnished copies of the Prospectus to the Representatives, (ii) the untrue statement or omission of a material fact contained in the Preliminary Prospectus was corrected in the Prospectus and (iii) such loss, claim, damage or liability results from the fact that there was not sent or given to such person at or prior to the written confirmation of the sale of such Securities to such person, a copy of the Prospectus. This indemnity agreement will be in addition to any liability which the Company may otherwise have.

(b) Each Underwriter severally and not jointly agrees to indemnify and hold harmless the Company, each of its directors, each of its officers who signs the Registration Statement, and each person who controls the Company within the meaning of either the Act or the Exchange Act, to the same extent as the foregoing indemnity from the Company to each Underwriter, but only with reference to written information relating to such Underwriter furnished to the Company by or on behalf of such Underwriter through the Representatives specifically for inclusion in the documents referred to in the foregoing indemnity. This indemnity agreement will be in addition to any liability which any Underwriter may otherwise have. The Company acknowledges that the statements set forth in the last paragraph of the cover page regarding delivery of the Securities and, under the heading "Underwriting" or "Plan of Distribution", (i) the list of Underwriters and their respective participation in the sale of the Securities, (ii) the third paragraph, (iii) the tenth, eleventh and twelfth paragraphs related to stabilization, syndicate covering transactions and penalty bids in any Preliminary Prospectus and (iv) the sixteenth paragraph relating to electronic prospectuses and the Prospectus, constitute the only information furnished in writing by or on behalf of the several Underwriters for inclusion in any Preliminary Prospectus or the Prospectus.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the commencement thereof; but the failure so to notify the indemnifying party (i) will not relieve it from liability under paragraph (a) or (b) above unless and to the extent it did not otherwise learn of such action and such failure results in the forfeiture by the indemnifying party of substantial rights and defenses and (ii) will not, in any event, relieve the indemnifying party from any obligations to any indemnified party other than the indemnification obligation provided in paragraph (a) or (b) above. The indemnifying party shall be entitled to appoint counsel of the indemnifying party's choice at the indemnifying party's expense to represent the indemnified party in any action for which indemnification is sought (in which case the indemnifying party shall not thereafter be responsible for the fees and expenses of any separate counsel retained by the indemnified party or parties except as set forth below); PROVIDED, HOWEVER, that such counsel shall be reasonably satisfactory to the indemnified party. Notwithstanding the indemnifying party's election to appoint counsel to represent the indemnified party in an action, the indemnified party shall have the right to employ

separate counsel (including local counsel), and the indemnifying party shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the indemnifying party to represent the indemnified party would present such counsel with a conflict of interest, (ii) the actual or potential defendants in, or targets of, any such action include both the indemnified party and the indemnifying party and the indemnified party shall have reasonably concluded that there may be legal defenses available to it and/or other indemnified parties which are different from or additional to those available to the indemnifying party, (iii) the indemnifying party shall not have employed counsel reasonably satisfactory to the indemnified party to represent the indemnified party within a reasonable time after notice of the institution of such action or (iv) the indemnifying party shall authorize the indemnified party to employ separate counsel at the expense of the indemnifying party. An indemnifying party will not, without the prior written consent of the indemnified party (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding.

(d) In the event that the indemnity provided in paragraph (a) or (b) of this Section 8 is unavailable to or insufficient to hold harmless an indemnified party for any reason, the Company and the Underwriters severally agree to contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Company and one or more of the Underwriters may be subject in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and by the Underwriters on the other from the offering of the Securities; PROVIDED, HOWEVER, that in no case shall (i) any Underwriter (except as may be provided in any agreement among underwriters relating to the offering of the Securities) be responsible for any amount in excess of the underwriting discount or commission applicable to the Securities purchased by such Underwriter hereunder or by J.P. Morgan Securities Inc. (the "Independent Underwriter") in its capacity as "qualified independent underwriter" (within the meaning of National Association of Securities Dealers, Inc. Conduct Rule 2720) be responsible for any amount in excess of the compensation received by the Independent Underwriter for acting in such capacity. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the Company and the Underwriters severally shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and of the Underwriters on the other in connection with the statements or omissions which resulted in such Losses as well as any other relevant equitable considerations. Benefits received by the Company shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discounts and commissions, in each case as set forth on the cover page of the Prospectus. Benefits received by the Independent Underwriter in its capacity as "qualified independent underwriter" shall be deemed to be equal to the compensation received by the Independent Underwriter for acting in such capacity. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the Company on the one hand or the Underwriters

on the other, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such untrue statement or omission. The Company and the Underwriters agree that it would not be just and equitable if contribution were determined by pro rata allocation or any other method of allocation which does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (d), no person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. For purposes of this Section 8, each person who controls an Underwriter within the meaning of either the Act or the Exchange Act and each director, officer, employee and agent of an Underwriter shall have the same rights to contribution as such Underwriter, and each person who controls the Company within the meaning of either the Act or the Exchange Act, each officer of the Company who shall have signed the Registration Statement and each director of the Company shall have the same rights to contribution as the Company, subject in each case to the applicable terms and conditions of this paragraph (d).

(e) The Company agrees to indemnify and hold harmless Salomon Smith Barney Inc., the directors, officers, employees and agents of Salomon Smith Barney Inc. and each person, who controls Salomon Smith Barney Inc. within the meaning of either the Act or the Exchange Act ("Salomon Smith Barney Inc. Entities"), from and against any and all losses, claims, damages and liabilities to which they may become subject under the Act, the Exchange Act or other foreign, federal, state or statutory law or regulation, at common law or otherwise (including, without limitation, any legal or other expenses reasonably incurred in connection with defending or investigating any such action or claim), insofar as such losses, claims damages or liabilities (or actions in respect thereof) (i) arise out of or are based upon any untrue statement or alleged untrue statement of a material fact contained in the prospectus wrapper material prepared by or with the consent of the Company for distribution in foreign jurisdictions in connection with the Directed Share Program attached to the Prospectus or any preliminary prospectus, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statement therein, when considered in conjunction with the Prospectus or any applicable preliminary prospectus, not misleading; (ii) are caused by the failure of any Participant to pay for and accept delivery of the Directed Shares allocated by the Company to such Participant; or (iii) relate to, arise out of, or occur in connection with the Directed Share Program, PROVIDED that (A) in the case of clause (i), the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made therein in reliance upon and in conformity with written information furnished to the Company by or on behalf of Salomon Smith Barney Inc. specifically for inclusion therein and in the case of clause (iii) the Company will not be liable to the extent that such loss, claim, damage or liability results from the gross negligence or willful misconduct of Salomon Smith Barney Inc.

(f) Without limitation of and in addition to its obligations under the other paragraphs of this Section 8, the Company agrees to indemnify and hold harmless the Independent Underwriter, its directors, officers, employees and agents and each person who controls the Independent Underwriter within the meaning of either the Act or the Exchange Act against any and all losses, claims, damages or liabilities, joint or several, to which they or any of them may become subject, insofar as such losses, claims, damages or liabilities (or action in respect thereof) arise out of or are based upon the Independent

Underwriter's acting as a "qualified independent underwriter" (within the meaning of National Associate of Securities Dealers, Inc. Conduct Rule 2720) in connection with the offering contemplated by this Agreement, and agrees to reimburse each such indemnified party, as incurred, for ay legal or other expenses reasonably incurred by them in connection with investigating or defending any such loss, claim, damage, liability or action; PROVIDED, HOWEVER, that the Company will not be liable in any such case to the extent that any such loss, claim, damage or liability results from the gross negligence or willful misconduct of the Independent Underwriter.

9. DEFAULT BY AN UNDERWRITER. If any one or more Underwriters shall fail to purchase and pay for any of the Securities agreed to be purchased by such Underwriter or Underwriters hereunder and such failure to purchase shall constitute a default in the performance of its or their obligations under this Agreement, the remaining Underwriters shall be obligated severally to take up and pay for (in the respective proportions which the amount of Securities set forth opposite their names in Schedule I hereto bears to the aggregate amount of Securities set forth opposite the names of all the remaining Underwriters) the Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase; PROVIDED, HOWEVER, that in the event that the aggregate amount of Securities which the defaulting Underwriter or Underwriters agreed but failed to purchase shall exceed 10% of the aggregate amount of Securities set forth in Schedule I hereto, the remaining Underwriters shall have the right to purchase all, but shall not be under any obligation to purchase any, of the Securities, and if such non-defaulting Underwriters do not purchase all the Securities, this Agreement will terminate without liability to any non-defaulting Underwriter or the Company. In the event of a default by any Underwriter as set forth in this Section 9, the Closing Date shall be postponed for such period, not exceeding five Business Days, as the Representatives shall determine in order that the required changes in the Registration Statement and the Prospectus or in any other documents or arrangements may be effected. Nothing contained in this Agreement shall relieve any defaulting Underwriter of its liability, if any, to the Company and any non-defaulting Underwriter for damages occasioned by its default hereunder.

10. TERMINATION. This Agreement shall be subject to termination in the absolute discretion of the Representatives, by notice given to the Company prior to delivery of and payment for the Securities, if (a) at any time subsequent to the execution and delivery of this Agreement and prior to such time (i) trading in the Company's Common Stock shall have been suspended by the Commission or the New York Stock Exchange or trading in securities generally on the New York Stock Exchange shall have been suspended or limited or minimum prices shall have been established on such Exchange, (ii) a banking moratorium shall have been declared either by Federal or New York State authorities or (iii) there shall have occurred any outbreak or escalation of hostilities, declaration by the United States or the United Kingdom of a national emergency or war, or other calamity or crisis that is material and adverse and (b) in the case of any of the events specified in clauses 10(a)(i) through 10(a)(iii), the effect of such event, singly or together with any other such event, makes it, in the judgment of the Representatives, impractical or inadvisable to proceed with the offering or delivery of the Securities as contemplated by the Prospectus (exclusive of any supplement thereto).

11. REPRESENTATIONS AND INDEMNITIES TO SURVIVE. The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of

any Underwriter or the Company or any of the officers, directors, employees, agents or controlling persons referred to in Section 8 hereof, and will survive delivery of and payment for the Securities. The provisions of Sections 7 and 8 hereof shall survive the termination or cancelation of this Agreement.

12. NOTICES. All communications hereunder will be in writing and effective only on receipt, and, if sent to the Representatives, will be mailed, delivered or telefaxed to the Salomon Smith Barney Inc. General Counsel (fax no.: (212) 816-7912) and confirmed to the General Counsel, Salomon Smith Barney Inc., at 388 Greenwich Street, New York, New York, 10013, Attention: General Counsel; or, if sent to the Company, will be mailed, delivered or telefaxed to 44(0)20 7481 7183 and confirmed to it at Ten Trinity Square, London, England, EC3P 3AX, Attention: Corporate Secretary.

13. SUCCESSORS. This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers, directors, employees, agents and controlling persons referred to in Section 8 hereof, and no other person will have any right or obligation hereunder.

14. APPLICABLE LAW. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed within the State of New York. The Company hereby submits to the non- exclusive jurisdiction of the Federal and state courts in the Borough of Manhattan in New York City in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

15. COUNTERPARTS. This Agreement may be signed in one or more counterparts, each of which shall constitute an original and all of which together shall constitute one and the same agreement.

16. HEADINGS. The section headings used herein are for convenience only and shall not affect the construction hereof.

17. DEFINITIONS. The terms which follow, when used in this Agreement, shall have the meanings indicated.

"Act" shall mean the Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Business Day" shall mean any day other than a Saturday, a Sunday or a legal holiday or a day on which banking institutions or trust companies are authorized or obligated by law to close in New York City.

"Commission" shall mean the Securities and Exchange Commission.

"Consortium" means Axa Insurance plc, Royal & Sun Alliance Insurance Group plc, The Chubb Corporation, The Hartford Financial Services Group, Inc., Travelers Casualty and Surety Company and The Tokio Marine and Fire Insurance Co., Limited.

"Consortium Registration Rights Agreement" shall mean the Registration Rights Agreement dated July 21, 1998, among the Company and the Consortium,

as amended prior to the date of this Agreement.

"Effective Date" shall mean each date and time that the Registration Statement, any post-effective amendment or amendments thereto and any Rule 462(b) Registration Statement became or become effective.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Execution Time" shall mean the date and time that this Agreement is executed and delivered by the parties hereto.

"Preliminary Prospectus" shall mean any preliminary prospectus referred to in paragraph 1(a) above and any preliminary prospectus included in the Registration Statement at the Effective Date that omits Rule 430A Information.

"Profit Sharing Registration Rights Agreement" shall mean the Registration Rights Agreement dated December 18, 1998 between TA I Limited and Profit Sharing (Overseas), Limited Partnership, as amended prior to the date of this Agreement.

"Prospectus" shall mean the prospectus relating to the Securities that is first filed pursuant to Rule 424(b) after the Execution Time or, if no filing pursuant to Rule 424(b) is required, shall mean the form of final prospectus relating to the Securities included in the Registration Statement at the Effective Date.

"Registration Statement" shall mean the registration statement referred to in paragraph 1(a) above, including exhibits and financial statements, as amended at the Execution Time (or, if not effective at the Execution Time, in the form in which it shall become effective) and, in the event any post-effective amendment thereto or any Rule 462(b) Registration Statement becomes effective prior to the Closing Date, shall also mean such registration statement as so amended or such Rule 462(b) Registration Statement, as the case may be. Such term shall include any Rule 430A Information deemed to be included therein at the Effective Date as provided by Rule 430A.

"Rule 424", "Rule 430A" and "Rule 462" refer to such rules under the Act.

"Rule 430A Information" shall mean information with respect to the Securities and the offering thereof permitted to be omitted from the Registration Statement when it becomes effective pursuant to Rule 430A.

"Rule 462(b) Registration Statement" shall mean a registration statement and any amendments thereto filed pursuant to Rule 462(b) relating to the offering covered by the registration statement referred to in Section 1(a) hereof.

"Senior Credit Facility" shall mean the Credit Agreement, dated as of July 22, 1998, and amended and restated as of September 1, 1998, September 25, 1998 and February 19, 1999, and amended as of October 28, 1998, among Willis

Corroon Corporation, as borrower, Willis Corroon Group Limited and Trinity Acquisition plc, as guarantors, the Lenders thereunder and the Chase Manhattan Bank, as administrative agent and collateral agent.

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this letter and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

WILLIS GROUP HOLDINGS LIMITED

By:
---
Name:
Title:

The foregoing Agreement is hereby confirmed and accepted as of the date first above written.

Salomon Smith Barney Inc.,

By:
---
Name:
Title:

For itself and the other
several Underwriters named in
Schedule I to the foregoing
Agreement.

SCHEDULE I

| UNDERWRITERS | NUMBER OF UNDERWRITTEN SECURITIES TO BE PURCHASED |
|---|---|
| Salomon Smith Barney Inc..... | |
| Total..... | |

SCHEDULE II

Significant Subsidiaries:

EXHIBIT A

[LETTERHEAD OF COMPANY SHAREHOLDER]

WILLIS GROUP HOLDING LIMITED
PUBLIC OFFERING OF COMMON STOCK

, 2001

Salomon Smith Barney Inc.
Banc of America Securities LLC
J.P. Morgan Securities Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
Morgan Stanley & Co. Incorporated
UBS Warburg LLC
As Representatives of the several Underwriters,
c/o Salomon Smith Barney Inc.
388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

This letter is being delivered to you in connection with the proposed Underwriting Agreement (the "Underwriting Agreement"), between Willis Group Holdings Limited (the "Company"), and you as representatives of a group of Underwriters named therein, relating to an underwritten public offering of Common Stock, par value $0.000115 per share (the "Common Stock"), of the Company.

In order to induce you and the other Underwriters to enter into the Underwriting Agreement, the undersigned will not, without the prior written consent of Salomon Smith Barney Inc., offer, sell, contract to sell, pledge or otherwise dispose of, (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the undersigned or any affiliate of the undersigned or any person in privity with the undersigned or any affiliate of the undersigned), directly or indirectly, including the filing (or participation in the filing) of a registration statement with the Securities and Exchange Commission in respect of, or establish or increase a put equivalent position or liquidate or decrease a call equivalent position within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Securities and Exchange Commission promulgated thereunder with respect to, any shares of capital stock of the Company or any securities convertible into, or exercisable or exchangeable for such capital stock, or publicly announce an intention to effect any such transaction, for a period of 180 days after the date of the Underwriting Agreement, other than shares of Common Stock disposed of as bona fide gifts approved by Salomon Smith Barney Inc.

Notwithstanding the foregoing, it is agreed that the following transfers are not subject to the restrictions set forth in this letter and may be made without the consent of Salomon Smith Barney Inc.:

(1) transfers by the undersigned to its affiliates who agree to be bound by the terms hereof; and

(2) transfers by the undersigned to bona fide family members or trusts who agree to be bound by the terms hereof.

If for any reason the Underwriting Agreement shall be terminated prior to the Closing Date (as defined in the Underwriting Agreement), the agreement set forth above shall likewise be terminated.

Yours very truly,

---

[SIGNATURE OF COMPANY SHAREHOLDER]

[NAME AND ADDRESS OF COMPANY SHAREHOLDER]

Exhibit 3.1

FORM NO. 2

[LOGO]

BERMUDA

THE COMPANIES ACT 1981

AMENDED MEMORANDUM OF ASSOCIATION OF COMPANY LIMITED BY SHARES
SECTION 7(1) AND (2)

MEMORANDUM OF ASSOCIATION

OF

WILLIS GROUP HOLDINGS LIMITED

(hereinafter referred to as "the Company")

1. The liability of the members of the Company is limited to the amount (if any) for the time being unpaid on the shares respectively held by them.

2. We, the undersigned, namely,

| Name and Address | Nationality | Number of Shares Subscribed | Bermudian Status (Yes or No) |
|---|---|---|---|
| Timothy C. Faries<br>Cedar House<br>41 Cedar Avenue<br>Hamilton HM 12, Bermuda | British | 1 | Yes |
| Ruby L. Rawlins<br>Cedar House<br>41 Cedar Avenue<br>Hamilton HM 12, Bermuda | British | 1 | Yes |
| Rachael M. Lathan<br>Cedar House<br>41 Cedar Avenue<br>Hamilton HM 12, Bermuda | British | 1 | Yes |
| Joy F. Thompson<br>Cedar House<br>41 Cedar Avenue<br>Hamilton HM 12, Bermuda | British | 1 | Yes |

do hereby respectively agree to take such number of shares of the Company as may be allotted to us respectively by the provisional directors of the Company, not exceeding the number of shares for which we have respectively subscribed, and to satisfy such calls as may be made by the directors, provisional directors or promoters of the Company in respect of the shares allotted to us respectively.

3. The Company is to be a Exempted Company as defined by the Companies Act 1981.

4. The Company, with the consent of the Minister of Finance, has power to hold land situate in Bermuda not exceeding ___ in all, including the following parcels:-

Not applicable.

5. The authorised share capital of the Company is $12,000.00 divided into 12,000 shares of U.S.$1.00 each. The minimum subscribed share capital of the Company is $12,000.00 in the United States currency.

6. The objects for which the Company is formed and incorporated are:-

See attached.

7. The Company has the powers set out in The Schedule annexed hereto.

6.

(i) To act as an investment holding company and to co-ordinate the business of any companies in which the Company is for the time being interested, and to acquire (whether by original subscription, tender, purchase exchange or otherwise) the whole or any part of the stock, shares, debentures, debenture stocks, bonds and other securities issued or guaranteed by a body corporate constituted or carrying on business in any part of the world or by any government, sovereign ruler, commissioners, public body or authority and to hold the same as investments, public body or authority and to hold the same as investments, and to sell, exchange, carry and dispose of the same.

(ii) To remunerate any person for services rendered or to be rendered to the Company, including without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.

(iii) To remunerate any person for services rendered or to be rendered in placing, assisting and guaranteeing the placing and procuring the underwriting of any share or other security of the Company or of any person in which the Company may be interested or proposes to be interested, or in connection with the conduct of the business of the Company, including, without limitation, by cash payment or by the allotment of shares or other securities of the Company, credited as paid up in full or in part.

(iv) To co-ordinate, finance and manage the business and operation of any person in which the Company has an interest.

(v) To establish and contribute to any scheme for the purchase or subscription by trustees of shares or other securities of the Company to be held for the benefit of the employees of the Company, and subsidiary of the Company or any person allied to or associated with the Company, to lend money to those employees or to trustees on their behalf to enable them to purchase or subscribe for shares or other securities of the Company and to formulate and carry into effect any scheme for sharing the profits of the Company with employees.

(vi) as set forth in paragraphs (b) to (n) and (p) to (u) inclusive of the Second Schedule to the Companies Act 1981.

Signed by each subscriber in the presence of at least one witness attesting the signature thereof:-

| | |
|---|---|
| /s/ Timothy C. Faries | /s/ Dionne Hackett |
| /s/ Ruby L. Rawlins | /s/ Dionne Hackett |
| /s/ Rachael M. Lathan | /s/ Dionne Hackett |
| /s/ Joy F. Thompson | /s/ Dionne Hackett |
| (Subscribers) | (Witnesses) |

Subscribed this 8th day of February 2001

THE COMPANIES ACT

SECOND SCHEDULE (SECTION 11(2))

Subject to Section 4A, a company may by reference include in its memorandum any of the following objects, that is to say the business of -

(a) insurance and re-insurance of all kinds;

(b) packaging of goods of all kinds;

(c) buying, selling and dealing in goods of all kinds;

(d) designing and manufacturing of goods of all kinds;

(e) mining and quarrying and exploration for metals, minerals, fossil fuels and precious stones of all kinds and their preparation for sale or use;

(f) exploring for, the drilling for, the moving, transporting and refining petroleum and hydro carbon products including oil and oil products;

(g) scientific research including the improvement, discovery and development of processes, inventions, patents and designs and the construction, maintenance and operation of laboratories and research centres;

(h) land, sea and air undertakings including the land, ship and air carriage of passengers, mails and goods of all kinds;

(i) ships and aircraft owners, managers, operators, agents, builders and repairers;

(j) acquiring, owning, selling, chartering, repairing or dealing in ships and aircraft;

(k) travel agents, freight contractors and forwarding agents;

(l) dock owners, wharfingers, warehousemen;

(m) ship chandlers and dealing in rope, canvas oil and ship stores of all kinds;

(n) all forms of engineering;

(o) developing, operating, advising or acting as technical consultants to any other enterprise or business;

(p) farmers, livestock breeders and keepers, graziers, butchers, tanners and processors of and dealers in all kinds of live and dead stock, wool, hides, tallow, grain, vegetables and other produce;

(q) acquiring by purchase or otherwise and holding as an investment inventions, patents, trade marks, trade names, trade secrets, designs and the like;

(r) buying, selling, hiring, letting and dealing in conveyances of any sort; and

(s) employing, providing, hiring out and acting as agent for artists, actors, entertainers of all sorts, authors, composers, producers, directors, engineers and experts or specialists of any kind;

(t) to acquire by purchase or otherwise and hold, sell, dispose of and deal in real property situated outside Bermuda and in personal property of all kinds wheresoever situated;

(u) to enter into any guarantee, contract of indemnity or suretyship and to assure, support or secure with or without consideration or benefit the performance of any obligations of any person or persons and to guarantee the fidelity of individuals filling or about to fill situations of trust or confidence;

(v) to be and carry on business of a mutual fund within the meaning of section 156A.

Provided that none of these objects shall enable the company to carry on restricted business activity as set out in the Ninth Schedule except with the consent of the Minister.

STAMP DUTY (To be affixed)

NOT APPLICABLE

THE SCHEDULE

(REFERRED TO IN CLAUSE 7 OF THE MEMORANDUM OF ASSOCIATION)

(a) to borrow and raise money in any currency or currencies and to secure or discharge any debt or obligation in any manner and in particular (without prejudice to the generality of the foregoing) by mortgages of or charges upon all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by the creation and issue of securities;

(b) to enter into any guarantee, contract of indemnity or suretyship and in particular (without prejudice to the generality of the foregoing) to guarantee, support or secure, with or without consideration, whether by personal obligation or by mortgaging or charging all or any part of the undertaking, property and assets (present and future) and uncalled capital of the company or by both such methods or in any other manner, the performance of any obligations or commitments of, and the repayment or payment of the principal amounts of and any premiums, interest, dividends and other moneys payable on or in respect of any securities or liabilities of, any person, including (without prejudice to the generality of the foregoing) any company which is for the time being a subsidiary or a holding company of the company or another subsidiary of a holding company of the company or otherwise associated with the company;

(c) to accept, draw, make, create, issue, execute, discount, endorse, negotiate and deal in bills of exchange, promissory notes, and other instruments and securities, whether negotiable or otherwise;

(d) to sell, exchange, mortgage, charge, let on rent, share of profit, royalty or otherwise, grant licences, easements, options, servitudes and other rights over, and in any other manner deal with or dispose of, all or any part of the undertaking, property and assets (present and future) of the company for any consideration and in particular (without prejudice to the generality of the foregoing) for any securities;

(e) to issue and allot securities of the company for cash or in payment or part payment for any real or personal property purchased or otherwise acquired by the company or any services rendered to the company or as security for any obligation or amount (even if less than the nominal amount of such securities) or for any other purpose;

(f) to grant pensions, annuities, or other allowances, including allowances on death, to any directors, officers or employees or former directors, officers or employees of the company or any company which at any time is or was a subsidiary or a holding company or another subsidiary of a holding company of the company or otherwise associated with the company or of any predecessor in business of any of them, and to the relations, connections or dependants of any such persons, and to other persons whose service or services have directly or indirectly been of

benefit to the company or whom the company considers have any moral claim on the company or to their relations connections or dependants, and to establish or support any associations, institutions, clubs, schools, building and housing schemes, funds and trusts, and to make payment towards insurance or other arrangements likely to benefit any such persons or otherwise advance the interests of the company or of its members or for any national, charitable, benevolent, educational, social, public, general or useful object;

(g) subject to the provisions of Section 42 of the Companies Act 1981, to issue preference shares which at the option of the holders thereof are to be liable to be redeemed; (h) to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.

(h) to purchase its own shares in accordance with the provisions of Section 42A of the Companies Act 1981.

THE COMPANIES ACT 1981

FIRST SCHEDULE (SECTION 11(1))

A company limited by shares, or other company having a share capital, may exercise all or any of the following powers subject to any provision of law or its memorandum -

(1) [REPEALED BY 1992:51]

(2) to acquire or undertake the whole or any part of the business, property and liabilities of any person carrying on any business that the company is authorised to carry on;

(3) to apply for, register, purchase, lease, acquire, hold, use, control, licence, sell, assign or dispose of patents, patent rights, copyrights, trade marks, formulae, licences, inventions, processes, distinctive marks and similar rights;

(4) to enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint venture, reciprocal concession or otherwise with any person carrying on or engaged in or about to carry on or engage in any business or transaction that the company is authorised to carry on or engage in or any business or transaction capable of being conducted so as to benefit the company;

(5) to take or otherwise acquire and hold securities in any other body corporate having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as to benefit the company;

(6) subject to section 96 to lend money to any employee or to any person having dealings with the company or with whom the company proposes to have dealings or to any other body corporate any of whose shares are held by the company;

(7) to apply for, secure or acquire by grant, legislative enactment, assignment, transfer, purchase or otherwise and to exercise, carry out and enjoy any charter, licence, power, authority, franchise, concession, right or privilege, that any government or authority or any body corporate or other public body may be empowered to grant, and to pay for, aid in and contribute toward

carrying it into effect and to assume any liabilities or obligations incidental thereto;

(8) to establish and support or aid in the establishment and support of associations, institutions, funds or trusts for the benefit of employees or former employees of the company or its predecessors, or the dependants or connections of such employees or former employees, and grant pensions and allowances, and make payments towards insurance or for any object similar to those set forth in this paragraph, and to subscribe or guarantee money for charitable, benevolent, educational or religious objects or for any exhibition or for any public, general or useful objects;

(9) to promote any company for the purpose of acquiring or taking over any of the property and liabilities of the company or for any other purpose that may benefit the company;

(10) to purchase, lease, take in exchange, hire or otherwise acquire any personal property and any rights or privileges that the company considers necessary or convenient for the purposes of its business;

(11) to construct, maintain, alter, renovate and demolish any buildings or works necessary or convenient for its objects;

(12) to take land in Bermuda by way of lease or letting agreement for a term not exceeding fifty years, being land BONA FIDE required for the purposes of the business of the company and with the consent of the Minister granted in his discretion to take land in Bermuda by way of lease or letting agreement for a term not exceeding twenty-one years in order to provide accommodation or recreational facilities for its officers and employees and when no longer necessary for any of the above purposes to terminate or transfer the lease or letting agreement;

(13) except to the extent, if any, as may be otherwise expressly provided in its incorporating Act or memorandum and subject to this Act every company shall have power to invest the moneys of the Company by way of mortgage of real or personal property of every description in Bermuda or elsewhere and to sell, exchange, vary, or dispose of such mortgage as the company shall from time to time determine;

(14) to construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, branches or sidings, bridges, reservoirs, watercourses, wharves, factories, warehouses, electric works, shops, stores and other works and conveniences that may advance the interests of the

company and contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof;

(15) to raise and assist in raising money for, and aid by way of bonus, loan, promise, endorsement, guarantee or otherwise, any person and guarantee the performance or fulfilment of any contracts or obligations of any person, and in particular guarantee the payment of the principal of and interest on the debt obligations of any such person;

(16) to borrow or raise or secure the payment of money in such manner as the company may think fit;

(17) to draw, make, accept, endorse, discount, execute and issue bills of exchange, promissory notes, bills of lading, warrants and other negotiable or transferable instruments;

(18) when properly authorised to do so, to sell, lease, exchange or otherwise dispose of the undertaking of the company or any part thereof as an entirety or substantially as an entirety for such consideration as the company thinks fit;

(19) to sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with the property of the company in the ordinary course of its business;

(20) to adopt such means of making known the products of the company as may seem expedient, and in particular by advertising, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes and rewards and making donations;

(21) to cause the company to be registered and recognised in any foreign jurisdiction, and designate persons therein according to the laws of that foreign jurisdiction or to represent the company and to accept service for and on behalf of the company of any process or suit;

(22) to allot and issue fully-paid shares of the company in payment or part payment of any property purchased or otherwise acquired by the company or for any past services performed for the company;

(23) to distribute among the members of the company in cash, kind, specie or otherwise as may be resolved, by way of dividend, bonus or in any other manner considered advisable, any property of the company, but not so as to decrease the capital of the company unless the distribution is made for the

purpose of enabling the company to be dissolved or the distribution, apart from this paragraph, would be otherwise lawful;

(24) to establish agencies and branches;

(25) to take or hold mortgages, hypothecs, liens and charges to secure payment of the purchase price, or of any unpaid balance of the purchase price, of any part of the property of the company of whatsoever kind sold by the company, or for any money due to the company from purchasers and others and to sell or otherwise dispose of any such mortgage, hypothec, lien or charge;

(26) to pay all costs and expenses of or incidental to the incorporation and organization of the company;

(27) to invest and deal with the moneys of the company not immediately required for the objects of the company in such manner as may be determined;

(28) to do any of the things authorised by this Schedule and all things authorised by its memorandum as principals, agents, contractors, trustees or otherwise, and either alone or in conjunction with others;

(29) to do all such other things as are incidental or conducive to the attainment of the objects and the exercise of the powers of the company.

Every company may exercise its powers beyond the boundaries of Bermuda to the extent to which the laws in force where the powers are sought to be exercised permit.

FORM OF

BYE-LAWS

OF

WILLIS GROUP HOLDINGS LIMITED

I HEREBY CERTIFY that the within written Bye-Laws are a true copy of the Bye-Laws of Willis Group Holdings Limited as subscribed by the subscribers to the Memorandum of Association and approved at the Statutory meeting of the above Company on , 2001.

Secretary

Prepared by
Messrs Appleby Spurling & Kempe
Cedar House
41 Cedar Avenue
Hamilton, Bermuda

INDEX

# B Y E - L A W S

## OF

## WILLIS GROUP HOLDINGS LIMITED

## INTERPRETATION

1. (1) In these Bye-Laws unless the context otherwise requires -
"AFFILIATE" means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is Controlled by or is under common Control with such first Person;
"ALTERNATE DIRECTOR" shall have the meaning as set out in Bye-Law 92;
"BERMUDA" means the Islands of Bermuda;
"BOARD" means the Board of Directors of the Company or the directors present at a meeting of Directors at which there is a quorum;
"CHIEF EXECUTIVE OFFICER" means the officer appointed by the Board holding such title, or if no officer holds such title, the President or Chairman of the Company;
"COMMON SHARES" means all the authorized common shares of par value $0.000115 each in the capital of the Company;
"COMPANIES ACTS" means every Bermuda statute from time to time in force concerning companies insofar as the same applies to the Company;
"COMPANY" means Willis Group Holdings Limited, a company incorporated under the laws of Bermuda;

"CONTROL" means, with respect to any Person, the power to direct or cause the direction of the management of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise. The terms "CONTROLLING" and "CONTROLLED" have meanings correlative to the foregoing;
"DIRECTOR" means such person or persons as shall be appointed to the Board from time to time pursuant to Bye-Law 86;
"EXCHANGE ACT" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
"FAILED SHAREHOLDER MEETING" shall have the meaning as set out in Bye-Law 57;
"FISCAL YEAR" means the 12-month (or shorter) period ending on December 31 of each calendar year.
"OFFICER" means a person appointed by the Board pursuant to Bye-Law 113 and shall not include an auditor of the Company;
"PAID UP" means paid up or credited as paid up;
"PERSON" means any individual, firm, corporation, limited liability company, trust, joint venture, governmental authority or other entity;
"PREFERRED SHARES" means all the authorized preferred shares of the Company, par value US$0.000115 per share;
"RECALLED SHAREHOLDER MEETING" shall have the meaning as set out in Bye-Law 57;
"REGISTER" means the Register of Shareholders of the Company;
"REGISTERED OFFICE" means the registered office for the time being of the Company;

"RESIDENT REPRESENTATIVE" means the person (or, if permitted in accordance with the Companies Acts, the company) appointed by the Board to perform the duties of resident representative set out in the Companies Acts and includes any assistant or deputy Resident Representative appointed by the Board to perform any of the duties of the Resident Representative;
"RESOLUTION" means a resolution of the Shareholders or, where required, of a separate class or separate classes of Shareholders, adopted either in a general meeting or by written resolution, in accordance with the provisions of these Bye-Laws;
"SEAL" means the common seal of the Company and includes any duplicate thereof;
"SECRETARY" includes a temporary or assistant or deputy Secretary and any person appointed by the Board to perform any of the duties of the Secretary;
"SHAREHOLDER" means a shareholder or member of the Company;
"SHARES" means the Common Shares and the Preferred Shares;
"TERMINATION EVENT" shall have the meaning as set out in Bye-Law 143;
"THESE BYE-LAWS" means these Bye-Laws in their present form or as from time to time amended, supplemented or restated;

(2) For the purposes of these Bye-Laws, a corporation shall be deemed to be present in person if its representative duly authorized pursuant to the Companies Acts is present;

(3) Words importing only the singular number include the plural number and vice versa;

(4) Words importing only the masculine gender include the feminine and neuter genders respectively;

(5) Words importing persons include companies or associations or bodies of persons, whether corporate or un-incorporate;

(6) Reference to writing shall include typewriting, printing, lithography, photography and other modes of representing or reproducing words in a legible and non-transitory form;

(7) Any words or expressions not otherwise defined in these Bye-Laws or defined in the Companies Acts in force at the date when these Bye-Laws or any part thereof are adopted shall bear the same meaning in these Bye-Laws or such part (as the case may be).

REGISTERED OFFICE

2. The Registered Office shall be at such place in Bermuda as the Board shall from time to time appoint.

SHARE RIGHTS

3. Subject to any special rights conferred on the holders of any Share or class of Shares, any Share in the Company may be issued with or have attached thereto such preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Company may by Resolution determine or, if there has not been any such determination or so far as the same shall not make specific provision, as the Board may determine.

4. (1) Subject to the Companies Acts, any Preferred Shares may, with the sanction of a resolution of the Board, be issued on terms:

(a) that they are to be redeemed on the happening of a specified event or on a given date; and/or,

(b) that they are liable to be redeemed at the option of the Company; and/or,

(c) if authorized by the memorandum of the Company, that they are liable to be redeemed at the option of the holder; and

(d) with any such other preferred, deferred, qualified or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise, as the Board by resolution shall determine.

The terms of each class or series of Preferred Shares shall be provided for in such resolution of the Board and shall be attached to but shall not form part of these Bye-Laws.

(2) The Board may, at its discretion and without the sanction of a Resolution, authorize the purchase by the Company of its own Shares of any class at any price (whether at par or above or below par) and so that any Shares to be so purchased may be selected in any manner whatsoever, upon such terms as the Board may in its discretion determine; PROVIDED ALWAYS that such purchase is effected in accordance with the provisions of the Companies Acts.

MODIFICATION OF RIGHTS

5. Subject to the Companies Acts and except as otherwise set forth in theses Bye-Laws, all or any of the special rights for the time being attached to any class of Common Shares for the time being issued may from time to time (whether or not

the Company is being wound up) be altered or abrogated with the sanction of a Resolution passed at a separate general meeting of the holders of Common Shares of that class, voting in person or by proxy and representing at least a majority of the votes cast by holders of Common Shares of that class at such separate general meeting. To any such separate general meeting, all the provisions of these Bye-Laws as to general meetings of the Company shall MUTATIS MUTANDIS apply, but so that the necessary quorum shall be two or more persons holding or representing by proxy Common Shares of the relevant class representing a majority of the votes that may be cast by all holders of Common Shares of that class, that every holder of Common Shares of the relevant class shall be entitled on a poll to the number of votes for every such Common Share held by him determined in accordance with Bye-Law 11 and that any holder of Common Shares of the relevant class present in person or by proxy may demand a poll; PROVIDED, HOWEVER, that if the Company or a class of Common Shares shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum. Subject to the Companies Acts and except as otherwise set forth in these Bye-Laws, all or any of the special rights for the time being attached to any class or series of Preferred Shares for the time being issued may from time to time (whether or not the Company is being wound up) be altered or abrogated with the requisite consent or vote of the holders of such class or series as shall be set forth in a schedule to the Bye-Laws (which shall not form part of these Bye-Laws) relating to such class or series at the time when such class or series is issued.

6. The special rights conferred upon the holders of any Shares or class of Shares shall not, unless otherwise expressly provided in the rights attaching to or the terms of issue of such Shares, be deemed to be altered by the creation or issue of further Shares ranking prior to, PARI PASSU with or subsequent to such Shares.

## SHARES

7. Subject to the provisions of these Bye-Laws, the unissued Shares of the Company (whether forming part of the original capital or any increased capital) shall be at the disposal of the Board, which may offer, allot, grant options over or otherwise dispose of them to such persons, at such times and for such consideration and upon such terms and conditions as the Board may determine, but no Share may be issued at a discount.

8. The Board may, in connection with the issue of any Shares, exercise all powers of paying commission and brokerage conferred or permitted by law.

9. Except as ordered by a court of competent jurisdiction or as required by law, no person shall be recognized by the Company as holding any Share upon trust and the Company shall not be bound by or required in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share or (except only as otherwise provided in these Bye-Laws, or by law) any other right in respect of any Share except an absolute right to the entirety thereof in the registered holder.

SHARE CAPITAL

10. The authorized share capital of the Company at the date of adoption of these Bye-Laws is U.S.$[_____], divided into [_____] Common Shares and [_____] Preferred Shares.

11. Each holder of record of Common Shares on the relevant record date shall be entitled to cast one vote for each Common Share at any general meeting of Shareholders of the Company.

12. Except as otherwise required by the Companies Acts, the holders of Common Shares shall vote as a single class on all matters with respect to which a vote of Shareholders is required under applicable law, these Bye-Laws or on which a vote of Shareholders is otherwise duly called for by the Company.

CERTIFICATES

13. The preparation, issue and delivery of certificates shall be governed by the Companies Acts. In the case of a Share held jointly by several persons, delivery of a certificate to one of several joint holders shall be sufficient delivery to all.

14. If a Share certificate is defaced, worn-out, lost or destroyed, it may be replaced on such terms (if any) as to evidence an indemnity and to payment of the costs and out of pocket expenses of the Company in investigating such evidence and preparing such indemnity as the Board may think fit and, in case of defacement and wear, on delivery of the old certificate to the Company.

15. Every Shareholder shall be entitled without payment to one certificate for all the Shares of each class held by him (and, upon transferring a part of his holding of Shares of any class, to a certificate for the balance of such holding) or several

certificates each for one or more of his Shares upon payment for every certificate after the first of such reasonable sum as the Directors may determine. All certificates for share or loan capital or other securities of the Company (other than letters of allotment, scrip certificates and other like documents) shall, except to the extent that the terms and conditions for the time being relating thereto otherwise provide, be issued under the Seal. The Board may by resolution determine, either generally or in any particular case, that any signatures on any such certificates need not be autographic but may be affixed to such certificates by some mechanical means or may be printed thereon or that such certificates need not be signed by any persons, or may determine that a representation of the Seal may be printed on any such certificates.

16. Nothing in these Bye-Laws shall prevent title to any securities of the Company from being evidenced and/or transferred without a written instrument in accordance with regulations made from time to time in this regard under the Companies Acts, and the Board shall have the power to implement any arrangements which it may think fit for such evidencing and/or transfer which accord with those regulations.

LIEN

17. The Company shall have a first and paramount lien on every Share (not being a fully paid Share) for all monies, whether presently payable or not, called or payable, at a date fixed by or in accordance with the terms of issue of such Share in respect of such Share. The Company shall also hold a first and paramount lien on every share registered in the name of a person indebted or under liability to the

Company (whether be in the sole registered holder or one of two or more joint holders) for all amounts owed by him or his estate to the Company (whether presently payable or not). The Company's lien on a Share shall extend to all dividends payable thereon. The Board may at any time, either generally or in any particular case, waive any lien that has arisen or declare any Share to be wholly or in part exempt from the provisions of this Bye-Law.

18. The Company may sell, in such manner as the Board may think fit, any Share on which the Company has a lien but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing, stating and demanding of the sum presently payable and giving notice of the payment intention to sell in default of such payment, has been served on the holder for the time being of the Share or to a person entitled to it in consequence of the death or bankruptcy of the holder.

19. The net proceeds of sale by the Company of any Shares on which it has a lien, after the payment of the costs, shall be applied in or towards payment or discharge of the debt or liability in respect of which the lien exists so far as the same is presently payable, and any residue shall (upon surrender to the Company for cancellation of the certificates for the Shares sold and subject to a like lien for debts or liabilities not presently payable as existed upon the Share prior to the sale) be paid to the person who was the holder of the Share immediately before such sale. For giving effect to any such sale, the Board may authorize some person to transfer the Share sold to the purchaser thereof. The purchaser shall be registered as the holder of the Share and he shall not be bound to see to the

application of the purchase money, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the sale.

20. Whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any Shares registered in any of the Company's registers as held either jointly or solely by any Shareholder or in respect of any dividends, bonuses or other monies due or payable or accruing due or which may become due or payable to such Shareholder by the Company on or in respect of any Shares registered as aforesaid or for or on account or in respect of any Shareholder and whether in consequence of:

(a) the death of such Shareholder;

(b) the non-payment of any income tax or other tax by such Shareholder;

(c) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such Shareholder or by or out of his estate; or

(d) any other act or thing;

in every such case (except to the extent that the rights conferred upon holders of any class of Shares render the Company liable to make additional payments in respect of sums withheld on account of the foregoing):

(i) the Company shall be fully indemnified by such Shareholder or his executor or

administrator from all liability;

(ii) the Company shall have a lien upon all dividends and other monies payable in respect of the Shares registered in any of the Company's registers as held either jointly or solely by such Shareholder for all monies paid or payable by the Company in respect of such Shares or in respect of any dividends or other monies as aforesaid thereon or for or on account or in respect of such Shareholder under or in consequence of any such law together with interest at the rate of 15% per annum thereon from the date of payment to date of repayment and may deduct or set off against such dividends or other monies payable as aforesaid any monies paid or payable by the Company as aforesaid together with interest as aforesaid;

(iii) the Company may recover as a debt due from such Shareholder or his executor or administrator wherever constituted any monies paid by the Company under or in consequence of any such law and interest thereon at the rate and for the period aforesaid in excess of any dividends or other monies as aforesaid then due or payable by the Company; and

(iv) the Company may if any such money is paid or payable by it under any such law as aforesaid refuse to register a transfer of any Shares by any such Shareholder or his executor or administrator until such money and interest as aforesaid is set off or deducted as aforesaid or in case the same exceeds the amount of any such dividends or other monies as aforesaid then due or payable by the Company until such excess is paid to the Company.

Subject to the rights conferred upon the holders of any class of Shares, nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on

the Company and as between the Company and every such Shareholder as aforesaid, his executor, administrator and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

## CALLS ON SHARES

21. The Board may from time to time make calls upon the Shareholders in respect of any monies unpaid on their Shares (whether on account of the par value of the Shares or by way of premium) and not by the terms of issue thereof made payable at a date fixed by or in accordance with such terms of issue, and each Shareholder shall (subject to the Company serving upon him at least 14 days notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his Shares. A call may be revoked or postponed as the Board may determine.

22. A call may be made payable by installments and shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed.

23. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

24. If a sum called in respect of the Share shall not be paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for the payment thereof to the time of actual payment at such rate as the Board may determine, but the Board shall be at liberty to waive payment of such interest wholly or in part.

25. Any sum which, by the terms of issue of a Share, becomes payable on allotment or at any date fixed by or in accordance with such terms of issue, whether on

account of the nominal amount of the Share or by way of premium, shall for all the purposes of these Bye-Laws be deemed to be a call duly made, notified and payable on the date on which, by the terms of issue, the same becomes payable and, in case of non-payment, all the relevant provisions of these Bye-Laws as to payment of interest, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

26. The Board may on the issue of Shares differentiate between the allottees or holders as to the amount of calls to be paid and the times of payment.

FORFEITURE OF SHARES

27. If a Shareholder fails to pay any call or installment of a call on the day appointed for payment thereof, the Board may at any time thereafter during such time as any part of such call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid, together with any interest which may have accrued.

28. The notice shall name a further day (not being less than 14 days from the date of the notice) on or before which, and the place where, the payment required by the notice is to be made and shall state that, in the event of non-payment on or before the day and at the place appointed, the Shares in respect of which such call is made or installment is payable will be liable to be forfeited. The Board may accept the surrender of any Share liable to be forfeited hereunder and, in such case, references in these Bye-Laws to forfeiture shall include surrender.

29. If the requirements of any such notice as aforesaid are not complied with, any Share in respect of which such notice has been given may at any time thereafter,

before payment of all calls or installments and interest due in respect thereof has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited Shares and not actually paid before the forfeiture.

30. When any Share has been forfeited, notice of the forfeiture shall be served upon the person who was before forfeiture the holder of the Share; but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice as aforesaid.

31. A forfeited Share shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was, before forfeiture, the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Board shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture may be cancelled on such terms as the Board may think fit.

32. A person whose Shares have been forfeited shall thereupon cease to be a Shareholder in respect of them and shall surrender to the Company for cancellation the certificate for the forfeited Shares but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which at the date of forfeiture were presently payable by him to the Company in respect of the Shares with interest thereon at such rate as the Board may determine from the date of forfeiture until payment, and the Company may enforce payment without being under any obligation to make any allowance for the value of the Shares forfeited. The Board may waive payment of the sums due wholly or in part.

33. An affidavit in writing that the deponent is a Director of the Company or the Secretary and that a Share has been duly forfeited on the date stated in the affidavit shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share. The Company may receive the consideration (if any) given for the Share on the sale, re-allotment or disposition thereof and the Board may authorize some person to transfer the Share to the person to whom the same is sold, re-allotted or disposed of, and he shall thereupon be registered as the holder of the Share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, sale, re-allotment or disposal of the Share.

TRANSFER OF SHARES

34. Subject to the Companies Act and to any such of the restrictions contained in these Bye-Laws as may be applicable, any Shareholder may transfer all or any of his Shares. The instrument of transfer of a Share may be in any usual common form or in any other form which the Board may approve and shall be executed by or on behalf of the transferor and, unless the Share is fully paid, by or on behalf of the transferee, and the transferor shall be deemed to remain the holder of the Share until the name of the transferee is entered into the register of members in respect thereof.

35. If the Company is under a contractual obligation to register or to refuse to register the transfer of a Share to any person, the Board shall act in accordance with such obligation and register or refuse to register the transfer of a Share to such person,

whether or not it is a fully-paid Share or a Share on which the Company has a lien. Subject to the previous sentence, the Board may, in their absolute discretion and without giving any reason, refuse to register the transfer of a Share, whether or not it is a fully-paid Share or a Share on which the Company has a lien or, if applicable, whether or not the permission of the Bermuda Monetary Authority to the transfer has not been obtained.

36. If the Board refuses to register a transfer of a Share, they shall within two months after the date on which the transfer was lodged with the Company send to the transferee notice of the refusal.

37. No fee shall be charged for the registration of any instrument of transfer or other document relating to or affecting the title to any Share, or otherwise making an entry in the Register relating to any Share.

38. The Company shall be entitled to retain any instrument of transfer which is registered, but any instrument of transfer which the Board refuse to register shall be returned to the person lodging it when notice of the refusal is given.

REGISTER OF SHAREHOLDERS

39. The Company shall establish and maintain the Register in the manner prescribed by the Companies Acts. Unless the Board otherwise determines, the Register shall be open to inspection in the manner prescribed by the Companies Acts between 9:00 a.m. and 5:00 p.m. in Bermuda, on every working day. Unless the Board so determines, no Shareholder or intending Shareholder shall be entitled to

have entered in the Register any indication of any trust or any equitable, contingent, future or partial interest in any Share or any interest in any fractional part of a Share, and if any such entry exists or is permitted by the Board it shall not be deemed to abrogate any of the provisions of Bye-Law 9.

40. Subject to the provisions of the Companies Acts, the Company may keep one or more overseas or branch registers in any place, and the Board may make, amend and revoke any such regulations as it may think fit respecting the keeping of such registers.

REGISTER OF DIRECTORS AND OFFICERS

41. The Secretary shall establish and maintain a register of the Directors and Officers of the Company as required by the Companies Acts. The register of Directors and Officers shall be open to inspection in the manner prescribed by the Companies Acts between 9:00 a.m. and 5:00 p.m. in Bermuda, on every working day.

TRANSMISSION OF SHARES

42. In the case of the death of a Shareholder, the survivor or survivors, where the deceased was a joint holder, and the estate representative, where he was sole holder, shall be the only person recognized by the Company as having any title to his Shares; but nothing herein contained shall release the estate of a deceased holder (whether the sole or joint) from any liability in respect of any Share held by him solely or jointly with other persons. For the purpose of this Bye-Law, estate representative means the person to whom probate or letters of administration has or have been granted in Bermuda or such other person who obtains title to the decreased holder's interest pursuant to an analogous process

outside Bermuda, or, failing any such person, such other person as the Board may in its absolute discretion determine to be the person recognized by the Company for the purpose of this Bye-Law.

43. Any person becoming entitled to a Share in consequence of the death of a Shareholder or otherwise by operation of applicable law may, subject as hereafter provided and upon such evidence being produced as may from time to time be required by the Board as to his entitlement, either be registered himself as the holder of the Share or elect to have some person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to have his nominee registered, he shall signify his election by signing an instrument of transfer of such Share in favor of his nominee. All the limitations, restrictions and provisions of these Bye-Laws relating to the right to transfer and the registration of transfer of Shares shall be applicable to any such notice or instrument of transfer as aforesaid as if the death of the Shareholder or other event giving rise to the transmission had not occurred and the notice or instrument of transfer was an instrument of transfer signed by such Shareholder.

44. A person becoming entitled to a Share in consequence of the death of a Shareholder or otherwise by operation of applicable law shall (upon such evidence being produced as may from time to time be required by the Board as to his entitlement) be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the Share, but he shall not be entitled in

respect of the Share to receive notices of or to attend or vote at general meetings of the Company or, save as aforesaid, to exercise in respect of the Share any of the rights or privileges of a Shareholder until he shall have become registered as the holder thereof. The Board may at any time give notice requiring such person to elect either to be registered himself or to transfer the Share and, if the notice is not complied with within 60 days, the Board may thereafter withhold payment of all dividends and other moneys payable in respect of the Shares until the requirements of the notice have been complied with.

45. Subject to any directions of the Board from time to time in force, the Secretary may exercise the powers and discretions of the Board under Bye-Laws 42, 43 and 44.

INCREASE OF CAPITAL

46. The Company may from time to time increase its capital by such sum to be divided into new Shares of such par value as the Company by Resolution shall prescribe.

47. The Company may, by the Resolution increasing the capital, direct that the new Shares or any of them shall be offered in the first instance either at par or at a premium to all the holders for the time being of Shares of any class or classes in proportion to the number of such Shares held by them respectively or make any other provision as to the issue of the new Shares.

48. The new Shares shall be subject to all the provisions of these Bye-Laws with reference to lien, the payment of calls, forfeiture, transfer, transmission and otherwise.

ALTERATION OF CAPITAL

49. The Company may from time to time by Resolution in accordance with these Bye-Laws:

(1) divide its Shares into several classes and attach thereto respectively any preferential, deferred, qualified or special rights, privileges or conditions;

(2) consolidate and divide all or any of its share capital into Shares of larger par value than its existing Shares;

(3) sub-divide its Shares or any of them into shares of smaller par value than is fixed by its memorandum of association, so, however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

(4) make provision for the issue and allotment of Shares which do not carry any voting rights;

(5) cancel Shares which, at the date of the passing of the Resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the Shares so canceled; and

(6) change the currency denomination of its share capital.

Where any difficulty arises in regard to any division, consolidation or subdivision under this Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may arrange for the sale of the Shares representing fractions and the distribution of the net proceeds of sale in due proportion amongst the Shareholders who would have been entitled to the fractions, and for this purpose the Board may authorize some person to transfer the Shares representing fractions

to the purchaser thereof, who shall not be bound to see to the application of the purchase money nor shall his title to the Shares be affected by an irregularity or invalidity in the proceedings relating to the sale.

50. Subject to the Companies Acts and to any confirmation or consent required by law or these Bye-Laws, the Company may by Resolution from time to time convert any Preferred Shares into redeemable Preferred Shares.

REDUCTION OF CAPITAL

51. Subject to the Companies Acts, its memorandum of association and any confirmation or consent required by law or these Bye-Laws, the Company may from time to time by Resolution authorize the reduction of its issued share capital, capital redemption reserve or any share premium account in any manner.

52. In relation to any such reduction, the Company may by Resolution determine the terms upon which such reduction is to be effected including in the case of a reduction of part only of a class of Shares, those Shares to be affected.

GENERAL MEETINGS AND WRITTEN RESOLUTIONS

53. (1) The Board shall convene, and the Company shall hold, general meetings as Annual General Meetings in accordance with the requirements of the Companies Acts at such times and places as the Board shall appoint. The Board or the Chairman or Deputy Chairman of the Board may, whenever each thinks fit, and shall, when requisitioned by Shareholders pursuant to the provisions of the Companies Acts, convene general meetings other than Annual General Meetings which shall be called Special General Meetings.

(2) Except in the case of the removal of auditors and Directors, anything which may be done by Resolution of the Company in general meeting or by Resolution of a meeting of any class of the Shareholders of the Company may, without a meeting and without any previous notice being required, be done by Resolution in writing, signed by all of the Shareholders or any class thereof or their proxies, or in the case of a Shareholder that is a corporation (whether or not a company within the meaning of the Companies Acts) on behalf of such Shareholder, being all of the Shareholders of the Company (or any class thereof) who at the date of the Resolution in writing would be entitled to attend a meeting and vote on the Resolution. Such Resolution in writing may be signed in as many counterparts as may be necessary.

(3) For the purposes of this Bye-Law, the date of the Resolution in writing is the date when the Resolution is signed by, or on behalf of, the last Shareholder to sign and any reference in any enactment to the date of passing of a resolution is, in relation to a resolution in writing made in accordance with this section, a reference to such date.

(4) A Resolution in writing made in accordance with this Bye-Law is as valid as if it had been passed by the Company in general meeting or, if applicable, by a meeting of the relevant class of Shareholders of the Company, as the case may be. A Resolution in writing made in accordance with this section shall constitute minutes for the purposes of the Companies Acts and these Bye-Laws.

NOTICE OF GENERAL MEETINGS

54. (1) An Annual General Meeting shall be called by not less than 21 days notice in writing, and a Special General Meeting shall be called by not less than 7 days notice in writing. The notice shall specify the place, day and time of the meeting and the nature of the business to be considered. Notice of every general meeting shall be given in any manner permitted by Bye-Laws 138 and 139 to all Shareholders other than such as, under the provisions of these Bye-Laws or the terms of issue of the Shares they hold, are not entitled to receive such notice from the Company and to each Director and to any Resident Representative who or which has delivered a written notice upon the Registered Office requiring that such notice be sent to him or it.

(2) A Shareholder present, either in person or by proxy, at any meeting of the Company or of the holders of any class of Shares in the Company shall be deemed to have received notice of the meeting and, where requisite, of the purposes for which it was called.

55. The accidental omission to give notice of a meeting or (in cases where instruments of proxy are sent out with the notice) the accidental omission to send such instrument of proxy to, or the non-receipt of notice of a meeting or such instrument of proxy by, any person entitled to receive such notice shall not invalidate the proceedings at that meeting.

PROCEEDINGS AT GENERAL MEETINGS

56. No business shall be transacted at any general meeting unless a quorum is present, but the absence of a quorum shall not preclude the appointment, choice or election

of a chairman which shall not be treated as part of the business of the meeting. Shareholders holding at least 50% of the issued and outstanding Common Shares present in person or by proxy and entitled to vote shall be a quorum for all purposes; PROVIDED, HOWEVER, that if the Company or a class of Shareholders shall have only one Shareholder, one Shareholder present in person or by proxy shall constitute the necessary quorum.

57. If within five minutes (or such longer time as the chairman of the meeting may determine to wait) after the time appointed for the meeting, a quorum is not present and the meeting was called in accordance with Bye-Law 54 (a "Failed Shareholder Meeting"), the meeting, if convened on the requisition of Shareholders, shall be dissolved. In any other case, it shall stand adjourned to such other day and such other time and place as the chairman of the meeting may determine. If a Failed Shareholder Meeting occurs and another meeting for the purpose of transacting the same business as set forth in the notice with respect to the Failed Shareholder Meeting (the "Recalled Shareholder Meeting") is called in accordance with Bye-Law 54 upon at least 7 days prior written notice to all Shareholders, then a quorum for the Recalled Shareholder Meeting shall not require inclusion of the Shares held by the Shareholders who failed to attend the Failed Shareholder Meeting, in calculating the quorum for the Recalled Shareholder Meeting.

58. A meeting of the Shareholders or any class thereof may be held by means of such telephone, electronic or other communication facilities as permits all persons

participating in the meeting to communicate with each other and participation in such meeting shall constitute presence in person at such meeting.

59. Each Director and the Resident Representative, if any, shall be entitled to attend and speak at any general meeting of the Company.

60. The Chairman (if any) of the Board or, in his absence, the Deputy Chairman shall preside as chairman at every general meeting. If there is no Chairman or Deputy Chairman, or if at any meeting neither the Chairman nor the Deputy Chairman are present within five minutes after the time appointed for holding the meeting, or if none of them is willing to act as chairman, the Directors present shall choose one of their number to act or if one Director only is present he shall preside as chairman if willing to act. If no Director is present, or if each of the Directors present declines to take the chair, the persons present and entitled to vote on a poll shall elect one of their number to be chairman of the meeting. The chairman of the meeting shall take such action as he thinks fit to promote the proper and orderly conduct of the business of the meeting as laid down in the notice of the meeting.

61. The chairman of the meeting may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. When a meeting is adjourned for three months or more, notice of the adjourned meeting shall be given as in the case of an original meeting.

62. If the Board in good faith considers that it is impractical or unreasonable for any reason to hold a general meeting on the date or at the time or place specified in the notice calling the general meeting, the Board may postpone the general meeting to another date, time and place. When a meeting is so postponed, notice of the date, time and place of the postponed meeting shall be place in accordance with applicable law, rules and regulations and the rules and regulations of any securities exchange or automated securities quotation system on which any Shares may be listed or quoted. If a meeting is rearranged in accordance with this Bye-Law, proxy forms may be delivered before the rearranged meeting. The Board may move or postpone (or both) any rearranged meeting under this Bye-Law.

63. Save as expressly provided by these Bye-Laws, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

64. The Board may direct that members or proxies wishing to attend any general meeting should submit to such searches or other security arrangements or restrictions as the Board shall consider appropriate in the circumstances and the chairman of the meeting shall be entitled in his absolute discretion to refuse entry to, or to eject from, such general meeting any member or proxy who fails to submit to such searches or to otherwise comply with such security arrangements or restrictions.

65. The Board may make arrangements for any persons who the Board considers cannot be seated in the principal meeting room, which shall be the room in which the chairman of the meeting is situated, to attend and participate in the general

meeting in an overflow room or rooms. Any overflow room shall have a live video link from the principal room and a two-way sound link. The notice of any general meeting shall not be required to give details of any arrangements under this Bye-Law. The Board may decide, in its absolute discretion, how to divide people between the principal room and any overflow room. If any overflow room is used, the meeting shall be treated as being held and taking place in the principal meeting room.

VOTING

66. Save where a greater percentage is required by the Companies Acts or these Bye-Laws, any question proposed for consideration at any general meeting shall be decided on by a simple majority of votes cast at such meeting.

67. If an amendment shall be proposed to any Resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive Resolution shall not be invalidated by any error in such ruling. With the consent of the chairman of the meeting, an amendment may be withdrawn by its proposer before it is voted upon.

68. At any general meeting, a Resolution put to the vote of the meeting shall be decided on a poll.

69. The result of the poll shall be deemed to be the Resolution of the meeting at which the poll is taken.

70. A poll relating to the election of a chairman, or on a question of adjournment, shall be taken forthwith. A poll demanded on any other question shall be taken in such manner and either forthwith or at such time at such meeting as the chairman

shall direct. It shall not be necessary (unless the chairman otherwise directs) for notice to be given of a poll.

71. The demand for a poll shall not prevent the continuance of a meeting for the transaction of business other than the question on which the poll has been demanded and it may be withdrawn at any time before the close of the meeting or the taking of the poll, whichever is the earlier.

72. On a poll, votes may be cast either personally or by proxy.

73. A person entitled to more than one vote on a poll need not use all his votes or cast all the votes he uses in the same way.

74. In the case of an equality of votes at a general meeting, whether on a show of hands or on a poll, the chairman of such meeting shall not be entitled to a second or casting vote and the resolution shall fail.

75. In the case of joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the Register in respect of the joint holding.

76. A Shareholder who is a patient for any purpose of any statute or applicable law relating to mental health or in respect of whom an order has been made by any court having jurisdiction for the protection or management of the affairs of persons incapable of managing their own affairs may vote, whether on a show of hands or on a poll, by his receiver, committee, CURATOR BONIS or other person in the nature of a receiver, committee or CURATOR BONIS appointed by such court and such receiver, committee, CURATOR BONIS or other person may vote on a poll by proxy,

and may otherwise act and be treated as such Shareholder for the purpose of general meetings.

77. No Shareholder shall, unless the Board otherwise determines, be entitled to vote at any general meeting unless all calls or other sums presently payable by him in respect of shares in the Company have been paid.

78. (1) If any amendment shall be proposed by any Resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive Resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed at a special general meeting, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon, unless the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon.

(2) In the case of a Resolution duly proposed at an annual general meeting, no amendment thereto (other than a mere clerical amendment to correct a paten error) may be considered or voted upon unless either at least 48 hours prior to the time appointed for holding the meeting or adjourned meeting at which such Resolution is to be proposed, notice in writing of the terms of the amendment and intention to move the same has been lodged at the Registered Office or the chairman of the meeting in his absolute discretion decides that it may be considered or voted upon.

79. If:

(1) any objection shall be raised to the qualification of any voter; or,

(2) any votes have been counted which ought not to have been counted or which might have been rejected; or,

(3) any votes are not counted which ought to have been counted, the objection or error shall not vitiate the decision of the meeting or adjourned meeting on any resolution unless the same is raised or pointed out at the meeting or, as the case may be, the adjourned meeting at which the vote objected to is given or tendered or at which the error occurs. Any objection or error shall be referred to the chairman of the meeting and shall only vitiate the decision of the meeting on any resolution if the chairman decides that the same may have affected the decision of the meeting. The decision of the chairman on such matters shall be final and conclusive.

PROXIES AND CORPORATE REPRESENTATIVES

80. The instrument appointing a proxy shall be in writing, in any usual or common form or in any other form which the Board may approve, under the hand of the appointor or of his attorney authorized by him in writing or, if the appointor is a corporation, either under its common seal or under the hand of an officer, attorney or other person authorized to sign the same. A proxy need not be a Shareholder.

81. Any Shareholder may appoint a standing proxy or (if a corporation) representative by depositing at the Registered Office a proxy or (if a corporation) an authorization and such proxy or authorization shall be valid for all general meetings and adjournments thereof, until notice of revocation is received at the Registered Office. Where a standing proxy or authorization exists, its operation shall be deemed to have been suspended at any general meeting or adjournment thereof

at which the Shareholder is present or in respect to which the Shareholder has specially appointed a proxy or representative. The Board may from time to time require such evidence as it shall deem necessary as to the due execution and continuing validity of any such standing proxy or authorization and the operation of any such standing proxy or authorization shall be deemed to be suspended until such time as the Board determines that it has received the requested evidence or other evidence satisfactory to it.

82. Subject to Bye-Law 80, the instrument appointing a proxy together with such other evidence as to its due execution as the Board may from time to time require, shall be delivered at the Registered Office or at such place as may be specified in the notice convening the meeting or in any notice of any adjournment or, in either case or the case of a written resolution, in any document sent therewith prior to the holding of the relevant meeting or adjourned meeting at which the person named in the instrument proposes to vote or, in the case of a poll taken subsequently to the date of a meeting or adjourned meeting, before the time appointed for the taking of the poll, or and in default the instrument of proxy shall not be treated as valid.

83. The Board may, if it thinks fit, send out with the notice of any meeting forms of instruments of proxy for use at that meeting. The instrument of proxy shall be deemed to confer authority to demand or join in demanding a poll and to vote on any amendment of a resolution put to the meeting for which it is given as the proxy thinks fit. The instrument of proxy shall unless the contrary is stated

therein be valid as well for any adjournment of the meeting as for the meeting to which it relates.

84. A vote given or poll demanded in accordance with the terms of an instrument of proxy or by the duly authorized representative of a corporation shall be valid notwithstanding the previous death or unsoundness of mind of the principal, or revocation of the instrument of proxy or of the authority under which it was executed, PROVIDED that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Registered Office (or such other place as may be specified for the delivery of instruments of proxy in the notice convening the meeting or other documents sent therewith) at least one hour before the commencement of the meeting or adjourned meeting, or the taking of the poll which the instrument of proxy is used.

85. Subject to the Companies Acts, the Board may at its discretion waive any of the provisions of these Bye-Laws related to proxies or authorizations and, in particular, may accept such verbal or other assurances as it thinks fit as to the right of any person to attend and vote on behalf of any Shareholder at general meetings or to sign written resolutions.

APPOINTMENT AND REMOVAL OF DIRECTORS

86. The Company may by Resolution determine (i) the minimum number of Directors, which shall be not less than 2 and which is hereby set at 2 until such number is amended by a further Resolution and (ii) the maximum number of Directors, which shall not be more than 20 and which is hereby set at 20 until such number is amended by a further Resolution, and any vacancies on the Board

shall be deemed casual vacancies for the purposes of these Bye-Laws. Without prejudice to the power of the Company by Resolution in pursuance of any of the provisions of these Bye-Laws to appoint any person to be a Director, the Board, so long as a quorum of Directors remains in office, shall have power at any time and from time to time to appoint any individual to be a Director so as to fill a casual vacancy. A Director so appointed shall hold office only until the next following Annual General Meeting. If not reappointed at such Annual General Meeting. he shall vacate office at the conclusion thereof.

87. Except as otherwise required by the Companies Acts and these Bye-Laws, the appointment of any person proposed as a Director shall be effected by a separate Resolution voted on at a general meeting pursuant to Bye-Law 66. The Board of Directors of the Company shall by resolution nominate such number of persons qualified to serve as independent Directors as shall be necessary or appropriate under applicable law or the rules and regulations of any securities exchange or automated quotation system on which the securities of the Company may be listed.

88. No Person shall be appointed a Director, unless:--

(a) in the case of an Annual or Special General Meeting, such person is recommended by the Board; or

(b) (i) if the Company is a foreign private issuer within the meaning of Rule 405 of the United States Securities Act of 1933, as amended (a "foreign private issuer"), in the case of an Annual General Meeting, not less than 120 nor more than 150 days before the date

fixed for the meeting, notice has been given to the Company by a Shareholder qualified to vote at the meeting of the intention to propose such person for appointment or reappointment; or (ii) if the Company is not a foreign private issuer, in the case of an Annual General Meeting, not less than 120 nor more than 150 days before the date of the Company's proxy statement released to Shareholders in connection with the prior year's Annual General Meeting, notice executed by a Shareholder (not being the person to be proposed) has been received by the Secretary of the Company of the intention to propose such person for appointment, in the case of each of clause (i) and (ii), setting forth as to each person whom the Shareholder proposes to nominate for election or re-election as a Director (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (C) the class, series and number of Shares which are beneficially owned by such person, (D) particulars which would, if he were so appointed, be required to be included in the Company's Register of Directors and Officers and (E), in the case of clause (ii), all other information relating to such person that is required to be disclosed in solicitations for proxies for the election of directors pursuant to the rules and regulations of the United States Securities and Exchange Commission under Section 14 of the United States Exchange Act of 1934, as

amended, together with notice executed by such person of his willingness to serve as a Director if so elected; PROVIDED, HOWEVER, that no Shareholder shall be entitled to propose any person to be appointed, elected or re-elected Director at any Special General Meeting.

89. All Directors, following election or appointment, must provide written acceptance of their appointment, in such form as the Board may think fit, to the Registered Office within 30 days of their appointment.

90. The Shareholders may in a Special General Meeting called for that purpose remove a Director, PROVIDED notice of any such meeting shall be served upon the Director concerned not less that 14 days before the meeting and he shall be entitled to be heard at that meeting. Any vacancy created by the removal of a Director at a Special General Meeting may be filled at such meeting by the election of another Director in his place or, in the absence of any such election, by the Board in accordance with Bye-Law 86.

RESIGNATION AND DISQUALIFICATION OF DIRECTORS

91. The office of a Director shall be vacated upon the happening of any of the following events:

(1) if he resigns his office in writing to the Secretary delivered to the Registered Office or tendered at a meeting of the Board;

(2) if he becomes of unsound mind or a patient for any purpose of any statute or applicable law relating to mental health and the Board resolves that his office is vacated;

(3) if he becomes bankrupt under the laws of any country or compounds with his creditors;

(4) if he is prohibited by law from being a Director;

(5) if he ceases to be a Director by virtue of the Companies Acts or is removed from office pursuant to these Bye-Laws; or

(6) if he shall for more than six consecutive months have been absent without permission of the Board from meetings of the Board held during that period and his Alternate Director (if any) shall not during such period have attended in his stead and the Board resolves that his office be vacated.

Any vacancy created by the removal of a Director pursuant to this Bye-Law 91 may be filled by the election of another Director in his place or, in the absence of any such election, by the Board in accordance with Bye-Law 86.

ALTERNATE DIRECTORS

92. A Director (other than an Alternate Director) may appoint and remove his own alternate director (an "Alternate Director"). Any appointment or removal of an Alternate Director by a Director shall be effected by depositing a notice of appointment or removal with the Secretary at the Registered Office, signed by such Director, and such appointment or removal shall become effective on the date of receipt by the Secretary. Any Alternate Director may be removed by resolution of the Board. Subject as aforesaid, the office of Alternate Director shall continue until the next annual election of Directors or, if earlier, the date on which the relevant Director ceases to be a Director. An Alternate Director may

also be a Director in his own right and may act as alternate to more than one Director.

93. An Alternate Director shall be entitled to receive notices of all meetings of Directors, to attend, be counted in the quorum and vote at any such meeting at which any Director to whom he is alternate is not personally present and generally to perform all the functions of any Director to whom he is alternate in his absence.

94. Every person acting as an Alternate Director shall (except as regards powers to appoint an alternate and remuneration) be subject in all respects to the provisions of these Bye-Laws relating to Directors and shall alone be responsible to the Company for his acts and defaults and shall not be deemed to be the agent of or for any Director for whom he is alternate. An Alternate Director may be paid out-of-pocket expenses incurred in attending any meetings of Directors or committees of Directors of which his appointee is a member and shall be entitled to be indemnified by the Company to the same extent MUTATIS MUTANDIS as if he were a Director. Every person acting as an Alternate Director shall have one vote for each Director for whom he acts as alternate (in addition to his own vote if he is also a Director). The signature of an Alternate Director to any resolution in writing of the Board or a committee of the Board shall, unless the terms of his appointment provides to the contrary, be as effective as the signature of the Director or Directors to whom he is alternate.

## DIRECTORS' FEES AND ADDITIONAL REMUNERATION AND EXPENSES

95. The ordinary remuneration of the Directors who do not hold executive office for their services (excluding amounts payable under any other provision of these Bye-Laws) shall be such amount as the Board may from time to time by resolution determine and in the absence of a determination to the contrary such fees shall be deemed to accrue from day to day or such other amount as may be paid to the Director pursuant to the Company's Directors' Deferred Compensation Plan adopted on March [__], 2001. Subject thereto, each such Director shall be paid a fee (which shall be deemed to accrue from day to day) at such rate as may from time to time be determined by the Board. Each Director may be paid his reasonable travel, hotel and incidental expenses in attending and returning from meetings of the Board or committees constituted pursuant to these Bye-Laws or General Meetings and shall be paid all expenses properly and reasonably incurred by him in the conduct of the Company's business or in the discharge of his duties as a Director. Any Director who, by request, goes or resides abroad for any purposes of the Company or who performs services which in the opinion of the Board go beyond the ordinary duties of a Director may be paid such extra remuneration (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

DIRECTORS' INTERESTS

96. (1) A Director may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of Director for such period and upon such terms as the Board may determine, and may be paid such extra remuneration therefor (whether by way of salary, commission, participation in profits or otherwise) as the Board may determine, and such extra remuneration shall be in addition to any remuneration provided for by or pursuant to any other Bye-Law.

(2) A Director may act by himself or his firm in a professional capacity for the Company (other than as auditor) and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.

(3) Subject to Companies Acts, a Director may notwithstanding his office be a party to, or otherwise interested in, any transaction or arrangement with the Company or in which the Company is otherwise interested; and be a director or other officer of, or employed by, or a party to any transaction or arrangement with, or otherwise interested in, any body corporate promoted by the Company or in which the Company is interested. The Board may also cause the voting power conferred by the shares in any other company held or owned by the Company to be exercised in such manner in all respects as it thinks fit, including the exercise thereof in favor of any resolution appointing the Directors or any of them to be directors or officers of such other company, or voting or providing for the payment of remuneration to the directors or officers of such company.

(4) So long as, where it is necessary, he declares the nature of his interest at the first opportunity at a meeting of the Board or by writing to the Directors as required by the Companies Acts, a Director shall not by reason of his office be accountable to

the Company for any benefit which he derives from any office or employment to which these Bye-Laws allow him to be appointed or from any transaction or arrangement in which these Bye-Laws allow him to be interested, and no such transaction or arrangement shall be liable to be avoided on the ground of any interest or benefit.

(5) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or Officer declaring that he is a director or officer of, or has an interest in, a Person and is to be regarded as interested in any transaction or arrangement made with that Person, shall be sufficient declaration of interest in relation to any transaction or arrangement so made.

(6) A Director who has disclosed his interest in a transaction or arrangement with the Company, or in which the Company is otherwise interested, may be counted in the quorum and vote at any meeting at which such transaction or arrangement is considered by the Board.

(7) Subject to the Companies Acts and any further disclosure required thereby, a general notice to the Directors by a Director or Officer declaring that he is a director or officer or has an interest in a person and is to be regarded as interested in any transaction or arrangement made with that person, shall be a sufficient declaration of interest in relation to any transaction or arrangement so made.

(8) For the purposes of these Bye-Laws, without limiting the generality of the foregoing, a Director is deemed to have an interest in a transaction or arrangement with the Company if he is the holder or beneficially interested in five percent or

more of any class of the equity share capital of any body corporate (or any other body corporate through which his interest derived) or of the voting rights available to members of the relevant body corporate with which the Company is proposing to enter into a transaction or arrangement, provided that there shall be disregarded any shares held by such Director as bare or custodian trustee and in which the Director's interest is in reversion or remainder if and so long as some other person is entitled to receive the income thereof, and any shares comprised in an authorized unit trust, investment trust company or in any other mutual fund in which the Director is only interested as an investor. For the purposes of this Bye-Law, an interest of a person who is connected with a Director shall be treated as an interest of the Director.

POWERS AND DUTIES OF THE BOARD

97. Subject to the provisions of the Companies Acts and these Bye-Laws and to any directions given by the Company by Resolution, the Board shall manage the business of the Company and may pay all expenses incurred in promoting and incorporating the Company and may exercise all the powers of the Company. No alteration of these Bye-Laws and no such direction shall invalidate any prior act of the Board which would have been valid if that alteration had not been made or that direction had not been given. The powers given by this Bye-Law shall not be limited by any special power given to the Board by these Bye-Laws and a meeting of the Board at which a quorum is present shall be competent to exercise all the powers, authorities and discretions for the time being vested in or exercisable by the Board.

98. The Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (present and future) and uncalled capital of the Company or any part or parts thereof and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any other persons.

99. All checks, promissory notes, drafts, bills of exchange and other instruments, whether negotiable or transferable or not, and all receipts for money paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Board shall from time to time by resolution determine.

GRATUITIES, PENSIONS AND INSURANCE

100. (1) The Board on behalf of the Company may provide benefits, whether by the payment of gratuities or pensions, death or disability benefits or otherwise, for any person including any Director or former Director who has held an executive office or employment with the Company or with any body corporate which is or has been a subsidiary or affiliate of the Company or a predecessor in the business of the Company or of any such subsidiary or affiliate, and to any member of his family or any person who is or was dependent on him, and may contribute to any fund and pay premiums for the purchase or provision of any such gratuity, pension or other benefit, or for the insurance of any such person.

(2) Without prejudice to the provisions of Bye-Laws 145 and 146, the Board shall have the power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, Officers or employees of the

Company or of any other company which is its holding company or in which the Company or such holding company has an interest whether direct or indirect or which is in any way allied to or associated with the Company or of any subsidiary undertaking of the Company or any such other company, or who are or were at any time trustees of any pension fund or employees' share plan in which employees of the Company or of any such other company or subsidiary undertaking are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution or discharge of their duties or in the exercise or purported exercise of their powers or otherwise in relation to their duties, powers or offices in relation to the Company or any such other company, subsidiary undertaking or pension fund or employees' share plan.

(3) No Director or former Director shall be accountable to the Company or the Shareholders for any benefit provided pursuant to this Bye-Law 100 and the receipt of any such benefit shall not disqualify any person from being or becoming a Director of the Company.

DELEGATION OF THE BOARD'S POWERS

101. The Board may by power of attorney appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Board, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these Bye-Laws) and for such period and subject to such conditions as it may think fit, and any such power of attorney may contain

such provisions for the protection and convenience of persons dealing with any such attorney and of such attorney as the Board may think fit, and may also authorize any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

102. The Board may entrust to and confer upon any Director or Officer any of the powers exercisable by it, upon such terms and conditions with such restrictions as it thinks fit, and either collaterally with, or to the exclusion of, its own powers, and may from time to time revoke or vary all or any of such powers but no person dealing in good faith and without notice of such revocation or variation shall be affected thereby.

103. The Board may delegate any of its powers, authorities and discretions (including, without prejudice to the generality of the foregoing, all powers and discretions whose exercise includes or may include the payment of remuneration to or the conferring of any other benefit on all or any of the Directors) to committees, consisting of such person or persons (whether a member or members of its body or not) as it thinks fit. Any committee so formed shall, in the exercise of the powers, authorities and discretions so delegated, and in conducting its proceedings conform to any regulations which may be imposed upon it by the Board. Any such committee shall, unless the Board otherwise resolves, have power to sub-delegate to subcommittees any of the powers or discretions delegated to it. If no regulations are imposed by the Board the proceedings of a committee with two or more members shall be, as far as is practicable, governed by the Bye-Laws regulating the proceedings of the Board.

PROCEEDINGS OF THE BOARD

104. The Board may meet for the dispatch of business, adjourn and otherwise regulate its meetings as it thinks fit. Except as otherwise required by the Companies Acts or by these Bye-Laws, questions arising at any meeting shall be determined by a majority of votes cast by Directors present or represented and entitled to vote on such actions at a duly convened meeting at which a quorum was present. A Director who is also an Alternate Director shall be entitled in the absence of his appointor to a separate vote on behalf of his appointor in addition to his own vote. In the case of an equality of votes, the Chairman shall have a second or casting vote. A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Board.

105. Notice of a meeting of the Board shall be deemed to be duly given to a Director if it is given to him personally or by word of mouth or sent to him by post, cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his last known address or any other address given by him to the Company for this purpose. A Director may retrospectively waive the requirement for notice of any meeting by consenting in writing to the business conducted at the meeting.

106. (1) The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number, shall be two individuals. A person who holds office only as an Alternate Director shall, if his appointor is not present, be counted in the quorum. No Shareholder shall cause, directly or indirectly, any Director nominated by such Shareholder to fail to attend any meeting of the Board for purposes of removing the quorum. Any Director

who ceases to be a Director at a meeting of the Board may continue to be present and to act as a Director and be counted in the quorum until the termination of the meeting if no other Director objects and if otherwise a quorum of Directors would not be present.

(2) The Resident Representative shall, upon delivering written notice of an address for the purposes of receipt of notice, to the Registered Office, be entitled to receive notice of, attend and be heard at, and to receive minutes of all meetings of the Board.

107. So long as a quorum of Directors remains in office, the continuing Directors may act notwithstanding any vacancy in the Board but, if no such quorum remains, the continuing Directors or a sole continuing Director may act only for the purpose of calling a general meeting.

108. The Chairman of the Board or, in his absence, the Deputy Chairman shall preside as chairman at every meeting of the Board. If at any meeting the Chairman or Vice Chairman is or are not present within five minutes after the time appointed for holding the meeting, or is or are not willing to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.

109. The meetings and proceedings of any committee consisting of two or more members shall be governed by the provisions contained in these Bye-Laws for regulating the meetings and proceedings of the Board so far as the same are applicable and are not superseded by any regulations imposed by the Board.

110. A resolution in writing signed by all the Directors for the time being entitled to receive notice of a meeting of the Board or by all the members of a committee for

the time being shall be as valid and effectual as a resolution passed at a meeting of the Board or, as the case may be, of such committee duly called and constituted. Such resolution may be contained in one document or in several documents in the like form each signed by one or more of the Directors or members of the committee concerned.

111. A meeting of the Board or a committee appointed by the Board may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously and participation in such a meeting shall constitute presence in person at such meeting.

112. All acts done by the Board or by any committee or by any person acting as a Director or member of a committee, shall, notwithstanding that it is afterwards discovered that there was some defect in the appointment of any member of the Board or such committee or person acting as aforesaid or that they or any of them were disqualified or had vacated their office, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director, member of such committee or person so authorized.

OFFICERS

113. The Officers of the Company shall include a Chairman, Chief Executive Officer and Deputy Chairman who shall be Directors and shall be elected by the Board as soon as possible after the statutory meeting and each Annual General Meeting. In addition, the Board may appoint any person whether or not he is a Director to hold such office as the Board may from time to time determine. Any person

elected or appointed pursuant to this Bye-Law shall hold office for such period and upon such terms as the Board may determine and the Board may revoke or terminate any such election or appointment. Any such revocation or termination shall be without prejudice to any claim for damages that such Officer may have against the Company or the Company may have against such Officer for any breach of any contract of service between him and the Company which may be involved in such revocation or termination. Save as provided in the Companies Acts or these Bye-Laws, the powers and duties of the Officers of the Company shall be such (if any) as are determined from time to time by the Board.

EXECUTIVE DIRECTORS

114. Subject to the provisions of the Companies Acts, the Board may appoint one or more of its body to be the holder of any executive office (except that of auditor) under the Company and may enter into any agreement or arrangement with any Director for his employment by the Company or for the provision by him of any services outside the scope of the ordinary duties of a Director. Any such appointment, agreement or arrangement may be made upon such terms, including terms as to remuneration, as the Board determines, and any remuneration which is so determined may be in addition to or in lieu of any ordinary remuneration as a Director. The Board may revoke or vary any such appointment but without prejudice to any rights or claims which the person whose appointment is revoked or varied may have against the Company by reason thereof.

115. Any appointment of a Director to an executive office shall terminate if he ceases to be a Director but without prejudice to any rights or claims which he may have

against the Company by reason of such cessation. A Director appointed to an executive office shall ipso facto cease to be a Director if his appointment to such executive office terminates.

116. The emoluments of any Director holding executive office for his services as such shall be determined by the Board and may be of any description and (without limiting the generality of the foregoing) may include the admission to or continuance of membership of any plan (including any share acquisition plan) or fund instituted or established or financed or contributed to by the Company for the provision of pensions, life assurance or other benefits for employees or their dependents or the payment of a pension or other benefits to him or his dependents on or after retirement or death, apart from membership or any such plan or fund.

MINUTES

117. The Board shall cause minutes to be made and books kept for the purpose of recording -

(1) all appointments of Officers made by the Board:

(2) the names of the Directors and other persons (if any) present at each meeting of the Board and of any committee; and

(3) all proceedings at meetings of the Company, of the holders of any class of Shares in the Company, of the Board and of committees appointed by the Board or the Shareholders.

Shareholders shall only be entitled to see the Register of Directors and Officers, the Register, the financial information provided for in Bye-Law 135 and the minutes of meetings of the Shareholders of the Company.

SECRETARY AND RESIDENT REPRESENTATIVE

118. The Secretary (including one or more deputy or assistant secretaries) and, if required, the Resident Representative, shall be appointed by the Board at such remuneration (if any) and upon such terms as it may think fit and any Secretary and Resident Representative so appointed may be removed by the Board. The duties of the Secretary and the duties of the Resident Representative shall be those prescribed by the Companies Acts together with such other duties as shall from time to time be prescribed by the Board.

119. A provision of the Companies Acts or these Bye-Laws requiring or authorizing a thing to be done by or to a Director and the Secretary shall not be satisfied by its being done by or to the same person acting both as Director and as, or in the place of, the Secretary.

THE SEAL

120. (1) The Seal shall consist of a circular metal device with the name of the Company around the outer margin thereof and the country and year of incorporation across the center thereof. Should the Seal not have been received at the Registered Office in such form at the date of adoption of this Bye-Law then, pending such receipt, any document requiring to be sealed with the Seal shall be sealed by affixing a red wafer seal to the document with the name of the Company, and the country and year of incorporation type written across the center thereof.

(2) The Board shall provide for the custody of every Seal. A Seal shall only be used by authority of the Board or of a committee constituted by the Board. Subject to these Bye-Laws, any instrument to which a Seal is affixed shall be signed by

either two Directors, or by the Secretary and one Director, or by the Secretary or by any one person whether or not a Director or Officer, who has been authorized either generally or specifically to affirm the use of a Seal; PROVIDED that the Secretary or a Director may affix a Seal over his signature alone to authenticate copies of these Bye-Laws, the minutes of any meeting or any other documents requiring authentication.

DIVIDENDS AND OTHER PAYMENTS

121. (1) The Board may from time to time declare dividends or distributions out of contributed surplus to be paid to the Shareholders according to their rights and interests including such interim dividends as appear to the Board to be justified by the position of the Company. The Board, in its discretion, may determine that any dividend shall be paid in cash or shall be satisfied, subject to Bye-Law 131, in paying up in full shares in the Company to be issued to the Shareholders credited as fully paid or partly paid or partly in one way and partly the other. The Board may also pay any fixed cash dividend which is payable on any shares of the Company half yearly or on such other dates, whenever the position of the Company, in the opinion of the Board, justifies such payment.

122. Except insofar as the rights attaching to, or the terms of issue of, any Share otherwise provide:

(1) all dividends or distributions out of contributed surplus may be declared and paid according to the amounts paid up on the Shares in respect of which the dividend

or distribution is paid, and an amount paid up on a Share in advance of calls may be treated for the purpose of this Bye-Law as paid-up on the Share;

(2) dividends or distributions out of contributed surplus may be apportioned and paid pro rata according to the amounts paid-up on the Shares during any portion or portions of the period in respect of which the dividend or distribution is paid; and

(3) any dividend or other moneys payable on or in respect of a Share may be paid in such currency as the Board may determine.

123. The Board may deduct from any dividend, distribution or other moneys payable to a Shareholder by the Company on or in respect of any Shares all sums of money (if any) presently payable by him to the Company on account of calls or otherwise in respect of Shares of the Company.

124. No dividend, distribution or other moneys payable by the Company on or in respect of any Share shall bear interest against the Company.

125. Any dividend, distribution or interest, or part thereof payable in cash, or any other sum payable in cash to the holder of Shares may be paid by (i) check or warrant sent through the post addressed to the holder at his address in the Register or, in the case of joint holders, addressed to the holder whose name stands first in the Register in respect of the Shares at his registered address as appearing in the Register or addressed to such person at such address as the holder or joint holders may in writing direct; (ii) by interbank transfer or other electronic means to such account as the payee or payees shall in writing direct or, where applicable, using the facilities of a relevant system, or (iii) by such other method of payment as the member (or in the case of joint holders of a Share, all of them) may agree to.

Every such check or warrant shall, unless the holder or joint holders otherwise direct, be made payable to the order of the holder or, in the case of joint holders, to the order of the holder whose name stands first in the Register in respect of such Shares and shall be sent at his or their risk and payment of the check or warrant by the bank on which it is drawn shall constitute a good discharge to the Company. Any one of two or more joint holders may give effectual receipts for any dividends, distributions or other moneys payable or property distributable in respect of the Shares held by such joint holders. Payment of the check or warrant or other form of payment shall be a good discharge to the Company. Every such payment shall be sent at the risk of the person entitled to the money represented thereby.

126. Any dividend or distribution out of contributed surplus unclaimed for a period of six years from the date of declaration of such dividend or distribution shall be forfeited and shall revert to the Company and the payment by the Board of any unclaimed dividend, distribution, interest or other sum payable on or in respect of the share into a separate account shall not constitute the Company a trustee in respect thereof.

127. The Board may also, in addition to its other powers, direct payment or satisfaction of any dividend or distribution out of contributed surplus wholly or in part by the distribution of specific assets, and in particular of paid-up Shares or debentures of any other company, and where any difficulty arises in regard to such distribution or dividend the Board may settle it as it thinks expedient, and in particular, may authorize any person to sell and transfer any fractions or may ignore fractions

altogether, and may fix the value for distribution or dividend purposes of any such specific assets and may determine that cash payments shall be made to any Shareholders upon the footing of the values so fixed in order to secure equality of distribution and may vest any such specific assets in trustees as may seem expedient to the Board, PROVIDED that such dividend or distribution may not be satisfied by the distribution of any partly paid Shares or debentures of any company without the sanction of a Resolution.

128. (a) The Board may retain any dividends or other moneys payable on or in respect of a Share on which the Company has a lien and may apply the same in or towards satisfaction of the moneys payable to the Company in respect of that Share.

(b) The Board may retain the dividends payable upon Shares in respect of which any person is under the provisions as to the transmission of Shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such Shares or shall transfer the same.

129. The waiver in whole or in part of any dividend on any Share by any document (whether or not under common seal) shall be effective only if such document is signed by the Shareholder (or the person entitled to the Share in consequence of the death or bankruptcy of the holder or otherwise by operation of law) and delivered to the Company at the Registered Office and if or to the extent that the same is accepted as such or acted upon by the Company.

RESERVES

130. The Board may, before recommending or declaring any dividend or distribution out of contributed surplus, set aside such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose of the Company and pending such application may, also at such discretion, either be employed in the business of the Company or be invested in such investments as the Board may from time to time think fit. The Board may also without placing the same to reserve carry forward any sums which it may think it prudent not to distribute.

CAPITALIZATION OF PROFITS

131. The Board may, from time to time resolve to capitalize all or any part of any amount for the time being standing to the credit of any reserve or fund which is available for distribution or to the credit of any share premium account or any capital redemption reserve fund or other undistributable reserve and accordingly that such amount shall be set free for distribution amongst the Shareholders or any class of Shareholders who would be entitled thereto if distributed by way of dividend and in the same proportions, on the footing that the same be not paid in cash but be applied either in or towards paying up amounts for the time being unpaid on any shares in the Company held by such Shareholders respectively or in payment up in full of unissued shares, debentures or other obligations of the Company, to be allotted, distributed and credited as fully paid amongst such Shareholders, or partly in one way and partly in the other, PROVIDED that for the purpose of this Bye-Law, a share premium account and a capital redemption

reserve fund or other undistributable reserve may be applied only in paying up of unissued shares to be issued to such Shareholders credited as fully paid and, PROVIDED FURTHER that any sum standing to the credit of share premium account may only be applied in crediting as fully paid shares of the same class as that from which the relevant share premium was derived.

132. Where any difficulty arises in regard to any distribution under the last preceding Bye-Law, the Board may settle the same as it thinks expedient and, in particular, may authorize any person to sell and transfer any fractions or may resolve that the distribution should be as nearly as may be practicable in the correct proportion but not exactly so or may ignore fractions altogether and may determine that cash payments should be made to any Shareholders in order to adjust the rights of all parties, as may seem expedient to the Board. The Board may appoint any person to sign on behalf of the persons entitled to participate in the distribution any contract necessary or desirable for giving effect thereto and such appointment shall be effective and binding upon the all concerned.

RECORD DATES

133. Notwithstanding any other provisions of these Bye-Laws, the Company may by Resolution or the Board may fix any date as the record date for any dividend, distribution, allotment or issue and for the purpose of identifying the persons entitled to receive notices of, and entitled to vote at, general meetings or entitled to express consent to corporate action in writing without a meeting. Any such record date may be on or at any time (i) not more than 60 days before any date on which such dividend, distribution, allotment or issue is declared, paid or made, (ii)

not more than 60 days nor less than 10 days before the date of any such meetings and (iii) not more than 10 days after the date on which the resolution fixing the record date for a shareholder action by written consent is adopted by the Board.

ACCOUNTING RECORDS

134. The Board shall cause to be kept accounting records sufficient to give a true and fair view of the state of the Company's affairs and to show and explain its transactions, in accordance with the Companies Acts.

135. The records of account shall be kept at the Registered Office of the Company or at such other place or places as the Board thinks fit, and shall at all times be open to inspection by the Directors, PROVIDED that if the records of account are kept at some place outside Bermuda, there shall be kept at an office of the Company in Bermuda such records as will enable the Directors to ascertain with reasonable accuracy the financial position of the Company at the end of each three month period.

136. A copy of every balance sheet and statement of income and expenditure, including every document required by law to be annexed thereto, which is to be laid before the Company in general meeting, together with a copy of the auditors' report, shall be sent to each person entitled thereto in accordance with the requirements of the Companies Acts.

AUDIT

137. Save and to the extent that an audit is waived in the manner permitted by the Companies Acts, auditors shall be appointed and their duties regulated in accordance with the Companies Acts, any other applicable law and such

requirements not inconsistent with the Companies Acts as the Board may from time to time determine.

SERVICE OF NOTICES AND OTHER DOCUMENTS

138. Any notice or other document (including a share certificate may be served on or delivered to any Shareholder by the Company either personally or by sending it by electronic record, facsimile, through the post (by airmail where applicable) in a pre-paid letter addressed to such Shareholder at his address as appearing in the Register or by any other means. Acknowledgement of receipt shall not be required and is not a condition of valid service of due notice. In the case of joint holders of a share, service or delivery of any notice or other document on or to one of the joint holders shall for all purposes be deemed as sufficient service on or delivery to all the joint holders. Any notice or other document (i) if given by facsimile, shall be deemed to have been served or delivered at the time such facsimile is transmitted and the appropriate confirmation is received (or, if such time is not during a Business Day, at the beginning of the following Business Day), (ii) if sent by post, shall be deemed to have been served or delivered three Business Days or, if to an address outside the United States, seven calendar days after it was put in the post with first-class postage prepaid or (iii) if given by any other means, shall be deemed to have been served or delivered when delivered at the applicable address, and in proving such service or delivery, it shall be sufficient to prove that the notice or document was properly addressed, stamped and put in the post, except for electronic means where the record of the

Company's or its agent's system shall be deemed to be the definitive record of delivery.

139. Any notice of a general meeting of the Company shall be deemed to be duly given to a Shareholder, or other person entitled to it, if it is sent to him by cable, telex, telecopier or other mode of representing or reproducing words in a legible and non-transitory form at his address as appearing in the Register or any other address given by him to the Company for this purpose. Any such notice shall be deemed to have been served 24 hours after its dispatch.

140. Any notice or other document delivered, sent or given to a Shareholder in any manner permitted by these Bye-Laws shall, notwithstanding that such Shareholder is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any Share registered in the name of such Shareholder as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the Share, and such service or delivery shall for all purposes be deemed as sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the Share.

DESTRUCTION OF DOCUMENTS

141. The Company shall be entitled to destroy all instruments of transfer of Shares which have been registered, and all other documents on the basis of which any entry is made in the Register, at any time after the expiration of six years from the

date of registration thereof and all dividends mandates or variations or cancellations thereof and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all Share certificates which have been canceled at any time after the expiration of one year from the date of cancellation thereof and all paid dividends, warrants and checks at any time after the expiration of one year from the date of actual payment thereof and all instruments of proxy which have been used for the purpose of a poll at any time after the expiration of one year from the date of such use and all instruments of proxy which have not been used for the purpose of a poll at any time after one month from the end of the meeting to which the instrument of proxy relates and at which no poll was demanded. It shall conclusively be presumed in favor of the Company that every entry in the Register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made, that every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered, that every share certificate so destroyed was a valid and effective certificate duly and properly canceled and that every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, PROVIDED ALWAYS that:

(a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(b) nothing herein contained shall be construed as imposing upon the

Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Bye-Law; and

(c) references herein to the destruction of any document include references to the disposal thereof in any manner.

UNTRACED SHAREHOLDERS

142. (1) The Company shall be entitled to sell at the best price reasonably obtainable, or if the Shares are listed on a stock exchange or automated quotation system to purchase at the trading price on the date of purchase, the Shares of a Shareholder or the Shares to which a person is entitled by virtue of transmission on death, bankruptcy, or otherwise by operation of law if and PROVIDED that:

(a) during the period of 12 years to the date of the publication of the advertisements referred to in paragraph (b) below (or, if published on different dates, the first thereof) at least three dividends in respect of the Shares in question have been declared and all dividends, warrants and checks which have been sent in the manner authorized by these Bye-Laws in respect of the Shares in question have remained uncashed; and

(b) the Company shall as soon as practicable after expiry of the said period of 12 years have inserted advertisements both in a national daily newspaper and in a newspaper circulating in the area of the last known address of such Shareholder or other person giving

notice of its intention to sell or purchase the Shares; and

(c) during the said period of 12 years and the period of three months following the publication of the said advertisements, the Company shall have received no indication either of the whereabouts or of the existence of such Shareholder or person; and

(d) if the Shares are listed on a stock exchange or automated quotation system, notice shall have been to the relevant department of such stock exchange or automated quotation system of the Company's intention to make such sale or purchase prior to the publication of advertisements.

(2) If during any 12-year period referred to in paragraph (a) above, further Shares have been issued in right of those held at the beginning of such period or of any previously issued during such period and all the other requirements of this Bye-Law (other than the requirement that they be in issue for 12 years) have been satisfied in regard to the further Shares, the Company may also sell or purchase the further Shares.

(3) To give effect to any such sale or purchase, the Board may authorize some person to execute an instrument of transfer of the Shares sold or purchased to, or in accordance with the directions of, the purchaser and an instrument of transfer executed by that person shall be as effective as if it had been executed by the holder of, or person entitled by transmission to, the Shares. The transferee of any Shares sold shall not be bound to see to the application of the purchase money,

nor shall his title to the Shares be affected by any irregularity in, or invalidity of, the proceedings in reference to the sale.

(4) The net proceeds of sale or purchase of Shares shall belong to the Company which, for the period of six years after the transfer or purchase, shall be obliged to account to the former Shareholder or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former Shareholder or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments as the Board from time to time thinks fit. After the said six-year period has passed, the net proceeds of sale shall become the property of the Company, absolutely, and any rights of the former Shareholder or other person previously entitled as aforesaid shall terminate completely.

WINDING UP, LIQUIDATION AND DISSOLUTION

143. (1) The interests of the Shareholders in the Company shall be liquidated upon the occurrence of any one of the following events (each a "Termination Event"):

(a) the sale of all or substantially all of the Company's assets;

(b) the unanimous vote of the Shareholders;

(c) the involuntary liquidation of the Company; or

(d) as otherwise required by applicable law.

(2) Upon the occurrence of any Termination Event, the Company shall be wound up and dissolved. In connection with the winding up and dissolution of the Company, a liquidator appointed by the affirmative vote of a majority of the Shares shall proceed, in its sole discretion, with the liquidation of all the assets of the Company and the final distribution of the assets of the Company, in the following manner and order of priority:

(a) FIRST, to the creditors (including any Shareholders or their respective Affiliates that are creditors) of the Company in satisfaction of all the Company's debts and liabilities (whether by payment or by making reasonable provision for payment thereof, including the setting up of any reserves which are, in the judgment of the liquidator, reasonably necessary therefor);

(b) SECOND, 100% to the Shareholders, proportionate to their ownership of the total number of Shares then outstanding.

(3) If any dividend or other distribution shall have been made by the Company to the Shareholders prior to the winding-up and dissolution of the Company, any amounts received by any Shareholder from such dividends or other distributions shall be deducted from the amount such Shareholder would otherwise be entitled to receive in the winding-up and dissolution of the Company, and the aggregate amount of all dividends and other distributions previously made by the Company to the Shareholders shall be deemed to be included in amounts available for distribution to Shareholders in the event of the winding-up and dissolution of the Company.

144. The liquidator may, with the sanction of a Resolution of all Shareholders of the Company and any other sanctions required by the Companies Act, redeem the Shares held by the Shareholders with the assets of the Company in lieu of, or in addition to, any dissolution or division contemplated by Bye-Law 143.

INDEMNITY

145. Subject to the proviso below, every Director, Alternate Director, Officer of the Company and member of a committee constituted under Bye-Law 103 and any Resident Representative shall be indemnified out of the funds of the Company against all liabilities, loss, damage or expense (including but not limited to liabilities under contract, tort and statute or any applicable foreign law or regulation and all reasonable legal and other costs and expenses properly payable) incurred or suffered by him as such Director, Alternate Director, Officer, committee member or Resident Representative and the indemnity contained in this Bye-Law shall extend to any person acting as a Director, Alternate Director, Officer, committee member or Resident Representative in the reasonable belief that he has been so appointed or elected notwithstanding any defect in such appointment or election; PROVIDED always that the indemnity contained in this Bye-Law shall not extend to any matter which would render it void pursuant to the Companies Acts.

146. Every Director, Alternate Director, Officer, member of a committee duly constituted under Bye-Law 103 or Resident Representative of the Company shall be indemnified out of the funds of the Company against all liabilities incurred by him as such Director, Alternate Director, Officer, committee member or Resident

Representative in defending any proceedings, whether civil or criminal, in which judgment is given in his favor, or in which he is acquitted, or in connection with any application under the Companies Acts in which relief from liability is granted to him by the court.

147. To the extent that any Director, Alternate Director, Officer, member of a committee duly constituted under Bye-Law 103 or Resident Representative is entitled to claim an indemnity pursuant to these Bye-Laws in respect of amounts paid or discharged by him, the relative indemnity shall take effect as an obligation of the Company to reimburse the person making such payment or effecting such discharge.

148. Each Shareholder and the Company agree to waive any claim or right of action he or it may at any time have, whether individually or by or in the right of the Company, against any Director, Alternate Director, Officer, member of a committee constituted pursuant to Bye-Law 103 or Resident Representative on account of any action taken by such Director, Alternate Director, Officer, member of a committee constituted pursuant to Bye-Law 103 or Resident Representative or the failure of such Director, Alternate Director, Officer, member of a committee constituted pursuant to Bye-Law 103 or Resident Representative to take any action in the performance of his duties with or for the Company; PROVIDED, HOWEVER, that such waiver shall not apply to any claims or rights of action arising out of the fraud or dishonesty of such Director, Alternate Director, Officer, member of a committee constituted pursuant to Bye-Law 103 or Resident Representative or to recover any gain, personal profit or advantage to which such

Director, Alternate Director, Officer, member of a committee constituted pursuant to Bye-Law 103 or Resident Representative is not legally entitled.

149. Subject to the Companies Acts, expenses incurred in defending any civil or criminal action or proceeding for which indemnification is required pursuant to Bye-Laws 145 and 146 may be paid by the Company in advance of the final disposition of such action or proceeding upon receipt of an undertaking by or on behalf of the indemnified party to repay such amount if it shall ultimately be determined that the indemnified party is not entitled to be indemnified pursuant to Bye-Laws 145 and 146.

Each Shareholder of the Company, by virtue of his acquisition and continued holding of a Share, shall be deemed to have acknowledged and agreed that the advances of funds may be made by the Company as aforesaid, and when made by the Company under this Bye-Law, are made to meet expenditures incurred for the purpose of enabling such Director, Alternate Director, Officer or member of a committee duly constituted under Bye-Law 103 to properly perform his or her duties as an officer of the Company.

## AMALGAMATION

150. Any Resolution proposed for consideration at any general meeting to approve the amalgamation of the Company with any other company, wherever incorporated, shall require the approval of a simple majority of votes cast at such meeting and the quorum for such meeting shall be that required in Bye-Law 56 and a poll may be demanded in respect of such Resolution in accordance with the provisions of Bye-Law 68.

CONTINUATION

151. Subject to the Companies Acts, the Board may approve the discontinuation of the Company in Bermuda and the continuation of the Company in a jurisdiction outside Bermuda. The Board, having resolved to approve the discontinuation of the Company, may further resolve not to proceed with any application to discontinue the Company in Bermuda or may vary such application as it sees fit.

ALTERATION OF BYE-LAWS

152. The vote or consent of the holders of 75% of the outstanding Common Shares of the Company entitled to vote and the approval of a majority of the Board shall be required to effect any amendments to Bye-Laws 86-90, 91, 95, 96, 97-99, 100, 145-149 and this Bye-Law 152.

Exhibit 3.3

FORM NO 7a REGISTRATION NO30025

[SEAL]

BERMUDA

CERTIFICATE OF DEPOSIT OF
MEMORANDUM OF INCREASE OF SHARE CAPITAL

THIS IS TO CERTIFY that a Memorandum of Increase of Share Capital
of

WILLIS GROUP HOLDINGS LIMITED

was delivered to the Registrar of Companies on the 28TH day of FEBRUARY, 2001 in accordance with section 45(3) of THE COMPANIES ACT 1981 ("the Act").

[SEAL]

Given under my hand and Seal of the Registrar of Companies this 7TH day of MARCH, 2001.

[signature]
for REGISTRAR OF COMPANIES

Capital prior to increase: US $ 12,000.00
Amount of increase: US $575,000.00
Present Capital: US $587,000.00

Exhibit 4.1

WILLIS GROUP HOLDINGS LIMITED

Common Stock

Cusip No.: _____ Shares

THIS CERTIFIES THAT_____ is the owner of fully paid and non-assessable shares of Common Stock, par value $0.000115 per share, of WILLIS GROUP HOLDINGS LIMITED, a Bermuda company (the "Company"), transferable on the books of the Company by the holder hereof in person or by its duly authorized attorney, upon surrender of this Certificate properly endorsed. This Certificate and the shares represented hereby are issued and shall be held subject to all of the provisions of the Memorandum of Association of the Company, as amended, and the Bye-Laws of the Company and any amendments or restatements thereto. This Certificate is not valid unless countersigned and registered by the Transfer Agent and Registrar.

IN WITNESS WHEREOF, the Company has caused this Certificate to be executed on its behalf by its duly authorized officers.

WILLIS GROUP HOLDINGS LIMITED

By:
---
Name:
Title:

Countersigned and Registered:

- ---
Transfer Agent and Registrar

By:
---
Authorized signatory

Dated:
---

The Company will furnish without charge to each shareholder who so requests a description of the powers, designations, preferences and relative, participating, optional or other special rights, and the qualifications, limitations or restrictions, of each class of capital stock or series thereof which the Company is authorized to issue. Such request should be directed to the office of the Secretary of the Company, Ten Trinity Square, London EC3P 3AX, England, (011) 44-20-7488-8111.

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KEEP THIS CERTIFICATE IN A SAFE PLACE. IF IT IS LOST, STOLEN OR DESTROYED, THE CORPORATION WILL REQUIRE A BOND OF INDEMNITY AS A CONDITION TO THE ISSUANCE OF A REPLACEMENT CERTIFICATE.

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The following abbreviations, when used in the inscription on the face of this Certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

| | | | |
|---|---|---|---|
| TEN COM -- | as tenants in common | UNIF GIFT MIN ACT_____ (Custodian)_____ | (Custodian) (Minor) |
| TEN ENT -- | as tenants by the entireties | under Uniform Gifts to Minors Act of_____ | (State) |
| JT TEN -- | as joint tenants with right of survivorship and not as tenants in common | | |

Additional abbreviations may also be used though not in the above list.

ASSIGNMENT FORM

FOR VALUE RECEIVED, _____ HEREBY SELL, ASSIGN AND TRANSFER UNTO

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

- ----------

- ----------

---

(PLEASE PRINT OR TYPEWRITE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____ shares of Common Stock of the Company represented by this Certificate and do hereby irrevocably constitute and appoint _____ Attorney to transfer the said shares of Common Stock on the books of the Company, with full power of substitution in the premises.

Dated:
---

Signature:
---

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the certificate in every particular, without alteration or enlargement or any change whatever.

Signature(s) Guaranteed:

By:
---

THE SIGNATURE(S) SHOULD BE GUARANTEED BY AN ELIGIBLE GUARANTOR INSTITUTION, (BANKS, STOCKBROKERS, SAVINGS AND LOAN ASSOCIATIONS AND CREDIT UNIONS) WITH MEMBERSHIP IN AN APPROVED SIGNATURE GUARANTEE MEDALLION PROGRAM) PURSUANT TO S.E.C. RULE 17AD-15.

Exhibit 4.2

# REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated as of December 18, 1998, between TA I Limited (the "COMPANY"), a limited liability company organized under the laws of England and Wales, and Profit Sharing (Overseas), Limited Partnership ("PROFIT SHARING"), an Alberta, Canada limited partnership.

## RECITALS

Pursuant to a Contribution and Share Subscription Agreement, dated as of July 22, 1998 (the "CONTRIBUTION AGREEMENT"), among the Company, TA II Limited, TA III plc, Trinity Acquisition plc, KKR 1996 Fund (Overseas), Limited Partnership and Profit Sharing, Profit Sharing made equity contributions of L165,000,000 in the aggregate to the Company.

The Company desires to provide to the Holders rights to registration under the Securities Act of Registrable Securities, on the terms and subject to the conditions set forth herein.

## AGREEMENT

1. DEFINITIONS. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

"ADSs": American Depositary Shares, each representing one or more Ordinary Shares and represented by American Depositary Receipts of the Company.

"CARRIER REGISTRATION RIGHTS AGREEMENT": The Registration Rights Agreement, dated as of July 22, 1998, as such agreement may be amended from time to time, to which the Company is a party.

"CLASS": The Ordinary Shares, together with any ADSs representing Ordinary Shares.

"DEMAND PARTY": (a) Profit Sharing or (b) any other Holder or Holders, including, without limitation, any present or future general partner of Profit Sharing, or any general or limited partner of any general partner thereof, that may become an assignee of Profit Sharing's rights hereunder; PROVIDED that to be a Demand Party under this clause (b), a Holder or Holders must either individually or in aggregate with all other Holders with whom it is acting together to demand registration own at least 1% of the total number of Registrable Securities.

"EXCHANGE ACT": The Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall

be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"HOLDER": Profit Sharing and any other holder of Registrable Securities (including any direct or indirect transferees of Profit Sharing) who agrees in writing to be bound by the provisions of this Agreement.

"ORDINARY SHARES": The ordinary shares, par value $0.10 per share, of TA I Limited and its successors.

"ORDINARY SHARE OR ORDINARY SHARE EQUIVALENT REGISTRABLE SECURITIES": Registrable Securities which are (i) Ordinary Shares, (ii) ADSs representing Ordinary Shares or (iii) securities that are convertible into or exchangeable or exercisable for Ordinary Shares.

"OTHER HOLDERS": Any person that holds securities of the same Class as the Registrable Securities and has rights to have such securities registered under the Securities Act.

"PERSON": Any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated organization or government or any department or agency thereof.

"REGISTRABLE SECURITIES": Any Ordinary Shares acquired by Profit Sharing from the Company or any affiliate of the Company, including upon the conversion of any convertible security or otherwise, or ADSs representing any such Ordinary Shares and any Ordinary Shares, ADSs or convertible security which may be issued or distributed in respect thereof by way of stock dividend or stock split or other distribution, recapitalization or reclassification. As to any particular Registrable Securities, once issued, such Registrable Securities shall cease to be Registrable Securities when (i) a registration statement with respect to the sale by the Holder of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) such securities shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (iii) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the Company and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any state securities or blue sky law then in force, or (iv) such securities shall have ceased to be outstanding.

"REGISTRATION EXPENSES": Any and all expenses incident to performance of or compliance with this Agreement, including, without limitation, (i) all SEC and stock exchange or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Schedule E to the By-laws of the

NASD, and of its counsel), (ii) all fees and expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange pursuant to clause (viii) of Section 4, (v) the fees and disbursements of counsel for the Company and of its independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, (vi) the reasonable fees and disbursements of counsel selected pursuant to Section 7 hereof by the Holders of the Registrable Securities being registered to represent such Holders in connection with each such registration, (vii) any fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the Company so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, (viii) all fees and expenses incurred in connection with the creation of ADSs, including the reasonable fees and disbursements of the depositary for such ADSs that the Company, and not the depositary, is required to pay, and (ix) other reasonable out-of-pocket expenses of Holders (PROVIDED that such expenses shall not include expenses of counsel other than those provided for in clause (vi) above).

"SECURITIES ACT": The Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"SEC": The Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

2. INCIDENTAL REGISTRATIONS. (a) RIGHT TO INCLUDE ORDINARY SHARE OR ORDINARY SHARE EQUIVALENT REGISTRABLE SECURITIES. If the Company at any time after the date hereof proposes to register its Ordinary Shares or ADSs representing Ordinary Shares (or any security which is convertible into or exchangeable or exercisable for Ordinary Shares) under the Securities Act (other than a registration on Form F-4 or S-8, or any successor or other forms promulgated for similar purposes), whether or not for sale for its own account, in a manner which would permit registration of Ordinary Share or Ordinary Share Equivalent Registrable Securities for sale to the public under the Securities Act, it will, at each such time, give prompt written notice to all Holders of Ordinary Share or Ordinary Share Equivalent Registrable Securities of its intention to do so and of such Holders' rights under this Section 2. Upon the written request of any such Holder made within 15 days after the receipt of any such notice (which request shall specify the Ordinary Share or Ordinary Share Equivalent Registrable Securities intended to be disposed of by such Holder), the Company will use its best efforts to effect the registration under the Securities Act of all Ordinary Share or Ordinary Share Equivalent Registrable Securities which the Company has been so requested to register by the Holders thereof, to the extent requisite to permit the disposition of the Ordinary Share or Ordinary Share Equivalent Registrable Securities so to be registered; PROVIDED that (i) if, at any time after giving written notice of its intention to register any securities and prior to the effective

date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to proceed with the proposed registration of the securities to be sold by it, the Company may, at its election, give written notice of such determination to each Holder of Ordinary Share or Ordinary Share Equivalent Registrable Securities and, thereupon, shall be relieved of its obligation to register any Ordinary Share or Ordinary Share Equivalent Registrable Securities in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and (ii) if such registration involves an underwritten offering, all Holders of Ordinary Share or Ordinary Share Equivalent Registrable Securities requesting to be included in the Company's registration must sell their Ordinary Share or Ordinary Share Equivalent Registrable Securities to the underwriters selected by the Company on the same terms and conditions as apply to the Company, with such differences, including any with respect to indemnification and liability insurance, as may be customary or appropriate in combined primary and secondary offerings. If a registration requested pursuant to this Section 2(a) involves an underwritten public offering, any Holder of Ordinary Share or Ordinary Share Equivalent Registrable Securities requesting to be included in such registration may elect, in writing prior to the effective date of the registration statement filed in connection with such registration, not to register such securities in connection with such registration. Nothing in this Section 2(a) shall operate to limit the right of a Holder to (i) request the registration of Ordinary Shares issuable upon conversion or exercise of convertible securities held by such Holder notwithstanding the fact that at the time of request such Holder holds only convertible securities or (ii) request the registration at one time of both (A) Ordinary Shares or ADSs representing Ordinary Shares and (B) securities convertible into Ordinary Shares.

(a) EXPENSES. The Company will pay all Registration Expenses in connection with each registration of Ordinary Share or Ordinary Share Equivalent Registrable Securities requested pursuant to this Section 2.

(b) PRIORITY IN INCIDENTAL REGISTRATIONS. If a registration pursuant to this Section 2 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities requested to be included in such registration exceeds the number which can be sold in such offering, so as to be likely to have an adverse effect on the price, timing or distribution of the Securities offered in such offering as contemplated by the Company, then the Company will include in such registration (i) first, 100% of the securities the Company proposes to sell or, in the case of a registration on request by a "Demand Party" pursuant to (and as defined in) Section 3 of the Carrier Registration Rights Agreement, then, the number of "Registrable Securities" of the requesting "Holders as contemplated by (and as defined in) Section 3 of the Carrier Registration Rights Agreement, and, in either event, (ii) second, the number of Ordinary Share or Ordinary Share Equivalent Registrable Securities and securities of the same Class as the Ordinary Share or Ordinary Share Equivalent Registrable Securities which the Holders and Other Holders, as the case may be, have requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, such amount to be allocated pro rata among all requesting Holders and Other Holders on the basis of the relative number of shares of Ordinary Share or Ordinary Share Equivalent Registrable Securities and securities of such Class then held by each such Holder and Other Holder (provided that any shares thereby allocated to

any such Holder or Other Holder that exceed such Holder's or Other Holder's request will be reallocated among the remaining requesting Holders and Other Holders in like manner).

3. REGISTRATION ON REQUEST. (a) REQUEST BY THE DEMAND PARTY. At any time, upon the written request of the Demand Party requesting that the Company effect the registration under the Securities Act of all or part of such Demand Party's Registrable Securities and specifying the amount and intended method of disposition thereof, the Company will promptly give written notice of such requested registration to all other Holders of such Registrable Securities, and thereupon will, as expeditiously as possible, use its best efforts to effect the registration under the Securities Act of:

(i) such Registrable Securities (including, if such request relates to a security which is convertible into Ordinary Shares, the Ordinary Shares issuable upon such conversion) which the Company has been so requested to register by the Demand Party (and, if such request includes ADSs, the Ordinary Shares represented by such ADSs); and

(ii) all other Registrable Securities of the same Class and securities of such Class as are to be registered at the request of a Demand Party and which the Company has been requested to register by any other Holder and any Other Holder by written request given to the Company within 15 days after the giving of such written notice by the Company (which request shall specify the amount and intended method of disposition of such Registrable Securities and securities of such Class),

all to the extent necessary to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities and securities of such Class so to be registered; PROVIDED, that with respect to any Demand Party other than Profit Sharing, the Company shall not be obligated to effect any registration of Registrable Securities under this Section 3(a) unless such Demand Party requests that the Company register at least 1% of the total number of Registrable Securities; and PROVIDED, FURTHER, that, unless Holders of a majority of the shares of Registrable Securities held by Holders consent thereto in writing, the Company shall not be obligated to file a registration statement relating to any registration request under this Section 3(a) (x) within a period of six months after the effective date of any other registration statement relating to any registration request under this Section 3(a) which was not effected on Form F-3 (or any successor or similar short-form registration statement) or relating to any registration effected under Section 2, or (y) if with respect thereto the managing underwriter, the SEC, the Securities Act or the rules and regulations thereunder, or the form on which the registration statement is to be filed, would require the conduct of an audit other than the regular audit conducted by the Company at the end of its fiscal year, in which case the filing may be delayed until the completion of such regular audit (unless the Holders of the Registrable Securities and securities of such Class to be registered agree to pay the expenses of the Company in connection with such an audit other than the regular audit). Nothing in this Section 3 shall operate to limit the right of a Holder to (i) request the registration of Ordinary Shares issuable upon conversion or exercise of convertible securities held by such Holder notwithstanding the fact that at the time of request such Holder holds only convertible securities or (ii) request the registration at one time of both Ordinary Shares or ADSs and securities convertible into Ordinary Shares.

(b) REGISTRATION STATEMENT FORM. If any registration requested pursuant to this Section 3 which is proposed by the Company to be effected by the filing of a registration statement on Form F-3 (or any successor or similar short-form registration statement) shall be in connection with an underwritten public offering, and if the managing underwriter shall advise the Company in writing that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering, then such registration shall be effected on such other form.

(c) EXPENSES. The Company will pay all Registration Expenses in connection with the first ten (10) registrations of each class or series of Registrable Securities pursuant to this Section 3 upon the written request of any of the Holders, PROVIDED that, for purposes hereof, a request to register Ordinary Shares into which a convertible security is convertible in conjunction with a registration of such convertible security shall be deemed to be one request for registration of a class or series of Registrable Securities. All expenses for any subsequent registrations of Registrable Securities pursuant to this Section 3 shall be paid pro rata by the Company and all other Persons (including the Holders) participating in such registration on the basis of the relative number of Ordinary Shares of each such Person whose Registrable Securities are included in such registration.

(d) EFFECTIVE REGISTRATION STATEMENT. A registration requested pursuant to this Section 3 will not be deemed to have been effected unless it has become effective and all of the Registrable Securities registered thereunder have been sold; PROVIDED that if, within 180 days after it has become effective, the offering of Registrable Securities pursuant to such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court, such registration will be deemed not to have been effected.

(e) SELECTION OF UNDERWRITERS. If a requested registration pursuant to this Section 3 involves an underwritten offering, the Holders of a majority of the shares of Registrable Securities which are held by Holders and which the Company has been requested to register shall have the right to select the investment banker or bankers and managers to administer the offering; PROVIDED, HOWEVER, that such investment banker or bankers and managers shall be reasonably satisfactory to the Company.

(f) PRIORITY IN REQUESTED REGISTRATIONS. If a requested registration pursuant to this Section 3 involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of securities requested to be included in such registration (including securities of the Company which are not Registrable Securities) exceeds the number which can be sold in such offering without having an adverse effect, the Company will include in such registration only the Registrable Securities and securities of the same Class held by Other Holders requested to be included in such registration. In the event that the number of Registrable Securities and securities of the same Class held by Other Holders requested to be included in such registration exceeds the number which, in the opinion of such managing underwriter, can be sold, the number of such Registrable Securities and securities of the same Class held by Other Holders to be included in such registration shall be allocated pro rata among all requesting Holders and Other Holders on the basis of the relative number of shares of

Registrable Securities and securities of the same Class held by Other Holders then held by each such Holder and Other Holder (provided that any shares thereby allocated to any such Holder or Other Holder that exceed such Holder's or Other Holder's request shall be reallocated among the remaining requesting Holders and Other Holders in like manner). In the event that the number of Registrable Securities and securities of the same Class held by Other Holders requested to be included in such registration is less than the number which, in the opinion of the managing underwriter, can be sold, the Company may include in such registration the securities the Company proposes to sell up to the number of securities that, in the opinion of the underwriter, can be sold without having an adverse effect.

(g) ADDITIONAL RIGHTS. If the Company at any time grants to any other holders of Ordinary Shares any rights to request the Company to effect the registration under the Securities Act of any such Ordinary Shares on terms more favorable to such holders than the terms set forth in this Section 3, the terms of this Section 3 shall be deemed amended or supplemented to the extent necessary to provide the Holders such more favorable rights and benefits.

4. REGISTRATION PROCEDURES. If and whenever the Company is required to use its best efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, the Company will, as expeditiously as possible:

(i) prepare and, in any event within 90 days after the end of the period within which a request for registration may be given to the Company, file and in the case of ADSs, cause to be filed with the SEC a registration statement or statements, if necessary, with respect to such Registrable Securities and use its best efforts to cause such registration statement or statements to become effective, PROVIDED, HOWEVER, that the Company may discontinue any registration of its securities which is being effected pursuant to Section 2 at any time prior to the effective date of the registration statement relating thereto;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement or statements and the prospectus used in connection therewith as may be necessary to keep such registration statement or statements effective for a period not in excess of 270 days and to comply with the provisions of the Securities Act, the Exchange Act and the rules and regulations of the SEC thereunder with respect to the disposition of all securities covered by such registration statement during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement or statements; PROVIDED that before filing a registration statement or prospectus, or any amendments or supplements thereto, the Company will furnish to counsel selected pursuant to Section 7 hereof by the Holders of the Registrable Securities covered by such registration statement to represent such Holders, copies of all documents proposed to be filed, which documents will be subject to the review of such counsel;

(iii) furnish to each seller of such Registrable Securities such number of copies of such registration statement or statements and of each amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), such number of copies of the prospectus included

in such registration statement or statements (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities by such seller;

(iv) use its best efforts to register or qualify such Registrable Securities covered by such registration in such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller, except that the Company shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this clause (iv), it would not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(v) use its best efforts to cause such Registrable Securities covered by such registration statement or statements to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(vi) promptly notify each seller of any such Registrable Securities covered by such registration statement, at any time when a prospectus relating thereto is required to be delivered under the Securities Act within the appropriate period mentioned in clause (ii) of this Section 4, of the Company's becoming aware that the prospectus included in such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller, promptly prepare and furnish to such seller a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(vii) otherwise use its best efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than eighteen months) after the effective date of the registration statement, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(viii) (A) if such Registrable Securities are Ordinary Shares or ADSs representing Ordinary Shares (including Ordinary Shares issuable upon conversion of a convertible security), use its best efforts to list such Registrable Securities on any securities exchange on which the Ordinary Shares or ADS representing Ordinary Shares are then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange; (B) if such Registrable Securities are

convertible securities, upon the reasonable request of sellers of a majority of shares of such Registrable Securities, use its best efforts to list the convertible securities and, if requested, the Ordinary Shares underlying the convertible securities, notwithstanding that at the time of request such sellers hold only convertible securities, on any securities exchange so requested, if such Registrable Securities are not already so listed, and if such listing is then permitted under the rules of such exchange; and (C) use its best efforts to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(ix) enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other persons in addition to, or in substitution for the provisions of Section 5 hereof, and take such other actions as sellers of a majority of shares of such Registrable Securities or the underwriters, if any, reasonably requested in order to expedite or facilitate the disposition of such Registrable Securities;

(x) if requested by Holders of a majority of such Registrable Securities, enter into a deposit agreement in customary form for the creation of ADSs representing Ordinary Shares and take all other actions as Holders of a majority of such Registrable Securities reasonably requests in order to facilitate the creation and issuance of such ADSs; PROVIDED that after ADSs representing Ordinary Shares have been created, the Company shall only be required pursuant to this clause (x) to create additional ADSs representing the same number of Ordinary Shares per ADS as the ADSs that previously were created and issued;

(xi) obtain a "cold comfort" letter or letters from the Company's independent public accounts in customary form and covering matters of the type customarily covered by "cold comfort" letters as the seller or sellers of a majority of shares of such Registrable Securities shall reasonably request;

(xii) make available for inspection by any seller of such Registrable Securities covered by such registration statement or statements, by any underwriter participating in any disposition to be effected pursuant to such registration statement or statements, by any depositary with respect to Registrable Securities covered by such registration statement or statements and by any attorney, accountant or other agent retained by any such seller or any such underwriter or depositary, all pertinent financial and other records, pertinent corporate documents and properties of the Company, and cause all of the Company's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement or statements;

(xiii) notify counsel (selected pursuant to Section 7 hereof) for the Holders of Registrable Securities included in such registration statement or statements and the managing underwriter or agent, immediately, and confirm the notice in writing (i) when the registration statement or statements, or any post-effective amendment thereto, shall have become effective, or any supplement to the prospectus or any amendment

prospectus shall have been filed, (ii) of the receipt of any comments from the SEC, (iii) of any request of the SEC to amend the registration statement or amend or supplement the prospectus or for additional information, and (iv) of the issuance by the SEC of any stop order suspending the effectiveness of the registration statement or statements or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of the registration statement or statements for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(xiv) make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of the registration statement or statements or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to obtain the withdrawal of any such order at the earliest possible moment;

(xv) if requested by the managing underwriter or agent or any Holder of Registrable Securities covered by the registration statement or statements, promptly incorporate and, in the case of ADSs, promptly cause to be incorporated in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, without limitation, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make and, in the case of ADSs, cause to be made all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(xvi) cooperate with the Holders of Registrable Securities covered by such registration statement or statements and the managing underwriter or agent or depositary, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing the securities to be sold under the registration statement or statements, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent, if any, or such Holders may request;

(xvii) obtain for delivery to the Holders of Registrable Securities being registered and to the underwriter or agent or depositary an opinion or opinions from counsel for the Company in customary form and in form, substance and scope reasonably satisfactory to such Holders, underwriters or agents or depositary and their counsel; and

(xviii) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD.

The Company may require each seller of Registrable Securities as to which any registration is being effected to furnish the Company with such information regarding such seller and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as the Company may from time to time reasonably request in writing.

Each Holder of Registrable Securities agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in clause (vi) of this Section 4, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by clause (vi) of this Section 4, and, if so directed by the Company, such Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event the Company shall give any such notice, the period mentioned in clause (ii) of this Section 4 shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to clause (vi) of this Section 4 and including the date when each seller of Registrable Securities covered by such registration statement shall have received the copies of the supplemented or amended prospectus contemplated by clause (vi) of this Section 4.

5. INDEMNIFICATION. (a) INDEMNIFICATION BY THE COMPANY. In the event of any registration of any securities of the Company under the Securities Act pursuant to Section 2 or 3, the Company will, and it hereby does, indemnify and hold harmless, to the extent permitted by law, the seller of any Registrable Securities covered by any such registration statement, each affiliate of such seller and their respective directors and officers or general and limited partners or members or managing members (including any director, officer, affiliate, employee, agent and controlling Person of any of the foregoing), each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (collectively, the "INDEMNIFIED PARTIES"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Indemnified Party is a party thereto) arise out of or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and the Company will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by it in connection with investigating or defending against any such loss, claim, liability, action or proceeding; PROVIDED that the Company shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in such registration statement or amendment or

supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller specifically stating that it is for use in the preparation thereof. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any Indemnified Party and shall survive the transfer of such securities by such seller.

(a) INDEMNIFICATION BY THE SELLER. The Company may require, as a condition to including any Registrable Securities in any registration statement filed in accordance with Section 4 herein, that the Company shall have received an undertaking reasonably satisfactory to it from the prospective seller of such Registrable Securities or any underwriter to indemnify and hold harmless (in the same manner and to the same extent as set forth in subdivision (a) of this Section 5) the Company and all other prospective sellers with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Company or any of the prospective sellers, or any of their respective affiliates, directors, officers or controlling Persons and shall survive the transfer of such securities by such seller. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(b) NOTICES OF CLAIMS, ETC. Promptly after receipt by an Indemnified Party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 5, such Indemnified Party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; PROVIDED that the failure of the Indemnified Party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the preceding subdivisions of this Section 5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof, the giving

by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(d) CONTRIBUTION. If the indemnification provided for in this Section 5 from the indemnifying party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or Indemnified Parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 5(d) as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(e) OTHER INDEMNIFICATION. Indemnification similar to that specified in the preceding subdivisions of this Section 5 (with appropriate modifications) shall be given by the Company and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

(f) NON-EXCLUSIVITY. The obligations of the parties under this Section 5 shall be in addition to any liability which any party may otherwise have to any other party.

6. RULE 144. The Company covenants that it will file the reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Holder of Registrable Securities, make publicly available such information), and it will take such further action as any Holder of Registrable Securities may reasonably request, all to the extent required from time to time to enable such Holder to sell shares of Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such Rule may be amended from time to time, or (ii) any similar rule or regulation hereafter adopted by the SEC. Upon the request of any

Holder of Registrable Securities, the Company will deliver to such Holder a written statement as to whether it has complied with such requirements. Notwithstanding anything contained in this Section 6, the Company may de-register under Section 12 of the Exchange Act if it then is permitted to do so pursuant to the Exchange Act and the rules and regulations thereunder and, in such circumstances, shall not be required hereby to file any reports which may be necessary in order for Rule 144 or any similar rule or regulation to be available.

7. SELECTION OF COUNSEL. In connection with any registration of Registrable Securities pursuant to Sections 2 and 3 hereof, the Holders of a majority of the Registrable Securities covered by any such registration may select one U.S. counsel to represent all Holders of Registrable Securities covered by such registration, and to the extent necessary, one U.K. counsel; PROVIDED, HOWEVER, that in the event that any counsel selected as provided above is also acting as counsel to the Company in connection with such registration, the remaining Holders shall be entitled to select one additional U.S. or U.K. counsel, as applicable, to represent all such remaining Holders.

8. MISCELLANEOUS. (a) OTHER INVESTORS. The Company may enter into agreements with other holders and purchasers of Ordinary Shares who are then employees of the Company (or its successor) or any of its subsidiaries, making them parties hereto (and thereby giving them all, or a portion, of the rights, preferences and privileges of an original party hereto) with respect to additional Ordinary Shares (the "SUPPLEMENTAL AGREEMENTS"); provided, however, that pursuant to any such Supplemental Agreement, such holder or purchaser expressly agrees to be bound by all of the terms, conditions and obligations of this Agreement as if such holder or purchaser were an original party hereto. All Ordinary Shares issued or issuable pursuant to such Supplemental Agreements shall be deemed to be Registrable Securities.

(a) HOLDBACK AGREEMENT. If any such registration shall be in connection with an underwritten public offering, each Holder of Registrable Securities agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any equity securities of the Company, or of any security convertible into or exchangeable or exercisable for any equity security of the Company (in each case, other than as part of such underwritten public offering), within 7 days before or such period not to exceed 60 days as the underwriting agreement may require (or such lesser period as the managing underwriters may permit) after the effective date of such registration (except as part of such registration), and the Company hereby also so agrees and agrees to cause each other holder of any equity security, or of any security convertible into or exchangeable or exercisable for any equity security, of the Company purchased from the Company (at any time other than in a public offering) to so agree. This Section 8(b) is in addition to, and shall not be deemed to be in limitation of, the obligations which any party to a Management and Employee Stockholders' and Subscription Agreement with the Company may have under Section3(e) thereof.

(b) AMENDMENTS AND WAIVERS. This Agreement may be amended and the Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of the Holders of a majority of the Registrable Securities then outstanding; PROVIDED, HOWEVER, that no amendment, waiver or consent to the departure

from the terms and provisions of this Agreement that is adverse to Profit Sharing or any of its respective successors and assigns shall be effective as against any such Person for so long as such Person holds any Registrable Securities unless consented to in writing by such Person. Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 8(c), whether or not such Registrable Securities shall have been marked to indicate such consent.

(c) SUCCESSORS, ASSIGNS AND TRANSFEREES. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Company shall also be for the benefit of and enforceable by any subsequent Holder of any Registrable Securities, subject to the provisions contained herein. Without limitation to the foregoing, in the event that Profit Sharing distributes or otherwise transfers any shares of the Registrable Securities to any of its present or future general or limited partners, the Company hereby acknowledges that the registration rights granted pursuant to this Agreement shall be transferred to such partner or partners on a pro rata basis, and that at or after the time of any such distribution or transfer, any such partner or group of partners may designate a Person to act on its behalf in delivering any notices or making any requests hereunder.

(d) NOTICES. All notices and other communications provided for hereunder shall be in writing and shall be sent by first class mail, telex, telecopier or hand delivery:

(i) (A) if to the Company, to:

TA I Limited
c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
Suite 4200
New York, New York 10019
Attention: Perry Golkin

(ii) if to Profit Sharing, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
Suite 4200
New York, New York 10019
Attention: Perry Golkin

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq

and:

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ
Attention: Daniel Kossoff and Robin Tremaine

(iii) if to any other holder of Registrable Securities, to the address of such other holder as shown in the stock record book of the Company, or to such other address as any of the above shall have designated in writing to all of the other above.

All such notices and communications shall be deemed to have been given or made (1) when delivered by hand, (2) five business days after being deposited in the mail, postage prepaid, (3) when telexed answer-back received or (4) when telecopied, receipt acknowledged.

(e) DESCRIPTIVE HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

(f) SEVERABILITY. In the event that any one or more of the provisions, paragraphs, words, clauses, phrases or sentences contained herein, or the application thereof in any circumstances, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision, paragraph, word, clause, phrase or sentence in every other respect and of the remaining provisions, paragraphs, words, clauses, phrases or sentences hereof shall not be in any way impaired, it being intended that all rights, powers and privileges of the parties hereto shall be enforceable to the fullest extent permitted by law.

(g) COUNTERPARTS. This Agreement may be executed in counterparts, and by different parties on separate counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

(h) GOVERNING LAW; SUBMISSION TO JURISDICTION. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of New York applicable to contracts made and to be performed therein. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement.

(i) SPECIFIC PERFORMANCE. The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, it is agreed that they shall be entitled to an injunction or injunctions to prevent breaches of the provision of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction in the United States or any state thereof, in addition to any other remedy to which they may be entitled at law or in equity.

(j) LIMITED LIABILITY OF PARTNERS. Notwithstanding any other provision of this Agreement, neither the general partner nor any future general of Profit Sharing shall have any personal liability for performance of any obligation of Profit Sharing under this Agreement.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be duly executed on its behalf as of the date first written above.

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: KKR 1996 Fund (Overseas), Limited Partnership, as its general partner

By: KKR Associates II (1996), Limited Partnership, its General Partner

By: KKR 1996 Overseas Limited, its general partner

By: /s/ Perry Golkin
---
Authorized Signatory

TA I LIMITED

By: /s/ Scott Nuttal
---
Authorized Signatory

Exhibit 4.3

# AMENDMENT
# TO THE
# REGISTRATION RIGHTS AGREEMENT

This amendment, dated as of May 8, 2001 (this "AMENDMENT"), to the Registration Rights Agreement (as defined below) is made by and among TA I Limited, a limited liability company organized under the laws of England and Wales ("TA I"), Profit Sharing (Overseas), Limited Partnership, an Alberta, Canada Limited Partnership ("PROFIT SHARING") and Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda ("WILLIS HOLDINGS").

W I T N E S S E T H

WHEREAS, Profit Sharing, which is controlled by KKR 1996 Fund (Overseas), Limited Partnership, and the non-management shareholders of TA I have determined to exchange, directly or indirectly, their interests in TA I for equivalent interests in Willis Holdings in order to facilitate certain potential transactions, including a potential initial public offering of shares in Willis Holdings in the United States; and

WHEREAS, in connection with Willis Holdings' exchange offer, it is necessary to amend, and the parties hereto desire to amend, certain provisions of the Registration Rights Agreement to reflect the substitution of Willis Holdings for TA I as the entity in which equity interests are held.

NOW, THEREFORE, the parties hereto agree as follows:

## ARTICLE I
## DEFINITIONS

SECTION 1.1. DEFINITIONS.

(a) "REGISTRATION RIGHTS AGREEMENT" means the Registration Rights Agreement, dated as of December 18, 1998, by and between TA I and Profit Sharing.

(b) Unless otherwise expressly defined herein, all defined terms shall have the meanings ascribed thereto in the Registration Rights Agreement.

## ARTICLE II
## AMENDMENTS

SECTION 2.1. REFERENCES TO THE "COMPANY".

(a) Except as expressly set forth herein, the Registration Rights Agreement is hereby amended by deleting the definition of the "Company" contained therein and substituting therefor the following:

"Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda (the "Company")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as what agreements the "Company" or "TA I Limited" may have entered into prior to the date hereof), (i) each and every reference to the "Company" in the Registration Rights Agreement is to be read as a reference to Willis Holdings, (ii) each and every reference to "TA I Limited" in the Registration Rights Agreement is to be read as a reference to Willis Holdings, (iii) Willis Holdings shall be entitled to all rights and privileges enjoyed by the "Company" thereunder, and shall be subject to all liabilities and duties of the "Company" thereunder, and (iv) TA I shall not have any rights or privileges and shall be released from and have no liabilities or duties thereunder.

SECTION 2.2. REFERENCES TO ORDINARY SHARES. The definition of "Ordinary Shares" contained in Section 1 of the Registration Rights Agreement is hereby amended by deleting such definition in its entirety and substituting therefor the following:

"ORDINARY SHARES". The common shares, par value $0.000115 per share, of the Company and its successors."

SECTION 2.3. AMENDMENT TO SECTION 7. Section 7 of the Registration Rights Agreement is hereby amended by (i) replacing the clause that appears immediately prior to the proviso contained therein that reads "one U.K. counsel" with "one U.K. counsel or Bermuda counsel", and (ii) replacing the clause in the proviso that reads "additional U.S. or U.K. counsel" with "additional U.S., U.K. or Bermuda counsel".

SECTION 2.4. AMENDMENT TO SECTION 8(E). Clause (i)(A) of Section 8(e) of the Registration Rights Agreement is hereby amended by deleting such clause in its entirety and substituting therefor the following:

"(i) (A) if to the Company, to it at:

Willis Group Holdings Limited
c/o The Company Secretary
Willis Group Limited
Ten Trinity Square
London EC3P 3AX

with a copy to

Kohlberg Kravis Roberts & Co.
Stirling Square
7 Carlton Gardens
London SW1Y 5AD
ATTENTION: Todd Fisher".

ARTICLE III
MISCELLANEOUS

SECTION 3.1. EFFECTIVE TIME. This Amendment shall become effective as of the date and year first written above.

SECTION 3.2. COUNTERPARTS. This Amendment may be executed simultaneously or in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

SECTION 3.3. CONSTRUCTION AND GOVERNING LAW. This Amendment shall be construed together with, and as part of, the Registration Agreement and shall be governed in all respects by the laws of New York, as such laws are applied to agreements to be performed entirely in such jurisdictions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

TA I LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: /s/ T.A. Fisher
---
Name: T.A. Fisher
Title: Director

WILLIS GROUP HOLDINGS LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

Exhibit 4.4

# REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT dated as of July 21, 1998 among TA I Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 1"), TA II Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 2" and, together with Newco 1, the "ISSUERS"), and each of the holders of Registrable Securities (as defined below) whose names appear on the signature pages hereof (the "PURCHASERS").

## RECITALS

Pursuant to a Share Subscription Agreement dated as of the date hereof among Newco 1, Newco 2 and the Purchasers (the "SUBSCRIPTION AGREEMENT"), the Purchasers have agreed to subscribe for, in the aggregate, 9,666,667 ordinary shares, par value L0.10 per share, of Newco 1 (the "ORDINARY SHARES") and 10,164,693 preferred shares, redemption value $25.00 per share, of Newco 2 (the "PREFERRED SHARES").

Each Issuer desires to provide to the Purchasers and each other Holder rights to registration under the Securities Act (as defined below) of Registrable Securities, on the terms and subject to the conditions set forth herein.

## AGREEMENT

The rights and obligations of the parties to this Agreement shall be conditioned upon the closing of the subscription and issuance of the Ordinary Shares and Preferred Shares pursuant to the Subscription Agreement.

1. DEFINITIONS. As used in this Agreement, the following capitalized terms shall have the following respective meanings:

"ADSs": American Depositary Shares, each representing one or more Ordinary Shares or Preferred Shares and represented by American Depositary Receipts of the relevant Issuer.

"CLASS": the Ordinary Shares or the Preferred Shares, respectively, together with any ADSs representing Ordinary Shares or Preferred Shares, as the case may be.

"DEMAND PARTY": (a) each of the Purchasers and (b) any other Holder or Holders, including, without limitation, any Person that may become an assignee of the rights of any of the Purchasers hereunder; PROVIDED that to be a Demand Party under this clause (b), a Holder or Holders must either individually or in aggregate with all other Holders with whom it is acting together to demand registration own at least 20%, in the case of the first three demands, and 10%, in the case of the final demand, of the total number of Registrable Securities of the Class sought to be registered.

"EXCHANGE ACT": the U.S. Securities Exchange Act of 1934, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall

be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"HOLDER": the Purchasers and any other holder of Registrable Securities (including any direct or indirect transferee of any of the Purchasers who agrees in writing to be bound by the provisions of this Agreement).

"MAJORITY INTEREST": with respect to any registration of shares of a Class, the Holders of a majority of the Registrable Securities of such Class that have been requested to be included and are included in a registration under this Agreement.

"OTHER HOLDERS": any Person that holds securities of the same Class as the Registrable Securities and has rights to have such securities registered under the Securities Act.

"PERSON": any individual, partnership, joint venture, corporation, limited liability company, trust, unincorporated organization or government or any department or agency thereof.

"REGISTRABLE SECURITIES": any Ordinary Shares or Preferred Shares acquired by the Purchasers from the Issuer thereof or any affiliate of the Issuers, or ADSs representing any such securities, and any Ordinary Shares, Preferred Shares or ADSs which may be issued or distributed in respect thereof by way of stock dividend or stock split or other distribution, recapitalization or reclassification. Any particular Registrable Securities that are issued shall cease to be Registrable Securities when (i) a registration statement with respect to the sale by the Holder of such securities shall have become effective under the Securities Act and such securities shall have been disposed of in accordance with such registration statement, (ii) such securities shall have been distributed to the public pursuant to Rule 144 (or any successor provision) under the Securities Act, (iii) such securities shall have been otherwise transferred, new certificates for such securities not bearing a legend restricting further transfer shall have been delivered by the relevant Issuer and subsequent disposition of such securities shall not require registration or qualification of such securities under the Securities Act or any state securities or blue sky law then in force, or (iv) such securities shall have ceased to be outstanding.

"REGISTRATION EXPENSES": any and all expenses incident to performance of or compliance with this Agreement, including, without limitation, (i) all SEC and stock exchange or National Association of Securities Dealers, Inc. (the "NASD") registration and filing fees (including, if applicable, the fees and expenses of any "qualified independent underwriter," as such term is defined in Schedule E to the By-laws of the NASD, and of its counsel), (ii) all fees and expenses of complying with securities or blue sky laws (including fees and disbursements of counsel for the underwriters in connection with blue sky qualifications of the Registrable Securities), (iii) all printing, messenger and delivery expenses, (iv) all fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange pursuant to clause (viii) of Section 4 and, in the case of Preferred Shares or ADSs representing Preferred Shares, all

rating agency fees incurred in connection with obtaining a rating thereof, (v) the fees and disbursements of counsel for the Issuer and of its independent public accountants, including the expenses of any special audits and/or "cold comfort" letters required by or incident to such performance and compliance, (vi) the reasonable fees and disbursements of counsel selected pursuant to Section 6 in connection with each such registration, (vii) all fees and disbursements of underwriters customarily paid by the issuers or sellers of securities, including liability insurance if the relevant Issuer so desires or if the underwriters so require, and the reasonable fees and expenses of any special experts retained in connection with the requested registration, but excluding underwriting discounts and commissions and transfer taxes, if any, (viii) all fees and expenses incurred in connection with the creation of ADSs, including the reasonable fees and disbursements of the depositary for such ADSs that the relevant Issuer, and not the depositary, is required to pay, and (ix) other reasonable out-of-pocket expenses of the Holders (PROVIDED that such expenses shall not include expenses of counsel other than those provided for in clause (vi) above).

"SECURITIES ACT": the U.S. Securities Act of 1933, as amended, or any similar federal statute then in effect, and a reference to a particular section thereof shall be deemed to include a reference to the comparable section, if any, of any such similar federal statute.

"SEC": the U.S. Securities and Exchange Commission or any other federal agency at the time administering the Securities Act or the Exchange Act.

2. INCIDENTAL REGISTRATIONS. (a) RIGHT TO INCLUDE REGISTRABLE SECURITIES. If either Issuer at any time after the date hereof proposes to register shares of a Class (or any security which is convertible into or exercisable or exchangeable for shares of such Class) under the Securities Act (other than a registration on Form S-4, F-4 or S-8, or any successor or other forms promulgated for similar purposes), whether or not for sale for its own account, in a manner which would permit registration of Registrable Securities of such Class for sale to the public under the Securities Act, such issuer will, at each such time, give prompt written notice to all Holders of its Registrable Securities of such Class of its intention to do so and of such Holders' rights under this Section 2. Upon the written request of any such Holder made within 15 days after the receipt of any such notice (which request shall specify the Registrable Securities of such Class intended to be disposed of by such Holder), the relevant Issuer will use its reasonable efforts to effect the registration under the Securities Act of all Registrable Securities of such Class which it has been so requested to register by the Holders thereof, to the extent requisite to permit the disposition of such Registrable Securities so to be registered; PROVIDED that:

(i) if, at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the relevant Issuer shall determine for any reason not to proceed with the proposed registration of the securities, if any, to be sold by it, such Issuer may, at its election, give written notice of such determination to each Holder of Registrable Securities of such Class and, thereupon, shall be relieved of its obligation to register any Registrable Securities of such Class in connection with such registration (but not from its obligation to pay the Registration Expenses in connection therewith), and

(ii) if such registration involves an underwritten offering by the relevant Issuer, all Holders requesting to be included in such registration as provided herein must sell their Registrable Securities to the underwriters selected by the relevant Issuer on the same terms and conditions as apply to such Issuer, with such differences, including any with respect to indemnification and liability insurance, as may be customary or appropriate in combined primary and secondary offerings.

If a registration requested pursuant to this Section 2(a) involves an underwritten public offering, any Holder requesting to be included in such registration may elect, in writing prior to the effective date of the registration statement filed in connection with such registration, not to register such securities in connection with such registration.

(b) EXPENSES. The relevant Issuer will pay all Registration Expenses in connection with each registration of Registrable Securities requested pursuant to this Section 2.

(c) PRIORITY IN INCIDENTAL REGISTRATIONS. If a registration pursuant to this Section 2 involves an underwritten offering and the managing underwriter advises the relevant Issuer in writing that, in its opinion, the number of securities to be included in such registration exceeds the number which can be sold in such offering so as to be reasonably likely to have an adverse effect on the price, timing or distribution of the securities offered in such offering, then the relevant Issuer will include in such registration (i) first, 100% of the securities, if any, such Issuer proposes to sell and (ii) second, the number of Registrable Securities and securities of the same Class as the Registrable Securities which the Holders and Other Holders, as the case may be, have requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, such amount to be allocated pro rata among all requesting Holders and Other Holders on the basis of the relative number of Registrable Securities of the Class being registered and securities of such Class then held by each such Holder and Other Holder (provided that any shares thereby allocated to any such Holder or Other Holder that exceed such Holder's or Other Holder's request will be reallocated among the remaining requesting Holders and Other Holders in like manner).

3. REGISTRATION ON REQUEST. (a) REQUEST BY A DEMAND PARTY. Upon the written request of any Demand Party at any time beginning 180 days after an initial public offering in the United States of Ordinary Shares pursuant to a registration statement that has been declared effective under the Securities Act (the Demand Party making such written request, the "INITIATING DEMAND PARTY") requesting that the relevant Issuer effect the registration under the Securities Act of all or part of such Initiating Demand Party's Registrable Securities and specifying the Class of Registrable Securities and the amount and intended method of disposition thereof, the relevant Issuer of such Registrable Securities will promptly give written notice of such requested registration to all other Holders of Registrable Securities of such Class and to all Other Holders of securities of such Class, and thereupon will, as expeditiously as possible, use its reasonable efforts to effect the registration under the Securities Act of:

(i) such Registrable Securities which such Issuer has been so requested to register by the Initiating Demand Party (and, if such request includes ADSs,

the Ordinary Shares or Preferred Shares, as the case may be, represented by such ADSs); and

(ii) all other Registrable Securities of the same Class and securities of such Class as those that are to be registered at the request of the Initiating Demand Party and which such Issuer has been requested to register by any other Holder and any Other Holder by written request given to such Issuer within 15 days after the giving of such written notice by such Issuer (which request shall specify the amount and intended method of disposition of such Registrable Securities and securities of such Class),

all to the extent necessary to permit the disposition (in accordance with the intended method thereof as aforesaid) of the Registrable Securities and securities of such Class to be so registered; PROVIDED that:

(A) neither Issuer shall be obligated to effect any registration of Registrable Securities under this Section 3(a) unless the Demand Party requests that such Issuer register at least 20% in the case of the first three demands, and 10% in the case of the final demand, of the total number of Registrable Securities of the applicable Class; and

(B) neither Issuer shall be obligated to effect any registration of Registrable Securities under this Section 3(a) at the request of a Demand Party after a total of four registrations of Registrable Securities shall have been effected by the Issuers at the request of Demand Parties;

and, PROVIDED, FURTHER, that the Issuer of such Class shall not be obligated to file a registration statement relating to any registration request under this Section 3(a):

(x) within a period of six months after the effective date of any other registration statement relating to any registration request under this Section 3(a) which was not effected on Form S-3 or Form F-3 (or any successor or similar short-form registration statement) or relating to any registration effected under Section 2;

(y) if with respect thereto the managing underwriter, the SEC, the Securities Act or the rules and regulations thereunder, or the form on which the registration statement is to be filed, would require the conduct of an audit other than the regular audit conducted by the Issuer at the end of its fiscal year, in which case the filing may be delayed until the completion of such regular audit; or

(z) if such Issuer is in possession of material non-public information and the Board of Directors of such Issuer determines in good faith that disclosure of such information would not be in the best interests of such Issuer and its shareholders, in which case the filing of the registration statement may be delayed until the earlier of the second business day after such conditions shall have ceased to exist and the 90th day after receipt by such Issuer of the written request from a Demand Holder to register Registrable Securities under this Section 3(a).

(b) REGISTRATION STATEMENT FORM. If any registration requested pursuant to this Section 3 which is proposed by the relevant Issuer to be effected by the filing of a registration

statement on Form S-3 or Form F-3 (or any successor or similar short-form registration statement) shall be in connection with an underwritten public offering, and if the managing underwriter shall advise such Issuer in writing that, in its opinion, the use of another form of registration statement is of material importance to the success of such proposed offering, then such registration shall be effected on such other form.

(c) EXPENSES. The relevant Issuer will pay all Registration Expenses in connection with a total of up to four registrations of Registrable Securities under this Section 3 upon the request of a Demand Party. All expenses for any subsequent registrations of Registrable Securities pursuant to this Section 3 shall be paid pro rata by the relevant Issuer and all other Persons (including the Holders) participating in such registration on the basis of the relative number of shares of the applicable Class of each such Person whose securities are included in such registration.

(d) EFFECTIVE REGISTRATION STATEMENT. A registration requested pursuant to this Section 3 will not be deemed to have been effected unless it has become effective; PROVIDED that if, within 180 days after it has become effective, the offering of Registrable Securities pursuant to such registration is interfered with by any stop order, injunction or other order or requirement of the SEC or other governmental agency or court, such registration will be deemed not to have been effected.

(e) SELECTION OF UNDERWRITERS. If a requested registration pursuant to this Section 3 involves an underwritten offering, the relevant Issuer shall have the right to select the investment banker or bankers and managers to administer the offering; PROVIDED, HOWEVER, that such investment banker or bankers and managers shall be reasonably satisfactory to a Majority Interest of the applicable Class.

(f) PRIORITY IN REQUESTED REGISTRATIONS. If a requested registration pursuant to this Section 3 involves an underwritten offering and the managing underwriter advises the relevant Issuer in writing that, in its opinion, the number of securities requested to be included in such registration (including securities of such Issuer which are not Registrable Securities) exceeds the number which can be sold in such offering without a reasonable likelihood of an adverse effect on the price, timing or distribution of the securities offered in such offering, then such Issuer will include in such registration only the Registrable Securities requested to be included in such registration. If the number of Registrable Securities requested to be included in such registration and securities of Other Holders requested to be included in such registration exceeds the number which, in the opinion of such managing underwriter, can be sold in such offering without a reasonable likelihood of an adverse effect on the price, timing or distribution of the securities offered in such offering, then the number of such Registrable Securities and securities of Other Holders to be included in such registration shall be allocated first, to the requesting Holders and, second, to the Other Holders on the basis of the relative number of Registrable Securities and securities of Other Holders, as the case may be, requested to be included in such registration of the applicable Class then held by each such Holder and Other Holder (PROVIDED that any shares thereby allocated to any such Holder or Other Holder that exceed such Holder's request shall be reallocated among the remaining requesting Holders and Other Holders in like manner). If the number of Registrable Securities requested to be included in such registration and securities of Other Holders requested to be included in such registration

is less than the number which, in the opinion of the managing underwriter, can be sold without the adverse effect referred to above, the relevant Issuer may include in such registration securities of the same Class up to the number of such securities that, in the opinion of the underwriter, can be sold without having such adverse effect.

4. REGISTRATION PROCEDURES. If and whenever an Issuer is required to use its reasonable efforts to effect or cause the registration of any Registrable Securities under the Securities Act as provided in this Agreement, such Issuer shall, as expeditiously as possible:

(i) prepare and, in any event within 90 days, file and, in the case of ADSs, cause to be filed with the SEC a registration statement or statements, if necessary, covering such Registrable Securities and use its best efforts to cause such registration statement or statements to become effective; PROVIDED that such Issuer may discontinue any registration of its securities which is being effected pursuant to Section 2 at any time prior to the effective date of the registration statement relating thereto;

(ii) prepare and file with the SEC such amendments and supplements to such registration statement or statements and the prospectus used in connection therewith as may be necessary to keep such registration statement or statements effective for a period not in excess of 270 days and to comply with the provisions of the Securities Act, the Exchange Act and the rules and regulations of the SEC thereunder with respect to the disposition of all securities covered by such registration statement or statements during such period in accordance with the intended methods of disposition by the seller or sellers thereof set forth in such registration statement or statements; PROVIDED that before filing a registration statement or prospectus, or any amendments or supplements thereto, such Issuer will furnish to counsel selected pursuant to Section (6) hereof by the Holders of the Registrable Securities covered by such registration statement to represent such Holders, copies of all documents proposed to be filed, which documents will be subject to the review of such counsel;

(iii) furnish to each seller of such Registrable Securities such number of copies of such registration statement or statements and of each amendment and supplement thereto (in each case including all exhibits filed therewith, including any documents incorporated by reference), such number of copies of the prospectus included in such registration statement or statements (including each preliminary prospectus and summary prospectus), in conformity with the requirements of the Securities Act, and such other documents as such seller may reasonably request in order to facilitate the disposition of the Registrable Securities by such seller;

(iv) use its reasonable efforts to register or qualify such Registrable Securities covered by such registration in such jurisdictions as each seller shall reasonably request, and do any and all other acts and things which may be reasonably necessary or advisable to enable such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller, except that such Issuer shall not for any such purpose be required to qualify generally to do business as a foreign corporation in any jurisdiction where, but for the requirements of this clause (iv), it would

not be obligated to be so qualified, to subject itself to taxation in any such jurisdiction or to consent to general service of process in any such jurisdiction;

(v) use its reasonable efforts to cause such Registrable Securities covered by such registration statement or statements to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof to consummate the disposition of such Registrable Securities;

(vi) promptly notify each seller of such Registrable Securities covered by such registration statement or statements at any time when a prospectus relating thereto is required to be delivered under the Securities Act within the appropriate period mentioned in clause (ii) of this Section 4, of such Issuer's becoming aware that the prospectus included in any such registration statement, as then in effect, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing, and at the request of any such seller, promptly prepare and furnish to such seller a reasonable number of copies of an amended or supplemental prospectus as may be necessary so that, as thereafter delivered to the purchasers of such Registrable Securities, such prospectus shall not include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading in the light of the circumstances then existing;

(vii) otherwise use its reasonable efforts to comply with all applicable rules and regulations of the SEC, and make available to its security holders, as soon as reasonably practicable (but not more than eighteen months) after the earliest effective date of the registration statement or statements, an earnings statement which shall satisfy the provisions of Section 11(a) of the Securities Act and the rules and regulations promulgated thereunder;

(viii) (A) use its reasonable efforts to list such Registrable Securities on any securities exchange on which the Ordinary Shares or ADSs representing Ordinary Shares are then listed if such Registrable Securities are not already so listed and if such listing is then permitted under the rules of such exchange and (B) use its reasonable efforts to provide a transfer agent and registrar for such Registrable Securities covered by such registration statement not later than the effective date of such registration statement;

(ix) enter into such customary agreements (including an underwriting agreement in customary form), which may include indemnification provisions in favor of underwriters and other persons in addition to, or in substitution for the provisions of Section 5 hereof, and take such other actions as the seller or sellers of a Majority Interest of such Registrable Securities or the underwriters, if any, reasonably request in order to expedite or facilitate the disposition of such Registrable Securities;

(x) if requested by a Majority Interest of such Registrable Securities, enter into a deposit agreement in customary form for the creation of ADSs representing Ordinary Shares or Preferred Shares, as the case may be, and take all other actions as a Majority Interest of such Registrable Securities reasonably requests in order to facilitate

the creation and issuance of such ADSs; PROVIDED that after ADSs representing Ordinary Shares or Preferred Shares, as the case may be, have been created, such Issuer shall only be required pursuant to this clause (x) to create additional ADSs representing the same number of Ordinary Shares or Preferred Shares, as the case may be, per ADS as the ADSs that previously were created and issued;

(xi) obtain a "cold comfort" letter or letters from its independent public accounts in customary form and covering matters of the type customarily covered by "cold comfort" letters as the seller or sellers of a Majority Interest of such Registrable Securities shall reasonably request;

(xii) make available for inspection by any seller of such Registrable Securities covered by such registration statement or statements, by any underwriter participating in any disposition to be effected pursuant to such registration statement or statements, by any depositary with respect to Registrable Securities covered by such registration statement or statements and by any attorney, accountant or other agent retained by any such seller or any such underwriter or depositary, all pertinent financial and other records, pertinent corporate documents and properties of such Issuer, and cause all of such Issuer's officers, directors and employees to supply all information reasonably requested by any such seller, underwriter, attorney, accountant or agent in connection with such registration statement or statements;

(xiii) notify counsel (selected pursuant to Section 6 hereof) for the Holders of Registrable Securities included in such registration statement or statements and the managing underwriter or agent, immediately, and confirm the notice in writing (A) when such registration statement or statements, or any post-effective amendment thereto, shall have become effective, or any supplement to any prospectus or any amendment to any prospectus shall have been filed, (B) of the receipt of any comments from the SEC, (C) of any request of the SEC to amend such registration statement or statements or amend or supplement any prospectus or for additional information, and (D) of the issuance by the SEC of any stop order suspending the effectiveness of such registration statement or statements or of any order preventing or suspending the use of any preliminary prospectus, or of the suspension of the qualification of such registration statement or statements for offering or sale in any jurisdiction, or of the institution or threatening of any proceedings for any of such purposes;

(xiv) make every reasonable effort to prevent the issuance of any stop order suspending the effectiveness of such registration statement or statements or of any order preventing or suspending the use of any preliminary prospectus and, if any such order is issued, to obtain the withdrawal of any such order at the earliest possible moment;

(xv) if requested by the managing underwriter or agent or any Holder of Registrable Securities covered by such registration statement or statements, promptly incorporate and, in the case of ADSs, cause to be incorporated in a prospectus supplement or post-effective amendment such information as the managing underwriter or agent or such Holder reasonably requests to be included therein, including, without

limitation, with respect to the number of Registrable Securities being sold by such Holder to such underwriter or agent, the purchase price being paid therefor by such underwriter or agent and with respect to any other terms of the underwritten offering of the Registrable Securities to be sold in such offering; and make and, in the case of ADSs, cause to be made all required filings of such prospectus supplement or post-effective amendment as soon as practicable after being notified of the matters incorporated in such prospectus supplement or post-effective amendment;

(xvi) cooperate with the Holders of Registrable Securities covered by such registration statement or statements and the managing underwriter or agent or depositary, if any, to facilitate the timely preparation and delivery of certificates (not bearing any restrictive legends) representing the securities to be sold under such registration statement or statements, and enable such securities to be in such denominations and registered in such names as the managing underwriter or agent or depositary, if any, or such Holders may request;

(xvii) obtain for delivery to the Holders of Registrable Securities being registered and to the underwriter or agent or depositary, if any, an opinion or opinions from counsel for such Issuer in customary form and in form, substance and scope reasonably satisfactory to such Holders, underwriters or agents or depositary and their counsel; and

(xviii) cooperate with each seller of Registrable Securities and each underwriter or agent participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD.

Each Issuer may require each seller of Registrable Securities as to which any registration is being effected to furnish such Issuer with such information regarding such seller and pertinent to the disclosure requirements relating to the registration and the distribution of such securities as such Issuer may from time to time reasonably request in writing.

Each Holder of Registrable Securities agrees that, upon receipt of any notice from an Issuer of the happening of any event of the kind described in clause (vi) of this Section 4, such Holder will forthwith discontinue disposition of Registrable Securities pursuant to the registration statement or statements covering such Registrable Securities until such Holder's receipt of the copies of the supplemented or amended prospectus contemplated by clause (vi) of this Section 4, and, if so directed by such Issuer, such Holder will deliver to such Issuer (at such Issuer's expense) all copies, other than permanent file copies then in such Holder's possession, of any prospectus covering such Registrable Securities current at the time of receipt of such notice. In the event such Issuer shall give any such notice, the period mentioned in clause (ii) of this Section 4 shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to clause (vi) of this Section 4 and including the date when each seller of Registrable Securities covered by such registration statement or statements shall have received the copies of the supplemented or amended prospectus contemplated by clause (vi) of this Section 4.

5. INDEMNIFICATION. (a) INDEMNIFICATION BY AN ISSUER. In the event of any registration of any securities of an Issuer under the Securities Act pursuant to Section 2 or 3, such Issuer will, and it hereby does, indemnify and hold harmless, to the extent permitted by law, the seller of any Registrable Securities covered by any such registration statement, each affiliate of such seller and their respective directors and officers, each other Person who participates as an underwriter in the offering or sale of such securities and each other Person, if any, who controls such seller or any such underwriter within the meaning of the Securities Act (collectively, the "INDEMNIFIED PARTIES"), against any and all losses, claims, damages or liabilities, joint or several, and expenses (including reasonable attorney's fees and reasonable expenses of investigation) to which such Indemnified Party may become subject under the Securities Act, at common law or otherwise, insofar as such losses, claims, damages or liabilities (or actions or proceedings in respect thereof, whether or not such Indemnified Party is a party thereto) arise out of or are based upon (a) any untrue statement or alleged untrue statement of any material fact contained in any registration statement under which such securities were registered under the Securities Act, any preliminary, final or summary prospectus contained therein, or any amendment or supplement thereto, or (b) any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein (in the case of a prospectus, in light of the circumstances under which they were made) not misleading, and such Issuer will reimburse such Indemnified Party for any legal or any other expenses reasonably incurred by it in connection with investigating or defending against any such loss, claim, liability, action or proceeding; PROVIDED that such Issuer shall not be liable to any Indemnified Party in any such case to the extent that any such loss, claim, damage, liability (or action or proceeding in respect thereof) or expense arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission made in any such registration statement or amendment or supplement thereto or in any such preliminary, final or summary prospectus in reliance upon and in conformity with written information relating to such seller furnished to such Issuer through an instrument duly executed by such seller specifically stating that it is for use in the preparation thereof; and PROVIDED, FURTHER, that such Issuer will not be liable to any Person who participates as an underwriter in the offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act, under the indemnity agreement in this Section 5(a) with respect to any preliminary prospectus or the final prospectus or the final prospectus as amended or supplemented, as the case may be, to the extent that any such loss, claim, damage or liability of such underwriter or controlling Person results from the fact that such underwriter sold Registrable Securities to a person to whom there was not sent or given, at or prior to the written confirmation of such sale, a copy of the final prospectus or of the final prospectus as then amended or supplemented, whichever is most recent, if such Issuer has previously furnished copies thereof to such underwriter. For purposes of the last proviso to the immediately preceding sentence, the term "prospectus" shall not be deemed to include the documents incorporated therein by reference, and no Person who participates as an underwriter in the offering or sale of Registrable Securities or any other Person, if any, who controls such underwriter within the meaning of the Securities Act, shall be obligated to send or give any supplement or amendment to any document incorporated by reference in any preliminary prospectus or the final prospectus to any person other than a person to whom such underwriter had delivered such incorporated document or documents in response to a written request therefor. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of such seller or any Indemnified Party and shall survive the transfer of such securities by such seller.

(a) INDEMNIFICATION BY THE SELLER. An Issuer may require, as a condition to including any Registrable Securities in any registration statement filed in accordance with Section 4 hereof, that such Issuer shall have received an undertaking reasonably satisfactory to it from the prospective seller of such Registrable Securities or any underwriter to indemnify and hold harmless (in the same manner and to the same extent as set forth in Section 5(a)) such Issuer or any of its affiliates, directors, officers or controlling Persons and all other prospective sellers with respect to any untrue statement or alleged untrue statement in or omission or alleged omission from such registration statement, any preliminary, final or summary prospectus contained therein, or any amendment or supplement, if such untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information relating to such seller or underwriter furnished to such Issuer through an instrument duly executed by such seller or underwriter specifically stating that it is for use in the preparation of such registration statement, preliminary, final or summary prospectus or amendment or supplement, or a document incorporated by reference into any of the foregoing. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Issuer or any of the prospective sellers, or any of their respective affiliates, directors, officers or controlling Persons and shall survive the transfer of such securities by such seller. In no event shall the liability of any selling Holder of Registrable Securities hereunder be greater in amount than the dollar amount of the proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(b) NOTICES OF CLAIMS, ETC. Promptly after receipt by an Indemnified Party hereunder of written notice of the commencement of any action or proceeding with respect to which a claim for indemnification may be made pursuant to this Section 5, such Indemnified Party will, if a claim in respect thereof is to be made against an indemnifying party, give written notice to the latter of the commencement of such action; PROVIDED that the failure of the Indemnified Party to give notice as provided herein shall not relieve the indemnifying party of its obligations under the foregoing provisions of this Section 5, except to the extent that the indemnifying party is actually prejudiced by such failure to give notice. In case any such action is brought against an Indemnified Party, unless in such Indemnified Party's reasonable judgment a conflict of interest between such Indemnified Party and indemnifying parties may exist in respect of such claim, the indemnifying party will be entitled to participate in and to assume the defense thereof, jointly with any other indemnifying party similarly notified to the extent that it may wish, with counsel reasonably satisfactory to such Indemnified Party, and after notice from the indemnifying party to such Indemnified Party of its election so to assume the defense thereof, the indemnifying party will not be liable to such Indemnified Party for any legal or other expenses subsequently incurred by the latter in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party will consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof, the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

(c) CONTRIBUTION. If the indemnification provided for in this Section 5 from the indemnifying party is unavailable to an Indemnified Party hereunder in respect of any losses, claims, damages, liabilities or expenses referred to herein, then the indemnifying party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such

Indemnified Party as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying party and Indemnified Parties in connection with the actions which resulted in such losses, claims, damages, liabilities or expenses, as well as any other relevant equitable considerations. The relative fault of such indemnifying party and Indemnified Parties shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such indemnifying party or Indemnified Parties, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party under this Section 5(d) as a result of the losses, claims, damages, liabilities and expenses referred to above shall be deemed to include any legal or other fees or expenses reasonably incurred by such party in connection with any investigation or proceeding.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

(d) OTHER INDEMNIFICATION. Indemnification similar to that specified in the preceding subdivisions of this Section 5 (with appropriate modifications) shall be given by the Issuer of the applicable Class and each seller of Registrable Securities with respect to any required registration or other qualification of securities under any federal or state law or regulation or governmental authority other than the Securities Act.

(e) NON-EXCLUSIVITY. The obligations of the parties under this Section 5 shall be in addition to any liability which any party may otherwise have to any other party.

6. SELECTION OF COUNSEL. In connection with any registration of Registrable Securities pursuant to Sections 2 and 3 hereof, the Holders of a Majority Interest of the Registrable Securities covered by any such registration may select one U.S. counsel to represent all Holders of Registrable Securities covered by such registration, and to the extent necessary, one U.K. counsel.

7. RULE 144. The Issuers hereby covenant with the Holders of Registrable Securities that if and to the extent it shall be required to do so under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder, as the same may be amended and in effect at the time (the "Exchange Act"), the Issuers shall timely file the reports required to be filed by it under the Exchange Act or the Securities Act (including, but not limited to, the reports under Section 13 and 15(d) of the Exchange Act referred to in subparagraph (c)(1) of Rule 144 adopted by the SEC under the Securities Act) and shall take such further action as any Holder of Registrable Securities may reasonably request all to the extent required from time to time to enable such Holder to sell Registrable Securities without registration under the Securities Act within the limitations of the exemption provided by Rule 144 under the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by

the SEC. Upon the request of any Holder of Registrable Securities, the Issuers shall deliver to such Holder a written statement as to whether it has complied with such requirements.

8. HOLDBACK AGREEMENT. (a) If any registration of Registrable Securities shall be in connection with an underwritten public offering, each Holder of Registrable Securities of the applicable Class agrees not to effect any public sale or distribution, including any sale pursuant to Rule 144 under the Securities Act, of any equity securities of the applicable Issuer, or of any security convertible into or exchangeable or exercisable for any equity security of the applicable Issuer (in each case, other than as part of such underwritten public offering), within 7 days before or such period not to exceed 135 days as the underwriting agreement may require (or such lesser period as the managing underwriters may permit) after the effective date of such registration (except as part of such registration), and each Issuer hereby also so agrees and agrees to cause each other holder of any equity security, or of any security convertible into or exchangeable or exercisable for any equity security, of such Issuer purchased from such Issuer or any of its affiliates (at any time other than in a public offering) to so agree.

(a) AMENDMENTS AND WAIVERS. This Agreement may be amended and each Issuer may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if such Issuer shall have obtained the written consent to such amendment, action or omission to act, of a Majority Interest of Registrable Securities of each Class. Each Holder of any Registrable Securities at the time or thereafter outstanding shall be bound by any consent authorized by this Section 7(c), whether or not such Registrable Securities shall have been marked to indicate such consent.

(b) SUCCESSORS, ASSIGNS AND TRANSFEREES. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and permitted assigns. In addition, and whether or not any express assignment shall have been made, the provisions of this Agreement which are for the benefit of the parties hereto other than the Issuers shall also be for the benefit of and enforceable by any subsequent Holder of any Registrable Securities, subject to the provisions contained herein.

(c) NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) as follows (or at such other address for a party as shall be specified in a notice given in accordance with this section):

if to either Issuer, to:

Kohlberg Kravis Roberts & Co.
9 West 57 Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: 212-750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to any Holder, to the address of such other Holder as shown in the stock record book of the applicable Issuer,

or to such other address as any of the above shall have designated in writing to all of the other above.

(d) DESCRIPTIVE HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning of terms contained herein.

(e) SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provisions were so excluded and shall be enforced in accordance with its terms to the maximum extent permitted by law.

(f) COUNTERPARTS. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto.

(g) GOVERNING LAW; SUBMISSION TO JURISDICTION. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

(h) APPOINTMENT OF AGENT FOR SERVICE; WAIVER. Each of Guardian Royal Exchange plc and Royal and Sun Alliance plc, to the fullest extent permitted by applicable law, irrevocably and fully waives the defense of an inconvenient forum to the maintenance of such legal action or proceeding and will hereby irrevocably designate and appoint within ten Business Days of the date hereof CT Corporation (the "AUTHORIZED AGENT"), as its authorized agent upon whom process may be served in any such suit or proceeding. Each such Purchaser represents that it has notified the Authorized Agent of such designation and appointment and that the Authorized Agent has accepted the same in writing. Each such Purchaser hereby irrevocably authorizes and directs its Authorized Agent to accept such service. Each such Purchaser further agrees that service of process upon its Authorized Agent and written notice of said service to such Purchaser mailed by first class mail or delivered to its Authorized Agent shall be deemed in

every respect effective service of process upon such Purchaser in any such suit or proceeding. Nothing herein shall affect the right of any person to serve process in any other manner permitted by law. Each such Purchaser agrees that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner. Notwithstanding the foregoing, any action against any such Purchaser arising out of or based on this Agreement or the transactions contemplated hereby may also be instituted in any competent court in the United Kingdom, and each such Purchaser expressly accepts the jurisdiction of any such court in any such action. Each such Purchaser hereby irrevocably waives, to the extent permitted by law, any immunity to jurisdiction to which it may otherwise be entitled (including, without limitation, immunity to pre-judgment attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or based on this Agreement or the transactions contemplated thereby.

(i) SPECIFIC PERFORMANCE. The parties hereto acknowledge and agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. Accordingly, it is agreed that they shall be entitled to an injunction or injunctions to prevent breaches of the provisions of this Agreement and to enforce specifically the terms and provisions hereof in any court of competent jurisdiction in the United States or any state thereof, in addition to any other remedy to which they may be entitled at law or in equity.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be duly executed on its behalf as of the date first written above.

ISSUERS:

TA I LIMITED

By /s/ Scott Nuttall
---
Name: Scott Nuttall
Title:

TA II LIMITED

By /s/ Scott Nuttall
---
Name: Scott Nuttall
Title:

PURCHASERS:

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

By /s/ Paul Spencer
---
Name: Paul Spencer
Title:

GUARDIAN ROYAL EXCHANGE PLC

By /s/ Cardine Burton
---
Name: Cardine Burton
Title: Executive Director-Investments

THE CHUBB CORPORATION

By /s/ Andrew A. McElwee, Jr.
---
Name: Andrew A. McElwee, Jr.
Title: Senior Vice President

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

By /s/ Brenda J. Furlong
---
Name: Brenda J. Furlong
Title: Senior Vice President

THE TRAVELERS INDEMNITY COMPANY

By /s/ Craig H. Fornsworth
---
Name: Craig H. Fornsworth
Title: Second Vice President

Exhibit 4.5

# AMENDMENT AND ASSUMPTION AGREEMENT

AMENDMENT AND ASSUMPTION AGREEMENT, dated as of November 12, 1998 (this "AGREEMENT"), among TA I Limited, a company organized under the laws of England and Wales ("HOLDINGS"), TA II Limited, a company organized under the laws of England and Wales (the "COMPANY"), Profit Sharing (Overseas), Limited Partnership, an Alberta limited partnership (the "KKR PARTNERSHIP"), Royal & Sun Alliance Insurance Group plc, a company organized under the laws of England and Wales ("PURCHASER 1"), Guardian Royal Exchange plc, a company organized under the laws of England and Wales ("PURCHASER 2"), The Chubb Corporation, a New Jersey corporation ("PURCHASER 3"), The Hartford Financial Services Group, Inc., a Delaware corporation ("PURCHASER 4"), and The Travelers Indemnity Company, a Connecticut corporation ("PURCHASER 5" and, together with Purchaser 1, Purchaser 2, Purchaser 3 and Purchaser 4, the "EXISTING PURCHASERS"), and The Tokio Marine and Fire Insurance Co., Ltd., a Tokyo corporation ("TOKIO MARINE" and, together with the Existing Purchasers, the "PURCHASERS").

RECITALS:

The Existing Purchasers or their nominees subscribed for Ordinary Shares of Holdings and Preferred Shares of the Company pursuant to the Share Subscription Agreement, dated as of July 22, 1998, among Holdings, the Company and the Existing Purchasers. In connection with the Existing Purchasers' subscription for such shares, (i) Holdings, the Company and the KKR Partnership granted the Existing Purchasers certain rights, and the Existing Purchasers agreed to certain restrictions, with respect to such shares pursuant to a Shareholder Rights Agreement, dated as of July 22, 1998 (the "SHAREHOLDER RIGHTS AGREEMENT"), among Holdings, the Company, the KKR Partnership and the Existing Purchasers and (ii) Holdings and the Company granted the Existing Purchasers certain registration rights with respect to their shares pursuant to the Registration Rights Agreement, dated as of July 21, 1998 (the "REGISTRATION RIGHTS AGREEMENT"), among Holdings, the Company and the Existing Purchasers.

Tokio Marine has agreed to subscribe for, and Holdings has agreed to issue to Tokio Marine, 1,000,000 Ordinary Shares of Holdings, and Tokio Marine has agreed to subscribe for, and the Company has agreed to issue to Tokio Marine, 525,760 Preferred Shares of the Company, in each case, pursuant to the Share Subscription Agreement, dated as of the date hereof, among Holdings, the Company and Tokio Marine.

In connection with Tokio Marine's subscription for Ordinary Shares of Holdings and Preferred Shares of the Company, Tokio Marine wishes to become a party to, to have rights under and to be bound by, to the same extent as the Existing Purchasers, the Shareholder Rights Agreement and the Registration Rights Agreement. In connection with Tokio Marine's subscription for Ordinary Shares of Holdings and Preferred Shares of the Company, Holdings, the Company, the KKR Partnership and the Existing Purchasers consent to Tokio Marine becoming a party to, to having rights under and to being bound by, to the same extent as the Existing Purchasers, the Shareholder Rights Agreement and the Registration Rights Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I.

INTRODUCTORY MATTERS

1.1 DEFINED TERMS. Unless otherwise defined herein, terms defined in the Shareholder Rights Agreement are used herein as defined therein.

ARTICLE II.

AMENDMENT OF THE SHAREHOLDER RIGHTS AGREEMENT

2.1 AMENDMENT OF SECTION 3.2 OF SHAREHOLDER RIGHTS AGREEMENT. Section 3.2 of the Shareholder Rights Agreement is hereby amended by revising the first part of clause (ii) thereof to read as follows: "(ii) at least a majority of the aggregate amount of Preferred Shares originally issued to the Purchasers pursuant to (x) the Subscription Agreement dated as of July 22, 1998 and (y) the Subscription Agreement dated as of November 19, 1998 are still held by them at such time"; the remainder of such clause (ii) shall remain as is.

2.2 AMENDMENT OF SECTION 10.7 OF THE SHAREHOLDER RIGHTS AGREEMENT. Section 10.7 of the Shareholder Rights Agreement is hereby amended by adding the following after the address for The Travelers Indemnity Company:

"- and -

The Tokio Marine and Fire Insurance Co., Ltd.
West 17th Floor, Otemachi First Square
5-1 Otemachi 1-Chome
Chiyoda-ku, Tokyo
100-0004 Japan
Attention: Eisuke Shigemura
Telecopy: 813-5223-3542

2.3 AMENDMENT OF SECTION 10.11 OF THE SHAREHOLDER RIGHTS AGREEMENT. Section 10.11 of the Shareholder Rights Agreement, which addressed the possible investment of additional amounts in Holdings or the Company prior to the Offer to Purchase becoming or being declared unconditional, is hereby amended by deleting such Section in its entirety.

2.4 AMENDMENT OF SECTION 10.15(b) OF THE SHAREHOLDER RIGHTS AGREEMENT. Section 10.15(b) of the Shareholder Rights Agreement is hereby amended by deleting the clause "Each of Holdings, the Company, Purchaser 1 and Purchaser 2 (each a "FOREIGN PERSON")" and substituting in lieu thereof the clause "Each of Holdings, the Company, Purchaser 1, Purchaser 2 and Tokio Marine (each a "FOREIGN PERSON")".

ARTICLE III.

AMENDMENT OF REGISTRATION RIGHTS AGREEMENT

3.1 AMENDMENT OF SECTION 8(i) OF THE REGISTRATION RIGHTS AGREEMENT. Section 8(i) of the Registration Rights Agreement is hereby amended by deleting the clause "Each of Guardian Royal Exchange plc and Royal and Sun Alliance plc" and substituting in lieu thereof the clause "Each of Guardian Royal Exchange plc, Royal & Sun Alliance Insurance Group plc and Tokio Marine and Fire Insurance Co., Limited".

ARTICLE IV.

ASSUMPTION OF SHAREHOLDER RIGHTS
AGREEMENT AND REGISTRATION RIGHTS AGREEMENT

4.1 ASSUMPTION. Tokio Marine hereby agrees to become a party to, to have rights under and be bound by, to the same extent as the Existing Purchasers, the Shareholder Rights Agreement and the Registration Rights Agreement (the "ASSUMPTION"), and Holdings, the Company, the KKR Partnership and the Existing Purchasers hereby agree that Tokio Marine may become a party to, have rights under and be bound by, to the same extent as the Existing Purchasers, the Shareholder Rights Agreement and Registration Rights Agreement, and each such party consents to the Assumption.

ARTICLE V.

MISCELLANEOUS

5.1 LIMITED EFFECT. Except as expressly amended or waived hereby, each of the Shareholders Rights Agreement and the Registration Rights Agreement is, and shall remain, in full force and effect in accordance with its terms.

5.2 COUNTERPARTS. This Agreement may be executed by one or more of the parties hereto on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

5.3 GOVERNING LAW. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

TA I LIMITED

By: /s/ Scott Nuttall
---
Title:

TA II LIMITED

By: /s/ Scott Nuttall
---
Title:

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: KKR 1996 Fund (Overseas), Limited Partnership, as its general partner

By: KKR Associates II (1996), Limited Partnership, its general partner

By: KKR 1996 Overseas Limited, its general partner

By: /s/ Perry Gollan
---
Authorized Signatory

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

By: /s/ Paul Spencer
---
Title:

GUARDIAN ROYAL EXCHANGE PLC

By: /s/ Caroline Burton
---
Title: Executive Director-Investments

THE CHUBB CORPORATION

By: /s/ Andrew A. McElwee, Jr.
---
Title: Senior Vice President

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

By: /s/ Brenda J. Furlong
---
Title: Senior Vice President

THE TRAVELERS INDEMNITY COMPANY

By: /s/ Jordan Spitzer
---
Title: Vice President

THE TOKIO MARINE AND FIRE INSURANCE CO., LTD.

By: /s/ Kouki Higuchi
---
Title: President

Exhibit 4.6

# AMENDMENT
# TO THE
# CARRIER AGREEMENTS

This amendment, dated as of May 8, 2001 (this "AMENDMENT"), to the Carrier Agreements (as defined below) is made by and among TA I Limited, a limited liability company organized under the laws of England and Wales ("TA I"), TA II Limited, a limited liability company organized under the laws of England and Wales ("TA II"), Profit Sharing (Overseas), Limited Partnership, an Alberta, Canada limited partnership ("PROFIT SHARING"), Royal & Sun Alliance Insurance Group plc, a company organized under the laws of England and Wales ("ROYAL & SUN"), Axa Insurance plc, a company organized under the laws of England and Wales (formerly Guardian Royal Exchange Assurance plc) ("AXA"), The Chubb Corporation, a New Jersey corporation ("CHUBB"), Nutmeg Insurance Company, an affiliate of The Hartford Financial Services Group, Inc., a Delaware corporation ("NUTMEG"), Travelers Casualty and Surety Company, an affiliate of The Travelers Indemnity Company, a Connecticut corporation ("TRAVELERS"), The Tokio Marine and Fire Insurance Co., Ltd., a Tokyo corporation ("TOKIO MARINE" and, together with Royal & Sun, Axa, Chubb, Nutmeg and Travelers, the "Purchasers"), and Willis Group Holdings Limited, a limited liability company organized under the laws of Bermuda ("WILLIS HOLDINGS"), and is being entered into as part of the restructuring of the Willis group of companies.

W I T N E S S E T H

WHEREAS, TA I, TA II, Profit Sharing and each Purchaser are parties to a Shareholder Rights Agreement, dated as of July 22, 1998, (the "ORIGINAL SHAREHOLDER RIGHTS AGREEMENT"), as amended by the Amendment and Assumption Agreement, dated as of November 12, 1998 (the "ASSUMPTION AGREEMENT") and as further amended hereby (the "SHAREHOLDER RIGHTS AGREEMENT");

WHEREAS, TA I, TA II and each Purchaser are parties to a Registration Rights Agreement, dated as of July 21, 1998, as amended by the Assumption Agreement (the "REGISTRATION RIGHTS AGREEMENT" and, together with the Shareholder Rights Agreement, the "CARRIER AGREEMENTS");

WHEREAS, Profit Sharing, which is controlled by KKR 1996 Fund (Overseas), Limited Partnership, and the Purchasers now desire to exchange their interest in TA I for interests in Willis Holdings (the "RESTRUCTURING") in order to facilitate certain potential transactions, including a potential initial public offering of shares in Willis Holdings (the "IPO");

WHEREAS, Travelers has succeeded in all respects to the rights of The Travelers Indemnity Company in respect of the Carrier Agreements, and, in the event that an assumption agreement was not executed in connection with that succession, the execution by Travelers of this document shall constitute the making of the representations and warranties required by the Carrier Agreements and the assumption of the rights and obligations provided thereunder, and the execution by the other parties hereto of this document shall constitute their agreement to and acceptance of such assumption;

WHEREAS, in connection with the Restructuring, it will be necessary to amend, and the parties hereto desire to amend, certain provisions of each of the Carrier Agreements to reflect the substitution of Willis Holdings for TA I as the entity in which equity interests are held;

NOW, THEREFORE, the parties hereto agree as follows:

## ARTICLE I
## SPECIFIC AMENDMENTS TO THE SHAREHOLDER RIGHTS AGREEMENT

SECTION 1.1. AMENDMENT TO "HOLDINGS" REFERENCE.

(a) The Shareholder Rights Agreement is hereby amended by deleting the definition of "HOLDINGS" contained therein and substituting therefor the following:

> "Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda ("HOLDINGS")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as what agreements "Holdings" or "TA I Limited" may have entered into prior to the date hereof), (i) each and every reference to "Holdings" in the Shareholder Rights Agreement is to be read as a reference to Willis Holdings, (ii) Willis Holdings shall be entitled to all rights and privileges enjoyed by "Holdings" under the Shareholder Rights Agreement, and shall be subject to all liabilities and duties of "Holdings" thereunder, and (iii) TA I shall not have any rights or privileges and shall be released from and have no liabilities or duties thereunder.

(c) Notwithstanding the foregoing, and for the avoidance of doubt, it is agreed that (i) for purposes of calculating IRR (as defined in the Shareholder Rights Agreement), (a) the cash equity investment amounts and dates of equity investments utilized in such calculations shall be those relating to the original investment of each respective party in TA I and TA II, as the case may be, and (b) references to dividends, fees, distributions and payments in respect of, or to the sale or other disposition of any portion of, a party's equity investment in Holdings and/or its direct and indirect subsidiaries shall include such transactions with respect to both TA I (prior to, but not as part of, the Restructuring) and Willis Holdings (subsequent to the Restructuring) and/or their respective direct and indirect subsidiaries and (ii) for purposes of the definition of Independent Director in the Shareholder Rights Agreement, references to a former officer of Holdings or any of its subsidiaries shall include former officers of either of TA I or Willis Holdings or any of their respective subsidiaries.

SECTION 1.2. REFERENCE TO "ORDINARY SHARES".

(a) Except as expressly set forth herein, the Shareholders Rights Agreement is hereby amended by deleting the definition of "Ordinary Shares" contained therein and substituting therefor the following:

> "voting common shares, par value $0.000115 per share, of Holdings (the "ORDINARY SHARES")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as how the shares were acquired), each and every reference to "Ordinary Shares" in the Shareholders Rights Agreements is to be read as a reference to voting common shares, par value $0.000115 per share, of Willis Holdings.

(c) Notwithstanding the foregoing, and for the avoidance of doubt, it is agreed that references to Original Ordinary Shares (as defined in the Shareholder Rights Agreement) are to be read, at times prior to the Restructuring, as references to Original Ordinary Shares with respect to TA I and, at times subsequent to the Restructuring, as references to those Ordinary Shares of Willis Holdings, equivalent in number to the Original Ordinary Shares of TA I remaining at the time of Restructuring, issued to Profit Sharing or any of its Affiliates (as defined in the Shareholder Rights Agreement) as part of the Restructuring. References to Transfers (as defined in the Shareholder Rights Agreement) of Original Ordinary Shares shall include such transfers both before and after (but not as part of) the Restructuring.

SECTION 1.3. AMENDMENT TO SECTION 2.1(C).

Section 2.1(c) is hereby amended by (i) adding the clause ", AS AMENDED," after the clause in the first legend that reads "SHAREHOLDER RIGHTS AGREEMENT", (ii) replacing the clause in the legend set forth therein which reads "TA I LIMITED" with "WILLIS GROUP HOLDINGS LIMITED".

SECTION 1.4. AMENDMENT TO SECTION 10.7 - NOTICE PROVISIONS.

Section 10.7 is hereby amended by deleting the clause that reads:

"c/o KKR & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with copies to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London  EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022"

immediately after the clause that reads "if to Holdings or the Company:" and substituting therefor the following:

"Willis Group Holdings Limited
c/o The Company Secretary
Willis Group Limited
Ten Trinity Square
London  EC3P 3AX

with a copy to:

Kohlberg Kravis Roberts & Co.
Stirling Square, 7 Carlton Gardens
London  SW1Y 5AD
Attention: Todd Fisher

and with a copy to:

Simpson Thacher & Bartlett
CityPoint
One Ropemaker Street
London  EC2Y 9HU
Attention: Gregory W. Conway, Esq.
Facsimile: +44-20-7275-6502"

ARTICLE II
SPECIFIC AMENDMENTS TO THE
REGISTRATION RIGHTS AGREEMENT

SECTION 2.1. AMENDMENT TO "NEWCO1" REFERENCE.

(a) The Registration Rights Agreement is hereby amended by deleting the definition of "NEWCO 1" contained therein and substituting therefor the following:

"Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda ("NEWCO 1")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as what agreements "Newco 1" or "TA I Limited" may have entered into prior to the date hereof), (i) each and every reference in the Registration Rights Agreement to "Newco 1" is to be read as a reference to Willis Holdings, (ii) Willis Holdings shall be entitled to all rights and privileges enjoyed by "Newco 1" thereunder, and shall be subject to all liabilities and duties of "Newco 1" thereunder, and (iii) TA I shall not have any rights or privileges and shall be released from and have no liabilities or duties thereunder.

SECTION 2.2. REFERENCE TO "ORDINARY SHARES".

(a) Except as expressly set forth herein, the Registration Rights Agreement is hereby amended by deleting the words "ordinary shares, par value (pound)0.10 per share, of Newco 1 (the "ORDINARY SHARES")" in the first recital and substituting therefore "voting common shares, par value $0.000115 per share, of Newco 1 (the "ORDINARY SHARES")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as how the shares were acquired), each and every reference to "Ordinary Shares" in the Registration Rights Agreements is to be read as a reference to voting common shares, par value $0.000115 per share, of Willis Holdings.

SECTION 2.3. NOTICE PROVISIONS.

Section 8(d) of the Registration Rights Agreement is hereby amended by deleting the clause that reads:

"c/o Kohlberg Kravis Roberts & Co.
9 West 57 Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: 212-750-0003,

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022"

immediately after the clause that reads "if to either Issuer, to:" and substituting therefor the following:

"Willis Group Holdings Limited
c/o The Company Secretary
Willis Group Limited
Ten Trinity Square
London EC3P 3AX

with a copy to:

Kohlberg Kravis Roberts & Co.
Stirling Square, 7 Carlton Gardens
London SW1Y 5AD
Attention: Todd Fisher

and with a copy to:
Simpson Thacher & Bartlett
CityPoint
One Ropemaker Street
London EC2Y 9HU
Attention: Gregory W. Conway, Esq.
Facsimile: +44-20-7275-6502"

## ARTICLE III
## WAIVER OF REGISTRATION RIGHTS

SECTION 3.1. WAIVER OF REGISTRATION RIGHTS. Each party hereto that has incidental registration rights, however arising, pursuant to either the Registration Rights Agreement or the Registration Rights Agreement, dated as of December 18, 1998, as amended, between TA I and Profit Sharing, hereby waives any and all such rights in connection with the IPO.

## ARTICLE IV
## MISCELLANEOUS

SECTION 4.1. EFFECTIVE TIME. This Amendment shall become effective as of the Completion (as defined in the Exchange Agreement) of the Share for Share Exchange Agreement Relating to Shares in TA I Limited, dated as of the date hereof, by and among Willis Holdings, Profit Sharing, the Purchasers and Fisher Capital Corp, L.L.C. (the "EXCHANGE AGREEMENT").

SECTION 4.2. COUNTERPARTS. This Amendment may be executed simultaneously or in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

SECTION 4.3. CONSTRUCTION AND GOVERNING LAW.

This Amendment shall be construed together with, and as part of, each of the (i) Shareholder Rights Agreement and (ii) Registration Rights Agreement, and shall be governed in all respects by the laws of New York.

Provisions of either of the Carrier Agreements not specifically amended are hereby ratified in all respects.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

TA I LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

TA II LIMITED

By: /s/ T. A. Fisher
---
Name: T. A. Fisher
Title: Director

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: /s/ T. A. Fisher
---
Name: T. A. Fisher
Title: Director

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

By: /s/ J. V. Miller
---
Name: J. V. Miller
Title: Group Company Secretary

AXA INSURANCE PLC

By: /s/ I. D. Richardson
---
Name: I. D. Richardson
Title: Company Secretary

THE CHUBB CORPORATION

By: /s/ Andrew McElwee, Jr.
---
Name: Andrew McElwee, Jr.
Title: Senior Vice President

NUTMEG INSURANCE COMPANY

By: /s/ Donald E. Waggaman, Jr.
---
Name: Donald E. Waggaman, Jr.
Title: Senior Vice President

THE TRAVELERS CASUALTY AND SURETY COMPANY

By: /s/ Jordan M. Stitzer
---
Name: Jordan M. Stitzer
Title: Vice President

THE TOKIO MARINE AND FIRE INSURANCE

By: /s/ Takehisa Kikuchi
---
Name: Takehisa Kikuchi
Title: Senior Managing Director

WILLIS GROUP HOLDINGS LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

Exhibit 4.7

# MANAGEMENT AND EMPLOYEE SHAREHOLDERS' AND SUBSCRIPTION AGREEMENT

MANAGEMENT AND EMPLOYEE SHAREHOLDERS' AND SUBSCRIPTION AGREEMENT (the "AGREEMENT"), dated as of December 20, 1999, among TA I Limited, a limited liability company organized under the laws of England and Wales (the "COMPANY"), Mourant & Co. Trustees Limited, the Trustee of a trust organized by the Company (the "TRINITY TRUSTEE"), and the individual (the "PURCHASER") who has duly completed, executed and delivered the Master Subscription and Acceptance Form, a copy of which is attached hereto as Annex I (the "MASTER ACCEPTANCE FORM") and deemed to be a part hereof.

W I T N E S S E T H :
- - - - - - - - - - -

WHEREAS, a number of key employees of the Company and its subsidiaries and associated entities (collectively, "WILLIS") have previously made investments in management ordinary shares, par value L0.10 per share, of the Company (herein referred to as the "ORDINARY SHARES") pursuant to one or more Management and Employee Shareholders' and Subscription Agreements;

WHEREAS, the Company has made available to the Purchaser, the opportunity to subscribe for additional Ordinary Shares, or to subscribe for Ordinary Shares for the first time, as the case may be;

WHEREAS, the Purchaser desires to subscribe for and purchase, and the Company desires to sell to the Purchaser, the aggregate number of its Ordinary Shares set forth by the Purchaser on the Master Acceptance Form (each a "PURCHASED SHARE" and, collectively, the "PURCHASED SHARES") at the purchase price per share of 200p (the "PER SHARE PURCHASE PRICE") and will receive a certain number of (i) time options to purchase Ordinary Shares ("TIME OPTIONS") and (ii) performance options to purchase Ordinary Shares ("PERFORMANCE OPTIONS", and together with Time Options, "OPTIONS"), each pursuant to the terms of the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of TA I Limited (the "OPTION PLAN") and the "SHARE OPTION AGREEMENT" to be entered into in connection herewith; and

WHEREAS, this Agreement is one of several other agreements (the "OTHER MANAGEMENT AND EMPLOYEE SHAREHOLDERS' AGREEMENTS") which have been previously, or which in the future will be, entered into among the Company, the Trinity Trustee and other individuals who are or will be key employees and/or managers and directors of the Company or one of its subsidiaries and Associated Entities (collectively, the "OTHER MANAGEMENT AND EMPLOYEE SHAREHOLDERS").

NOW, THEREFORE, to implement the foregoing and in consideration of the mutual agreements contained herein, the parties hereto hereby agree as follows:

1. PURCHASE AND SALE OF ORDINARY SHARES.

(a) PURCHASE OF ORDINARY SHARES. Subject to all of the terms and conditions of this Agreement, the Purchaser hereby subscribes for and shall purchase, and the Company shall issue and sell to the Purchaser, the Purchased Shares at a purchase price equal to the Per Share Purchase Price at the Closing provided for in Section 2(a) hereof. Notwithstanding anything in this Agreement to the contrary, the Company shall have no obligation to issue and sell any Ordinary Shares to (i) any person who will not be either an employee or a manager or director of the Company or a direct or indirect subsidiary of the Company or of an Associated Entity (and for this purpose with regard to employees resident in the United Kingdom, the term "subsidiary" will have the meaning given in Section 736 of the United Kingdom Companies Act 1985) immediately following the Closing or (ii) any person who is a resident of a jurisdiction in which the sale of Ordinary Shares to such person would constitute a violation of the securities, "blue sky" or other laws of such jurisdiction.

(b) CONSIDERATION. Subject to all of the terms and conditions of this Agreement, the Purchaser shall deliver to the Company at the Closing (by means of either an official bank check, a check drawn on a London clearing bank or an electronic funds transfer), in pounds sterling, in an amount equal to the Subscription Price set forth on Annex A hereto.

(c) EXECUTION OF DOCUMENTS. Notwithstanding anything to the contrary in this Section 1, the Company shall not have any obligation to issue any Purchased Shares unless and until the Company is satisfied, in its sole discretion, that (i) the Purchaser has duly executed and delivered this Agreement and (ii) payment of the Subscription Price is made in accordance with the provisions of Section 1(b) above.

2. CLOSING.

(a) TIME AND PLACE. Except as otherwise mutually agreed by the Company and the Purchaser, the closing (the "CLOSING") of the transaction contemplated by this Agreement shall be held at the offices of the Company Secretary, Ten Trinity Square, London EC3P 3AX, England on or about December 20, 1999 (the "CLOSING DATE").

(b) CLOSING. At the Closing, (I) the Company shall deliver to the Trinity Trustee a stock certificate registered in the Purchaser's name and representing the number of Purchased Shares subscribed for pursuant hereto, which certificate shall bear the legends set forth in Section 3(b) (which certificate will be held by the Trinity Trustee until the Purchaser no longer has an actual or contingent obligation to transfer Purchased Shares under this Agreement or any agreement referred to in this Agreement; the Trinity Trustee will deliver the certificate to the Company on behalf of the Purchaser when the Purchaser is required to do so under this Agreement or any agreement referred to in this Agreement), and (II) the Purchaser shall deliver to the Company (by means of either an official bank check, a check drawn on a London clearing bank or an electronic funds transfer), in pounds sterling, in an amount equal to the Subscription Price set forth on Annex A hereto.

3. PURCHASER'S REPRESENTATIONS, WARRANTIES AND COVENANTS.

(a) The Purchaser agrees and acknowledges that the Purchaser will not, directly or indirectly, offer, transfer, sell, assign, pledge, hypothecate or otherwise dispose of (any such act being referred to herein as a "TRANSFER") any Purchased Shares or, at the time of exercise, the Ordinary Shares issuable upon exercise of the Options (the "OPTION SHARES" and, collectively with the Purchased Shares, the "SHARES") unless such transfer complies with Section 4 of this Agreement. If the Purchaser is an "AFFILIATE" (as defined under Rule 405 of the rules and regulations promulgated under the Act (as defined below) and as interpreted by the Board of Directors of the Company (the "BOARD")) of the Company (an "AFFILIATE"), the Purchaser also agrees and acknowledges that the Purchaser will not transfer any Shares unless:

(i) the transfer is pursuant to an effective registration statement under the Securities Act of 1933, as amended, and the rules and regulations in effect thereunder (the "ACT"), and in compliance with applicable provisions of U.S. state securities laws, OR

(ii) (A) counsel for the Purchaser (which counsel shall be reasonably acceptable to the Company) shall have furnished the Company with an opinion, satisfactory in form and substance to the Company, that no such registration is required because of the availability of an exemption from registration under the Act and (B) if the Purchaser is a citizen or resident of any country other than the United States, or the Purchaser desires to effect any transfer in any such country, counsel for the Purchaser (which counsel shall be reasonably satisfactory to the Company) shall have furnished the Company with an opinion or other advice reasonably satisfactory in form and substance to the Company to the effect that such transfer will comply with the securities laws of such jurisdiction.

Notwithstanding the foregoing, the Company acknowledges and agrees that any of the following transfers are deemed to be in compliance with the Act and this Agreement and no opinion of counsel is required in connection therewith: (x) a transfer made pursuant to Section 5, 6 or 7 hereof, (y) a transfer upon the death of the Purchaser to his or her executors, administrators, testamentary trustees, legatees or beneficiaries (the "PURCHASER'S ESTATE") or a transfer to the executors, administrators, testamentary trustees, legatees or beneficiaries of a person who has become a holder of Shares in accordance with the terms of this Agreement, provided that it is expressly understood that any such transferee shall be bound by the provisions of this Agreement and the transferee agrees in writing to be bound by the terms and conditions hereof and (z) a transfer made after the Closing Date in compliance with the U.S. federal securities laws and the securities laws of any other applicable jurisdiction to a trust or custodianship the beneficiaries of which may include only the Purchaser, his or her spouse or his or her lineal descendants (including children by adoption and step children) (a "PURCHASER'S TRUST"), provided that such transfer is made expressly subject to this Agreement and that the transferee agrees in writing to be bound by the terms and conditions hereof.

(b) The certificate (or certificates) representing the Shares shall bear the following legends:

"THE SHARES REPRESENTED BY THIS CERTIFICATE MAY NOT BE TRANSFERRED, SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE DISPOSED OF UNLESS SUCH TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION COMPLIES WITH THE PROVISIONS OF THE MANAGEMENT AND EMPLOYEE SHAREHOLDERS' AND SUBSCRIPTION AGREEMENT DATED AS OF DECEMBER 20, 1999 AMONG TA I LIMITED (THE "COMPANY"), MOURANT & CO. TRUSTEES LIMITED, THE TRUSTEE OF A TRUST ORGANIZED BY THE COMPANY, AND THE PURCHASER NAMED ON THE FACE HEREOF AND THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE COMPANY (COPIES OF WHICH ARE ON FILE WITH THE SECRETARY OF THE COMPANY)."

and, for Georgia residents:

"THE SHARES HAVE BEEN ISSUED OR SOLD IN RELIANCE ON PARAGRAPH (13) OF CODE SECTION 10-5-9 OF THE "GEORGIA SECURITIES ACT OF 1973," AND MAY NOT BE SOLD OR TRANSFERRED EXCEPT IN A TRANSACTION WHICH IS EXEMPT UNDER SUCH ACT OR PURSUANT TO AN EFFECTIVE REGISTRATION UNDER SUCH ACT."

and, for any offering of sale in Italy:

"THE SHARES MAY BE NOT OFFERED, SOLD OR DELIVERED IN THE REPUBLIC OF ITALY UNLESS THE OFFER IS IN COMPLIANCE WITH THE REQUIREMENTS OF LAW NO. 216 OF 7 JUNE 1974, AS AMENDED, OR ARTICLE 94 AND ONWARDS OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998, ITS FULL IMPLEMENTATION. IN PARTICULAR, THE SHARES SHOULD BE OFFERED EXCLUSIVELY THROUGH PRIVATE PLACEMENT IN ITALY AND MAY NOT BE OFFERED OR SOLD OR RESOLD TO THE PUBLIC IN ITALY IN CIRCUMSTANCES WHICH WOULD QUALIFY SUCH OFFER OR SALE AS A PUBLIC OFFER AS DEFINED UNDER ITALIAN LAW."

(c) The Purchaser acknowledges that the Purchaser has been advised that: (i) a restrictive legend in the form heretofore set forth shall be placed on the certificates representing the Shares and (ii) a notation shall be made in the appropriate records of the Company indicating that the Shares are subject to restrictions on transfer and appropriate stop-transfer restrictions will be issued to the Company's transfer agent with respect to the Shares. If the Purchaser is an Affiliate, the Purchaser also acknowledges that (1) the Shares must be held indefinitely and the Purchaser must continue to bear the economic risk of the investment in the Shares unless they are subsequently registered under the Act or an exemption from such registration is available, (2) when and if Shares may be disposed of without registration in reliance on Rule 144 of the rules and regulations promulgated under the Act, such disposition can be made only in limited amounts in accordance with the terms and conditions of such Rule and (3) if the Rule 144 exemption is not available, public sale without registration will require compliance with some

other exemption under the Act. The Company acknowledges that a Purchaser who is resident outside the United States may, subject to applicable law and the restrictions on transfer set forth herein and in the Articles of Association of the Company (the "ARTICLES"), transfer Shares outside the United States in accordance with Regulation S under the Act.

(d) If any Shares are to be transferred in accordance with Rule 144 or Regulation S under the Act or otherwise, the Purchaser shall promptly notify the Company of such intended transfer and shall deliver to the Company at or prior to the time of such transfer such documentation as the Company may reasonably request in connection with such transfer and, in the case of a transfer pursuant to Rule 144, shall deliver to the Company an executed copy of any notice on Form 144 (or any successor form) required to be filed with the Securities and Exchange Commission (the "SEC").

(e) The Purchaser agrees that, if any voting or non-voting ordinary shares of the Company (together, the "COMMON SHARES") are offered to the public pursuant to an effective registration statement under the Act (other than registration of securities issued under an employee plan) and/or pursuant to a floatation on the London Stock Exchange or other underwritten offering outside the United States, the Purchaser will not effect any public sale or distribution of any Ordinary Shares not covered by such registration statement from the time of the receipt of a notice from the Company that the Company has filed or imminently intends to file such registration statement or to commence such floatation to, or within 180 days after, the effective date of such registration statement or the completion of such floatation, unless otherwise agreed to in writing by the Company.

(f) The Purchaser represents and warrants that (i) the Purchaser has received and reviewed (a) the prospectus relating to the offer by Willis Corroon Corporation to exchange all of its 9% Senior Subordinated Notes due 2009 for its 9% Senior Subordinated Notes due 2009 that have been registered under the Securities Act of 1933, (b) the 1998 year-end accounts of TA I Limited, (c) the June 30, 1999 six-month accounts of TA I Limited, (d) the Articles, (e) the Option Plan, (f) the Share Option Agreement, (g) the Sale Participation Agreement, (h) the Registration Rights Agreement and (i) this Agreement, certain of which documents set forth the rights, preferences, and restrictions relating to the Shares, (ii) the Purchaser has been given the opportunity to obtain any additional information or documents and to ask questions and receive answers about such information, the Company and its subsidiaries and Associated Entities and the business and prospects of the Company and its subsidiaries and Associated Entities which the Purchaser deems necessary to evaluate the merits and risks related to the Purchaser's investment in the Shares and to verify the information received as indicated in this Section 3(f), and he or she has relied solely on such information.

(g) The Purchaser further represents and warrants that (i) the Purchaser's financial condition is such that the Purchaser can afford to bear the economic risk of holding the Shares for an indefinite period of time and has adequate means for providing for the Purchaser's current needs and personal contingencies, (ii) the Purchaser can afford to suffer a complete loss of his or her investment in the Shares, (iii) the Purchaser understands and has taken cognizance of all risk factors related to the purchase of the Shares, (iv) the Purchaser's knowledge and experience in financial and business matters are such that the Purchaser is capable of evaluating the merits and risks of the Purchaser's purchase of the Shares as contemplated by this Agreement

or, in the alternative, the Purchaser has obtained such professional advice as the Purchaser determined was necessary to enable the Purchaser to evaluate such merits and risks and (v) the Purchaser is an employee and/or a manager of the Company or one of its subsidiaries or Associated Entities.

4. RESTRICTION ON TRANSFER. Except for transfers permitted by clauses (x), (y) and (z) of Section 3(a) or sales of Shares pursuant to an effective registration statement under the Act filed by the Company as contemplated by Section 10 hereof or pursuant to the Sale Participation Agreement, the Purchaser agrees that the Purchaser will not transfer any Shares at any time prior to the sixth anniversary of the Closing Date. No transfer of any such shares in violation hereof shall be made or recorded on the books of the Company and any such transfer shall be void and of no effect. The Articles require the Directors of the Company to refuse to register a transfer attempted to be made in violation of the terms hereof.

5. RIGHT OF FIRST REFUSAL. If, at any time after the sixth anniversary of the Closing Date and prior to a Public Offering (as hereinafter defined), the Purchaser receives a bona fide offer to purchase any or all of the Purchaser's Shares (the "OFFER") from a third party (the "OFFEROR") which the Purchaser wishes to accept, the Purchaser shall cause the Offer to be reduced to writing and shall notify the Company in writing of the Purchaser's wish to accept the Offer. The Purchaser's notice shall contain an irrevocable offer to sell such Shares to the Trinity Trustee (in the manner set forth below) at a purchase price equal to the price contained in, and on the same terms and conditions of, the Offer, and shall be accompanied by a copy of the Offer (which shall identify the Offeror). The Company shall forward such notice to the Trinity Trustee within seven days of its receipt by the Company. At any time within 20 days after the date of the receipt by the Trinity Trustee of the Purchaser's notice, the Trinity Trustee shall have the right and option to purchase, or to arrange for a third party to purchase, all of the Shares covered by the Offer either (i) at the same price and on the same terms and conditions as the Offer or (ii) if the Offer includes any consideration other than cash, then at the sole option of the Trinity Trustee, at the equivalent all cash price, determined in good faith by the Trinity Trustee, by delivering a certified bank check or checks in the appropriate amount (and any such non-cash consideration to be paid) to the Purchaser at the principal office of the Company against delivery of certificates or other instruments representing the Shares so purchased (and such other documents as the Trinity Trustee may reasonably require), appropriately endorsed by the Purchaser. If at the end of such 20 day period, the Trinity Trustee has not tendered the purchase price for such shares in the manner set forth above, the Purchaser may during the succeeding 20 day period sell not less than all of the Shares covered by the Offer to the Offeror at a price and on terms no less favorable to the Purchaser than those contained in the Offer. Promptly after such sale, the Purchaser shall notify the Company of the consummation thereof and shall furnish such evidence of the completion and time of completion of such sale and of the terms thereof as may reasonably be requested by the Company. If, at the end of 20 days following the expiration of the 20 day period for the Trinity Trustee to purchase the Shares, the Purchaser has not completed the sale of such Shares as aforesaid, all the restrictions on sale, transfer or assignment contained in this Agreement shall again be in effect with respect to such Shares.

6. PURCHASER'S SALE OF SHARES TO THE TRINITY TRUSTEE AND PURCHASER'S SALE OF OPTIONS TO THE COMPANY UPON THE PURCHASER'S DEATH OR DISABILITY. (a) Except as otherwise provided herein, if, prior to the sixth anniversary of the Closing Date, (x)(i) the Purchaser is still in the employ of, or still acts in a managerial or directorial capacity in respect of, the Company or any subsidiary or Associated Entity of the Company or (ii) the Purchaser has retired from the Company or one of its subsidiaries or Associated Entities at age 65 or over (or such other age as applies in the applicable jurisdiction or with respect to certain classes of Purchasers pursuant to an existing, written Willis policy or employment agreement, or as may be approved by the Board) after having been employed by or having acted in a managerial or directorial capacity for the Company or any subsidiary or Associated Entity of the Company for at least three years after the Closing Date (retirement in such circumstances is referred to as a "QUALIFIED RETIREMENT") and (y) the Purchaser either dies or becomes "PERMANENTLY DISABLED" (as defined herein), then the Purchaser, the Purchaser's Estate or a Purchaser's Trust (each, a "PURCHASER ENTITY"), shall, for twelve (12) months following the date of death or permanent disability, have the right:

(A) with respect to the Shares, to sell to the Trinity Trustee, and the Trinity Trustee shall be required to purchase, on one occasion, all or any portion of the Shares then held by each of the applicable Purchaser Entities, at the Section 6(a) Repurchase Price, as determined in accordance with Section 8 hereof; and

(B) with respect to the exercisable Options, to require the Company to pay to the applicable Purchaser Entities an additional amount equal to the Option Excess Price (as defined in Section 9(b)), if any, as provided in Section 9(b)(ii); PROVIDED, HOWEVER, that if the Purchaser is resident in the United Kingdom for purposes of U.K. national insurance regulations, then the Purchaser Entities shall not be entitled to receive the Option Excess Price with respect to exercisable Options but shall instead be required to exercise their exercisable Options in order to be entitled to receive payment for the Option Shares issued in respect thereof upon purchase by the Trinity Trustee of such Option Shares pursuant to the preceding clause (A). Notwithstanding anything to the contrary provided herein, all Options will vest and become exercisable upon the Purchaser's death or permanent disability only if such death or disability occurs while the Purchaser is employed by the Company or a subsidiary thereof. Options will be automatically terminated as set forth in Section 9(b)(i).

(b) In the event the applicable Purchaser Entities intend to exercise their rights pursuant to Section 6(a), such Purchaser Entities shall send a single, combined written notice to the Company of their intention to sell Shares in exchange for the payment referred in Section 6(a)(A) and/or to terminate such Options in exchange for the payment referred to in Section 6(a)(B) and shall indicate the number of Shares to be sold and the number of Options to be terminated with payment in respect thereof (the "REDEMPTION NOTICE"). The completion of the purchase shall take place at the principal office of the Company on the tenth business day after the giving of the Redemption Notice to the Trinity Trustee by the Company. The applicable Repurchase Price and any payment with respect to the Options as described above shall be paid by delivery to the applicable Purchaser Entities, of a certified bank check or checks in the appropriate amount payable to the order of each of the applicable Purchaser Entities, against delivery of certificates or other instruments representing the Shares so purchased and appropriate documents cancelling the Options so terminated (or such other documents as the Trinity Trustee

may reasonably require) appropriately endorsed or executed by the applicable Purchaser Entities or any duly authorized representative.

(c) Notwithstanding anything in Section 6(a) to the contrary and subject to Section 11(a), if the Trinity Trustee requires financing from the Company in order to make any payment contemplated by this Section 6 and if the Company fails to provide financing on limited recourse terms reasonably acceptable to the Trinity Trustee or if there exists and is continuing a default or an event of default on the part of the Company or any subsidiary of the Company under any loan, guarantee or other agreement under which the Company or any subsidiary of the Company has borrowed money or if the purchase by the Trinity Trustee or the Company, as the case may be, referred to in Section 6(a) or the loan of funds to the Trinity Trustee by the Company on limited recourse terms satisfactory to the Trinity Trustee would result in a default or an event of default on the part of the Trinity Trustee, the Company or any subsidiary of the Company under any such agreement or if a purchase by the Trinity Trustee or the Company or the loan of funds to the Trinity Trustee by the Company on limited recourse terms satisfactory to the Trinity Trustee would not be permitted by law (each such occurrence being an "EVENT"), then the Trinity Trustee shall not be obligated to purchase any of the Shares, and the Company shall not be obligated to purchase any of the Options (or to pay any applicable Option Excess Price in respect of such Options), from the applicable Purchaser Entities until the first business day which is 10 calendar days after all of the foregoing Events have ceased to exist (the "REPURCHASE ELIGIBILITY DATE"); PROVIDED, HOWEVER, that (i) the number of Shares subject to purchase under this Section 6(c) shall be that number of Shares, and (ii) in the case of a purchase pursuant to Section 6(a), the number of Exercisable Option Shares (as defined in Section 9) for purposes of calculating the Option Excess Price payable under this Section 6(c) shall be the number of Exercisable Option Shares, specified in the Redemption Notice and held by the applicable Purchaser Entities, at the time of delivery of a Redemption Notice in accordance with Section 6(b) hereof; PROVIDED, FURTHER, that the Repurchase Calculation Date (as defined below) shall be determined in accordance with Section 8 as of the Repurchase Eligibility Date (unless, in a repurchase pursuant to Section 6(a), the Section 6(a) Repurchase Price would be greater if the Repurchase Calculation Date had been determined as if no Event had occurred in which case, solely for purposes of this PROVISO, the Repurchase Calculation Date shall be determined as if no Event had occurred). All Options exercisable as of the date of a Redemption Notice, in the case of a purchase pursuant to Section 6(a), shall continue to be exercisable until the purchase of such Options pursuant to such Redemption Notice, provided that to the extent any Options are exercised after the date of such Redemption Notice, the number of Exercisable Option Shares for purposes of calculating the Option Excess Price shall be reduced (and the number of Option Shares to be purchased in connection with such additional exercise of Options shall be correspondingly increased) accordingly.

7. THE TRINITY TRUSTEE'S OPTION TO PURCHASE SHARES AND THE COMPANY'S OPTION TO PURCHASE OPTIONS OF PURCHASER. (a) If, prior to the sixth anniversary of the Closing Date, (i) the Purchaser's employment with and/or managerial or directorial activities in favor of the Company or any subsidiary or Associated Entity of the Company are terminated by the Company (or such subsidiary or Associated Entity) with Cause (as defined in Section 8(f) below), (ii) the beneficiaries of a Purchaser's Trust shall include any person or entity other than the Purchaser, his or her spouse or his or her lineal descendants (including children by adoption and step children), or (iii) the Purchaser shall transfer or attempt to effect a transfer of any of the Shares

other than as permitted in this Agreement (each, a "SECTION 7(a) CALL EVENT"), then:

(A) the Trinity Trustee shall have the right, with respect to the Shares, to purchase all or any portion of the Shares then held by the applicable Purchaser Entities at the Section 7(a) Repurchase Price determined in accordance with Section 8 hereof; and

(B) with respect to the Options, if the Trinity Trustee exercises the call rights granted under this Section 7(a), all Options (whether or not then exercisable) held by the applicable Purchaser Entities will terminate immediately without payment in respect thereof.

(b) If, prior to the sixth anniversary of the Closing Date, (i) the Purchaser's employment with and/or managerial or directorial activities in favor of the Company or any subsidiary or Associated Entity of the Company are terminated as a result of the death or permanent disability of the Purchaser or (ii) if the Purchaser dies or becomes permanently disabled after the Qualified Retirement of the Purchaser from the Company or any of its subsidiaries or Associated Entities or (iii) the Purchaser's employment and/or managerial or directorial activities are terminated as a result of the Qualified Retirement of the Purchaser from the Company or any of its subsidiaries or Associated Entities (each a "SECTION 7(b) CALL EVENT"), then:

(A) the Trinity Trustee shall have the right, with respect to the Shares, to purchase all or any portion of the Shares then held by the applicable Purchaser Entities at the Section 6(a) Repurchase Price determined in accordance with Section 8 hereof; and

(B) with respect to the Options, if the Trinity Trustee exercises the call rights granted under this Section 7(b), all or any portion of the exercisable Options shall automatically terminate upon payment by the Company of an amount equal to the Option Excess Price, if any, as provided in Section 9(b)(ii); provided, however, that if the Purchaser is resident in the United Kingdom for purposes of U.K. national insurance regulations, then the Purchaser Entities shall not be entitled to receive the Option Excess Price with respect to exercisable Options but shall instead be required to exercise their exercisable Options in order to be entitled to receive payment for the Option Shares issued in respect thereof upon purchase by the Trinity Trustee of such Option Shares pursuant to the preceding clause (A); all other Options will be dealt with in accordance with the terms of Section 9(b)(i)(A) hereof.

(c) If, prior to the sixth anniversary of the Closing Date, the Purchaser's employment with and/or managerial or directorial activities in favor of the Company or any subsidiary or Associated Entity of the Company are terminated (i) by the Purchaser with Good Reason or (ii) by the Company (or such subsidiary or Associated Entity) without Cause (each, a "SECTION 7(c) CALL EVENT"), then:

(A) the Trinity Trustee shall have the right, with respect to the Shares, to purchase all or any portion of the Shares then held by the applicable Purchaser Entities at the Section 7(c) Repurchase Price determined in accordance with Section 8 hereof; and

(B) with respect to the Options, if the Trinity Trustee exercises the call rights granted under this Section 7(c), all or any portion of the exercisable Options shall

automatically terminate upon payment by the Company of an amount equal to the Option Excess Price, if any, as provided in Section 9(b)(iii); provided, however, that if the Purchaser is resident in the United Kingdom for purposes of U.K. national insurance regulations, then the Purchaser Entities shall not be entitled to receive the Option Excess Price with respect to exercisable Options but shall instead be required to exercise their exercisable Options in order to be entitled to receive payment for the Option Shares issued in respect thereof upon purchase by the Trinity Trustee of such Option Shares pursuant to the preceding clause (A); all other outstanding Options will be dealt with in accordance with the terms of Section 9(b)(i)(B) hereof.

(d) If, prior to the sixth anniversary of the Closing Date, the Purchaser's employment with and/or managerial or directorial activities in favor of the Company or any subsidiary or Associated Entity are terminated by the Purchaser without Good Reason (as defined below) (a "SECTION 7(d) CALL EVENT"), then:

(i) the Trinity Trustee shall have the right, with respect to the Shares, to purchase all or any portion of the Shares then held by the applicable Purchaser Entities at the Section 7(d) Repurchase Price determined in accordance with Section 8 hereof; and

(ii) with respect to the Options, if the Trinity Trustee exercises the call rights granted under this Section 7(d), all or any portion of the exercisable Options shall automatically terminate upon payment by the Company of an amount equal to the Option Excess Price, if any, as provided in Section 9(b)(iv); provided, however, that if the Purchaser is resident in the United Kingdom for purposes of U.K. national insurance regulations, then the Purchaser Entities shall not be entitled to receive the Option Excess Price with respect to exercisable Options but shall instead be required to exercise their exercisable Options in order to be entitled to receive payment for the Option Shares issued in respect thereof upon purchase by the Trinity Trustee of such Option Shares pursuant to the preceding clause (i); all other outstanding Options will be dealt with in accordance with the terms of Section 9(b)(i)(B) hereof.

(e) The Trinity Trustee shall have a period of (i) twelve (12) months from the date of a Section 7(b) Call Event and (ii) sixty (60) days from the date of any other Call Event (or, if later, with respect to a Section 7(a) Call Event, the date of discovery of an impermissible transfer constituting a Section 7(a) Call Event), in which to give notice in writing to the Purchaser of its election to exercise its rights pursuant to this Section 7 ("CALL NOTICE"). The completion of the purchases pursuant to the foregoing shall take place at the principal office of the Company on the tenth business day after the giving of the Call Notice. The applicable Repurchase Price and any payment with respect to the Options as described in this Section 7 shall be paid by delivery to the applicable Purchaser Entities of a certified bank check or checks (or through effecting an electronic funds transfer) in the appropriate amount payable to the order of each applicable Purchaser Entity against delivery of a share transfer form and certificates or other instruments representing the Shares so purchased and appropriate documents cancelling the Options so terminated, appropriately endorsed or executed by the applicable Purchaser Entity or its authorized representative.

(f) Notwithstanding any other provision of this Section 7 to the contrary and subject to Section 11(a), if there exists and is continuing any Event, the Trinity Trustee or the Company, as the case may be, shall delay the purchase of any of the Shares or the Options (or

the payment of the applicable Option Excess Price in respect of such Options) (pursuant to a Call Notice timely given in accordance with Section 7(e) hereof) from the applicable Purchaser Entities until the Repurchase Eligibility Date; PROVIDED, HOWEVER, that (i) the number of Shares subject to purchase under this Section 7 shall be that number of Shares, and (ii) in the case of a purchase pursuant to Section 7(b), 7(c) or 7(d), the number of Exercisable Option Shares for purposes of calculating the Option Excess Price payable under this Section 7 shall be the number of Exercisable Option Shares, held by the applicable Purchaser Entities at the time of delivery of a Call Notice in accordance with Section 7(e) hereof; and PROVIDED, FURTHER, that the Repurchase Calculation Date shall be determined in accordance with Section 8 based on the Repurchase Eligibility Date (unless (x) in the case of a Section 7(b) Call Event or a Section 7(c) Call Event, the applicable Repurchase Price would be greater if the Repurchase Calculation Date had been determined as if no Event had occurred, in which case the Repurchase Calculation Date shall be determined as if no Event had occurred, and (y) in the case of a Section 7(a) Call Event or a Section 7(d) Call Event, the applicable Repurchase Price would be less if the Repurchase Calculation Date had been determined as if no Event had occurred, in which case the Repurchase Calculation Date shall be determined as if no Event had occurred); and PROVIDED, FURTHER, that such delay shall in no event exceed twelve months. All Options exercisable as of the date of a Call Notice, in the case of a purchase pursuant to Section 7(b) or 7(c), shall continue to be exercisable until the purchase of such Options pursuant to such Call Notice, provided that to the extent that any Options are exercised after the date of such Call Notice, the number of Exercisable Option Shares for purposes of calculating the Option Excess Price shall be reduced (and the number of Option Shares to be purchased in connection with such additional exercise of Options shall be correspondingly increased) accordingly.

(g) Section 7(a) Call Events, Section 7(b) Call Events, Section 7(c) Call Events, and Section 7(d) Call Events shall be collectively referred to as "CALL EVENTS."

8. DETERMINATION OF REPURCHASE PRICE. (a) The Section 6(a) Repurchase Price, Section 7(a) Repurchase Price, Section 7(c) Repurchase Price and the Section 7(d) Repurchase Price are hereinafter collectively referred to as the "REPURCHASE PRICE". The Repurchase Price shall be calculated as of the last day of the month preceding the later of (i) the month in which the event giving rise to the repurchase occurs and (ii) the month in which the Repurchase Eligibility Date occurs (hereinafter called the "REPURCHASE CALCULATION DATE"). The event giving rise to the repurchase shall be the death, permanent disability, retirement or termination of employment or managerial or directorial activities, as the case may be, of the Purchaser, not the giving of any notice required pursuant to Section 6 or 7.

(b) The Section 6(a) Repurchase Price shall be a per share Repurchase Price equal to the Fair Market Value Per Share (as defined in Section 8(g)) as of the Repurchase Calculation Date.

(c) The Section 7(a) Repurchase Price shall be a per share Repurchase Price equal to the lesser of (i) the Per Share Purchase Price and (ii) Fair Market Value Per Share as of the Repurchase Calculation Date (but shall not be less than zero); EXCEPT, HOWEVER, if the Purchaser is chargeable in the United Kingdom under Case 1 of Schedule E as of the date hereof, then the Section 7(a) Repurchase Price with respect to Shares other than Option Shares shall be a per share Repurchase Price equal to Tax Fair Market Value Per Share.

(d) The Section 7(c) Repurchase Price shall be a per share Repurchase Price (i) with respect to all Shares other than Option Shares, equal to the Fair Market Value Per Share and (ii) with respect to all Option Shares, equal to the Book Value Per Share, in each case as of the Repurchase Calculation Date.

(e) The Section 7(d) Repurchase Price shall be a per share Repurchase Price (i) with respect to all Shares other than Option Shares, (A) if the Fair Market Value Per Share is less than the Per Share Purchase Price, the Fair Market Value Per Share, or (B) if the Per Share Purchase Price is less than the Fair Market Value Per Share, the Per Share Purchase Price PLUS, (in the case of (B) only) (1) the Applicable Percentage MULTIPLIED by (2) the excess of the Fair Market Value Per Share over the Per Share Purchase Price, and (ii) with respect to all Option Shares, (A) if the Book Value Per Share is less than the Per Share Purchase Price, the Book Value Per Share, or (B) if the Per Share Purchase Price is less than the Book Value Per Share, the Per Share Purchase Price PLUS (in the case of (B) only) (1) the Applicable Percentage MULTIPLIED by (2) the excess, if any, of Book Value Per Share over the Per Share Purchase Price; EXCEPT, HOWEVER, that if the Purchaser is chargeable in the United Kingdom under Case 1 of Schedule E as of the date hereof, then the Section 7(d) Repurchase Price with respect to all Shares other than Option Shares shall be equal to the Tax Fair Market Value Per Share. The "APPLICABLE PERCENTAGE" shall mean zero prior to the second anniversary of the Closing Date, twenty percent (20%) during the period commencing on the second anniversary of the Closing Date, forty percent (40%) during the period commencing on the third anniversary of the Closing Date, sixty percent (60%) during the period commencing on the fourth anniversary of Closing Date, eighty percent (80%) during the period commencing on the fifth anniversary of Closing Date, and on and after the sixth anniversary of the Closing Date, one hundred percent (100%).

(f) For purposes of this Agreement the following definitions shall apply: "CAUSE" shall mean (i) the Purchaser's willful and continued failure to perform Purchaser's material duties with respect to the Company or any subsidiary or Associated Entity of the Company after reasonable notice and an opportunity by the Purchaser to cure such conduct within 10 days after the Purchaser's receipt of such notice, (ii) willful misconduct by the Purchaser in connection with the Purchaser's employment or managerial or directorial duties which is injurious to the Company or any subsidiary or Associated Entity of the Company, (iii) conviction for any criminal act (other than road traffic violations not involving imprisonment), or (iv) any breach by the Purchaser of the provisions of Section 16 hereof or of any other non-compete agreement and/or confidentiality agreement entered into between the Purchaser and the Company or any subsidiary or Associated Entity of the Company (other than an insubstantial, inadvertent, and non-recurring breach) or (v) any material violation of any written Willis policy after reasonable notice and an opportunity to cure within 10 days of the Purchaser's receipt of such notice; "GOOD REASON" shall mean (i) a reduction in the Purchaser's base salary or a material adverse reduction in the Purchaser's benefits (other than (a) in the case of base salary, a reduction that is offset by an increase in the Purchaser's bonus opportunity upon the attainment of reasonable performance targets established by the Board, or (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 Associated Entities), (ii) a material adverse reduction in Purchaser's principal duties and responsibilities, which continues beyond 10 days after written notice by the Purchaser to the Company (or, as the case

may be, a subsidiary or Associated Entity) of such reduction or (iii) a significant transfer of the Purchaser away from the Purchaser's primary service area or primary workplace, other than as permitted by the Purchaser's existing service contracts; PROVIDED, HOWEVER, that a Purchaser shall have a period of 10 days following any of the foregoing occurrences, or the last event in a series of events which culminates in providing the basis for such notice, during which such Purchaser may claim that a basis for a Good Reason termination by the Purchaser has occurred. For avoidance of doubt, neither the Company nor any subsidiary nor Associated Entity shall be deemed to have terminated any Purchaser without Cause unless the Company or any such subsidiary or Associated Entity has served a formal termination notice on such employee.

(g) As used herein, "FAIR MARKET VALUE PER SHARE" shall mean (i) following a Public Offering, Market Price Per Share (as defined below), or (ii) prior to a Public Offering, the fair market value per Common Share, as determined no less than annually (or more frequently if the Board so determines) in good faith by the Board, after it has taken into consideration certain factors (including, without limitation, the general condition of the Company's industry, the historical performance of the Company, and the Company's financial and business prospects) and after it has consulted with an independent investment banking firm selected with the consent of the Group Executive Committee, such consent not to be unreasonably withheld. In addition, after determining the Fair Market Value Per Share, except for purposes of determining Tax Fair Market Value Per Share, the value of an individual Purchaser's Shares on a per share basis shall not be reduced to reflect the illiquidity or minority nature associated with such Purchaser's Shares or the fact that such Purchaser's Shares are non-voting. "TAX FAIR MARKET VALUE PER SHARE" shall mean while the shares are unquoted on a U.S. national securities exchange or the London Stock Exchange, Fair Market Value Per Share adjusted by the Board to reflect the illiquidity and minority nature associated with such Purchaser's Shares, which valuation shall be determined in accordance with Section 273 of the U.K. Taxation of Chargeable Gains Act 1992 and is expected to consist of a discount to Fair Market Value Per Share presumed to be at least 35%; the Board may, but shall not be required to, consult with any investment banking firm concerning the appropriate size of any such discount. When the Shares are quoted on a U.S. national securities exchange or the London Stock Exchange, "Tax Fair Market Value Per Share" shall be determined in accordance with Section 272 of the U.K. Taxation of Chargeable Gains Act 1992.

(h) As used herein, "BOOK VALUE PER SHARE" shall mean (i) after a Public Offering (as defined below), Market Price Per Share, or (ii) prior to a Public Offering, the quotient of (a) (i) the aggregate amount invested in the Company for Common Shares by Profit Sharing, the management of the Company and its subsidiaries and Associated Entities (including any "roll-over" amounts invested by management pursuant to the Willis Corroon Group Executive Deferred Incentive Plan, the Willis Corroon Group Restricted Share Plan and the Willis Corroon North American Restricted Share Plan), insurance company investors, and other individuals or entities resulting in the acquisition of 100% of the Company, PLUS (ii) the aggregate consolidated profit and loss (after taxes, minority interests, and dividends), of the Company from and after the formation of the Company, PLUS (iii) the aggregate amount contributed to (or credited to shareholders' equity of) the Company after the Closing Date as equity of the Company (including consideration to be received upon exercise of Options and other share equivalents), PLUS (iv) the aggregate amount of any dividends accrued on preference shares converted into Common Shares, PLUS or MINUS (v) other adjustments for certain unusual or

other items recognized by the Company in the sole discretion of the Board, DIVIDED BY (b) the sum of the number of Common Shares then outstanding and the number of Common Shares issuable upon the exercise of all outstanding Options and other rights to acquire Common Shares and the conversion of all securities convertible into Common Shares. The items referred to in the calculations set forth in clauses (a)(ii) through (b) of the immediately preceding sentence shall be determined in good faith, and to the extent possible, in accordance with U.K. generally accepted accounting principles applied on a basis consistent with any prior periods as reflected in the consolidated financial statements of the Company.

(i) As used herein the term "PUBLIC OFFERING" shall mean the sale of Common Shares to the public subsequent to the date hereof pursuant to a registration statement under the Act which has been declared effective by the SEC (other than a registration statement on Form S-8 or any other similar form) or a public listing in the U.K., in either case, which results in an active trading market in at least 35% of the issued and outstanding Common Shares. A "QUALIFIED PUBLIC OFFERING" shall mean any offering of Common Shares to the public pursuant to an effective registration statement and such registration statement includes the sale of Common Shares held by Profit Sharing or its affiliates.

(j) As used herein, the term "MARKET PRICE PER SHARE" shall mean the price per share equal to the average of the last sale price of the Common Shares on each of the ten trading days prior to the Repurchase Calculation Date on each exchange on which the Common Shares may at the time be listed or, if there shall have been no sales on such exchange on any such trading day, the average of the closing bid and asked prices on such exchange at the end of such trading day or if there is no such bid and asked price on the next preceding date when such bid and asked price occurred or, if the Common Shares shall not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of the Repurchase Calculation Date in the over-the-counter market.

(k) In determining the Repurchase Price, appropriate adjustments shall be made for any stock dividends, splits, combinations, recapitalizations or any other adjustment in the number of outstanding Common Shares in order to maintain, as nearly as practicable, the intended operation of the provisions of this Section 8.

9. SHARES ISSUED TO PURCHASER UPON EXERCISE OF OPTIONS; TERMINATION AND EXPIRATION OF OPTIONS. (a) Options are subject to the terms of the Option Plan, Stock Option Agreement and the terms set forth herein.

(b) (i) (A) In the case of an exercise of the put rights described above in Section 6(a)(B) or of the call rights described above in Section 7(b)(B), all outstanding exercisable Options that had been granted to the Purchaser under any Option Plan for which such put or call is exercised will be automatically terminated upon the payment by the Company to the Purchaser of an amount equal to the applicable Option Excess Price, as provided below or, in the case of a Purchaser that is resident in the United Kingdom for purposes of U.K. national insurance regulations, then all exercisable Options, if not then exercised, shall be automatically terminated upon payment by the Trinity Trustee for the Shares (including Option Shares) of the amounts contemplated by Sections 6(a) or 7(b), as the case may be, PROVIDED, HOWEVER, in the event the Option Excess Price is zero or a negative number, all outstanding exercisable Options

granted to the Purchaser (including any Purchaser resident in the United Kingdom) under any Option Plan shall remain outstanding and exercisable until expiration in accordance with the terms of such Option Plan. All outstanding unexercisable Options shall be automatically terminated without any payment in respect thereof.

(B) In the case of an exercise of call rights described above in Sections 7(c)(B) or 7(d)(ii), all outstanding exercisable Options for which such call is exercised that had been granted to the Purchaser under any Option Plan will be automatically terminated upon the payment by the Company to the Purchaser of an amount equal to the applicable Option Excess Price, as provided below or, in the case of a Purchaser that is resident in the United Kingdom for purposes of U.K. national insurance regulations, then all exercisable Options, if not then exercised, shall be automatically terminated upon payment by the Trinity Trustee for the Shares (including Option Shares) of the amounts contemplated by Sections 7(c) or 7(d), as the case may be; PROVIDED, HOWEVER, in the event the applicable Option Excess Price of any Option is less than the Option Exercise Price, such Option shall be automatically terminated without any payment in respect thereof. All outstanding unexercisable Options shall be automatically terminated without any payment in respect thereof.

(ii) In the case of an exercise of the put rights described above in Section 6(a)(B) or of the call rights described above in Section 7(b)(B), with respect to each Option, the "OPTION EXCESS PRICE" is the excess, if any, of the Section 6(a) Repurchase Price over the Option Exercise Price (as defined below), MULTIPLIED by the number of Exercisable Option Shares thereunder.

(iii) In the case of an exercise of the call rights described above in Section 7(c), with respect to each Option, the "OPTION EXCESS PRICE" is the excess, if any, of the Section 7(c) Repurchase Price applicable to Option Shares over the Option Exercise Price, MULTIPLIED by the number of Exercisable Option Shares thereunder.

(iv) In the case of an exercise of the call rights described above in Section 7(d), with respect to each Option, the "OPTION EXCESS PRICE" is the excess, if any, of the Section 7(d) Purchase Price applicable to Option Shares over the Option Exercise Price, MULTIPLIED by the number of exercisable Option Shares thereunder.

For purposes hereof, "OPTION EXERCISE PRICE" shall mean the exercise price of the Ordinary Shares covered by the applicable Option, and "EXERCISABLE OPTION SHARES" shall mean the Ordinary Shares which, at the time of determination of the Option Excess Price, could be purchased by the Purchaser upon exercise of his or her outstanding Options.

10. "PIGGYBACK" REGISTRATION RIGHTS. (a) Effective upon the date of this Agreement, until the later of (i) six years from the Closing Date and (ii) the first occurrence of (x) a Qualified Public Offering or (y) the existence of an active trading market in 35% or more of the Common Shares, the Purchaser hereby agrees to be bound by all of the terms, conditions and obligations of the Registration Rights Agreement, dated as of December 18, 1998, between the Company and Profit Sharing (the "REGISTRATION RIGHTS AGREEMENT"), and, in the case of a Qualified Public Offering, and only in the case of a Qualified Public Offering, and subject to the limitations set forth in this Section 10, shall have all of the rights, privileges and obligations of the Registration Rights Agreement, in each case as if the Purchaser were an original party (other than the Company) thereto; PROVIDED, HOWEVER, that at no time shall the Purchaser have any rights to request registration under Section 3 of the Registration Rights Agreement or be deemed to be a "Demand Party" for any purpose or in any circumstance; and PROVIDED FURTHER, that the Purchaser shall not be bound by any amendments to the Registration Rights Agreement that adversely affects their rights in any way unless the Purchaser consents thereto provided that such consent will not be unreasonably withheld. Notwithstanding anything to the contrary contained in the Registration Rights Agreement, the Purchaser's rights and obligations under the Registration Rights Agreement shall be subject to the limitations and additional obligations set forth in this Section 10. All Shares purchased or held by the Purchaser (or by a Purchaser Entity) pursuant to this Agreement shall be deemed to be Registrable Securities as defined in the Registration Rights Agreement.

(b) The Company will promptly notify the Purchaser in writing (a "NOTICE") of any proposed registration (a "PROPOSED REGISTRATION") in connection with a Qualified Public Offering. If within 15 days of the receipt by the Purchaser of such Notice, the Company receives from the applicable Purchaser Entities a written request (a "REQUEST") to register Shares held by the applicable Purchaser Entities (which Request will be irrevocable unless otherwise mutually agreed to in writing by the Purchaser and the Company), Shares will be so registered as provided in this Section 10; PROVIDED, HOWEVER, that for each such registration statement only one Request, which shall be executed by the applicable Purchaser Entities, may be submitted for all Registrable Securities held by the applicable Purchaser Entities.

(c) The maximum number of Ordinary Shares which will be registered pursuant to a Request will be the lowest of (i) (A) the number of Shares then held by the Purchaser, including all Shares which the Purchaser Entities are then entitled to acquire under an unexercised Option to the extent then exercisable multiplied by (B) a fraction, the numerator of which is the number of Common Shares being sold by Profit Sharing and investment partnerships and investment limited liability companies affiliated with Kohlberg Kravis Roberts & Co. L.P. ("KKR") and the denominator of which is the number of Common Shares owned by Profit Sharing and investment partnerships and investment limited liability companies affiliated with KKR, (ii) the maximum number of Shares which the Company can register in the Proposed Registration without adverse effect on the offering in the view of the managing underwriters (reduced pro rata with all Other Management and Employee Shareholders) as more fully described in subsection (d) of this Section 10 or (iii) the maximum number of Ordinary Shares which the Purchaser (pro rata based upon the aggregate number of Ordinary Shares the Purchaser and all Other Management and Employee Shareholders have requested to be registered) and all Other Management and Employee Shareholders are permitted to register under the Registration Rights Agreement.

(d) If a Proposed Registration involves an underwritten offering and the managing underwriter advises the Company in writing that, in its opinion, the number of Common Shares requested to be included in the Proposed Registration exceeds the number which can be sold in such offering, so as to be likely to have an adverse effect on the price, timing or distribution of the Common Shares offered in such Qualified Public Offering as contemplated by the Company, then the Company will include in the Proposed Registration (i) first, either (x) 100% of the Common Shares the Company proposes to sell or (y) in the case of a registration request by a "DEMAND PARTY" pursuant to (and as defined in) Section 3 of the Registration Rights Agreement by and among certain insurance carriers or their affiliates and the Company dated as of July 22, 1998, and as such agreement may be amended from time to time (the "CARRIER REGISTRATION RIGHTS AGREEMENT"), 100% of the "REGISTRABLE SECURITIES" of the requesting "HOLDERS" as contemplated by (and as defined in) Section 3 of the Carrier Registration Rights Agreement and, in either event, (ii) second, to the extent of the number of Common Shares requested to be included in such registration which, in the opinion of such managing underwriter, can be sold without having the adverse effect referred to above, the number of Common Shares which the "HOLDERS" and "OTHER HOLDERS" (as defined in the Registration Rights Agreement), including, without limitation, the Purchaser and Other Management and Employee Shareholders have requested to be included in the Proposed Registration, such amount to be allocated pro rata among all requesting Holders and Other Holders on the basis of the relative number of Common Shares then held by each such Holder and Other Holder (provided that any shares thereby allocated to any such Holder that exceed such Holder's request will be reallocated among the remaining requesting Holders in like manner).

(e) Upon delivering a Request the Purchaser will, if requested by the Company, execute and deliver a custody agreement and power of attorney in form and substance satisfactory to the Company with respect to the Shares to be registered pursuant to this Section 10 (a "CUSTODY AGREEMENT AND POWER OF ATTORNEY"). The Custody Agreement and Power of Attorney will provide, among other things, that the Purchaser will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates representing such Shares (duly endorsed in blank by the registered owner or owners thereof or accompanied by duly executed stock powers in blank) and irrevocably appoint said custodian and attorney-in-fact as the Purchaser's agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on the Purchaser's behalf with respect to the matters specified therein.

(f) The Purchaser agrees that he or she will execute such other agreements as the Company may reasonably request to further evidence the provisions of this Section 10.

11. PRO RATA REPURCHASES; DIVIDENDS. (a) Notwithstanding anything to the contrary contained in Section 6, 7 or 8, if at any time consummation of all purchases and payments to be made by the Trinity Trustee or the Company, as the case may be, pursuant to this Agreement and the Other Management and Employee Shareholders' Agreements would result in an Event, then the Trinity Trustee or the Company, as the case may be, shall first make purchases from, and payments to, any Purchaser's Estate and the estate of any Other Management and Employee Shareholders who have died or become permanently disabled while employed (and/or while acting in a managerial or directorial capacity) or following Qualified Retirement pro rata and, second, to any other Purchaser and Other Management and Employee Shareholders pro rata (in each case, on the basis of the proportion of the number of Shares and the number of Options each such Purchaser's Estate and such other estates, and each Purchaser and all Other Employee Shareholders, as the case may be, have elected or are required to sell to the Trinity Trustee or the Company, as the case may be) for the maximum number of Shares and shall pay the Option Excess Price for the maximum number of Options permitted without resulting in an Event (the "MAXIMUM REPURCHASE AMOUNT"). The provisions of Section 6(c) and 7(f) shall apply in their entirety to payments and repurchases with respect to Options and Shares which may not be made due to the limits imposed by the Maximum Repurchase Amount under this Section 11(a). Until all of such Shares and Options are purchased and paid for by the Trinity Trustee or the Company, as the case may be, the Purchaser and the Other Management and Employee Shareholders whose Shares and Options are not purchased in accordance with this Section 11(a) shall have priority, on a pro rata basis, over other purchases of Ordinary Shares and Options by the Trinity Trustee or the Company, as the case may be, pursuant to this Agreement and Other Management and Employee Shareholders' Agreements.

(b) No dividends on the Ordinary Shares are expected to be paid by the Company prior to a Public Offering. In the event any dividends are paid with respect to the Ordinary Shares, the Purchaser will be treated in the same manner as all other shareholders with respect to Ordinary Shares then owned by the Purchaser.

12. RIGHTS TO NEGOTIATE PURCHASE PRICE. Nothing in this Agreement shall be deemed to restrict or prohibit the Trinity Trustee or the Company, as the case may be, from purchasing Shares or Options from the Purchaser at any time, upon such terms and conditions, and for such price, as may be mutually agreed upon between the parties, whether or not at the time of such purchase circumstances exist which specifically grant the Trinity Trustee the right to purchase, or the Purchaser the right to sell, Shares or the Company has the right to pay, or the Purchaser has the right to receive, the Option Excess Price under the terms of this Agreement.

13. ASSIGNABILITY OF CERTAIN RIGHTS BY THE TRINITY TRUSTEE. The Trinity Trustee shall have the right to assign any or all of its rights or obligations to purchase Shares pursuant to Sections 5, 6 and 7 hereof to the Company or Profit Sharing or an affiliate of Profit Sharing.

14. BOARD DISCRETION. In the event a Purchaser's employment and/or managerial or directorial duties are terminated or, in the event a Purchaser experiences a personal or financial hardship, the Board may, in its sole discretion, determine to apply more favorable terms to such Purchaser's Shares and Options than those established in this Agreement, and the relevant member of the Group Executive Committee may recommend to the Board that more favorable terms be applied. In addition, in the event of a sale or other disposition of any subsidiary, Associated Entity, division or business by the Company (or any of its subsidiaries), the Board shall, in its sole discretion, determine whether a termination of employment of a Purchaser has occurred for purposes of this Agreement and the conditions applicable to such termination, after consideration of any recommendation by the Group Executive Committee.

15. REPRESENTATIONS AND WARRANTIES OF THE COMPANY AND THE TRINITY TRUSTEE. The Company represents and warrants to the Purchaser that (A) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with its terms, and (B) the Shares, when issued, delivered and paid for in accordance with the terms hereof, will be duly and validly issued, fully paid and nonassessable. The Trinity Trustee represents and warrants to the Purchaser that this Agreement has been duly authorized, executed and delivered by the Trinity Trustee and constitutes a valid and legally binding obligation of the Trinity Trustee enforceable against the Trinity Trustee in accordance with its terms.

16. COVENANT NOT TO COMPETE; SEVERANCE; CONFIDENTIAL INFORMATION. In consideration of the Company entering into this Agreement with the Purchaser, the Purchaser hereby agrees effective as of the Closing Date, without the Company's prior written consent, the Purchaser shall not (i) directly or indirectly, at any time during or after the Purchaser's employment with the Company, a subsidiary or an Associated Entity, disclose any Confidential Information (as defined below) and shall use his or her best efforts to prevent the taking or disclosure of any Confidential Information pertaining to the business of the Company or any of its subsidiaries or Associated Entities, except when required by law; or (ii) unless the Purchaser and the Company (or any of its subsidiaries or Associated Entities) are already party to a valid and enforceable agreement which provides for a covenant not to compete (in which case such agreement shall control), at any time during the Purchaser's employment with the Company or a subsidiary or Associated Entity and for twelve months thereafter, directly or indirectly (A) be engaged in or have financial interest (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) in any business in Competition (as defined below) with the Restricted Group (as defined below) or (B) solicit, accept or perform, other than on the Restricted Group's behalf, insurance or bond brokerage, agency, risk management, claims administration, self-insurance, consulting or other business performed by the Restricted Group for any client with whom the Purchaser has had business dealings, or any prospective client from whom the Purchaser has participated in soliciting business, in either case within the last 12 months of the Purchaser's employment with the Company, a subsidiary or an Associated Entity; PROVIDED, HOWEVER, that the Company may, at its option, pay the Purchaser (if the Purchaser is subject to clause (ii) above) severance payments in consideration for extending this restrictive covenant for an additional twelve months; PROVIDED, FURTHER, that the Company may, at its option, require the Purchaser (if the Purchaser is subject to clause (ii) above) to be on paid leave for the entire or any portion of the foregoing 24 month period. As used in this Agreement, the term "CONFIDENTIAL INFORMATION"

means all 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 or affiliated entities (the "RESTRICTED GROUP") as in existence during the Purchaser's employment with, or performance of managerial or directorial duties for, the Company (and/or a subsidiary or Associated Entity) and as of the date of any termination of such employment or the performance of such duties. As used in this Agreement, and except as otherwise defined in a valid and enforceable agreement between the Purchaser and the Company or a subsidiary or Associated Entity, a business shall be in "COMPETITION" if it is principally engaged in any business active in the insurance or surety or fidelity bond brokerage, agency, risk management, claims administration, self-insurance, risk management consulting or other business performed by the Company, a subsidiary or Associated Entity or if it is a business in which any of the Company, a subsidiary or an Associated Entity has taken steps toward engaging. This Section 16 shall not apply to a Purchaser who is a UK or Irish employee. Any such Purchaser will, if so informed by the Company, be required to enter into separate confidentiality and post employment restraints as a condition of the Purchase of any Shares. A Purchaser shall be considered a UK or Irish employee if and for so long as: (a) the contract of employment of the Purchaser is with Willis Group or any of its UK or Irish subsidiaries and the Purchaser ordinarily works in Great Britain or Ireland and any work he or she may do outside Great Britain or Ireland is for the same employer; or (b) the law which governs the Purchaser's contract of employment is the law of England and Wales, the law of Scotland or the law of Ireland.

17. COVENANT REGARDING 83(b) ELECTION. Except as the Company may otherwise agree in writing, the Purchaser hereby covenants and agrees that, if the Purchaser is a U.S. taxpayer, he or she will make an election provided pursuant to Treasury Regulation 1.83-2 with respect to the Shares, including without limitation, the Shares to be acquired pursuant to Section 1 and the Shares to be acquired upon each exercise of the Purchaser's Options; and the Purchaser further covenants and agrees, if the Purchaser is a U.S. taxpayer, that he or she will furnish the Company with copies of the forms of election the Purchaser files within 30 days after the date hereof, and within 30 days after each exercise of Purchaser's Options and with evidence that each such election has been filed in a timely manner.

18. NOTICE OF CHANGE OF BENEFICIARY. Immediately prior to any transfer of Shares to a Purchaser's Trust, the Purchaser shall provide the Company with a copy of the instruments creating the Purchaser's Trust and with the identity of the beneficiaries of the Purchaser's Trust. The Purchaser shall notify the Company as soon as practicable prior to any change in the identity of any beneficiary of the Purchaser's Trust.

19. EXPIRATION OF CERTAIN PROVISIONS. The provisions contained in Sections 5, 6 and 7 of this Agreement and the portion of any other provision of this Agreement which incorporates the provisions of Sections 5, 6 and 7, shall terminate and be of no further force or effect with respect to any Shares sold by the Purchaser (i) pursuant to an effective registration statement filed by the Company pursuant to Section 10 hereof or (ii) pursuant to the terms of the Sale Participation Agreement of even date herewith between the Purchaser and Profit Sharing.

The provisions contained in Sections 4, 5, 6, 7 and 17 of this Agreement, and the portion of any other provisions of this Agreement which incorporate the provisions of such

Sections, shall terminate and be of no further force or effect upon a "CHANGE OF CONTROL", as defined in the Option Plan.

Except as set for the above, such provisions shall not terminate in the event of any public offering or stock exchange listing of Common Shares.

20. RECAPITALIZATIONS, ETC. The provisions of this Agreement shall apply, to the full extent set forth herein with respect to the Shares or the Options, to any and all shares of capital stock of the Company or any capital stock, partnership units or any other security evidencing ownership interests in any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in exchange for, or substitution of the Shares or the Options, by reason of any stock dividend, split, reverse split, bonus issue, combination, recapitalization, liquidation, reclassification, merger, consolidation or otherwise, with appropriate adjustments to per share repurchase prices, as may be determined in good faith by the Board of Directors in a manner consistent with any adjustments to the Options.

21. U.S. STATE SECURITIES LAWS. The Company hereby agrees to use its reasonable best efforts to comply with all U.S. state securities or "blue sky" laws which might be applicable to the sale of the Shares and the issuance of the Options to the Purchaser.

22. 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. In the case of a transferee permitted under Section 3(a) hereof, such transferee shall be deemed the Purchaser hereunder; provided, however, that no transferee (including without limitation, transferees referred to in Section 3(a) hereof) shall derive any rights under this Agreement unless and until such transferee has delivered to the Company a valid undertaking and becomes bound by the terms of this Agreement.

23. AMENDMENT. This Agreement may be amended only by a written instrument signed by the Parties hereto.

24. NOTICES. All notices and other communications required or permitted to be given under this Agreement shall be in writing and shall be deemed to have been given if delivered personally or sent by certified or express mail, return receipt requested, postage prepaid, or by any recognized international equivalent of such mail delivery, to the Company, Profit Sharing or the Purchaser, as the case may be, at the following addresses or to such other address as the Company, Profit Sharing or the Purchaser, as the case may be, shall specify by notice to the others:

(i) (a) if to the Company, to it at:

TA I Limited
Ten Trinity Square
London EC3P 3AX
England
ATTENTION: Company Secretary

with a copy to

Mourant & Co. Trustees Limited
22 Grenville Street
St. Helier
Jersey JE4 8PX
Channel Islands
ATTENTION: Sarah Rayson

(b) if to the Trinity Trustee, to it at the address above, with a copy to the Company, at the address above.

In the case of a notice delivered pursuant to (a) or (b) above, a copy shall be sent to

Kohlberg Kravis Roberts & Co.
9 West 57th Street
Suite 4200
New York, New York 10019
ATTENTION: Perry Golkin

and to

Simpson Thacher & Bartlett
99 Bishopsgate
London EC2M 3YH
England
ATTENTION: Gregory W. Conway

and to

Clifford Chance
200 Aldersgate Street
London EC1A 4JJ
England
ATTENTION: Daniel Kossoff and Robin Tremaine

(ii) if to the Purchaser, to the Purchaser at the address set forth on Annex A hereto.

All such notices and communications shall be deemed to have been received on the date of delivery or on the third business day after the mailing thereof.

25. APPLICABLE LAW; SUBMISSION TO JURISDICTION. This Agreement and the rights and duties of the parties hereunder shall be governed by and construed in accordance with the laws of the State of New York. Any suit, action or proceeding against the Purchaser with respect to this Agreement, or any judgment entered by any court in respect of any thereof, may be brought (i) with respect to any Purchaser who is a resident of the United States of America, 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 or (ii) with respect to any other Purchaser, in any court of competent jurisdiction in England and Wales, as the Company may elect in its sole discretion and the Purchaser hereby submits accordingly to the nonexclusive jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment. By the execution and delivery of this Agreement, the Purchaser irrevocably appoints CT Corporation System, at its office at 1633 Broadway, New York, New York or Willis Group Limited, at its registered office for the time being, as the case may be, as his or her agent upon which process may be served in any such suit, action or proceeding. Service of process upon such agent, together with notice of such service given to the Purchaser in the manner provided in Section 24 hereof shall be deemed in every respect effective service of process upon him or her in any suit, action or proceeding. Nothing herein shall in any way be deemed to limit the ability of the Company or the Trinity Trustee to serve any such writs, process or summonses in any other manner permitted by applicable law or to obtain jurisdiction over the Purchaser, in such other jurisdictions, and in such manner, as may be permitted by applicable law. The Purchaser 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, if the Purchaser is a resident of the United States, or in England and Wales, if the Purchaser is a resident of any other jurisdiction, and 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 the Trinity Trustee with respect to this Agreement may be brought in any court, domestic or foreign, or before any similar domestic or foreign authority other than in a court of competent jurisdiction in the State of New York or in England or Wales, and the Purchaser hereby irrevocably waives any right which he or she may otherwise have had to bring such an action in any other court, domestic or foreign, or before any similar domestic or foreign authority. The Company and the Trinity Trustee each hereby submits accordingly to the jurisdiction of such courts for the purpose of any such suit, action or proceeding.

26. SECTION AND OTHER HEADINGS, ETC. The section and other headings contained in this Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Agreement.

27. COUNTERPARTS. This Agreement may be executed in any number of counterparts, 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, the Trinity Trustee and, upon due execution and delivery of the Master Acceptance Form, the Purchaser have executed this Agreement, as of the date set forth above.

TA I LIMITED

By: /s/ Michael Chitty
---
Name: Michael Chitty
Title: Corporate Secretary

MOURANT & CO. TRUSTEES LIMITED

By: /s/ James David Philippe Crill
---
Name: James David Philippe Crill
Title:

EXHIBIT 4.8

# GLOBAL AMENDMENT
# TO THE
# EQUITY PARTICIPATION PLAN AGREEMENTS
# OF
# TA I LIMITED

This amendment, dated as of 2001 (this "AMENDMENT"), to the Equity Participation Plan Agreements (as defined below) is made by and among TA I Limited, a limited liability company organized under the laws of England and Wales ("TA I"), Mourant & Co. Trustees Limited, as Trustee of a trust organized by TA I ("MOURANT"), Profit Sharing (Overseas), Limited Partnership, an Alberta, Canada limited partnership ("PROFIT SHARING"), the individual (the "PURCHASER" and, together with the other individuals party to Equity Participation Plan Agreements, the "PURCHASERS") who has duly completed, executed and delivered a Master Acceptance Form (as defined in the Subscription Agreements (defined below)), and Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda ("WILLIS HOLDINGS"), and is being entered into in connection with an offer to all Purchasers to exchange their non-voting management ordinary shares in TA I for non-voting management common shares of Willis Holdings.

W I T N E S S E T H

WHEREAS, Profit Sharing, which is controlled by KKR 1996 Fund (Overseas), Limited Partnership, and the other non-management shareholders of TA I have determined to exchange, directly or indirectly, their interests in TA I for equivalent interests in Willis Holdings (the "RESTRUCTURING") in order to facilitate certain potential transactions, including a potential initial public offering of shares in Willis Holdings in the United States;

WHEREAS, in connection with the Restructuring, Profit Sharing, the other non-management shareholders, Willis Holdings, and TA I have determined to extend to all of the Purchasers the opportunity to exchange their interests in TA I for interests in Willis Holdings and, therefore, Willis Holdings has offered to exchange one non-voting management common share in Willis Holdings for each non-voting management ordinary share in TA I held by the management shareholders of TA I; and

WHEREAS, in connection with Willis Holdings' exchange offer, it is necessary to amend, and the parties hereto desire to amend, certain provisions of each of the Equity Participation Plan Agreements to reflect the substitution of Willis Holdings for TA I as the entity in which equity interests are held.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I
DEFINITIONS

(a) "EQUITY PARTICIPATION PLAN AGREEMENTS" means:

(i) (a) a Management and Employee Shareholders' and Subscription Agreement, dated as of December 18, 1998 (the "1998 SUBSCRIPTION Agreement"), (b) a Management and Employee Shareholders' and Subscription Agreement, dated as of May 7, 1999 (the "MAY 1999 SUBSCRIPTION AGREEMENT"), (c) a Management and Employee Shareholders' and Subscription Agreement, dated as of December 20, 1999 (the "DECEMBER 1999 SUBSCRIPTION AGREEMENT"), (d) a Management and Employee Shareholders' and Subscription Agreement, dated as of July 6, 2000 (the "JULY 2000 SUBSCRIPTION Agreement"), and (e) a Management and Employee Shareholders' and Subscription Agreement, dated as of October 5, 2000 (the "OCTOBER 2000 SUBSCRIPTION AGREEMENT", and, together with the 1998 Subscription Agreement, the May 1999 Subscription Agreement, the December 1999 Subscription Agreement, and the July 2000 Subscription Agreement, the "SUBSCRIPTION AGREEMENTS"), in each case, by and among TA I, Mourant, and the Purchaser referred to therein;

(ii) (a) either one of two Amended and Restated Share Option Agreements, dated as of December 18, 1998 (the "1998 OPTION AGREEMENTS"), (b) either one of two Share Option Agreements, each dated as of December 20, 1999 (the "1999 OPTION AGREEMENTS"), (c) either one of two Share Option Agreements, each dated as of July 6, 2000 (the "JULY 2000 OPTION AGREEMENTS"), and (d) either one of two Share Option Agreements, each dated as of October 5, 2000 (the "OCTOBER 2000 OPTION AGREEMENTS" and, together with the 1998 Option Agreements, the 1999 Option Agreements, and the July 2000 Option Agreements, the "OPTION AGREEMENTS"), in each case, by and between TA I and the individual referred to therein; and

(iii) (a) a Sale Participation Agreement, dated as of December 18, 1998 (the "1998 SALE PARTICIPATION AGREEMENT"), (b) a Sale Participation Agreement, dated as of May 7, 1999 (the "MAY 1999 SALE PARTICIPATION AGREEMENT"), (c) a Sale Participation Agreement, dated as of December 20, 1999 (the "DECEMBER 1999 SALE PARTICIPATION AGREEMENT"), (d) a Sale Participation Agreement, dated as of July 6, 2000 (the "JULY 2000 SALE PARTICIPATION AGREEMENT"), and (e) a Sale Participation Agreement, dated as of October 5, 2000 (the "OCTOBER 2000 SALE PARTICIPATION AGREEMENT" and, together with the 1998 Sale Participation Agreement, the May 1999 Sale Participation Agreement, the December 1999 Sale Participation Agreement, and the July 2000 Sale Participation Agreement, the "SALE PARTICIPATION AGREEMENTS"), in each case, by and between Profit Sharing and the individual referred to therein.

(b) Unless otherwise expressly defined herein, all defined terms shall have the meanings ascribed thereto in the Subscription Agreements.

ARTICLE II
GLOBAL AMENDMENTS TO THE
EQUITY PARTICIPATION PLAN AGREEMENTS

SECTION 2.1. REFERENCES TO THE "COMPANY".

(a) Except as expressly set forth herein, each Equity Participation Plan Agreement is hereby amended by deleting the definition of the "Company" contained therein and substituting therefor the following:

"Willis Group Holdings Limited, a company with limited liability organized under the laws of Bermuda (the "Company")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as what agreements the "Company" or "TA I Limited" may have entered into prior to the date hereof), (i) each and every reference to the "Company" in each of the Equity Participation Plan Agreements is to be read as a reference to Willis Holdings, (ii) each and every reference to "TA I Limited" in each of the Equity Participation Plan Agreements is to be read as a reference to Willis Holdings, (iii) Willis Holdings shall be entitled to all rights and privileges enjoyed by the "Company" thereunder, and shall be subject to all liabilities and duties of the "Company" thereunder, and (iv) TA I shall not have any rights or privileges and shall be released from and have no liabilities or duties thereunder.

SECTION 2.2. REFERENCES TO "ORDINARY SHARES".

(a) Except as expressly set forth herein, each Equity Participation Plan Agreement is hereby amended by deleting the definition of "Ordinary Shares" contained therein and substituting therefor the following:

"non-voting management common shares, par value $0.000115 per share, of the Company (the "Ordinary Shares")".

(b) Each party hereto hereby agrees that, except as expressly set forth herein and except with respect to references of historical fact (such as how the shares were acquired), each and every reference to "Ordinary Shares" in each of the Equity Participation Plan Agreements is to be read as a reference to non-voting management common shares, par value $0.000115 per share, of Willis Holdings.

SECTION 2.3. REFERENCES TO THE "MEMORANDUM AND ARTICLES" OF THE COMPANY. Each reference to the "Memorandum and Articles of Association" or "Articles" of the "Company" in each Equity Participation Plan Agreement is hereby replaced by a reference to the "Memorandum of Association and Bye-laws" of Willis Holdings, and the parties hereto hereby agree that each and every reference to the "Articles" in each of the Equity Participation Plan Agreements shall be read as a reference to the Bye-laws of Willis Holdings.

SECTION 2.4. REFERENCES TO THE OPTION PLAN OF TA I LIMITED.

(a) Each Equity Participation Plan Agreement is hereby amended by deleting any reference contained therein to either the "1998 Share Purchase and Option Plan

for Key Employees of TA I Limited" or the "Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of TA I Limited" and substituting therefor the "Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited".

(b) Each party hereto hereby agrees that, (i) each and every reference to either the "1998 Share Purchase and Option Plan for Key Employees of TA I Limited" or the "Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of TA I Limited" in each of the Equity Participation Plan Agreements is to be read as a reference to the "Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited", (ii) Willis Holdings shall be entitled to all rights and privileges enjoyed by the "Company" under such plan, and shall be subject to all liabilities and duties of the "Company" thereunder, and (iii) TA I shall not have any rights or privileges and shall be released from and have no liabilities or duties thereunder.

SECTION 2.5. REFERENCES TO CT CORPORATION SYSTEM. Each Equity Participation Plan Agreement is hereby amended by deleting the address given for CT Corporation System and substituting therefor "111 Eighth Avenue, New York, New York".

SECTION 2.6. NOTICE PROVISIONS. The notice provision of each Equity Participation Plan Agreement is hereby amended to provide that the primary address for contacting the "Company" shall be "Willis Group Holdings Limited, c/o The Company Secretary, Willis Group Limited, Ten Trinity Square, London EC3P 3AX", with a copy to "Kohlberg Kravis Roberts & Co., Stirling Square, 7 Carlton Gardens, London SW1Y 5AD, Attention: Todd Fisher".

SECTION 2.7. REFERENCES TO SIMPSON THACHER & BARTLETT.Each Equity Participation Plan Agreement is hereby amended by deleting the address given for Simpson Thacher & Bartlett and substituting therefor:

"CityPoint
One Ropemaker Street
London EC2Y 9HU
England
ATTENTION: Gregory W. Conway".

## ARTICLE III
## SPECIFIC AMENDMENTS TO THE SUBSCRIPTION AGREEMENTS

SECTION 3.1. AMENDMENT TO THE PRIMARY LEGEND. Section 3(b) of each Subscription Agreement is hereby amended by (i) adding the clause "AS AMENDED," after the clause in the primary legend that reads "AND THE PURCHASER NAMED ON THE FACE HEREOF" and (ii) replacing the clause in the primary legend that reads "TA I LIMITED (THE "COMPANY")" with "WILLIS GROUP HOLDINGS LIMITED (THE "COMPANY")".

SECTION 3.2. AMENDMENT TO THE "DETERMINATION OF REPURCHASE PRICE" PROVISION. The provision providing for the determination of the Repurchase Price in each of the Subscription Agreements shall be amended to provide that any conversions from pounds sterling to U.S. dollars or from U.S. dollars to pounds sterling will be calculated on the Repurchase Calculation Date by reference to the noon buying rate in the City of New York

for cable transfers in pounds sterling as announced by the Federal Reserve Bank of New York for customs purposes (the "NOON BUYING RATE") on such date.

SECTION 3.3. AMENDMENT TO THE "SHARES ISSUED TO PURCHASER UPON EXERCISE OF OPTIONS; TERMINATION AND EXPIRATION OF OPTIONS" PROVISION. The provisions in each of the Subscription Agreements providing for the appropriate treatment of Options upon their termination and expiration shall be amended to provide that any conversion from pounds sterling to U.S. dollars or from U.S. dollars to pounds sterling will be calculated on the appropriate date by reference to the Noon Buying Rate on such date.

## ARTICLE IV
## SPECIFIC AMENDMENTS TO THE OPTION AGREEMENTS

SECTION 4.1. REFERENCES TO AN ENTITY OTHER THAN WILLIS HOLDINGS. (i) The definitions of "Actual Cash Flow Performance," "Actual EBITDA Performance," "Consolidated Earnings," "Consolidated Interest Expense," "Constant Currency Rate," "Cumulative Cash Flow," "EBITDA," "Sustained EBITDA," and "Working Capital", and (ii) the provision setting forth the calculation of the Combined Performance Percentage contained in any of the Option Agreements is hereby amended by replacing any reference therein to either "the Company" or "TA I Limited" with a reference to "Willis Group Limited".

## ARTICLE V
## MISCELLANEOUS

SECTION 5.1. EFFECTIVE TIME. This Amendment shall become effective as of the date and year first written above.

SECTION 5.2. COUNTERPARTS. This Amendment may be executed simultaneously or in any number of counterparts, each of which shall be deemed to be an original, and all of which shall constitute one and the same instrument.

SECTION 5.3. EXISTING CALLS AND PUTS. For the avoidance of doubt, by executing this amendment the parties hereto agree that any Purchaser holding TA I Ordinary Shares that have been called for purchase by TA I Limited or Mourant, but which have not yet been purchased, shall be under a duty to deliver Ordinary Shares of Willis Holdings at the closing of any such purchase; Willis Holdings shall not be required to execute a new call or to send any additional notice in order for the call previously exercised by TA I Limited or Mourant with respect to Ordinary Shares of TA I Limited to be effective with respect to the Ordinary Shares of Willis Holdings being offered in the Restructuring in exchange for such Ordinary Shares of TA I Limited.

SECTION 5.4. CONSTRUCTION AND GOVERNING LAW. This Amendment shall be construed together with, and as part of, each of the Equity Participation Plan Agreements and shall be governed in all respects by the laws of New York or England, as appropriate, as such laws are applied to agreements to be performed entirely in such jurisdictions.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

TA I LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

for and on behalf of

MOURANT & CO. TRUSTEES LIMITED
as trustee of the Trinity
Employees' share ownership
Plan Trust

By: /s/ William Patrick Jones /s/ Julie Harris
---
Authorized Signatory Authorized Signatory

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: /s/ T. A. Fisher
---
Name: T. A. Fisher
Title: Director

WILLIS GROUP HOLDINGS LIMITED

By: /s/ Joseph J. Plumeri
---
Name: Joseph J. Plumeri
Title: Executive Chairman

SIGNATURE PAGE TO THE
GLOBAL AMENDMENT TO THE
EQUITY PARTICIPATION PLAN AGREEMENTS
OF
TA I LIMITED

THE PURCHASER (acting through his or her attorney or agent)*

By: /s/ M. P. Chitty
---
Name: Michael P. Chitty

Attorney for those attached

* Appointed by the letter of transmittal and consent.

WILLIS GROUP HOLDINGS LIMITED - GLOBAL AMENDMENTS

| | | | |
|---|---|---|---|
| Glen Aguilar-Millan | 1 College Green | | |
| Paul Aitchison | Little Orchard | 10 Pear Tree Lane | Rowledge |
| Norman David Alderton | 135 Tolmers Road | | |
| Ronald L Alexander | 1604 Bingham Drive | | |
| Gregory Alff | 1687 Old Hillsboro Road | | |
| Robert W Allen | 5903 S Elkins Street | | |
| Manuel F Almenara | 4765 Sw 80Th Street | | |
| Ian D Armstrong | 38 Pendreich Grove | | |
| Frederick Arnold | 3 York Road | | |
| Stephen Aston | Residencias Oktogono | Apto 2A Callet | Coninas de Valle Arriba |
| David Atkinson | 14 Haughley Drive | Bixley Farm | Rushmere |
| Kirk Austin | JL. Sekolah Kencana IV A/8B | Pondok Indah | |
| Tim Aylen | 6 Durham Road | Wigmore | |
| Donald W Bacic | 19734 SE 19th Street | | |
| William J. Baird Jr. | 24 Murray Hill Circle | | |
| Robert A Ballin | 2045 Potter Street | | |
| Robert Barlow | 22 Circus Street | Greenwich | |
| Robin Barnes | 43 Queens Road | | |
| David W Barnette | 2435 Old Hickory Boulevard | | |
| Anne Barrett | 2405 Waverly Street | | |
| Stephen T Barton | 21 Sutton Place | | |
| Freddy Batt | 13 Chelsea Studios | 410-416 Fulham Road | |
| Paul R Becker | 9504 Ashford Place | | |
| Graeme Berwick | P O Box 456 | Haberfield | |
| Guy Bessis | Flat 115, Pier House | 31 Cheyne Walk | |
| Sibyl Bogardus | 13 Magnolia Drive | | |
| Enrico Boglione | 175 Strada Vito | | |
| Francesco Boglione | Petersham House | 143 Petersham Road | Richmond |
| Bruce R Bollom | 9 Coonara Avenue | West Pennant Hills | |
| Michael Norman Bone | The Old Vicarage | Gt. Stukeley | Huntingdon |
| Philip Bowie | 725 Park Avenue | | |
| Paul Brandram | No.40 Prince's Gate Mews | | |

| | | | | | |
|---|---|---|---|---|---|
| Glen Aguilar-Millan | Felixstowe | Suffolk | | IP11 7AP | UK |
| Paul Aitchison | Farnham | | SURREY | GU104DW | UK |
| Norman David Alderton | Cuffley | | HERTS | EN64JW | UK |
| Ronald L Alexander | Knoxville | Kno | TN | TN 37922 | US |
| Gregory Alff | Franklin | Wll | TN | TN 37069 | US |
| Robert W Allen | Tampa | Hil | FL | FL 33611 | US |
| Manuel F Almenara | Miami | Dad | FL | FL 33143 | US |
| Ian D Armstrong | Bonnyrigg | | LOTH | EH192EH | UK |
| Frederick Arnold | Larchmont | | NY | NY 10538 | US |
| Stephen Aston | Caracas | | | | VENEZUELA |
| David Atkinson | Ipswich | Suffolk | | IP4 5QU | UK |
| Kirk Austin | Jakarta 12310 | | ESSEX | | INDONESIA |
| Tim Aylen | Gillingham | | KENT | ME80JW | UK |
| Donald W Bacic | Issaquah | Kin | WA | WA 98075 | US |
| William J. Baird Jr. | Baltimore | Bct | MD | MD 21212 | US |
| Robert A Ballin | Eugene | Lan | OR | OR 97405 | US |
| Robert Barlow | London | | | SE108SN | UK |
| Robin Barnes | Tunbridge Wells | | KENT | TN49LZ | UK |
| David W Barnette | Nashville | Dav | TN | TN 37221 | US |
| Anne Barrett | Philadelphia | | PA | PA 19146 | US |
| Stephen T Barton | London | | | E96EH | UK |
| Freddy Batt | London | | | SW61EB | UK |
| Paul R Becker | Brentwood | Dav | TN | TN 37027 | US |
| Graeme Berwick | | | | NSW 2045 | AUSTRALIA |
| Guy Bessis | London | | | SW35HN | UK |
| Sibyl Bogardus | St. Louis | Stl | MO | MO 63124 | US |
| Enrico Boglione | Torino | | | 10133 | ITALY |
| Francesco Boglione | Surrey | | | TW10 7AA | UK |
| Bruce R Bollom | | | | NSW 2125 | AUSTRALIA |
| Michael Norman Bone | Cambridgeshire | | CAMBS | PE284AL | UK |
| Philip Bowie | Mahtomedi | | MN | MN 55115 | US |
| Paul Brandram | London | | | SW72PR | UK |

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|---|---|---|---|
| Stephen Breen | 890 Somerset Court | | |
| Gavin Bridgman | Poppy Cottage | Holly Bush Lane | Sevenoaks |
| David Brooks | 3 Clare Mews | Waterford Road | |
| Gary Brooks | 8 Yeomead | Nailsea | |
| John L Brown | 1204 Spearpoint Drive | | |
| Marcus Clement Brown | Abergavenny House | Mill Lane | Rodmell |
| Robin Brown | The Cottage | Franks Hollow Road | Bidborough |
| Roger S Brown | Somersbury | 6 Stoneyfields | Farnham |
| Wayne W Brown | 45 Elmwood Drive | | |
| Trevor Bruce | 218 Norsey Road | | |
| Gary W Buchanan | 1204 Carrington Drive | | |
| Charles Burnett | 25 Marloes Road | | |
| Rick Burns | 5003 Holly Ave. | | |
| Mary E Caiazzo | 9445 Waterfall Road | | |
| Terry A Campbell | 27318 Chesterfield Dr. | | |
| Pedro Cardelus | C Francisco de Asis Mendez | Casariego No.4 | |
| Ronald J Carlson | 400 West Paddock Circle | | |
| John W Carter | 28 Lynch Way | Horsell | Woking |
| Jaime Castellanos | Po de la Catellana, 36-38 4O | | |
| Marcel Chad | 35b Ramsden Road | Balham | |
| William B Chambers | 12 Betty Bush Lane | | |
| John Chaney | 2977 Fontenay | | |
| Michael Chitty | 17 Eskdale Road | | Bexley Heath |
| Richard Chiverrell | High Laver House | High Laver | Nr Ongar |
| Chris G Clark | 16 Castlewan Gardens | Barnes | |
| Chris N Clark | 4 Verulam Avenue | Purley | |
| Michael Claydon | 54 Bishops Road | Fulham | |
| James Clinch | 30 Bowerdean Street | | |
| Richard Close-Smith | 40 Pottery Lane | | |
| Tom Cochrane | 27 Bucharest Road | London | |
| Jay E Cogswell | 25 Cypress Road | | |
| Thomas Colraine | 403 Keyes House | Dolphin Square | |
| Tim Compton | 17 Church Avenue | | |
| Edward S Contant | 10800 East Cactus Road | No.44 | |
| James Harold Costner | 6004 Landmark Place | | |
| Nigel Cotton | 31 Greens Farm Lane | | |
| Nicholas Martin Cox | The Birches | 3 Oxford Court | Warley |

| | | | | | |
|---|---|---|---|---|---|
| Stephen Breen | Ramsey | Ber | NJ | NJ 07446 | US |
| Gavin Bridgman | Kent | | KENT | TN133TJ | UK |
| David Brooks | London | | | SW62EG | UK |
| Gary Brooks | Bristol | | AVON | BS48 1JA | UK |
| John L Brown | Hendersonville | Sum | TN | TN 37075 | US |
| Marcus Clement Brown | Sussex | | E.SUSX | BN73HS | UK |
| Robin Brown | Tunbridge Wells | | KENT | TN30UB | UK |
| Roger S Brown | Surrey | | SURREY | GU98DX | UK |
| Wayne W Brown | Destrehan | Orl | LA | LA 70047 | US |
| Trevor Bruce | Billericay | | ESSEX | CM111DB | UK |
| Gary W Buchanan | Raleigh | Wak | NC | NC 27615 | US |
| Charles Burnett | London | | | W86LG | UK |
| Rick Burns | Bellaire | Har | TX | TX 77401 | US |
| Mary E Caiazzo | Brentwood | Dav | TN | TN 37027 | US |
| Terry A Campbell | Valencia | Los | CA | CA 91354 | US |
| Pedro Cardelus | 28002 Madrid | | | | SPAIN |
| Ronald J Carlson | Wayzata | | MN | MN 55391 | US |
| John W Carter | Surrey | | SURREY | GU214QG | UK |
| Jaime Castellanos | 28046 Madrid | | | | SPAIN |
| Marcel Chad | London | | | SW128QX | UK |
| William B Chambers | Baltimore | Bct | MD | MD 21212 | US |
| John Chaney | Shaker Heights | Cuy | OH | OH 44120 | US |
| Michael Chitty | Kent | | KENT | DA75DL | UK |
| Richard Chiverrell | Essex | | ESSEX | CM50DR | UK |
| Chris G Clark | London | | W SUSX | SW13 8DU | UK |
| Chris N Clark | Surrey | | SURREY | CR83NQ | UK |
| Michael Claydon | London | | GT LON | SW67AH | UK |
| James Clinch | London | | | SW6 3TW | UK |
| Richard Close-Smith | London | | | W114LZ | UK |
| Tom Cochrane | | | | SW18 3AS | UK |
| Jay E Cogswell | Chatham | Mor | NJ | NJ 07928 | US |
| Thomas Colraine | London | | | SW1V 3LX | UK |
| Tim Compton | Ruislip | | MDDSX | HA47HU | UK |
| Edward S Contant | Scottsdale | Mar | AZ | AZ 85259 | US |
| James Harold Costner | Brentwood | Wll | TN | TN 37037 | US |
| Nigel Cotton | Billericay | | ESSEX | CM1 12EX | UK |
| Nicholas Martin Cox | Brentwood | | ESSEX | CM145EU | UK |

| | | | |
|---|---|---|---|
| Michael Croke | 5948 Broadview Avenue N.E. | | |
| Michael S. Cross | 616 Newbern Court | | |
| Vincent A Culhane | 6025 Manor Place | | |
| Malcolm Cutts-Watson | Cercle De Pierre | Grande Rue | St Saviours |
| Daniel P Daley | 12501 Palos West Drive | | |
| Martin Daniels | Cherry Garth | Links Drive | |
| Edgar Davenport | 820 Georgeboro Court | | |
| Paul Leslie Davidson | Church Farmhouse | 401 Walton Road | West Molesey |
| Rita DeFelice | 829 Colwell Road | | |
| Thomas R Denniston | 51 Stonecastle Court | | |
| Arvid R Dike | 1124 Shady Oaks Lane | | Fort Worth |
| Douglas Dingwall | 848 Milford Road | | |
| Chris Doolan | 40 Holifast Road | Wylde Green | |
| Suzanne Douglass | 301 Elizabeth Street | Apt 8A | |
| Christine Douse | 5 Highbury Road | Wimbledon | |
| Nicholas John Dunlop | 10 Robin Hood Road | Summit | |
| James W Dunn | 4409 Dale Avenue | | |
| Robert Dunn | 501 de la Metarie | Ile des Soeurs | Verun |
| Joan Eakin | 14 Tweskard Park | | |
| Charles Edens | 2015 Gurney Ct. | | |
| Sharon H Edwards | 103 Saltwood Place | | |
| Omar Elkhoury | 13709 Mills Farm Road | | |
| Douglas Elliot | 23 Redwood Crescent | Bishopton | |
| Melvin Elmy | 17 Weymouth Road | | |
| Bo-Goran Engdahl | Ginsttunet 5 | S-181 48 Lidingoe | |
| Magnus Eriksson | 25 Narborough Street | | |
| Michael Faber | 2A Lyall Mews | | |
| Raymond B Falk | 540 Audubon Street | | |
| Bernard Farrell | Badgers Raike | Pope Lane, Whitestake | |
| Rafael Fernandez | Chilapa 24 | Casa 4 | |
| Moreno Fiore | 210 Trinidad | Dollard-des-Ormeaux | |
| Peter Fontaine | 5004 Fountainhead Drive | | |
| Alasdair Forman | 23 Epple Road | Fulham | |
| Christopher J Franks | 65 Brook Manor | | |
| Peter J Fritz | 71 Chapel Road | | |
| Andrew Fryer | Field House | Sedgwick Lane | Horsham |
| Edward Fyfe | Ten Trinity Square | | |

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|---|---|---|---|---|---|---|
| Michael Croke | Tacoma | Pie | WA | WA 98422 | | US |
| Michael S. Cross | Burlington | Ala | NC | NC 27615 | | US |
| Vincent A Culhane | Brentwood | Dav | TN | TN 37027 | | US |
| Malcolm Cutts-Watson | Guernsey | | CHL IS | | | UK |
| Daniel P Daley | Palos Park | Coo | IL | IL 60464 | | US |
| Martin Daniels | Chelmsford | | ESSEX | CM29AW | | UK |
| Edgar Davenport | Brentwood | Wll | TN | TN 37027 | | US |
| Paul Leslie Davidson | Surrey | | SURREY | KT8 2EG | | UK |
| Rita DeFelice | Swarthmore | Del | PA | PA 19081 | | US |
| Thomas R Denniston | Alamo | Con | CA | CA 94507 | | US |
| Arvid R Dike | Texas | | | TX 76107 | | US |
| Douglas Dingwall | Holly | Oak | MI | MI 48442 | | US |
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| James Michael Ruston | 1809 Kelly Court | | |
| Loreto J Ruzzo | 38 Hilltop Road | | |
| Dominic Samengo-Turner | Spicers Farm House | Rowhill Lane | |
| Joseph W Sarrey Jr. | 36 Pond Street | | |
| David H Scott | Woodbank Cottage | Tower Hill | Dorking |
| Neil Seagers | 6A North Mews | | |
| Scott T Self | 3229 Coventry Place | | |
| Anton Serrats | Po de la Castellana, 36-38 | | |
| Colin Andrew Sharman | 141 Bishopsteignton | Shoeburyness | |
| Martin Shilvock | 23 Croftdown Road | Harborne | |
| David E Shuey | 1547 Mill Race Lane | | |
| Michael J Sicard | 465 Cumberland Place | | |
| Gregory C Sinnott | 30 Stirrup Place | | |
| Philip Smaje | 1 Brabourne Heights | Marsh Lane | Mill Hill |
| John Smart | Alpine Lodge | 4 Alderton Close | Felsted |
| Leslie J Smith | 21 Seymour Gardens | | |
| Mark M. Smith | 156 Undercliffe Avenue, Apt 1 | Edgewater | |
| Peter D Smith | 70 Mayfield Road | | |
| Richard Sowerby | Marlow House | 7 Anjou Green | Beaulieu Park |
| Christian Steenstrup | Jakstigen 16 | S-181 46 Lidingo | |
| Stuart Stow | 121 William Edward Street | Longueville | |

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|---|---|---|---|---|---|
| William H Ratz | Houston | Har | TX | TX 77057 | US |
| Diane Audrey Ray | Essex | | | EN9 1JS | UK |
| Steve L Rayner | Cobham | | SURREY | KT112DU | UK |
| Mark E Reagan | Westfield | Dav | NJ | NJ 07090 | US |
| Peter R Redfern | Cleckheaton | | WYORKS | BD196JT | UK |
| David Charles Reed | Valencia | Los | CA | CA 91355 | US |
| George Reeth | Madison | Mor | NJ | NJ 07940 | US |
| Charles Richardson | London | | | SW49NB | UK |
| Monte Richardson | Escondido | Sdi | CA | CA 92029 | US |
| Jeremy T Ridge | Chipstead | | SURREY | CR53QN | UK |
| Alistair Rivers | London | | | SW75HR | UK |
| Eric Maurice Roberts | Alamo | Con | CA | CA 94507 | US |
| Roger D Robison | Charlotte | Cas | NC | NC 28277 | US |
| H. David Roebuck | San Francisco | Con | CA | CA 94127 | US |
| Robert P Runk | Southport | Fai | CT | CT 06490 | US |
| Donald Rushton | London | | | W1G9SX | UK |
| James Michael Ruston | Darien | Dup | IL | IL 60561 | US |
| Loreto J Ruzzo | Waccabuc | Wll | NY | NY 10597 | US |
| Dominic Samengo-Turner | Balcombe | | W SUSX | RH176JN | UK |
| Joseph W Sarrey Jr. | Rehoboth | Bri | MA | MA 02769 | US |
| David H Scott | Surrey | | | RH4 2AT | UK |
| Neil Seagers | London | | | SW1N 2JP | UK |
| Scott T Self | Burlington | Gui | NC | NC 27215 | US |
| Anton Serrats | Madrid | | | 28046 | SPAIN |
| Colin Andrew Sharman | Essex | | ESSEX | SS38BQ | UK |
| Martin Shilvock | Birmingham | | WSTMID | B178RA | UK |
| David E Shuey | West Chester | Che | PA | PA 19380 | US |
| Michael J Sicard | Nashville | | TN | TN 37215 | US |
| Gregory C Sinnott | Wilton | Fai | CT | CT 06897 | US |
| Philip Smaje | London | | | NW74NU | UK |
| John Smart | Essex | | ESSEX | CM6 3EL | UK |
| Leslie J Smith | Surbiton | | SURREY | KT58QE | UK |
| Mark M. Smith | | Ber | NJ | NJ 07020 | US |
| Peter D Smith | Ipswich | | SUFFK | IP43NG | UK |
| Richard Sowerby | Chelmsford | | ESSEX | CM16EE | UK |
| Christian Steenstrup | | | | | SWEDEN |
| Stuart Stow | Sydney | | | NSW 2066 | AUSTRALIA |

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|---|---|---|---|
| Joseph F Sullivan | 1322 South Wabash, Unit C | | |
| R Craig Sutherland Jr. | 3 Windsor Way | | |
| Kenneth J Sweeney | 15 Westview Drive | | |
| James Sybert | 1176 Cross Creek Drive | | |
| Philip Symes | 10 Beryl Road | | |
| Michael R Szot | 5256 La Canada Blvd. | | |
| John W Taylor | "Kingsmead" | Working Lane | Gretton |
| Rod Thaler | 2 Morris Lane | | |
| Eric Thompson | 2604 Chyenne Circle | | |
| Hon Keung Tsang | 17/F, AIA Plaza | 18 Hysan Avenue | Causway Bay |
| Joe Ben Turner | 1068 Craigland Court | | |
| Sarah Turvill | 33 Canonbury Park North | | |
| Luis Alberto Undurraga Cruz | Camino el Alarife 1000 | Lo Barnechea Las Condes | |
| James Vickers | 19 Herondale Avenue | | |
| Brian K Victory | 344 Julianna Circle | | |
| Alexander W Vietor | 301 Purchase Street | | |
| Clayton George Vigrass | 4705 Derbyshire Drive | | |
| Dow Walker Jr. | 1003 Lexington Drive | | |
| Johnson Wallace | 110 Westhampton Place | | |
| Kevin T Walsh | 574 STANGLE ROAD | MARTINSVILLE | |
| Ian Warner | The Old Post House | Bowlhead Green | |
| Hugh A Warren | 88 St Johns Wood Terrace | | |
| James J Warzyniec | 34734 Navin | | |
| Nigel Watts | 9 FURLONG ROAD | LONDON | |
| Derek Webb | Honeywood | Glanthams Close | |
| Ronald Paul Weinhold | 2255 Charnelton Street | | |
| Paul Wenham | 100 Ossulton Way | | |
| Chris Weston-Simons | 65 Woodbourne Avenue | | |
| Thomas Wilder | 8700 N. 55Th Place | | |
| Giles Wilkinson | Mount Noddy | Church Lane | Danehill |
| Christopher Williams | 5911 E Valley Vista Lane | | Paradise Valley |
| Maurice J Williams | 24 St Margaret's Road | Wanstead | |
| Adam David Willis | 46 Cloncurry Street | Fulham | |
| Joseph M Wilson | 1083 West Park Avenue | | |
| David Wrathall | 18 Glen Avenue | | |
| Mike Wright | 51 Queen's Grove | St John's Wood | |
| Chung-Hsiao Wu | 2/F, 114, Chung Shan N. Road | SEC 2 | |

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|---|---|---|---|---|---|
| Joseph F Sullivan | Chicago | Coo | IL | IL 60605 | US |
| R Craig Sutherland Jr. | Basking Ridge | Som | NJ | NJ 07929 | US |
| Kenneth J Sweeney | Katonah | Wes | NY | NJ 10536 | US |
| James Sybert | Franklin | Wll | TN | TN 37067 | US |
| Philip Symes | London | | | W68JT | UK |
| Michael R Szot | La Canada | Los | CA | CA 91011 | US |
| John W Taylor | Nr. Chelmsford | | GLOUCS | GL545EU | UK |
| Rod Thaler | Oyster Bay Cove | | NY | NY 11771 | US |
| Eric Thompson | Minnetonka | Hen | MN | MN 55305 | US |
| Hon Keung Tsang | | | | | HONG KONG |
| Joe Ben Turner | Knoxville | Kno | TN | TN 37919 | US |
| Sarah Turvill | London | | | N12JU | UK |
| Luis Alberto Undurraga Cruz | Santiago | | | | CHILE |
| James Vickers | London | | | SW183JN | UK |
| Brian K Victory | Franklin | Mec | TN | TN 37064 | US |
| Alexander W Vietor | Rye | Wes | NY | NY 10580 | US |
| Clayton George Vigrass | Antioch | Dav | TN | TN 37013 | US |
| Dow Walker Jr. | Brentwood | Wll | TN | TN 37027 | US |
| Johnson Wallace | Nashville | Dav | TN | TN 37205 | US |
| Kevin T Walsh | | | New York | NJ 08836 | US |
| Ian Warner | Nr Godalming | | SURREY | GU86NW | UK |
| Hugh A Warren | London | | | NW86PY | UK |
| James J Warzyniec | Livonia | Way | MI | MI 48152 | US |
| Nigel Watts | | | | N7 8LS | UK |
| Derek Webb | Shenfield | | ESSEX | CM158DD | UK |
| Ronald Paul Weinhold | Eugene | Lan | OR | OR 97405 | US |
| Paul Wenham | London | | | N20LD | UK |
| Chris Weston-Simons | London | | | SW161UX | UK |
| Thomas Wilder | Paradise Valley | Mar | AZ | AZ 85253 | US |
| Giles Wilkinson | West Sussex | | W SUSX | RH17 7EY | UK |
| Christopher Williams | Phoenix | Mar | AZ | AZ 85253 | US |
| Maurice J Williams | London | | | E125DR | UK |
| Adam David Willis | London | | | SW66DU | UK |
| Joseph M Wilson | Long Beach | Ber | NY | NY 11561 | US |
| David Wrathall | Colchester | | ESSEX | C033SD | UK |
| Mike Wright | London | | | NW86EN | UK |
| Chung-Hsiao Wu | Taipei | | | | TAIWAN |

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|---|---|---|---|---|
| Yusho Yamamoto | 7-13-5 Tsukimino | Yamato | | |
| Willis ESOP Management Limited | P O Box 63, 7 Bond Street | St Helier | | |
| Charles D Hamilton and Mary Caiazzo | 26 Century Boulevard | | | |
| Mourant & Co. Trustees Limited | P O Box 87, 22 Grenville | St Helier | | |
| First Island Trustees (Guernsey) Limited | P O Box 146, Town Mills South | La Rue du Pre | St Peter Port | |
| First Island Trustees (Guernsey) Limited | P.O. Box 146, Town Mills South | La Rue du Pre | St. Peter Port | |

| | | | | |
|---|---|---|---|---|
| Yusho Yamamoto | Kanagawa | 242-0002 | JAPAN | |
| Willis ESOP Management Limited | Jersey | JE4 8PH | Channel Islands | |
| Charles D Hamilton and Mary Caiazzo | Nashville | TN 37214 | USA | |
| Mourant & Co. Trustees Limited | Jersey | JE4 8PX | Channel Islands | |
| First Island Trustees (Guernsey) Limited | Guernsey | GUY1 3HZ | Channel Islands | |
| First Island Trustees (Guernsey) Limited | Guernsey | GUY1 3HZ | Channel Islands | |

Exhibit 5.1

[Letterhead of Appleby Spurling & Kempe]

[ ] 2001

Willis Group Holdings Limited
c/o Ten Trinity Square
London EC3P 3AX
United Kingdom

Dear Sirs:

REGISTRATION STATEMENT ON FORM F-1

We have acted as Bermuda counsel to Willis Group Holdings Limited, a Bermuda company (the "Company"), and this opinion as to Bermuda law is addressed to you in connection with the filing by the Company with the United States Securities and Exchange Commission under the Securities Act of 1933, as amended, of a Registration Statement on Form F-1 and related documents (the "Registration Statement") in relation to the initial public offering of the common shares of the Company, US$0.000115 par value per share (the "Shares").

For the purposes of this opinion we have examined and relied upon the documents listed, and in some cases defined, in the Schedule to this opinion (the "Documents").

Unless otherwise defined herein or in the Schedule to this opinion, terms defined in the Registration Statement have the same meanings when used in this opinion.

ASSUMPTIONS

In stating our opinion we have assumed:

(a) The authenticity, accuracy and completeness of all Documents submitted to us as originals and the conformity to authentic original Documents of all Documents submitted to us as certified, conformed, notarised, faxed or photostatic copies.

(b) The genuineness of all signatures on the Documents.

(c) The authority, capacity and power of each of the persons signing the Documents which we have reviewed (other than the Directors or Officers of the Company).

(d) That any factual statements made in any of the Documents are true, accurate and complete.

(e) That the records which were the subject of the Company Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Company Search been materially altered.

(f) That the records which were the subject of the Litigation Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Litigation Search been materially altered.

OPINION

Based upon and subject to the foregoing and subject to the reservations set out below and to any matters not disclosed to us, we are of the opinion that:

(1) The Company is an exempted company validly organised and existing and in good standing under the laws of Bermuda.

(2) All necessary corporate action required to be taken by the Company in connection with the issue by the Company of the Shares pursuant to Bermuda law has been taken by or on behalf of the Company, and all necessary approvals of Governmental authorities in Bermuda have been duly obtained for the issue by the Company of the Shares.

(3) When issued pursuant to the Resolutions and delivered against payment therefor in the circumstances referred to or summarised in the Registration Statement, the Shares will be validly issued, fully paid and non-assessable shares in the capital of the Company.

(4) There are no taxes, duties or other charges payable to or chargeable by the Government of Bermuda, or any authority or agency thereof in respect of the issue of the Shares.

RESERVATIONS

We have the following reservations:

(a) We express no opinion as to any law other than Bermuda law and none of the opinions expressed herein relates to compliance with or matters governed by the laws of any jurisdiction except Bermuda. This opinion is limited to Bermuda law as applied by the courts of Bermuda at the date hereof.

(b) In paragraph (1) above, the term "good standing" means only that the Company has received a Certificate of Compliance from the Registrar of Companies in Hamilton Bermuda which confirms that the Company has neither failed to make any filing with any Bermuda governmental authority nor to pay any Bermuda government fee or tax, which might make it liable to be struck off the Registrar of Companies and thereby cease to exist under the laws of Bermuda.

(c) Any reference in this opinion to shares being "non-assessable" shall mean, in relation to fully paid shares of the Company and subject to any contrary provision in any agreement in writing between such company and the holder of such shares, that no shareholder shall be bound by an alteration to the Memorandum of Association or Bye-laws of the Company after the date on which he became a shareholder, if and so far as the alteration requires him to take, or subscribe for additional shares, or in any way increases his liability to contribute to the share capital of, or otherwise to pay money to, the Company.

(d) Searches of the Register of Companies at the office of the Registrar of Companies and of the Supreme Court Causes Book at the Registry of the Supreme Court are not conclusive and it should be noted that the Register of Companies and the Supreme Court Causes Book do not reveal:

(i) details of matters which have been lodged for filing or registration which as a matter of general practice of the Registrar of Companies would have or should have been disclosed on the public file but have not actually been registered or to the extent that they have been registered have not been disclosed or do not appear in the public records at the date and time the search is concluded; or

(ii) details of matters which should have been lodged for registration but have not been lodged for registration at the date the search is concluded.

(e) In order to issue this opinion we have carried out the Company Search as referred to in the Schedule to this opinion and have not enquired as to whether there has been any change since the date of such search.

(f) In order to issue this opinion we have carried out the Litigation Search as referred to in the Schedule to this opinion and have not enquired as to whether there has been any change since the date of such search.

(g) As to any facts material to the opinions expressed herein that we have not independently established or verified, we have relied upon the Officer's Certificate, and have assumed without independent inquiry the accuracy of the representations contained therein.

(h) Where an obligation is to be performed in a jurisdiction other than Bermuda, the courts of Bermuda may refuse to enforce it to the extent that such performance would be illegal under the laws of, or contrary to public policy of, such other jurisdiction.

DISCLOSURE

This opinion is addressed to you in connection with the filing by the Company of the Registration Statement with the United States Securities and Exchange Commission. We consent to the inclusion of this opinion as Exhibit 5 to the Registration Statement. We also consent to the reference to our firm under the caption "Validity of Common Stock" in the prospectus included as part of the Registration Statement.

This opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review or update this opinion if applicable law or the existing facts or circumstances should change.

This opinion is governed by and is to be construed in accordance with Bermuda law. It is given on the basis that it will not give rise to any legal proceedings with respect thereto in any jurisdiction other than Bermuda.

Yours faithfully

/s/ Appleby Spurling & Kempe

Appleby Spurling & Kempe

SCHEDULE

1. A certificate dated [ ] 2001 (the "Officer's Certificate") issued by [ ], [ ] of the Company, certifying the resolutions of the Board of Directors the Company passed on [ ] (the Resolutions").

2. Certified copies of the Memorandum of Association and Bye-Laws of the Company (collectively referred to as the "Constitutional Documents").

3. A copy of the Registration Statement.

4. A copy of the permission dated [ ], given by the Bermuda Monetary Authority under the Exchange Control Act 1972 and related regulations for the issue of the Shares.

5. The entries and filings shown in respect of the Company on the file of the Company maintained in the Register of Companies at office of the Registrar of Companies in Hamilton, Bermuda, as revealed by a search on [ ], 2001 (the "Company Search").

6. The entries and filings shown in respect of the Company in the Supreme Court Causes Book maintained at the Registry of the Supreme Court in Hamilton, Bermuda, as revealed by a search on [ ] 2001 in respect of the Company (the "Litigation Search").

7. A Certificate of Compliance, dated [ 2001 issued by the Ministry of Finance in respect of the Company.

EXHIBIT 10.4

# AMENDED AND RESTATED
# 1998 SHARE PURCHASE AND OPTION PLAN
# FOR KEY EMPLOYEES OF
# TA I LIMITED

## 1. PURPOSE OF PLAN

The 1998 Share Purchase and Option Plan for Key Employees of TA I Limited (the "Plan") is designed:

(a) to promote the long term financial interests and growth of TA I Limited (the "Company") and its subsidiaries by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

(b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the alignment of interests of participants with those of the shareholders of the Company through opportunities for increased share ownership in the Company.

## 2. DEFINITIONS

As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" shall mean with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Board of Directors" means the Board of Directors of the Company.

(c) "Change of Control" means (i) a sale of all or substantially all of the assets of the Company to a Person who is not Kohlberg Kravis Roberts & Co., L.P. ("KKR") or an Affiliate of KKR, (ii) a sale by KKR or any of its Affiliates resulting in more than 50% of the voting shares of the Company being held by a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) or (iii) a takeover, reconstruction or winding-up involving the Company or KKR or any of its respective Affiliates resulting in a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) holding more than 50% of the voting ordinary shares of the Company (or the resulting controlling entity) immediately after any such business combinations; if and only if any such event results in the inability of the KKR Partnership (as defined herein) to elect a majority of the Board of Directors of the Company (or the resulting entity).

(d) "Committee" means the Compensation Committee of the Board of Directors.

(e) "Employee" means a person, including an officer, in the regular employment of the Company or one of its Subsidiaries who, in the opinion of the Committee, is, or is expected to be, primarily responsible for the management, growth or protection of some part or all of the business of the Company.

(f) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(g) "Fair Market Value" means such value of a Share as determined no less than annually (or more frequently if the Board of Directors so determines is required), in good faith by the Board of Directors, after it has taken into consideration certain factors (including, without limitation, the general condition of the Company's industry, the historical performance of the Company, and the Company's financial prospects) and after it has consulted with an independent investment banking firm selected with the consent of the Group Executive Committee. In addition, after determining the Fair Market Value, the value of an individual Participant's shares, on a per share basis, shall not be reduced to reflect the illiquidity or minority nature associated with such Participant's shares.

(h) "Grant" means an award made to a Participant pursuant to the Plan and described in Paragraph 5, including, without limitation, an award of an U.S. Incentive Stock Option U.S. Non-Qualified Stock Option, Share Appreciation Right, Dividend Equivalent Right, Restricted Share, Purchase Share, Performance Unit, Performance Share or any Other Share-Based Grant or any combination of the foregoing.

(i) "Grant Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.

(j) "Group" means two or more Persons acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company.

(k) "KKR Partnership" means Profit-Sharing (Overseas) Limited Partnership, an affiliate of KKR.

(l) "Options" means the collective reference to "U.S. Incentive Stock Options" and "U.S. Non-Qualified Stock Options".

(m) "Option Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Option.

(n) "Ordinary Shares" or "Share" means ordinary shares in the Company.

(o) "Participant" means an Employee to whom one or more Options have been granted and such Options have not all been forfeited or terminated under the Plan.

(p) "Person" means an individual, partnership, corporation, limited liability company business trust, joint share company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(q) "Share-Based Grants" means the collective reference to the grant of Share Appreciation Rights, Dividend Equivalent Rights, Restricted Shares, Performance Units, Performance Shares, and Other Share-Based Grants.

(r) "Subsidiary" shall mean a body corporate which is a subsidiary of the Company (within the meaning of Section 736 of the Companies Act 1985).

3. ADMINISTRATION OF PLAN

(a) The Plan shall be administered by the Committee. None of the members of the Committee shall be eligible to be selected for Grants under the Plan, or have been so eligible for selection within one year prior thereto; PROVIDED, HOWEVER, that the members of the Committee shall qualify to administer the Plan for purposes of Rule 16b-3 (and any other applicable rule) promulgated under Section 16(b) of the Exchange Act to the extent that the Company is subject to such rule. The Committee may adopt its own rules of procedure, and action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee. The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan subject to such conditions and limitations as the Committee shall prescribe except that only the Committee may designate and make Grants to Participants who are subject to Section 16 of the Exchange Act.

(c) The Committee may employ lawyers, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, 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 Grants, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

4. ELIGIBILITY

The Committee may from time to time make Grants under the Plan to such Employees and in such form and having such terms, conditions and limitations as the Committee may determine. No Grants may be made under this Plan to non-employee directors of Company or any of its Subsidiaries. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Grant Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; PROVIDED, HOWEVER, that such Grant Agreement shall contain provisions dealing with the treatment of Grants in the event of the termination, death or disability of a Participant, and may also include provisions concerning the treatment of Grants in the event of a change of control of the Company.

5. GRANTS

From time to time, the Committee will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Committee's sole discretion:

(a) U.S. INCENTIVE STOCK OPTIONS - These are stock options within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended ("Code"), to purchase Ordinary Shares. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(a), (i) may not be exercised more than 10 years after the date it is granted, (ii)

may not have an option price less than the Fair Market Value of Ordinary Shares on the date the option is granted, (iii) must otherwise comply with Code Section 422, and (iv) must be designated as an "Incentive Stock Option" by the Committee. The maximum aggregate Fair Market Value of Ordinary Shares (determined at the time of grant) with respect to which Incentive Stock Options are first exercisable with respect to any participant under this Plan and any Incentive Stock Options granted to the Participant for such year under any plans of the Company or any Subsidiary in any calendar year is $100,000. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement, and of any applicable guidelines of the Committee in effect at the time.

(b) U.S. NON-QUALIFIED STOCK OPTIONS - These are options to purchase Ordinary Shares which are not designated by the Committee as "U.S. Incentive Stock Options". At the time of grant the Committee shall determine, and shall include in the Option Agreement or other Plan rules, the option exercise period, the option price, and such other conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(b) may not be exercised more than 10 years after the date it is granted. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement and of any applicable guidelines of the Committee in effect at the time.

(c) SHARE APPRECIATION RIGHTS - These are rights that on exercise entitle the holder to receive the excess of (i) the Fair Market Value of a share of Ordinary Shares on the date of exercise over (ii) the Fair Market Value on the date of Grant (the "base value") multiplied by (iii) the number of rights exercised as determined by the Committee. Share Appreciation Rights granted under the Plan may, but need not be, granted in conjunction with an Option under Paragraph 5(a) or 5(b). The Committee, in the Grant Agreement or by other Plan rules, may impose such conditions or restrictions on the exercise of Share Appreciation Rights as it deems appropriate, and may terminate, amend, or suspend such Share Appreciation Rights at any time. No Share Appreciation Right granted under this Plan may be exercised less than 6 months or more than 10 years after the date it is granted except in the event of death or disability of a Participant. To the extent that any Share Appreciation Right that shall have become exercisable but shall not have been exercised or cancelled or by reason of any termination of employment, shall have become non-exercisable, it shall be deemed to have been exercised automatically, without any notice of exercise, on the last day of which it is exercisable, provided that any conditions or limitations on its exercise are satisfied (other than (i) notice of exercise and (ii) exercise or election to exercise during the period prescribed) and the Share Appreciation Right shall then have value. Such exercise shall be deemed to specify that the holder elects to receive cash and that such exercise of a Share Appreciation Right shall be effective as of the time of automatic exercise.

(d) RESTRICTED SHARES - Restricted Shares are Ordinary Shares delivered to a Participant with or without payment of consideration with restrictions or conditions on the Participant's right to transfer or sell such shares. If a Participant irrevocably elects in writing in the calendar year preceding a Grant of Restricted Shares, dividends paid on the Restricted Shares granted may be paid in Shares of Restricted Shares equal to the cash dividend paid on Ordinary Shares. The number of Shares of Restricted Shares and the restrictions or conditions on such Shares shall be as the Committee determines, in the Grant Agreement or by other Plan rules, and the certificate for the Restricted Shares shall bear evidence of the restrictions or conditions. No

Restricted Shares may have a restriction period of less than 6 months, other than in the case of death or disability.

(e) PURCHASE SHARES - Purchase Shares are shares of Ordinary Shares offered to a Participant at such price as determined by the Committee, the acquisition of which will make him eligible to receive under the Plan, including, but not limited to, U.S. Non-Qualified Stock Options.

(f) DIVIDEND EQUIVALENT RIGHTS - These are rights to receive cash payments from the Company at the same time and in the same amount as any cash dividends paid on an equal number of Ordinary Shares to shareholders of record during the period such rights are effective. The Committee, in the Grant Agreement or by other Plan rules, may impose such restrictions and conditions on the Dividend Equivalent Rights, including the date such rights will terminate, as it deems appropriate, and may terminate, amend, or suspend such Dividend Equivalent Rights at any time.

(g) PERFORMANCE UNITS - These are rights to receive at a specified future date, payment in cash of an amount equal to all or a portion of the value of a unit granted by the Committee. At the time of the Grant, in the Grant Agreement or by other Plan rules, the Committee must determine the base value of the unit, the performance factors applicable to the determination of the ultimate payment value of the unit and the period over which Company performance will be measured. These factors must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months.

(h) PERFORMANCE SHARES - These are rights to receive at a specified future date, payment in cash or Ordinary Shares, as determined by the Committee, of an amount equal to all or a portion of the Fair Market Value for all days that the Ordinary Shares are traded during the last forty-five (45) days of the specified period of performance of a specified number of shares of Ordinary Shares at the end of a specified period based on Company performance during the period. At the time of the Grant, the Committee, in the Grant Agreement or by Plan rules, will determine the factors which will govern the portion of the rights so payable and the period over which Company performance will be measured. The factors will be based on Company performance and must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months. Performance Shares will be granted for no consideration.

(i) OTHER SHARE-BASED GRANTS - The Committee may make other Grants under the Plan pursuant to which Ordinary Shares (which may, but need not, be Restricted Shares pursuant to Paragraph 5(d)), are or may in the future be acquired, or Grants denominated in Share units, including ones valued using measures other than market value. Other Share-Based Grants may be granted with or without consideration. Such Other Share-Based Grants may be made alone, in addition to or in tandem with any Grant of any type made under the Plan and must be consistent with the purposes of the Plan.

6. LIMITATIONS AND CONDITIONS

(a) The number of Shares available for Grants under this Plan shall be 30,000,000 Shares; PROVIDED, HOWEVER, that in no event shall the total number of Shares subject to options and other equity for current and future Participants exceed 25% of the equity of the Company on a fully diluted basis. Shares subject to Grants that are forfeited, terminated, cancelled or expire unexercised, shall immediately become available for other Grants.

(b) No Grants shall be made under the Plan beyond ten years after the effective date of the Plan, but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed, the Committee may provide for limitations or conditions on such Grant.

(c) Nothing contained herein shall affect the right of the Company to terminate any Participant's employment at any time or for any reason. The rights and obligations of any individual 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, and an individual who participates in it shall waive 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 exercise any Grant as a result of such termination.

(d) Other than as specifically provided in the Management and Employee Shareholders' and Subscription Agreement attached hereto as Exhibit A with regard to the death of a Participant, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(e) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of the Company in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by the Company to such Participants.

(f) No Grant may be exercised during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(g) Absent express provisions to the contrary, any Grant made under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or its Subsidiaries and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the U.S. Employee Retirement Income Security Act of 1974, as amended.

(h) Unless the Committee determines otherwise, no benefit or promise under the Plan shall 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 the Plan.

7. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of the Company during such leave of absence.

8. ADJUSTMENTS

(a) In the event of any increase or variation of the share capital of the Company, the Committee may make such adjustments as it considers appropriate under Paragraph 8(b) below.

(b) An adjustment made under this Paragraph 8(b) shall be to one or more of the following:

(i) the number of Shares in respect of which any Option or Other Share-Based Grant may be exercised;

(ii) the price at which Shares may be acquired by the exercise of any Option or Other Share-Based Grant;

(iii) where any Option or Other Share-Based Grant has been exercised but no Shares have been allotted or transferred pursuant to the exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired.

(c) An adjustment under Paragraph 8(b) above may have the effect of reducing the price at which Shares may be acquired by the exercise of an Option or Other Share-Based Grant to less than their nominal value, but only if and to the extent that the Board of Directors shall be authorized to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option or Other Share-Based Grant is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply that sum in paying up that amount on the Shares; and so that on exercise of any Option or Other Share-based Grant in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply it in paying up such amount as aforesaid.

9. EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

(a) In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Option or Other Share-Based Grant, the Committee may provide that such Option or Other Share-Based Grant cannot be exercised after the exchange of all or substantially all of the assets of the Company for the securities of another corporation, the acquisition by another corporation of 80% or more of the Company's then outstanding voting Shares, liquidation or dissolution of the Company, any variation of the share capital of the Company, and if the Committee so provides, it may, in its absolute discretion and on such terms and conditions as it deems appropriate, also provide, either by the terms of such Option or Other Share-Based Grant or by a resolution adopted prior to the occurrence of such exchange, acquisition, any variation of the share capital of the Company, liquidation or

dissolution, that, for some period of time prior to such event, such Option or Other Share-Based Grant shall be exercisable as to all Shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Paragraph 6(b)) and that, upon the occurrence of such event, such Option or Other Share-Based Grant shall terminate and be of no further force or effect; PROVIDED, HOWEVER, that the Committee may also provide, in its absolute discretion, that even if the Option or Other Share-Based Grant shall remain exercisable after any such event, from and after such event, any such Option or Other Share-Based Grant shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder of a number of Shares for which such Option or Other Share-Based Grant could have been exercised immediately prior to such event.

(b) If any person becomes bound or entitled to acquire shares in the Company under sections 428 of 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Committee shall forthwith notify every Participant thereof and any Option or Other Share-Based Grant may be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of this Plan) lapse on the expiration thereof.

10. AMENDMENT AND TERMINATION

The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan provided that, except for adjustments under Paragraph 8 or 9 hereof, no amendment to the disadvantage of any Participant shall be made unless:

(a) the Committee shall have invited every such Participant to give an indication as to whether or not he approves the amendment, and

(b) the amendment is approved by a majority of those Participants who have given such an indication.

The Board of Directors may amend, suspend or terminate the Plan except that no such action, other than an action under Paragraph 8 or 9 hereof, may be taken which would, without shareholder approval, increase the aggregate number of Shares available for Grants under the Plan, decrease the price of outstanding Grants, change the requirements relating to the Committee or extend the term of the Plan.

11. INTERNATIONAL OPTIONS AND RIGHTS

The Committee may make Grants to Employees who are subject to the laws of countries other than the United States or the United Kingdom, which Grants may have terms and conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with foreign laws.

12. WITHHOLDING TAXES, ALLOTMENT AND TRANSFER

(a) The Company shall have the right to deduct from any cash payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment.

(b) Within 30 days after an Option has been exercised by any person, before delivery of Restricted Shares or payment of Performance Shares (if paid in Ordinary Shares) or before exercise, settlement or payment (if paid in Ordinary Shares) of any Other Share-Based Grant, the Board of Directors shall allot to such person (or a nominee for him) or, as appropriate, procure the transfer to him (or a nominee for him) of the number of Shares in respect of which the option has been exercised, provided that:

(i) the Board of Directors considers that the issue or transfer thereof would be lawful in all relevant jurisdictions; and

(ii) in a case where the Company or any Subsidiary ("Group Member") is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question is liable by virtue of the exercise of the option and/or for any social security, contributions recoverable from the person in question (together, the "Tax Liability"), that person has either:

(A) made a payment to the Group Member of an amount equal to the Tax Liability; or

(B) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorizing the sale of some or all of the Shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise).

(c) All Shares allotted under this Plan shall rank equally in all respects with Shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of the allotment.

13. EFFECTIVE DATE AND TERMINATION DATES

The Plan shall be effective on and as of the date of its approval by the Board of Directors and shall terminate ten years later, subject to earlier termination by the Board of Directors pursuant to Paragraph 10.

14. FINANCIAL ASSISTANCE

The Company and any Subsidiary may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for these purposes or provide financial assistance of any other kind, to the extent permitted by section 153 of the Companies Act 1985.

15. MISCELLANEOUS

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Exhibit 10.5

# FORM OF AMENDMENT TO AMENDED AND RESTATED 1998 SHARE PURCHASE AND OPTION PLAN FOR KEY EMPLOYEES OF TA I LIMITED

Pursuant to Section 10 of the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of TA I Limited (the "PLAN"), the Board of Directors of Willis Group Holdings Limited, which, effective as of May 9, 2000, adopted the Plan, hereby amends the Plan as follows:

1. All references to "TA I Limited" shall hereinafter refer to "Willis Group Holdings Limited".

2. All references to "Ordinary Shares" or "Share" shall hereinafter refer to management common shares of Willis Group Holdings Limited,; PROVIDED, HOWEVER, that with respect to Grants made to Directors (as hereinafter defined), all references to "Shares" shall hereinafter refer to common shares of Willis Group Holdings Limited, par value $0.000115.

3. All references to the word "director" shall be replaced with the term "Director".

4. Section 2 of the Plan is hereby amended as follows:

(a) The definition of "Participant" in subsection 2(o) is amended by inserting after the word "Employee" the phrase "or Director".

(b) The definition in subsection 2(c) is amended by replacing the words in brackets with "(within the meaning of Section 86 of the Companies Act 1981 of Bermuda)".

(c) A new subsection 2(s) shall be added after subsection 2(r):

"(s) "Director" shall mean any member of the Board of Directors, whether or not an employee of the Company or any Subsidiary."

5. Section 3(a) of the Plan is hereby amended by deleting from the beginning of the second sentence the word "None" and replacing it with the word "All".

6. Section 4 is hereby amended by deleting the first and second sentences thereof and replacing them with the following sentence:

"The Committee may from time to time make Grants under the Plan, to such Directors and Employees, and in such form, and having such terms, conditions and limitations, as the Committee may determine."

7. Section 5(a) is hereby amended by replacing all references to "Participant" with the word "Employee".

8. Section 6(a) is hereby amended by (a) inserting a period after the phrase "30,00,000 Shares" and (b) inserting after the first sentence, as amended, the following sentence:

> "The number of Shares subject to Grants made under this Plan to any one Participant in any given calendar year shall not be more than 10,000,000 Shares."

9. A new Section 14 shall be amended by replacing the phrase "Section 153 of the Companies Act 1985" with the phrase "Section 39 of the Companies Act 1981 of Bermuda".

Effective as of this _____, 2001.

EXHIBIT 10.6

# 2000 WILLIS AWARD PLAN FOR KEY EMPLOYEES OF TA I LIMITED

1. PURPOSE OF PLAN

The 2000 Willis Award Plan for Key Employees of TA I Limited (the "Plan") is designed:

(a) to promote the long term financial interests and growth of TA I Limited (the "Company") and its subsidiaries by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

(b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the alignment of interests of participants with those of the shareholders of the Company through opportunities for increased share ownership in the Company.

2. DEFINITIONS. As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" shall mean with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Board of Directors" means the Board of Directors of the Company.

(c) "Change of Control" means (i) a sale of all or substantially all of the assets of the Company to a Person who is not Kohlberg Kravis Roberts & Co., L.P. ("KKR") or an Affiliate of KKR, (ii) a sale by KKR or any of its Affiliates resulting in more than 50% of the voting shares of the Company being held by a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) or (iii) a takeover, reconstruction or winding-up involving the Company or KKR or any of its respective Affiliates resulting in a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) holding more than 50% of the voting ordinary shares of the Company (or the resulting controlling entity) immediately after any such business combinations; if and only if any such event results in the inability of the KKR Partnership (as defined herein) to elect a majority of the Board of Directors of the Company (or the resulting entity).

(d) "Committee" means the Compensation Committee of the Board of Directors.

(e) "Employee" means a person, including an officer, in the regular employment of the Company or one of its Subsidiaries who, in the opinion of the Committee, is, or is expected to be, primarily responsible for the management, growth or protection of some part or all of the business of the Company.

(f) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.

(g) "Fair Market Value" means such value of a Share as determined no less than annually (or more frequently if the Board of Directors so determines is required), in good faith by the Board of Directors, after it has taken into consideration certain factors (including, without limitation, the general condition of the Company's industry, the historical performance of the Company, and the Company's financial prospects) and after it has consulted with an independent investment banking firm selected with the consent of the Group Executive Committee. In addition, after determining the Fair Market Value, the value of an individual Participant's shares, on a per share basis, shall not be reduced to reflect the illiquidity or minority nature associated with such Participant's shares.

(h) "Grant" means an award made to a Participant pursuant to the Plan and described in Paragraph 5, including, without limitation, an award of an U.S. Incentive Stock Option U.S. Non-Qualified Stock Option, Share Appreciation Right, Performance Unit, Performance Share or any Other Share-Based Grant or any combination of the foregoing.

(i) "Grant Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.

(j) "Group" means two or more Persons acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company.

(k) "KKR Partnership" means Profit-Sharing (Overseas) Limited Partnership, an affiliate of KKR.

(l) "Options" means the collective reference to "U.S. Incentive Stock Options" and "U.S. Non-Qualified Stock Options."

(m) "Option Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Option.

(n) "Ordinary Shares" or "Share" means ordinary shares in TA I Limited.

(o) "Participant" means an Employee to whom one or more Options have been granted and such Options have not all been forfeited or terminated under the Plan.

(p) "Person" means an individual, partnership, corporation, limited liability company business trust, joint share company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(q) "Share-Based Grants" means the collective reference to the grant of Share Appreciation Rights, Performance Units, Performance Shares, and Other Share-Based Grants.

(r) "Subsidiary" shall mean a body corporate which is a subsidiary of the Company (within the meaning of Section 736 of the Companies Act 1985).

3. ADMINISTRATION OF PLAN

(a) The Plan shall be administered by the Committee. None of the members of the Committee shall be eligible to be selected for Grants under the Plan, or have been so eligible for selection within one year prior thereto; PROVIDED, HOWEVER, that the members of the Committee shall qualify to administer the Plan for purposes of Rule 16b-3 (and any other applicable rule) promulgated under Section 16(b) of the Exchange Act to the extent that the Company is subject to such rule. The Committee may adopt its own rules of procedure, and action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee. The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan subject to such conditions and limitations as the Committee shall prescribe except that only the Committee may designate and make Grants to Participants who are subject to Section 16 of the Exchange Act.

(c) The Committee may employ lawyers, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, 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 Grants, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

4. ELIGIBILITY

The Committee may from time to time make Grants under the Plan to such Employees and in such form and having such terms, conditions and limitations as the Committee may determine. No Grants may be made under this Plan to non-employee directors of Company or any of its Subsidiaries. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Grant Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; PROVIDED, HOWEVER, that such Grant Agreement shall contain provisions dealing with the treatment of Grants in the event of the termination, death or disability of a Participant, and may also include provisions concerning the treatment of Grants in the event of a change of control of the Company.

5. GRANTS

From time to time, the Committee will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Committee's sole discretion:

(a) U.S. INCENTIVE STOCK OPTIONS - These are stock options within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended ("Code"), to purchase Ordinary Shares. In addition to other restrictions contained in the Plan, an option granted under this

Paragraph 5(a), (i) may not be exercised more than 10 years after the date it is granted, (ii) may not have an option price less than the Fair Market Value of Ordinary Shares on the date the option is granted, (iii) must otherwise comply with Code Section 422, and (iv) must be designated as an "Incentive Stock Option" by the Committee. The maximum aggregate Fair Market Value of Ordinary Shares (determined at the time of grant) with respect to which Incentive Stock Options are first exercisable with respect to any participant under this Plan and any Incentive Stock Options granted to the Participant for such year under any plans of the Company or any Subsidiary in any calendar year is $100,000. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement, and of any applicable guidelines of the Committee in effect at the time.

(b) U.S. NON-QUALIFIED STOCK OPTIONS - These are options to purchase Ordinary Shares which are not designated by the Committee as "U.S. Incentive Stock Options". At the time of grant the Committee shall determine, and shall include in the Option Agreement or other Plan rules, the option exercise period, the option price, and such other conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(b) may not be exercised more than 10 years after the date it is granted. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement and of any applicable guidelines of the Committee in effect at the time.

(c) SHARE APPRECIATION RIGHTS - These are rights that on exercise entitle the holder to receive the excess of (i) the Fair Market Value of a share of Ordinary Shares on the date of exercise over (ii) the Fair Market Value on the date of Grant (the "base value") multiplied by (iii) the number of rights exercised as determined by the Committee. Share Appreciation Rights granted under the Plan may, but need not be, granted in conjunction with an Option under Paragraph 5(a) or 5(b). The Committee, in the Grant Agreement or by other Plan rules, may impose such conditions or restrictions on the exercise of Share Appreciation Rights as it deems appropriate, and may terminate, amend, or suspend such Share Appreciation Rights at any time. No Share Appreciation Right granted under this Plan may be exercised less than 6 months or more than 10 years after the date it is granted except in the event of death or disability of a Participant. To the extent that any Share Appreciation Right that shall have become exercisable but shall not have been exercised or cancelled or by reason of any termination of employment, shall have become non-exercisable, it shall be deemed to have been exercised automatically, without any notice of exercise, on the last day of which it is exercisable, provided that any conditions or limitations on its exercise are satisfied (other than (i) notice of exercise and (ii) exercise or election to exercise during the period prescribed) and the Share Appreciation Right shall then have value. Such exercise shall be deemed to specify that the holder elects to receive cash and that such exercise of a Share Appreciation Right shall be effective as of the time of automatic exercise.

(d) PERFORMANCE UNITS - These are rights to receive at a specified future date, payment in cash of an amount equal to all or a portion of the value of a unit granted by the Committee. At the time of the Grant, in the Grant Agreement or by other Plan rules, the Committee must determine the base value of the unit, the performance factors applicable to the determination of the ultimate payment value of the unit and the period over which Company performance will be measured. These factors must include a minimum performance standard for the Company below

which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months.

(e) PERFORMANCE SHARES - These are rights to receive at a specified future date, payment in cash or Ordinary Shares, as determined by the Committee, of an amount equal to all or a portion of the Fair Market Value for all days that the Ordinary Shares are traded during the last forty-five (45) days of the specified period of performance of a specified number of shares of Ordinary Shares at the end of a specified period based on Company performance during the period. At the time of the Grant, the Committee, in the Grant Agreement or by Plan rules, will determine the factors which will govern the portion of the rights so payable and the period over which Company performance will be measured. The factors will be based on Company performance and must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months. Performance Shares will be granted for no consideration.

(f) OTHER SHARE-BASED GRANTS - The Committee may make other Grants under the Plan pursuant to which Ordinary Shares, are or may in the future be acquired, or Grants denominated in Share units, including ones valued using measures other than market value. Other Share-Based Grants may be granted with or without consideration. Such Other Share-Based Grants may be made alone, in addition to or in tandem with any Grant of any type made under the Plan and must be consistent with the purposes of the Plan.

6. LIMITATIONS AND CONDITIONS

(a) The number of Shares available for Grants under this Plan shall be [NUMBER] Shares; PROVIDED, HOWEVER, that in no event shall the total number of Shares subject to options and other equity for current and future Participants exceed 25% of the equity of the Company on a fully diluted basis. Shares subject to Grants that are forfeited, terminated, canceled or expire unexercised, shall immediately become available for other Grants.

(b) No Grants shall be made under the Plan beyond ten years after the effective date of the Plan, but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed, the Committee may provide for limitations or conditions on such Grant.

(c) Nothing contained herein shall affect the right of the Company to terminate any Participant's employment at any time or for any reason. The rights and obligations of any individual 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, and an individual who participates in it shall waive 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 exercise any Grant as a result of such termination.

(d) Other than as specifically provided in the Management and Employee Shareholders' and Subscription Agreement attached hereto as Exhibit A with regard to the death of a Participant, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(e) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of the Company in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by the Company to such Participants.

(f) No Grant may be exercised during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(g) Absent express provisions to the contrary, any Grant made under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or its Subsidiaries and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the U.S. Employee Retirement Income Security Act of 1974, as amended.

(h) Unless the Committee determines otherwise, no benefit or promise under the Plan shall 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 the Plan.

7. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of the Company during such leave of absence.

8. ADJUSTMENTS

(a) In the event of any increase or variation of the share capital of the Company, the Committee may make such adjustments as it considers appropriate under Paragraph 8(b) below.

(b) An adjustment made under this Paragraph 8(b) shall be to one or more of the following:

(i) the number of Shares in respect of which any Option or Other Share-Based Grant may be exercised;

(ii) the price at which Shares may be acquired by the exercise of any Option or Other Share-Based Grant;

(iii) where any Option or Other Share-Based Grant has been exercised but no Shares have been allotted or transferred pursuant to the exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired.

(c) An adjustment under Paragraph 8(b) above may have the effect of reducing the price at which Shares may be acquired by the exercise of an Option or Other Share-Based Grant to less than their nominal value, but only if and to the extent that the Board of Directors shall be authorized to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option or Other Share-Based Grant is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply that sum in paying up that amount on the Shares; and so that on exercise of any Option or Other Share-based Grant in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply it in paying up such amount as aforesaid.

9. EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

(a) In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Option or Other Share-Based Grant, the Committee may provide that such Option or Other Share-Based Grant cannot be exercised after the exchange of all or substantially all of the assets of the Company for the securities of another corporation, the acquisition by another corporation of 80% or more of the Company's then outstanding voting Shares, liquidation or dissolution of the Company, any variation of the share capital of the Company, and if the Committee so provides, it may, in its absolute discretion and on such terms and conditions as it deems appropriate, also provide, either by the terms of such Option or Other Share-Based Grant or by a resolution adopted prior to the occurrence of such exchange, acquisition, any variation of the share capital of the Company, liquidation or dissolution, that, for some period of time prior to such event, such Option or Other Share-Based Grant shall be exercisable as to all Shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Paragraph 6(b)) and that, upon the occurrence of such event, such Option or Other Share-Based Grant shall terminate and be of no further force or effect; PROVIDED, HOWEVER, that the Committee may also provide, in its absolute discretion, that even if the Option or Other Share-Based Grant shall remain exercisable after any such event, from and after such event, any such Option or Other Share-Based Grant shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder of a number of Shares for which such Option or Other Share-Based Grant could have been exercised immediately prior to such event.

(b) If any person becomes bound or entitled to acquire shares in the Company under sections 428 of 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Committee shall forthwith notify every Participant thereof and any Option or Other Share-Based Grant may be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of this Plan) lapse on the expiration thereof.

10. AMENDMENT AND TERMINATION

The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan provided that, except for adjustments under Paragraph 8 or 9 hereof, no amendment to the disadvantage of any Participant shall be made unless:

(a) the Committee shall have invited every such Participant to give an indication as to whether or not he approves the amendment, and

(b) the amendment is approved by a majority of those Participants who have given such an indication.

The Board of Directors may amend, suspend or terminate the Plan except that no such action, other than an action under Paragraph 8 or 9 hereof, may be taken which would, without shareholder approval, increase the aggregate number of Shares available for Grants under the Plan, decrease the price of outstanding Grants, change the requirements relating to the Committee or extend the term of the Plan.

11. INTERNATIONAL OPTIONS AND RIGHTS

The Committee may make Grants to Employees who are subject to the laws of countries other than the United States or the United Kingdom, which Grants may have terms and conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with foreign laws.

12. WITHHOLDING TAXES, ALLOTMENT AND TRANSFER

(a) The Company shall have the right to deduct from any cash payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment.

(b) Within 30 days after an Option has been exercised by any person, before payment of Performance Shares (if paid in Ordinary Shares) or before exercise, settlement or payment (if paid in Ordinary Shares) of any Other Share-Based Grant, the Board of Directors shall allot to such person (or a nominee for him) or, as appropriate, procure the transfer to him (or a nominee for him) of the number of Shares in respect of which the option has been exercised, provided that:

(i) the Board of Directors considers that the issue or transfer thereof would be lawful in all relevant jurisdictions; and

(ii) in a case where the Company or any Subsidiary ("Group Member") is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question is liable by virtue of the exercise of the option and/or for any social security, contributions recoverable from the person in question (together, the "Tax Liability"), that person has either:

(A) made a payment to the Group Member of an amount equal to the Tax Liability; or

(B) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorizing the sale of some or all of the Shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise).

(c) All Shares allotted under this Plan shall rank equally in all respects with Shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of the allotment.

13. EFFECTIVE DATE AND TERMINATION DATES

The Plan shall be effective on and as of the date of its approval by the Board of Directors and shall terminate ten years later, subject to earlier termination by the Board of Directors pursuant to Paragraph 10.

14. FINANCIAL ASSISTANCE

The Company and any Subsidiary may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for these purposes or provide financial assistance of any other kind, to the extent permitted by section 153 of the Companies Act 1985.

15. MISCELLANEOUS

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

Exhibit 10.7

FORM OF AMENDMENT TO THE
WILLIS AWARD PLAN FOR KEY EMPLOYEES OF TA I LIMITED

Pursuant to Section 10 of the Willis Award Plan for Key Employees of TA I Limited (the "PLAN"), the Board of Directors of Willis Group Holdings Limited, which, effective as of May 9, 2001, adopted the Plan, hereby amends the Plan as follows:

1. All references to "TA I Limited" shall hereinafter refer to "Willis Group Holdings Limited".

2. All references to "Ordinary Shares" or "Share" shall hereinafter refer to management common shares of Willis Group Holdings Limited.

Effective as of this _____, 2001.

# WILLIS GROUP HOLDINGS LIMITED
# 2001 SHARE PURCHASE AND OPTION PLAN

## 1. PURPOSE OF PLAN

The Willis Group Holdings, Limited ("Holdings") 2001 Share Purchase and Option Plan (the "Plan") is designed:

(a) to promote the long term financial interests and growth of Holdings and its Subsidiaries (collectively, "Willis Group") by attracting and retaining personnel with the training, experience and ability to enable them to make a substantial contribution to the success of Willis Group's business;

(b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and

(c) to further the identity of interests of participants with those of the shareholders of Willis Group through opportunities for increased stock, or stock-based, ownership in Willis Group.

## 2. DEFINITIONS

As used in the Plan, the following words shall have the following meanings:

(a) "Board of Directors" means the Board of Directors of Holdings.

(b) "Change in Control" means: (i) sale of all or substantially all of the assets of Holdings or Willis Group to a Person or Group that is not Kohlberg Kravis Roberts & Co. or an affiliate thereof (collectively, the "KKR PARTNERSHIPS"), (ii) a sale by any member of the KKR Partnerships resulting in more than 50% of the voting stock of Holdings or Willis Group being held by a Person or Group that is not a member of the KKR Partnerships or (iii) a merger, consolidation, recapitalization or reorganization of Holdings or Willis Group with or into another Person which is not a member of the KKR Partnerships; and following any of the foregoing events in (ii)-(iii), (x) the KKR Partnerships no longer have the ability, without the approval of a Person or Group who is not a member of the KKR Partnerships, to elect a majority of the Board of Directors of Holdings (or the resulting entity) and (y) any Person or Group who is not a member of the KKR Partnerships is or becomes the Beneficial Owner, directly or indirectly, in the aggregate, of a greater percentage of the total voting power of Holdings or Willis Group than that held, directly or indirectly, in the aggregate, by the KKR Partnerships. For purposes of this definition, "BENEFICIAL OWNER" shall have the same meaning as defined in Rules 13d-3 and 13d-5 under the Exchange Act, which shall in any event include having the power to vote (or cause to be voted) pursuant to contract, irrevocable proxy or otherwise, and which, for purposes of the calculation under clause (y), shall be deemed to include shares that any such Person or Group has

a right to acquire, whether such right is exercisable immediately or only after the passage of time.

(c) "Committee" means the Compensation Committee of the Board of Directors (or, if no such committee is appointed, the Board of Directors).

(d) "Common Shares" or "Share" means common shares of Willis Group, which may be authorized but unissued.

(e) "Director" means any member of the Board of Directors who is an Employee.

(f) "Employee" means a person, including a director and an officer, in the employment of Willis Group.

(g) "Exchange Act" means the Securities Exchange Act of 1934 of the United States, as amended.

(h) "Grant" means an award made to a Participant pursuant to the Plan and described in Paragraph 5, including, without limitation, an award of a Share Option, Restricted Share, Purchase Share, or Other Share-Based Grant or any combination of the foregoing.

(i) "Grant Agreement" means an agreement between Holdings and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.

(j) "Group" means a "group" as such term is used in Sections 13(d) and 14(d) of the Exchange Act, acting in concert.

(k) "Participant" means an Employee or Director of any member of Willis Group, to whom one or more Grants have been made, and such Grants have not all been forfeited or terminated under the Plan.

(l) "Person" means "person" as such term is used in Sections 13(d) and 14(d) of the Exchange Act.

(m) "Share-Based Grants" means the collective reference to the grant of Purchase Shares, Restricted Shares and Other Share-Based Grants.

(n) "Share Options" means options to purchase Common Shares, which may or may not be incentive stock options ("Incentive Stock Options") within the meaning of Section 422 of the Internal Revenue Code of 1986 of the United States, as amended (the "Code").

(o) "Subsidiary" means a "subsidiary", as such term is defined in Section 86 of the Bermudan Companies Act 1981.

3. ADMINISTRATION OF PLAN

(a) The Plan shall be administered by the Committee. All of the members of the Committee and any other Directors shall be eligible to be selected for Grants under the Plan; PROVIDED, HOWEVER, that to the extent the Board determines it is necessary or desirable to satisfy any regulation or rule, whether under Section 16 of the Exchange Act or otherwise related to the Grants, the members of the Committee shall qualify under such regulation or rules. The Committee may adopt its own rules of procedure, and the action of a majority of the Committee, taken at a meeting or taken without a meeting by a writing signed by such majority, shall constitute action by the Committee. The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. The Committee shall also have the power to establish sub-plans, which may constitute separate schemes, for the purpose of establishing schemes which qualify for approval by the UK Inland Revenue or meet any special tax or regulatory requirements anywhere in the world. Any such interpretations, rules, administration and sub-plans shall be consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of Willis Group its duties under the Plan subject to such conditions and limitations as the Committee shall prescribe except that only the Committee may designate and make Grants to Participants who are subject to Section 16 of the Exchange Act.

(c) The Committee may employ attorneys, consultants, accountants, appraisers, brokers or other persons. The Committee, Willis Group, and the officers and Directors of Willis Group shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, Willis Group 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 Grants, and all members of the Committee shall be fully protected by Willis Group with respect to any such action, determination or interpretation.

4. ELIGIBILITY

Subject to Section 11 of the Plan, the Committee may from time to time make Grants under the Plan to such Employees or Directors of Willis Group, and in such form and having such terms, conditions and limitations as the Committee may determine. Grants may be granted singly, in combination or in tandem. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Schedule to the Plan (as described in Section 11 below), to be attached hereto, and/or a Grant Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan.

5. GRANTS

From time to time, the Committee will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Committee's sole discretion; PROVIDED, HOWEVER, that in no event shall the purchase price of any Grant be less than

the par value of the Shares. The terms of any Grant may include a requirement that the Participant enter into an agreement or election under which the Participant agrees to pay his or her employer's social security or National Insurance liability (or reimburse the employer for such liability) in any jurisdiction arising on exercise of any Share Option, or at any other time with respect to any other Share-Based Award, and if this requirement is not permitted in any jurisdiction the Grant in such circumstances shall be null and void.

(a) SHARE OPTIONS - These are options to purchase Common Shares, which may or may not be Incentive Stock Options. Any options that are granted as Incentive Stock Options shall have an exercise price at least equal to the fair market value of one share of Common Shares on the date of Grant (or, if the person to whom the option is being granted owns Common Shares representing more than 10 percent of the voting power of all classes of Company equity, the exercise price shall be at least equal to 110 percent of the fair market value of one Common Share on the date of Grant). At the time of the Grant the Committee shall determine, and shall have contained in the Grant Agreement or other Plan rules, the option exercise period, the option price, and such other conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate, which may include the requirement that the grant of options is predicated on the acquisition of Purchase Shares under Section 5(c) by the Participant or as may be required pursuant to applicable law, if such options shall be Incentive Stock Options. Payment of the option price shall be made in cash or in shares of Common Shares (PROVIDED, that such Shares have been held by the Participant for not less than six months (or such other period as established by the Committee from time to time)), or a combination thereof, in accordance with the terms of the Plan, the Grant Agreement and any applicable guidelines of the Committee in effect at the time.

(b) RESTRICTED SHARES - Restricted Shares are Common Shares delivered to a Participant with or without payment of consideration with restrictions or conditions on the Participant's right to transfer or sell such shares; provided that the price of any Restricted Stock may not be less than the par value of the Common Shares. The number of shares of Restricted Shares and the restrictions or conditions on such shares shall be as the Committee determines, in the Grant Agreement or by other Plan rules, and the certificate for the Restricted Shares shall bear evidence of such restrictions or conditions. Subject to Section 9 and Section 11, Restricted Shares may NOT have a restriction period of less than 6 months.

(c) PURCHASE SHARES - Purchase Shares refers to shares of Common Shares offered to a Participant at such price as determined by the Committee, the acquisition of which may make him eligible to receive under the Plan, among other things, Share Options.

(d) OTHER SHARE-BASED GRANTS - The Committee may make other Grants under the Plan pursuant to which shares of Common Shares or other equity securities of Willis Group are or may in the future be acquired, or Grants denominated in stock units, including ones valued using measures other than market value. Other Share-Based Grants may be granted with or without consideration.

6. LIMITATIONS AND CONDITIONS

(a) The number of Shares available for Grants under this Plan shall be 10,000,000 shares of the authorized Common Shares as of the effective date of the Plan. The number of Shares subject to Grants under this Plan to any one Participant shall not be more than 5,000,000 Shares in any one calendar year. Unless restricted by applicable law, Shares related to Grants that are forfeited, terminated, cancelled or expire unexercised, shall immediately become available for new Grants.

(b) No Grants shall be made under the Plan beyond ten years after the effective date of the Plan, but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed, the Committee may provide for limitations or conditions on such Grant.

(c) Nothing contained herein shall affect the right of Willis Group to terminate any Participant's employment at any time or for any reason. The rights and obligations of any individual under the terms of his office or employment with any member of Willis Group shall not be affected by his or her participation in this Plan or any right which he or she may have to participate in it, and an individual who participates in this Plan shall waive any and all rights to compensation or damages in consequence of the termination of his or her office or employment for any reason whatsoever insofar as those rights arise or may arise from his or her ceasing to have rights under or be entitled to exercise any Grant as a result of such termination.

(d) Deferrals of Grant payouts may be provided for, at the sole discretion of the Committee, in the Grant Agreements.

(e) Except as otherwise prescribed by the Committee, the amounts of the Grants for any employee of a Subsidiary, along with interest, dividend, and other expenses accrued on deferred Grants shall be charged to the Participant's employer during the period for which the Grant is made. If the Participant is employed by more than one Subsidiary or by both Willis Group and a Subsidiary during the period for which the Grant is made, the Participant's Grant and related expenses will be allocated between the companies employing the Participant in a manner prescribed by the Committee.

(f) Other than as specifically provided pursuant to a Grant Agreement or other related agreement between a Participant and Willis Group, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(g) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of Willis Group in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by Willis Group to such Participants, unless the Committee shall otherwise determine.

(h) No election as to benefits or exercise of Stock Options or other rights may be made during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(i) Absent express provisions to the contrary, any grant under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of any member of Willis Group and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the Employee Retirement Income Security Act of 1974 of the United States, as amended.

(j) Unless the Board determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of any member of Willis Group, nor shall any assets of any member of Willis Group be designated as attributable or allocated to the satisfaction of Willis Group's obligations under the Plan.

7. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among Willis Group and any Subsidiary shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of Willis Group during such leave of absence.

8. ADJUSTMENTS

In the event of any change in the outstanding Common Shares by reason of a stock split, spin-off, stock dividend, stock combination or reclassification, recapitalization or merger, change of control, or similar event, the Committee shall adjust appropriately the number of Shares subject to the Plan and available for or covered by Grants and Share prices related to outstanding Grants to the extent necessary, and may make such other revisions to outstanding Grants as it deems are equitably required including, without limitation, in an event that is not a change of control, providing for the payment of a dividend in respect of the Shares subject to any outstanding Grants, in all events in order to allow Participants to participate in such event in an equitable manner.

9. MERGER, CONSOLIDATION, EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Stock Option or any Stock-Based Grant, the Committee may provide that such Stock Option or Stock-Based Grant cannot be exercised after a Change in Control, a merger, amalgamation pursuant to Bermuda law, or other consolidation of Holdings or Willis Group with or into another company, the exchange of all or substantially all of the assets of Holdings or Willis Group for the securities of another company, the acquisition by another Person or Group of 80% or more of Holdings or Willis Group's then outstanding

shares of voting stock or the recapitalization, reclassification, liquidation or dissolution of Holdings or Willis Group, and if the Committee so provides, it shall, on such terms and conditions as it deems appropriate in its absolute discretion, also provide, either by the terms of such Stock Option or Stock-Based Grant or by a resolution adopted prior to the occurrence of such Change in Control merger, consolidation, exchange, acquisition, recapitalization, reclassification, liquidation or dissolution, that, for some period of time prior to such event, such Stock Option or Stock-Based Grant shall be exercisable as to all shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Section 6(b) and that, upon the occurrence of such event, such Stock Option or Stock-Based Grant shall terminate and be of no further force or effect; PROVIDED, HOWEVER, that the Committee may also provide, in its absolute discretion, that even if the Stock Option or Stock-Based Grant shall remain exercisable after any such event, from and after such event, any such Stock Option or Stock-Based Grant shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder of a number of shares of stock for which such Stock Option or Stock-Based Grant could have been exercised immediately prior to such event.

10. AMENDMENT AND TERMINATION

The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan. The Board of Directors may amend, suspend or terminate the Plan at any time.

11. FOREIGN OPTIONS AND RIGHTS

The Committee or Board, as applicable, may establish rules or schemes in order to make Grants to Employees who are subject to the laws of nations other than Bermuda, which Grants may have terms and conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with foreign laws. In the event that the Committee or Board establishes such rules or schemes, the substantive provisions thereof shall be set forth on schedules attached hereto, and are hereby incorporated by reference as part of the Plan, subject to any additional action required to be taken pursuant to the applicable foreign law.

12. WITHHOLDING TAXES

(a) Willis Group shall have the right to deduct from any cash payment made under the Plan any federal, state, local, national, provincial or other income or other taxes required by law to be withheld with respect to such payment. It shall be a condition to the obligation of Willis Group to deliver shares upon the exercise of an Option, upon delivery of Restricted Stock or upon exercise, settlement or payment of any Other Stock-Based Grant that the Participant pay to Willis Group such amount as may be requested by Willis Group for the purpose of satisfying any liability for such withholding taxes. Any Grant Agreement may provide that the Participant may elect, in accordance with any conditions set forth in such Grant Agreement, to pay a portion or the entire minimum amount of such withholding taxes in shares of Common Shares:

(b) Notwithstanding anything set forth in section 12 (a), an option may not be exercised unless:

(i) the Board considers that the issue or transfer of shares pursuant to such exercise would be lawful in all relevant jurisdictions; and

(ii) in a case where, if the option were exercised, Willis Group would be obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question would be liable by virtue of the exercise of the option and/or for any social security contributions that would be recoverable from the person in question (together, the "Tax Liability"), that person has either:

(x) made a payment to Willis Group of an amount at least equal to the Holdings estimated of the Tax Liability; or

(y) entered into arrangements acceptable to Willis Group to secure that such a payment is made (whether by authorizing the sale of some or all of the shares on his behalf and the payment to Willis Group of the relevant amount out of the proceeds of sale or otherwise).

13. GOVERNING LAW.

This Plan shall be governed by the laws of Bermuda, without regard to conflicts of laws.

14. EFFECTIVE DATE AND TERMINATION DATES

The Plan shall be effective on and as of the date of its original approval by the Board of Directors of Holdings and shall be approved by a majority of the shareholders of Holdings, and shall terminate ten years thereafter, subject to earlier termination by the Board of Directors pursuant to Sections 9 and 10.

Exhibit 10.13

# SHAREHOLDER RIGHTS AGREEMENT

SHAREHOLDER RIGHTS AGREEMENT dated as of July 22, 1998 (this "AGREEMENT") among TA I Limited, a company organized under the laws of England and Wales ("Holdings"), TA II Limited, a company organized under the laws of England and Wales (the "COMPANY"), Profit Sharing (Overseas), Limited Partnership, an Alberta limited partnership (the "KKR Partnership") and Royal & Sun Alliance Insurance Group plc, a company organized under the laws of England and Wales ("PURCHASER 1"), Guardian Royal Exchange plc, a company organized under the laws of England and Wales ("PURCHASER 2"), The Chubb Corporation, a New Jersey corporation ("PURCHASER 3"), The Hartford Financial Services Group, Inc., a Delaware corporation ("PURCHASER 4"), and The Travelers Indemnity Company, a Connecticut corporation ("PURCHASER 5" and, together with Purchaser 1, Purchaser 2, Purchaser 3 and Purchaser 4 the "PURCHASERS").

RECITALS:

A. The Company is a wholly-owned subsidiary of Holdings.

B. An indirect wholly-owned subsidiary of the Company ("BIDCO") is preparing to launch an offer to purchase (the "OFFER TO PURCHASE") all of the issued and to be issued ordinary shares of Willis Corroon Group plc, a company organized under the laws of England and Wales ("WCG").

C. Pursuant to a Share Subscription Agreement (the "SUBSCRIPTION AGREEMENT") dated as of the date hereof among Holdings, the Company and the Purchasers, following the Offer to Purchase becoming or being declared unconditional in all respects, the Purchasers will subscribe for ordinary shares, par value (pound)0.10 per share, of Holdings ("ORDINARY SHARES") and preferred shares, par value $10.00 per share, of the Company ("PREFERRED SHARES").

D. Pursuant to a Contribution and Share Subscription Agreement dated the date hereof (the "KKR SHARE SUBSCRIPTION AGREEMENT"), between Holdings, the Company, TA III plc, Bidco, the KKR Partnership and KKR 1996 Fund (Overseas), Limited Partnership, the general partner of the KKR Partnership ("KKR 1996 OVERSEAS"), following the Offer to Purchase becoming or being declared unconditional in all respects, the KKR Partnership will subscribe for Ordinary Shares.

E. Holdings, the Company and the Purchasers have entered into a Registration Rights Agreement (the "REGISTRATION RIGHTS AGREEMENT") dated as of the date hereof with respect to the Ordinary Shares and the Preferred Shares.

F. The KKR Partnership and the Purchasers wish to provide for certain matters relating to their respective holdings of Ordinary Shares and Preferred Shares.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, the parties hereto agree as follows:

ARTICLE I

INTRODUCTORY MATTERS

1.1 DEFINED TERMS. In addition to the terms defined elsewhere herein, the following terms have the following meanings when used herein with initial capital letters:

"AFFILIATE" shall have the meaning given to that term in Rule 405 promulgated under the Securities Act and shall include members of a Person's immediate family or trusts for the benefit of members of the immediate family of such Person; PROVIDED that officers, directors or employees of Holdings or its subsidiaries will not be deemed to be Affiliates of a shareholder of Holdings or the Company for purposes hereof solely by reason of being officers, directors or employees of Holdings or its subsidiaries; PROVIDED, FURTHER, that for purposes of Section 10.4, the KKR Partnership, the Purchasers and the Permitted Transferees shall be deemed to be Affiliates of Holdings and the Company.

"AGREEMENT" means this Agreement, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"ASSUMPTION AGREEMENT" means (i) with respect to an Affiliate of the KKR Partnership, a writing in the agreed form whereby an Affiliate of the KKR Partnership becomes a party to, and agrees to be bound by, to the same extent as the KKR Partnership, the terms of this Agreement, (ii) with respect to a Permitted Transferee including an Offeror, a writing reasonably satisfactory in the agreed form whereby a Permitted Transferee of Ordinary Shares or Preferred Shares or an Offeror becomes a party to, and agrees to be bound by, to the same extent as its transferor, the terms of this Agreement and (iii) with respect to an Additional Purchaser (as defined in Section 10.11), a writing reasonably satisfactory in form and substance to the KKR Partnership and the Purchasers who have agreed to subscribe for 60% of the Preferred Shares pursuant to the Subscription Agreement whereby an Additional Purchaser becomes a party to, and agrees to be bound by, to the same extent as a Purchaser, the terms of this Agreement.

"BOARD OF HOLDINGS" means the Board of Directors of Holdings.

"BOARD OF THE COMPANY" means the Board of Directors of the Company.

"BUSINESS DAY" means a day other than a Saturday, Sunday or other day on which commercial banking institutions in New York City or London are authorized or required by law to close.

"EXCHANGE ACT" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"FINANCIAL DIFFICULTIES" will be deemed to exist at any time when the ratio of (i) the consolidated earnings before interest, taxation, depreciation and amortization of WCG to (ii) the sum of the total amount of cash dividends due on the outstanding Preferred

Shares (whether or not paid) plus the total amount of all cash interest and other payments due with respect to money borrowed by any direct or indirect subsidiary of the Company, is less than 1.7 in 1999 or 1.9 in 2000.

"INDEPENDENT DIRECTOR" means an individual to whom the holders of 60% or more of the then outstanding Preferred Shares (the "MAJORITY HOLDERS") do not reasonably object and who:

(i) is free from any relationship that would interfere with the exercise of independent judgment as a member of the Board of Holdings;

(ii) is not an Affiliate of Holdings or the KKR Partnership or an officer of Holdings or the KKR Partnership or any of their respective subsidiaries or an officer or director of any of their respective subsidiaries;

(iii) is not a former officer of Holdings or any of its subsidiaries who is receiving a pension or deferred compensation payments from any such entity;

(iv) does not, in addition to such person's role as a director of Holdings, also act on a regular basis as an individual or representative of an organization serving as a professional advisor, legal counsel or consultant to Holdings or its management or any of Holdings' subsidiaries if such relationship is material to Holdings, the organization represented or such person; and

(v) is not a member of the immediate family of a person who does not satisfy the requirements of clause (i), (ii), (iii) or (iv) above.

A person who has been or is a partner, officer or director of an organization that has customary commercial, industrial, banking or underwriting relationships with Holdings or any of its subsidiaries that are carried on in the ordinary course of business on an arm's-length basis and who otherwise satisfies the requirements of clauses (i) through (v) above may qualify as an Independent Director unless, in the opinion of the Majority Holders, such person is not independent of the management of Holdings or any of its subsidiaries or the relationship would interfere with the exercise of independent judgment as a member of the Board of Holdings. A person who otherwise satisfies the requirements of clauses (i) through (v) above and who, in addition to fulfilling the customary director's role, also provides additional services directly for the Board of Holdings and is separately compensated therefor would nonetheless qualify as an Independent Director.

"IRR" for the KKR Partnership shall be the annualized internal rate of return on the total U.S. dollar cash equity investment in Holdings or any subsidiary of Holdings made by the KKR Partnership and its Affiliates (the "CASH INVESTMENT"), from the date of the first equity investment to the date of a Sale of the Business, and taking into account the amount and timing of (i) any dividends, fees or other cash distributions or the cash value of non-cash distributions or payments made to the KKR Partnership or any of its Affiliates on or prior to the date of the Sale of the Business (in each case in U.S. dollars,

after actually converting any such amounts into U.S. dollars), (ii) any proceeds from the sale or other disposition by the KKR Partnership and its Affiliates of any portion of their equity investment in Holdings and/or its direct and indirect subsidiaries on or prior to the date of the Sale of the Business (in each case in U.S. dollars, after actually converting any such amounts into U.S. dollars), but excluding (v) an initial transaction fee in the amount of $7.5 million to be paid to the KKR Partnership or its Affiliates upon consummation of the Offer to Purchase, (w) the annual monitoring fee paid to KKR, (x) any fees paid to Fisher Capital Corporation, (y) customary fees paid to directors, and (z) any reimbursements of expenses incurred by the KKR Partnership or its Affiliates (in each case in U.S. dollars, after actually converting any such amounts into U.S. dollars). All sterling amounts received must be converted into dollars within five Business Days, or, failing which, will be deemed to have been converted on the fifth Business Day at the Noon Buying Rate for pounds sterling announced by the New York Federal Reserve Bank on such date.

"IRR" for a Purchaser shall be the annualized internal rate of return on the total U.S. dollar-equivalent cash equity investment (preferred and ordinary) in Holdings and the Company (or any subsidiary of Holdings) made by such Purchaser and its Affiliates, from the date of the first equity investment to the date of a Sale of the Business, and taking into account the amount and timing of (i) any dividends, fees or other cash distributions or the cash value of non-cash distributions or payments made to the Purchasers on or prior to the date of the Sale of the Business, (ii) any proceeds from the sale or other disposition by the Purchaser and its Affiliates of any portion of their equity investment in Holdings and/or its direct and indirect subsidiaries on or prior to the date of the Sale of the Business. For the purposes of this paragraph, the U.S. dollar-equivalent of any amount initially subscribed in pounds sterling shall be the rate set forth in the Subscription Agreement, and the U.S. dollar-equivalent of any amount invested or received in pounds sterling in the future will be based on the actual exchange rate applicable to any currency exchange effected in connection with such investment or receipt or, if no such currency exchange was so effected, shall be deemed for purposes of calculating the IRR based on U.S. dollars to be the Noon Buying Rate for pounds sterling announced by the New York Federal Reserve Bank on the date of such investment or receipt.

"KKR TARGET AMOUNT" means, at any time, the amount received by the KKR Partnership and any of its Affiliates that results in the IRR with respect to its or their aggregate equity investment in Holdings exceeding 50%.

"LISTING" means the initial listing of the Ordinary Shares on the London Stock Exchange or another major stock exchange.

"OFFEROR" means any third party who makes a bona fide offer to purchase the Ordinary Shares of any Transferring Shareholder (as defined in Section 2.6) pursuant to Section 2.6 and who agrees to enter into, and enters into, an Assumption Agreement upon completion of its purchase of Ordinary Shares from the Transferring Shareholder.

"ORIGINAL ORDINARY SHARES" means the Ordinary Shares to be subscribed by the KKR Partnership or any of its Affiliates pursuant to the KKR Share Subscription Agreement and the Ordinary Shares issued to the KKR Partnership or any of its Affiliates upon the conversion of preference shares issued to the KKR Partnership or any of its Affiliates in connection with the financing of the purchase of WCG Shares outside of the Offer to Purchase, less, if any, the Ordinary Shares subscribed but subsequently Transferred to officers and employees of WCG or its subsidiaries as described in the Press Announcement.

"PERMITTED TRANSFEREE" means any Person to whom Ordinary Shares or Preferred Shares are Transferred in a Transfer in accordance with Section 2.2 or otherwise not in violation of this Agreement and who is required to, and does, enter into an Assumption Agreement, and includes any Person to whom a Permitted Transferee of any Purchaser (or a Permitted Transferee of a Permitted Transferee) so further Transfers Ordinary Shares or Preferred Shares and who is required to, and does, enter into an Assumption Agreement.

"PERSON" means any individual, corporation, limited liability company, partnership, trust, joint stock company, business trust, unincorporated association, joint venture, governmental authority or other legal entity of any nature whatsoever.

"PRESS ANNOUNCEMENT" means the press announcement to be issued in connection with the Offer to Purchase in the agreed form.

"PRO RATA SHARE" means, with respect to any Person at any given time, (i) such number of Offered Securities (as defined in Section 2.6) proposed to be transferred to an Offeror, multiplied by (ii) a fraction, the numerator of which is the number of Ordinary Shares then held by such Person and the denominator of which is the total number of Ordinary Shares held by the Non-Transferring Purchasers (as defined in Section 2.6).

"PUBLIC OFFERING" means the sale of Ordinary Shares (or American Depositary Shares representing such Ordinary Shares) to the public pursuant to an effective registration statement (other than a registration statement on Form F-4 or S-8 or any similar or successor form or forms) filed under the Securities Act.

"SECURITIES ACT" means the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder, as the same may be amended from time to time.

"SALE OF THE BUSINESS" means the sale of all or substantially all of the business of WCG, including, without limitation, whether in a single transaction or series of transactions and whether by sale of shares, sale of assets or otherwise, PROVIDED, HOWEVER, that for purposes of triggering a calculation of the IRR, a Sale of the Business shall be deemed to have occurred when KKR 1996 Overseas shall have distributed (either in cash or in kind) to its limited partners all or substantially all of the return on their investment after the KKR Partnership and its Affiliates shall have divested in excess of 90% of their interest in Holdings and its subsidiaries.

"TRANSFER" means a transfer, sale, assignment, pledge, hypothecation or other disposition, whether directly or indirectly pursuant to the creation of a derivative security, the grant of an option or other right, the imposition of a restriction on disposition or voting or transfer by operation of law. For the purposes hereof, if either the KKR Partnership or a Purchaser or Permitted Transferee transfers Ordinary Shares or Preferred Shares to an Affiliate and subsequently ceases to "control" (as defined in Rule 405 of the Securities Act) such Affiliate, through a transfer of the voting securities of such Affiliate or otherwise, the loss of such control shall be deemed to be a Transfer.

1.2 CONSTRUCTION. (a) The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rule of strict construction will be applied against any party. Unless the context otherwise requires: (i) "OR" is disjunctive but not exclusive, (ii) words in the singular include the plural, and in the plural include the singular, and (iii) the words "hereof", "HEREIN", and "HEREUNDER" and words of similar import when used in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement, and Section references are to Sections of this Agreement unless otherwise specified.

(a) The term "Purchaser" shall be deemed to include any Affiliate of any Purchaser or Additional Purchaser who is assigned the right to subscribe for Ordinary Shares or Preferred Shares by such Purchaser and who enters into an Assumption Agreement. Any such Affiliate shall be deemed to be a Permitted Transferee who has had Transferred to it such shares in accordance with the terms and conditions of this Agreement. Unless otherwise specified and except with respect to Section 2.7(b), Section 3.1, Section 3.2, Section 5.1, Section 10.1 and Section 10.4(7) (where references to "Purchasers" means the persons who initially subscribe for shares pursuant to the Subscription Agreement or their Affiliates who hold Ordinary Shares or Preferred Shares, as the case may be), the term "PURCHASERS," to the extent such entities shall have transferred any of their Ordinary Shares or Preferred Shares to Permitted Transferees, shall mean the Purchasers and the Permitted Transferees of the Purchasers and any Permitted Transferees of a Permitted Transferee, taken together, and any right or action that may be taken at the election of the Purchasers may be taken at the election of the Purchasers and such Permitted Transferees, subject to the requirements of Section 10.7.

(b) When Transfers are to be made pursuant hereto, all Transfers shall be of full legal and beneficial interest in the Shares being Transferred, free of any liens, claims or encumbrances.

1.3 EFFECTIVENESS. The rights and obligations of the parties to this Agreement shall be conditional on the closing of the subscription and issuance of the Ordinary Shares and Preferred Shares pursuant to the Subscription Agreement.

ARTICLE II

TRANSFERS

2.1 LIMITATIONS ON TRANSFER. (a) No Purchaser or Permitted Transferee thereof may Transfer any Ordinary Shares or Preferred Shares or any interest therein other than (i) in connection with a Transfer effected pursuant to the Registration Rights Agreement, (ii) after a Listing or a Public Offering or (iii) in accordance with Sections 2.2, 2.3, 2.4 or 2.6.

(a) In the event of any purported Transfer by a Purchaser or a Permitted Transferee of any Ordinary Shares or Preferred Shares in violation of the provisions of this Agreement, such purported Transfer will be void and of no effect, and Holdings or the Company, as appropriate, will not give effect to such Transfer.

(b) Each certificate representing Ordinary Shares and Preferred Shares held by a Purchaser or any Permitted Transferee will bear a legend substantially to the following effect (with such additions thereto or changes therein as Holdings or the Company, as appropriate, may be advised by counsel are required by law or necessary to give full effect to this Agreement, the "LEGEND"):

> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A SHAREHOLDER RIGHTS AGREEMENT AMONG TA I LIMITED, TA II LIMITED, PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP AND THE OTHER PERSONS NAMED THEREIN, THE RELEVANT PROVISIONS OF WHICH ARE RETAINED AND AVAILABLE FOR INSPECTION AT THE REGISTERED OFFICE OF THE COMPANY. NO TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION OR OTHER DISPOSITION OF OR OF ANY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH SHAREHOLDER RIGHTS AGREEMENT. THE HOLDER OF THIS CERTIFICATE, BY ACCEPTANCE OF THIS CERTIFICATE, AGREES TO BE BOUND BY ALL OF THE PROVISIONS OF SUCH SHAREHOLDER RIGHTS AGREEMENT."
>
> "THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 AND MAY NOT BE TRANSFERRED OR OTHERWISE DISPOSED OF UNLESS THEY HAVE BEEN REGISTERED UNDER THAT ACT OR AN EXEMPTION FROM REGISTRATION THEREUNDER IS AVAILABLE."

The Legend will be removed by Holdings or the Company, as appropriate, by the delivery of substitute certificates without such Legend in the event of (i) a Transfer permitted by this Agreement (other than pursuant to Section 2.6) and in relation to which the Permitted Transferee is not required to enter into an Assumption Agreement or (ii) the termination of Article II pursuant to the terms hereof, PROVIDED, HOWEVER, that the second paragraph of the Legend will only be removed if at such time it is no longer required for purposes of applicable securities laws. If any Ordinary Shares or Preferred Shares cease to be Registrable Securities under clause (i) or (ii) of the definition thereof contained in the Registration Rights Agreement, Holdings or

the Company, as appropriate, shall, upon the written request of the holder thereof, issue to such holder a new certificate or certificates evidencing such shares, without the second paragraph of the Legend.

2.2 TRANSFERS TO PERMITTED TRANSFEREES. The Purchasers and their Permitted Transferees may Transfer any or all of the Ordinary Shares held by any of them to any Affiliate of the transferring Purchaser and may transfer any or all of the Preferred Shares held by them to any Person who, in each case, duly executes and delivers an Assumption Agreement; PROVIDED that in connection therewith Holdings or the Company, as appropriate, if it so requests promptly following its receipt of such Assumption Agreement (and, in such event, such Assumption Agreement shall not be effective unless and until this proviso has been satisfied), has been furnished with an opinion in form and substance reasonably satisfactory to Holdings or the Company, as appropriate, of counsel that such Transfer is exempt from or not subject to the provisions of Section 5 of the Securities Act and any other applicable securities laws; and, PROVIDED, FURTHER, that no Transfer under this Section 2.2 shall be permitted if such Transfer would require Holdings or the Company, as appropriate, to register a class of equity securities under Section 12 of the Exchange Act under circumstances where Holdings or the Company, as appropriate, does not then have securities of any class registered under Section 12 of the Exchange Act and such transfer would cause such registration to be required.

2.3 TAG-ALONG RIGHTS. (a) Subject to the provisions of Section 2.1, in the event that the KKR Partnership or any of its Affiliates (collectively, the "SELLING PARTNERSHIP") proposes to Transfer to any Person (other than an Affiliate of the KKR Partnership and other than to officers and employees of WCG or its subsidiaries) (the "BUYER") any Ordinary Shares owned by it in any transaction other than in connection with a Listing or a Public Offering, a bona fide sale to the public pursuant to Rule 144 under the Securities Act, a distribution to the limited partners of KKR 1996 Overseas or any agreement or plan of merger or combination, including any tender or exchange offer in respect thereof that is approved by the Board of Holdings and that provides for equal treatment of all outstanding Ordinary Shares, then the Selling Partnership shall notify each Purchaser and each Permitted Transferee of such proposed Transfer (any such transaction, a "PROPOSED SALE"), and each Purchaser and each Permitted Transferee will have the right to require the proposed transferee or acquiring Person to purchase from such Purchaser or such Permitted Transferee (a "TAGGING SHAREHOLDER") a number of Ordinary Shares up to the product (rounded up to the nearest whole number) of (i) the quotient determined by dividing (A) the aggregate number of Ordinary Shares owned by such Tagging Shareholder by (B) the aggregate number of Ordinary Shares owned by the KKR Partnership and its Affiliates and (ii) the total number of Ordinary Shares proposed to be directly or indirectly Transferred by the Selling Partnership in the Proposed Sale (a "PROPOSED TRANSFEREE"), at the same price per Ordinary Share and upon the same terms and conditions (including, without limitation, time of payment, form of consideration and adjustments to purchase price) as the Selling Partnership; PROVIDED that in order to be entitled to exercise its right to sell Ordinary Shares to the Proposed Transferee pursuant to this Section 2.3, each Tagging Shareholder (x) shall agree to the same covenants as the Selling Partnership agrees to in connection with the Proposed Sale and (y) shall make such representations and warranties concerning its title to the Ordinary Shares to be sold in connection with the Proposed Sale and its authority to enter into and consummate the Proposed Sale as the Selling Partnership makes, but shall not be required to make any other representations and warranties. If the number of Ordinary Shares proposed to be

Transferred by the Selling Partnership, the Tagging Shareholders and any other Person with rights substantially similar to the Tagging Shareholders in connection with the Proposed Sale (the "PROPOSED NUMBER OF TRANSFERRED SHARES") exceeds the number of Ordinary Shares willing to be purchased by the Buyer, then the number of Ordinary Shares to be Transferred by each such Person shall be reduced to a number equal to (i) the number of Ordinary Shares proposed to be transferred by such Person in the Proposed Sale multiplied by (ii) (A) the number of Ordinary Shares willing to be purchased by the Buyer in connection with the Proposed Sale divided by (B) the Proposed Number of Transferred Shares. Each Tagging Shareholder will be responsible for funding its proportionate share of any escrow arrangements in connection with the Proposed Sale and for its proportionate share of any withdrawals therefrom, including, without limitation, any such withdrawals that are made with respect to claims arising out of agreements, covenants, representations, warranties or other provisions relating to the Proposed Sale that were not made by the Tagging Shareholder except to the extent that a claim has been held by a court of competent jurisdiction or arbitral panel or a settlement agreement to have been attributable to the fault of a particular shareholder. Each Tagging Shareholder will be responsible for its proportionate share of the fees, commissions and other out-of-pocket expenses (collectively, "COSTS") of the Proposed Sale to the extent not paid or reimbursed by Holdings, the Company, the Proposed Transferee or another Person (other than the Selling Partnership). The Selling Partnership shall be entitled to reasonably estimate the Tagging Shareholders' proportionate share of such Costs and to withhold such amounts from payments to be made to the Tagging Shareholder at the time of closing of such Proposed Sale; PROVIDED that (i) such estimate shall not preclude the Selling Partnership from recovering additional amounts from the Tagging Shareholders in respect of the Tagging Shareholders' proportionate share of such Costs and (ii) the Selling Partnership shall reimburse the Tagging Shareholders to the extent actual amounts are ultimately less than the estimated amounts or any such amounts are paid by Holdings, the Company, the Proposed Transferee or another Person (other than the Selling Partnership).

(c) The Selling Partnership will give notice to the Purchasers and the Permitted Transferees of each Proposed Sale not more than five days after the execution of the definitive agreement relating to the Proposed Sale, setting forth the number of Ordinary Shares proposed to be so Transferred, the name and address of the Proposed Transferee, the proposed amount and form of consideration (and if such consideration consists in part or in whole of property other than cash, the Selling Partnership will provide such information, to the extent reasonably available to the Selling Partnership, relating to such non-cash consideration as the Purchasers and the Permitted Transferees together may reasonably request in order to evaluate such non-cash consideration) and other terms and conditions of payment offered by the Proposed Transferee. The Selling Partnership will deliver or cause to be delivered to each Tagging Shareholder copies of all transaction documents relating to the Proposed Sale promptly as the same become available. The tag-along rights provided by this Section 2.3 must be exercised by the Purchasers and the Permitted Transferees within 20 days following receipt of the notice required by the preceding sentence by delivery of a written notice to the Selling Partnership indicating its desire to exercise its rights and specifying the number of Ordinary Shares it desires to sell (the "TAG-ALONG NOTICE"). A Tagging Shareholder upon service of a Tag-Along Notice will be entitled under, and bound by, this Section 2.3 to Transfer to the Proposed Transferee the number of Ordinary Shares calculated in accordance with Section 2.3(a).

(d) If any Tagging Shareholder exercises its rights under Section 2.3(a), the closing of the purchase of the Ordinary Shares with respect to which such rights have been exercised will take place concurrently with the closing of the sale of the Selling Partnership's Ordinary Shares to the Proposed Transferee.

2.4 DRAG-ALONG RIGHTS. (a) If the KKR Partnership or any of its Affiliates (collectively, the "DRAGGING PARTNERSHIP") receive a bona-fide offer from a Person other than an Affiliate of the KKR Partnership and other than an officer or employee of WCG or its subsidiaries (a "THIRD PARTY") to purchase (in a transaction that would constitute a Proposed Sale) at least a majority of the Ordinary Shares then owned by the KKR Partnership and its Affiliates and such offer is accepted by the Dragging Partnership, then each Purchaser and each Permitted Transferee (collectively, the "DRAG-ALONG SHAREHOLDERS") hereby agrees that, if requested by the Dragging Partnership and permitted by applicable law, it will Transfer to such Third Party, subject to Section 2.4(b), on the terms of the offer so accepted by the Dragging Partnership, including, without limitation, time of payment, form of consideration (subject to Section 2.4(b)) and adjustments to purchase price, the number of Ordinary Shares (rounded up to the nearest whole number) equal to the number of Ordinary Shares owned by it multiplied by a fraction, the numerator of which is the number of Ordinary Shares owned by the Dragging Partnership to which the Third Party offer is applicable and the denominator of which is the total number of Ordinary Shares owned by the KKR Partnership and its Affiliates.

(e) The Dragging Partnership will give notice (the "DRAG-ALONG NOTICE") to the Drag-Along Shareholders of any proposed Transfer giving rise to the rights of the Dragging Partnership set forth in Section 2.4(a) (a "SECTION 2.4 TRANSFER") within 10 days following the Dragging Partnership's acceptance of the offer referred to in Section 2.4(a) and, in any event, no later than 10 days prior to the proposed closing date for such Section 2.4 Transfer. The Drag-Along Notice will set forth the number of Ordinary Shares proposed to be so Transferred by the Dragging Partnership, the name of the Third Party, the proposed amount and form of consideration (and if such consideration consists in part or in whole of property other than cash, the Dragging Partnership will provide such information, to the extent reasonably available to the Dragging Partnership, relating to such non-cash consideration as the Drag-Along Shareholders together may reasonably request in order to evaluate such non-cash consideration; provided, however, that any such non-cash consideration may only consist of equity securities which are listed on an internationally recognized stock exchange or investment grade debt securities as defined by Standard & Poor's Ratings Group), the number of Ordinary Shares sought and the other terms and conditions of the offer. Each Drag-Along Shareholder (x) shall agree to the same covenants, as the Dragging Partnership agrees to in connection with the Section 2.4 Transfer and (y) shall make such representations and warranties concerning its title to the Ordinary Shares to be sold in connection with the Section 2.4 Transfer and its authority to enter into and consummate the Section 2.4 Transfer as the Dragging Partnership makes, but shall not be required to make any other representations and warranties. Each Drag-Along Shareholder will be responsible for funding its proportionate share of any escrow arrangements in connection with the Section 2.4 Transfer and for its proportionate share of any withdrawals therefrom, including without limitation any such withdrawals that are made with respect to claims arising out of agreements, covenants, representations, warranties or other provisions relating to the Section 2.4 Transfer that were not made by the Drag-Along Shareholder, except to the extent that a claim has been held by a court of competent jurisdiction or arbitral panel or a settlement

agreement to have been attributable to the fault of a particular shareholder. If the Section 2.4 Transfer is not consummated within 120 days from the date of the Drag-Along Notice, the Dragging Partnership must deliver another Drag-Along Notice in order to exercise its rights under this Section 2.4 with respect to such Section 2.4 Transfer.

2.5 CUSTODY AGREEMENT AND POWER OF ATTORNEY. Upon delivering a Tag-Along Notice or receiving a Drag-Along Notice, each Purchaser and each Permitted Transferee will, if requested by the Selling Partnership or the Dragging Partnership, as the case may be, execute and deliver a custody agreement and power of attorney in form and substance satisfactory to the Selling Partnership or the Dragging Partnership, as the case may be, with respect to the Ordinary Shares which are to be sold by the Purchasers and Permitted Transferees pursuant hereto (a "CUSTODY AGREEMENT AND POWER OF ATTORNEY"). The Custody Agreement and Power of Attorney will provide, among other things, that each Purchaser and each Permitted Transferee will deliver to and deposit in custody with the custodian and attorney-in-fact named therein a certificate or certificates representing such Ordinary Shares and a stock transfer form (duly executed in blank by the registered owner or owners thereof) and irrevocably appoint said custodian and attorney-in-fact as its agent and attorney-in-fact with full power and authority to act under the Custody Agreement and Power of Attorney on its behalf with respect to the matters specified in Section 2.3 or Section 2.4, as the case may be.

2.6 RIGHT OF FIRST REFUSAL. (a) If at any time prior to a Public Offering or a Listing, any Purchaser or Permitted Transferee (the "TRANSFERRING SHAREHOLDER") receives a bona fide offer (an "OFFER") to purchase any or all of its Ordinary Shares (the "OFFERED SECURITIES") from an Offeror which the Transferring Shareholder wishes to accept, the Transferring Shareholder shall cause the Offer to be reduced to writing and shall notify Holdings and the other Purchasers and Permitted Transferees (the "NON-TRANSFERRING PURCHASERS") and the KKR Partnership in writing (the "OFFER NOTICE") of its wish to accept the Offer. The Offer Notice shall contain an irrevocable offer to sell such Offered Securities to the Non-Transferring Purchasers (in the manner set forth below) at a purchase price equal to the price contained in, and on the same terms and conditions of, the Offer, and shall be accompanied by a true copy of the Offer (which shall identify the Offeror, the Transferring Shareholder, the proposed amount of consideration (which shall be payable solely in cash) and the other terms and conditions of the Offer). At any time within ten Business Days after the receipt of the Offer Notice by each of the Non-Transferring Purchasers, any of the Non-Transferring Purchasers may elect to purchase its Pro Rata Share of the Offered Securities at the price and on the other terms specified in the Offer Notice by delivering written notice of such

election to the Transferring Shareholder; PROVIDED that no Non-Transferring Purchaser may acquire such number of Ordinary Shares which would result in such Non-Transferring Purchaser, together with any of its Affiliates, beneficially owning in excess of 9.9% of the outstanding Ordinary Shares. If at the end of such ten Business Day period any Non-Transferring Purchaser did not elect to purchase, or was restricted from purchasing any part of, its Pro Rata Share of the Offered Securities, the Transferring Shareholder shall, within five Business Days give notice (the "SECOND NOTICE") to each of the Non-Transferring Purchasers who elected to purchase Offered Securities (with copies to Holdings and the KKR Partnership) of the amount of each class of Offered Securities remaining outstanding. At any time within five Business Days after the receipt of the Second Notice, such Non-Transferring Purchasers may elect to purchase all or part of the remaining Offered Securities at the price and on the other terms specified in the Offer Notice by delivering written notice of such election to the Transferring Shareholder, PROVIDED that if there are more elections than there are Offered Securities, such Offered Securities shall be allocated to such electing Non-Transferring Purchasers on a pro rata basis, PROVIDED, further, that no Non-Transferring Purchaser may acquire such number of Offered Securities which would result in such Non-Transferring Purchaser, together with any of its Affiliates, beneficially owning in excess of 9.9% of the outstanding Ordinary Shares. If at the end of such five Business Day period, the Non-Transferring Purchasers have not elected to acquire all of the Offered Securities, the Transferring Shareholder shall within five Business Days give notice (the "THIRD NOTICE") to Holdings and the KKR Partnership of the amount of Offered Securities remaining outstanding. At any time within 30 days after the receipt of the Third Notice by the KKR Partnership (the "FINAL ELECTION PERIOD"), the KKR Partnership may elect to purchase or to assign to a third party its right to purchase all or part of the remaining Offered Securities at the price and on the other terms specified in the Offer Notice by delivering written notice of such election to the Transferring Shareholder. Within five Business Days of the end of the Final Election Period, the Transferring Shareholder shall give notice to the other parties hereto of the number of Offered Securities to be purchased (or for which an election to find a purchaser has been made) by each of the KKR Partnership and/or its assignee and the Non-Transferring Purchasers (the "NOTICE OF PURCHASE"). If the KKR Partnership and/or its assignee and the relevant Non-Transferring Purchasers have not tendered the purchase price for all of the Offered Securities which they have elected to purchase within five Business Days of the receipt of the Notice of Purchase, the Transferring Shareholder may during the 60-day period following the expiration of the Final Election Period sell not less than all of the remaining Offered Securities covered by the Offer to the Offeror at a price and on terms no less favorable to the Transferring Shareholder than those contained in the Offer. Promptly after such sale, the Transferring Shareholder shall notify the other parties hereto of the consummation thereof and shall furnish such evidence of the completion and time of completion of such sale and of the terms thereof as may reasonably be requested. If within 60 days following the expiration of the Final Election Period, the Transferring Shareholder has not completed the sale of the remaining Offered Securities as aforesaid, the provisions of this Section 2.6 shall again be in effect with respect to such Offered Securities.

(b) An Offer Notice may state whether it is conditional upon all of the Offered Securities being sold (the "CONDITION") and, in the absence of such Condition, it shall be deemed not to be so conditional. If an Offer Notice stipulates the Condition, completion of the Transfers of the Offered Securities in accordance with Section 2.6(a) shall be conditional upon such provision being complied with in full. The Offered Securities may not be transferred pursuant to Section 2.6(a) to any Person, including, without limitation, the Offeror, the KKR Partnership, any assignee thereof or any Non-Transferring Purchaser unless the Condition is satisfied.

2.7 TRANSFERS BY KKR PARTNERSHIP. (a) The KKR Partnership and its Affiliates may not Transfer any or all of the Ordinary Shares held by them to any other Person (other than to an Affiliate of the KKR Partnership who enters into an Assumption Agreement and other than to officers and employees of WCG and its subsidiaries as described in the Press Announcement) except as specified in Sections 2.7(b) and 2.8.

(f) The KKR Partnership and its Affiliates may Transfer Ordinary Shares to any Person, PROVIDED (i) all cash dividends required to have been paid on the Preferred Shares prior to such proposed Transfer shall have been paid; (ii) in the event of a Transfer which would result

in the KKR Partnership and its Affiliates having Transferred legal and beneficial ownership of more than 25% but less than 50% of the Original Ordinary Shares, Preferred Shares of each Purchaser shall have been redeemed or Transferred (other than to an Affiliate of such Purchaser) in an amount at least equal to (A) the original number of Preferred Shares issued to such Purchaser multiplied by (B) the quotient of (1) the sum of (x) the number of Ordinary Shares then proposed to be Transferred by the KKR Partnership or an Affiliate thereof plus (y) the number of Original Ordinary Shares previously Transferred by the KKR Partnership or an Affiliate thereof (other than to an Affiliate of the KKR Partnership) divided by (B) the number of Original Ordinary Shares subscribed for by or issued to the KKR Partnership or any of its Affiliates; and (iii) in the event of a Transfer which would result in the KKR Partnership and its Affiliates having Transferred legal and beneficial ownership of 50% or more of the Original Ordinary Shares, 100% of the Preferred Shares then held by each Purchaser shall have been redeemed.

(g) In the event of any purported Transfer by the KKR Partnership or an Affiliate thereof of any Ordinary Shares in violation of the provisions of this Agreement, such purported transfer will be void and of no effect and Holdings will not give effect to such Transfer.

2.8 RESTRICTIONS ON SALE OF THE BUSINESS

(h) Prior to the second anniversary of the Offer to Purchase becoming or being declared unconditional in all respects, the KKR Partnership, any Affiliate of the KKR Partnership, Holdings and its subsidiaries may enter into a transaction which results in a Sale of the Business only if Holdings and its subsidiaries are experiencing Financial Difficulties and Majority Holders of the Preferred Shares consent in writing to such transaction within 10 days of the date of any request for such consent.

(i) On and after the second anniversary and prior to the fifth anniversary of the Offer to Purchase becoming or being declared unconditional in all respects:

(i) If the KKR Partnership or an Affiliate thereof or Holdings or any of its subsidiaries receives, either directly or through a director or subsidiary, an unsolicited written offer (an "UNSOLICITED Offer") to enter into a transaction resulting in a Sale of the Business which Holdings would consider accepting, then the KKR Partnership or Holdings must notify the Purchasers or Permitted Transferees in writing of the price and other material terms of such Unsolicited Offer, and must invite the Purchasers and Permitted Transferees to make an offer at the same price and on the same terms; the KKR Partnership or Holdings (and/or its subsidiaries), as applicable, may only accept the Unsolicited Offer and enter into any such transaction if no Purchaser, Permitted Transferee or group of Purchasers or Permitted Transferees shall have extended an offer in writing at the same price and terms (or at a higher price or on better terms) as the Unsolicited Offer within 35 days of the date of notice delivered by the KKR Partnership or Holdings.

(ii) If the KKR Partnership or Holdings (or any subsidiary) proposes to enter into any transaction which would result in a Sale of the Business (other than pursuant to an Unsolicited Offer), then Holdings must first notify the Purchasers and Permitted Transferees and afford them 30 days to conduct such due diligence as they may reasonably require (subject to appropriate confidentiality agreements) and to make a written offer to enter into any such

transaction, and the KKR Partnership or Holdings, as applicable, shall have 30 days to decide whether or not to accept such offer. If the KKR Partnership or Holdings, as applicable, declines to accept such offer or if no such offer is made, the KKR Partnership or Holdings (or any subsidiary), as applicable, may thereafter enter into a transaction resulting in a Sale of the Business provided that a definitive agreement with respect thereto is first entered into within 180 days thereafter.

(j) Except pursuant to the provisions of Section 2.8(a), prior to the second anniversary of the Offer to Purchase becoming or being declared unconditional in all respects, the KKR Partnership and its Affiliates may not Transfer in excess of 50% of the Original Ordinary Shares.

(k) The provisions of Section 2.8(b) shall apply not only to a Sale of the Business, but also, (x) in the case of clause (i), to the receipt of an Unsolicited Offer by the KKR Partnership or an Affiliate thereof to enter into a Control Transaction (as defined below) which the KKR Partnership or such Affiliate would consider accepting, and (y) in the case of clause (ii), to any proposal by the KKR Partnership or an Affiliate thereof to enter into any transaction that would result in a Control Transaction. For purposes hereof, a "CONTROL TRANSACTION" shall be any transaction or series of related transactions that involves the Transfer by the KKR Partnership and its Affiliates of Ordinary Shares beneficially owned by them to a single Person or a group of Persons acting in concert, provided that such amount of Ordinary Shares represents at least 30% of the then issued Ordinary Shares.

## ARTICLE III

## APPOINTMENT OF DIRECTORS

3.1 INDEPENDENT DIRECTOR. The KKR Partnership shall use its best efforts to cause the Board of Holdings to include one Independent Director at all times; PROVIDED the KKR Partnership will use its best efforts to remove such Independent Director from the Board of Holdings and replace such director with another Independent Director if requested in writing by the Majority Holders; PROVIDED, FURTHER that this provision shall no longer have effect if (i) none of the Purchasers owns full legal and beneficial interest in at least 75% of the Preferred Shares originally purchased by it and (ii) the Purchasers collectively own full legal and beneficial interest in the aggregate in less than $80 million aggregate in redemption value of Preferred Shares.

3.2 SPECIAL VOTING RIGHTS. If at any time (i) the Purchasers have the right to elect directors to the Board of the Company pursuant to the provisions of the Memorandum and Articles of Association of the Company and (ii) at least a majority of the aggregate number of Preferred Shares originally issued to the Purchasers pursuant to the Subscription Agreement are still held by them at such time, then the Purchasers shall have the right to nominate two members (who shall be the same persons as are elected to the Board of the Company) for election to the Board of Holdings so long as the events specified in clauses (i) and (ii) hereof (the "TRIGGER EVENTS") continue to persist, and the KKR Partnership shall use its best efforts to expand the size of the Board of Holdings by two and to cause the newly created directorships to be filled with

such nominees. As soon as either Trigger Event ceases to persist, the holders of the Preferred Shares shall cause the two members of the Board of Holdings nominated pursuant to this Section 3.2 to resign their positions, and the holders of the Preferred Shares shall not have any rights in relation to their replacement except upon the reoccurrence of both of the Trigger Events.

## ARTICLE IV

## PURCHASES OF WCG SHARES

4.1 STANDSTILL PERIOD. From the date hereof until the earlier of the Offer to Purchase becoming or being declared unconditional in all respects and the Offer to Purchase lapsing, each Purchaser and each Permitted Transferee hereby covenants that it shall not, and no Person who is acting or is deemed to be acting in concert with it for the purposes of The City Code on Takeovers and Mergers (other than the KKR Partnership and its Affiliates and Holdings and its subsidiaries, any other Purchaser and Persons acting in concert with such Persons but excluding those Persons who would not be so acting in concert were it not for the involvement of such Purchaser in the Offer to Purchase) shall, directly or indirectly, acquire or agree to acquire any interest in any WCG Shares save as permitted by The Panel on Takeover and Mergers.

## ARTICLE V

## INTERNAL RATE OF RETURN

5.1 INTERNAL RATE OF RETURN. The KKR Partnership shall (a) offer each Purchaser on reasonably acceptable terms a limited partnership interest in the KKR Partnership in exchange for a nominal amount and (b) cause the terms of its limited partnership agreement to be amended to provide that if there is a Sale of the Business and, as a result thereof, the IRR of the KKR Partnership and its Affiliates with respect to its aggregate equity investment in Holdings subscribed for directly from Holdings exceeds 50%, then each Purchaser who holds a limited partnership interest therein shall be entitled to receive from the KKR Partnership an amount in U.S. dollars equal to the lesser of (x) its pro rata share of the excess of the amount received by the KKR Partnership and its Affiliates over the KKR Target Amount and (y) the amount required so that such Purchaser's IRR with respect to the Ordinary Shares and Preferred Shares subscribed for directly from Holdings and the Company, respectively, equals 25%. In the event of a Sale of the Business, each of the Purchasers, on the one hand, and the KKR Partnership and its Affiliates, on the other hand, shall deliver within twenty days thereof a detailed calculation (the "IRR CALCULATION") of its respective IRR. The IRR Calculations will be deemed accepted by the recipient or recipients unless within forty-five days of the date of delivery of such IRR Calculation, (i) in the case of the IRR Calculation of the KKR Partnership and its Affiliates, Purchasers who have agreed to subscribe for at least 60% of the Preferred Shares pursuant to the Subscription Agreement notify the KKR Partnership that they dispute such calculation and (ii) in the case of the IRR Calculation of a Purchaser, the KKR Partnership notifies such Purchaser that it disputes such calculation. In either case the Purchasers and the KKR Partnership will proceed in good faith to attempt to agree upon the disputed IRR Calculation. If on the sixtieth day after the date of the relevant notice or notices of dispute no such agreement has been reached, the matter or matters may be referred by either Purchasers who have agreed to subscribe for at least 60% of the Preferred Shares pursuant to the Subscription Agreement or the KKR Partnership to an arbitration pursuant to the provisions of Section 10.8 hereof.

## ARTICLE VI

## COVENANTS

6.1 LIMITATIONS ON DIVIDENDS. Holdings will not pay any cash dividends with respect to the Ordinary Shares prior to a Listing or Public Offering. After a Listing or Public Offering, Holdings may pay cash dividends on the Ordinary Shares in an amount not to exceed 4.0% of the gross proceeds raised by Holdings as a result of such Listing or Public Offering; PROVIDED that there shall be no restriction on the payment of cash dividends on the Ordinary Shares if dividends on the Preferred Shares have been paid in full through the most recent semi-annual dividend payment date and the most recent dividend was paid entirely in cash on such dividend payment date.

6.2 EMPLOYEE SHARE OPTIONS. Holdings hereby agrees that it will not issue share options or similar rights to employees of Holdings and its subsidiaries except in accordance with

good business practices and in accordance with a share option plan previously notified to the Purchasers.

6.3 USE OF NAME. (a) Holdings hereby agrees that it will not use the name of, or any other reference to, any Purchaser in any publicly available document or communication without the prior written consent (which consent shall not be unreasonably withheld or delayed) of such Purchaser except to the extent the name or reference has been previously approved for use in the same or substantially similar context. Notwithstanding the foregoing, Holdings must obtain the prior written consent (which may not be unreasonably delayed) of a Purchaser before using the name of such Purchaser in any press release, marketing, promotional or general public relations material. For purposes hereof, the Purchasers consent to the references made to them in the Press Announcement and the public offer document issued in connection with the Offer to Purchase, and represent that the information set forth therein about such Purchaser is accurate in all material respects.

(a) Each Purchaser agrees that it will not use the name of KKR, the KKR Partnership, Holdings or any subsidiary of Holdings in any publicly available document or communication without the prior written consent (which consent may not be unreasonably withheld or delayed) of the KKR Partnership or Holdings, as the case may be, except to the extent the name or reference has been previously approved for use in the same or substantially similar context.

## ARTICLE VII

## PREEMPTIVE RIGHTS

7.1 PREEMPTIVE RIGHT. If Ordinary Shares are proposed to be issued for cash (other than issuances with respect to employee benefit plans in accordance with Section 6.2 or in connection with a Listing or Public Offering) (i) prior to a Listing or Public Offering at a price per share which is less than that specified in the Subscription Agreement, (ii) after a Listing or Public Offering at a price per share which is less than that published as the closing price on the principal stock exchange on which the Ordinary Shares are listed on the last trading day prior to the corporate action formally fixing or approving the issue price for such additional Ordinary Shares, (iii) at any time following the completion of the Offer to Purchase, to the KKR Partnership or any of its Affiliates, PROVIDED that any issues prior to such time shall be for the same price per share paid by the Purchasers pursuant to the Subscription Agreement, or (iv) if ordinary shares of any subsidiary of Holdings ("SUBSIDIARY SHARES") are proposed to be issued for cash at any time to the KKR Partnership or any of its Affiliates, then the Purchasers and their Permitted Transferees shall have the right to subscribe in cash on the proposed terms for their Preemptive Right Pro Rata Share of such Ordinary Shares or Subsidiary Shares. The "PREEMPTIVE RIGHT PRO RATA SHARE" of a Purchaser or a Permitted Transferee shall be, at any given time, (i) such number of Ordinary Shares or Subsidiary Shares proposed to be issued for cash multiplied by (ii) a fraction, the numerator of which is the number of Ordinary Shares then held by such Purchaser or Permitted Transferee and the denominator of which is the total number of Ordinary Shares issued and outstanding before giving effect to the new issuance.

7.2 PREEMPTIVE NOTICES. In the event that a preemptive right arises under Section 7.1, Holdings shall give the Purchasers and their Permitted Transferees written notice (the "PREEMPTIVE NOTICE") of its intention to issue Ordinary Shares or Subsidiary Shares for cash, the price, the identity of the proposed subscriber, the principal terms upon which Holdings proposes to issue the same and any other material information given to the proposed subscriber which has not already been provided to the Purchasers and their Permitted Transferees. The Purchasers and their Permitted Transferees shall have fifteen Business Days from the delivery date of any Preemptive Notice to agree to subscribe for a number of Ordinary Shares or Subsidiary Shares, as the case may be, up to their Preemptive Right Pro Rata Share (in each case calculated prior to the issuance) for the price and upon the terms specified in the Preemptive Notice by giving written notice to Holdings and stating therein the number of Ordinary Shares or Subsidiary Shares, as the case may be, to be subscribed.

7.3 FAILURE TO EXERCISE PREEMPTIVE RIGHT. In the event any Purchaser or permitted Transferee fails to subscribe all of its Preemptive Right Pro Rata Share pursuant to this Article VII, Holdings shall have 120 days after the date of the Preemptive Notice to consummate the issue of the Ordinary Shares or Subsidiary Shares with respect to which such Purchaser's or Permitted Transferee's preemptive right was not exercised, at or above the price and upon terms not more favorable to the subscribers of such Ordinary Shares or Subsidiary Shares, as the case may be, than the terms specified in the initial Preemptive Notice given in connection with such sale.

## ARTICLE VIII

[INTENTIONALLY OMITTED]

## ARTICLE IX

## AMENDMENT OF CONSTITUTIONAL DOCUMENTS

9.1 AMENDMENT OF CONSTITUTIONAL DOCUMENTS. The KKR Partnership and the Purchasers and their Permitted Transferees agree to exercise their respective voting rights attached to Ordinary Shares held by them, and to do all such other acts and things as may be within their control, so as to ensure that any resolution proposed by the Board of Holdings to amend the memorandum or articles of association of Holdings so as to make (a) Holdings suitable for or to facilitate a Listing, or otherwise to prepare Holdings for Listing or a Public Offering (including, without limitation, a resolution to re-register Holdings as a public limited company) or (b) the memorandum and articles of Holdings and the Company consistent with the terms and provisions of this Agreement is duly passed. In the event of any inconsistency between any express term of this Agreement and any express term of the articles and the memorandum of association of Holdings and the Company, the terms of this Agreement shall govern.

ARTICLE X

MISCELLANEOUS

10.1 ACCESS. (a) Any two Purchasers may require a meeting with the management of Holdings to discuss the financial affairs of Holdings and its subsidiaries, PROVIDED that no more than one such meeting shall be held per fiscal quarter, and, PROVIDED, FURTHER, that the Purchasers shall cause all information relating to Holdings and its subsidiaries to be held in strict confidence in accordance with the provisions of Section 10.2. Notwithstanding the foregoing, Holdings shall have no obligation to provide to the Purchasers and their Permitted Transferees access to or information concerning matters that Holdings reasonably considers to be financially or commercially sensitive, including, without limitation, customer lists, business or strategic plans, budgets, proposed acquisitions, dispositions or joint ventures, pricing policies and/or fee schedules or other commercial matters.

(b) Notwithstanding the last sentence of Section 10.1(a), Holdings will provide the Purchasers and their Permitted Transferees as soon as available and in any event on or before the date on which such financial statements are to be filed with any governmental authority (i) the audited consolidated balance sheet of Holdings and its subsidiaries as at the end of such fiscal year and the related audited consolidated statement of operations and cash flows for such fiscal year and (ii) with respect to the first three quarters of each fiscal year, the unaudited consolidated balance sheet of Holdings and its subsidiaries as at the end of such quarterly period and the related unaudited consolidated statement of operations for such quarterly accounting period and for the elapsed portion of the fiscal year ended with the last day of such quarterly period, and the related unaudited consolidated statement of cash flows for the elapsed portion of the fiscal year ended with the last day of such quarterly period.

10.2 CONFIDENTIAL INFORMATION. (a) Each Purchaser and Permitted Transferee agrees that it will not use at any time any Confidential Information (as defined below) of which any Purchaser or any Permitted Transferee is or becomes aware except in connection with its investment in Holdings and the Company.

(b) Each Purchaser and Permitted Transferee further agrees that the Confidential Information will be kept strictly confidential and will not be disclosed by it or its Representatives (as defined below), except (i) as required by applicable law, regulation or legal process, and only after compliance with Section 10.2(c) (PROVIDED that this clause (i) may not be relied upon to the extent any action is taken by a Purchaser or Permitted Transferee which such Purchaser knows would require such disclosure and, but for such action, such disclosure would not have been required) and (ii) that it may disclose the Confidential Information or portions thereof to those of its officers, employees, directors and representatives of its legal, accounting and financial advisors (the persons to whom such disclosure is permissible being "REPRESENTATIVES") who need to know such information in connection with the investment by the Purchasers and the Permitted Transferees in Holdings and the Company; PROVIDED that such Representatives (x) are informed of the confidential and proprietary nature of the Confidential Information and (y) agree to be bound by and perform the provisions of this Section 10.2. Each Purchaser agrees to be responsible for any breach of this Section 10.2 by its Representatives other than those Representatives who after the date hereof execute a separate confidentiality agreement with

Holdings and the Company (it being understood that such responsibility shall be in addition to and not by way of limitation of any right or remedy Holdings and the Company may have against such Representatives with respect to any such breach).

(c) If any Purchaser, Permitted Transferee or Representative becomes legally compelled (including by deposition, interrogatory, request for documents, subpoena, civil investigative demand or similar process) to disclose any of the Confidential Information, the relevant Purchaser or the relevant Permitted Transferee, as appropriate, shall provide Holdings and the Company with prompt and, so far as practicable, prior written notice of such requirement to disclose such Confidential Information. Upon receipt of such notice, Holdings or the Company may seek a protective order or other appropriate remedy. If such protective order or other remedy is not obtained, such Purchaser, Permitted Transferee or Representative agrees to disclose only that portion of the Confidential Information which is legally required to be disclosed and to take all reasonable steps to preserve the confidentiality of the Confidential Information. In addition, the Purchasers, Permitted Transferees and Representatives will not oppose any action (and will, if and to the extent requested by Holdings or the Company, cooperate with, assist and join with Holdings and the Company, at the Company's expense and on a reasonable basis, in any reasonable action) by Holdings or the Company to obtain an appropriate protective order or other reliable assurance that confidential treatment will be accorded the Confidential Information.

(d) The provisions of this Section 10.2 shall supersede any confidentiality agreement entered into between WCG and any Purchaser or Permitted Transferee in connection with the Offer to Purchase, which the KKR Partnership shall cause to be terminated with effect as of the Offer to Purchase becoming or being declared unconditional in all respects.

(e) "CONFIDENTIAL INFORMATION" means oral and written information concerning Holdings, the Company and their subsidiaries furnished to any Purchaser or Permitted Transferee by or on behalf of Holdings or the Company (irrespective of the form of communication and whether such information is so furnished before, on or after the date hereof), and all analyses, compilations, data, studies, notes, interpretations, memoranda or other documents prepared by any Purchaser or Permitted Transferee or any Representative containing or based in whole or in part on any such furnished information. The term "Confidential Information" does not include any information which (i) at the time of disclosure or thereafter is generally available to the public (other than as a result of a disclosure directly or indirectly by any Purchaser, Permitted Transferee or Representative in violation hereof), (ii) is or becomes available to any Purchaser or Permitted Transferee on a nonconfidential basis from a source other than Holdings, the Company or their advisors or agents, provided that such source was not known by the Purchasers or Permitted Transferees to be prohibited from disclosing such information to it by a legal, contractual or fiduciary obligation owed to Holdings or the Company or (iii) prior to the furnishing of such information by or on behalf of Holdings or the Company to the relevant Purchaser or Permitted Transferee, is already in the possession of such Purchaser or Permitted Transferee.

10.3 [INTENTIONALLY OMITTED]

10.4 TRANSACTIONS WITH AFFILIATES. Holdings and the Company will not, and will not permit any of their subsidiaries to, directly or indirectly enter into or permit to exist any transaction or series of related transactions (including, without limitation, the purchase, sale, lease, contribution or exchange of any property or the rendering of any service) with or for the benefit of any of its Affiliates (other than transactions between Holdings and any subsidiary of Holdings or among subsidiaries of Holdings) (an "AFFILIATE TRANSACTION"), other than Affiliate Transactions on terms that are no less favorable to Holdings or the Company or their subsidiaries, as appropriate, than those that might reasonably have been obtained in a comparable transaction on an arms-length basis from a person that is not an Affiliate; PROVIDED, however, that for a transaction or series of related transactions involving value of $10.0 million or more, such determination will be made in good faith and in accordance with fiduciary duties by a majority of members of the Board of Holdings and by a majority of the disinterested members (if any) of such Board. The foregoing restrictions will not apply to (1) reasonable and customary directors' fees, indemnification and similar arrangements and payments thereunder; (2) any obligations of Holdings, the Company or their respective subsidiaries under any employment agreement, noncompetition or confidentiality agreement with any officer of Holdings, the Company or their respective subsidiaries, as in effect on the date hereof (PROVIDED that each amendment of any of the foregoing agreements shall be subject to the limitations of this Section 10.4); (3) any "RESTRICTED PAYMENT" permitted to be made pursuant to any indenture governing public or private debt securities of Holdings or its subsidiaries; (4) any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment arrangements, share options and share ownership plans approved by the Board of Holdings or the Board of the Company, as appropriate, in accordance with good business practice, PROVIDED, that any such awards granted to non-executive directors shall not exceed three times the value of such director's aggregate equity investment in Holdings and its subsidiaries; (5) loans or advances to employees in the ordinary course of business of Holdings or its subsidiaries consistent with past practices; (6) payments made in connection with the Offer to Purchase, including, without limitation, fees payable to and expenses of Kohlberg Kravis Roberts & Co. L.P. and its Affiliates (collectively, "KKR"), any such fees in an amount not to exceed $7.5 million; (7) payments by Holdings, the Company or their Affiliates to KKR for annual management, consulting and advisory fees and related expenses as previously described to the Purchasers and as may be agreed from time to time with a majority in interest of the Purchasers to the extent materially different from those described on or prior to the date hereof; (8) the repayment of indebtedness incurred in connection with the Offer to Purchase with the proceeds of a substantially concurrent offering of securities by Holdings or its subsidiaries; (9) transactions in which Holdings or the Company delivers to the Purchasers a letter from an internationally recognized financial advisor stating that such transaction is fair to Holdings, the Company or their respective subsidiaries, as appropriate, from a financial point of view or that it is on terms that are no less favorable than those that might reasonably have been obtained in a comparable transaction on an arms-length basis from a Person that is not an Affiliate; (10) the issuance and sale of Ordinary Shares to the KKR Partnership, any of the Purchasers or any of their respective Affiliates; (11) purchases of Ordinary Shares or options to purchase Ordinary Shares from any officer or employee of WCG or its subsidiaries pursuant to the terms of any subscription, shareholder rights, option or similar agreement or plan entered into with any such Person; (12) the performance by Holdings or the Company of its obligations under this Agreement or the Registration Rights Agreement dated as of the date hereof between Holdings, the Company and the Purchasers and any similar subscription, registration rights or shareholders agreements (whether or not with the same

parties) which it may enter into hereafter; and (13) transactions with customers, clients, suppliers, or purchasers or sellers of goods or services, in each case in the ordinary course of business which are fair to Holdings and the Company in the reasonable determination of the Board of Holdings or the Board of the Company, as appropriate, or the management thereof, or are on terms (taken as a whole) at least as favorable as might reasonably have been obtained at such time from an unaffiliated party.

10.5 ADDITIONAL SECURITIES SUBJECT TO AGREEMENT. The KKR Partnership and each Purchaser and each Permitted Transferee to whom Ordinary Shares or Preferred Shares have been Transferred pursuant to Section 2.2 agrees that any other equity securities of Holdings or the Company which it hereafter acquires by means of a share split, share dividend, distribution, exercise of options or warrants or otherwise (other than pursuant to a Public Offering or a Listing) will be subject to the provisions of this Agreement to the same extent as if held on the date hereof.

10.6 TERMINATION. This Agreement, other than Section 1, Section 2.7(b)(ii), 2.7(b)(iii), 2.7(c), Section 2.8, Section 5.1, Section 10.2, 10.7, 10.8, 10.15 and 10.21, will terminate and be of no further force and effect (other than with respect to prior breaches) at such time as there shall have been one or more Public Offerings or a Listing such that there exists a public trading market in 50% or more of the Ordinary Shares. Section 10.2 will terminate and be of no further force and effect (other than with respect to prior breaches) on the third anniversary of the first date on which no Purchaser and no Permitted Transferee owns any Ordinary Shares or Preferred Shares.

10.7 NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 10.7):

if to a KKR Partnership:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to Holdings or the Company:

c/o KKR & Co.
9 West 57th Street, Suite 4200
New York, NY 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with copies to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to any of the Purchasers or any Permitted Transferee:

Royal & Sun Alliance Insurance Group plc
1 Cornhill
London EC3V 3QR
Attention: The Company Secretary
Telecopy: 44-171-283-4841

-and-

Guardian Royal Exchange plc
Royal Exchange
London EC2V 3LS
Attention: The Company Secretary
Telecopy: 44-171-696-5301

-and-

The Chubb Corporation
15 Mountain View
Warren, New Jersey 07059
Attention: General Counsel
Telecopy: 908-903-3607

-and-

The Hartford Financial Services Group, Inc.
690 Asylum Avenue
Hartford, Connecticut 06115
Attention: General Counsel
Telecopy: 860-547-6959

-and-

The Travelers Indemnity Company
One Tower Square
10 CR Hartford, Connecticut 06183
Attention: General Counsel
Telecopy: 860-954-3730

with a copy to:

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London EC2A 2HA
Attention: Mark A. Wippell
Telecopy: 44-171-972-7990

with a copy to:

Dewey Ballantine LLP
1301 Avenue of the Americas
New York, New York 10019
Attention: Jeff S. Liebmann
Telecopy: 212-259-6333

10.8 ARBITRATION. (a) In the event of a controversy, dispute or claim arising out of, in connection with, or in relation to the interpretation, performance, nonperformance, validity, breach or termination of this Agreement or otherwise arising out of, or in any way related to this Agreement or the transactions contemplated hereby, including, without limitation, any claim based on contract, tort, statute or constitution (collectively, "AGREEMENT DISPUTES"), such Agreement Dispute shall be determined by arbitration conducted in New York City in the English language, in accordance with the then-existing International Arbitration Rules of the American Arbitration Association (the "RULES") except however if such Agreement Dispute arises as a result of or in connection with a third party claim against one of the parties hereto pending in a court of competent jurisdiction to the extent that resolving such Agreement Dispute outside of such court of competent jurisdiction is reasonably likely to expose a party hereto to conflicting judgments. In any dispute between the parties hereto, there shall be one arbitrator. Any judgment or award rendered by the arbitrator shall be final, binding and nonappealable (except as provided by federal law). If the parties are unable to agree on an arbitrator, the arbitrator shall be selected in accordance with the Rules. Any controversy concerning whether an Agreement Dispute is an arbitrable Agreement Dispute, whether arbitration has been waived, whether an assignee of this Agreement is bound to arbitrate, or as to the interpretation of enforceability of this Section 10.8 shall be determined by the arbitrator. In resolving any dispute, the parties intend that the arbitrator apply the substantive laws of the State of New York, without regard to the choice of law principles thereof. The parties intend that the provisions to arbitrate set forth herein be valid, enforceable and irrevocable. The undersigned agree to comply with any award made in any such arbitration proceedings that has become final in accordance with the

Rules and agree to enforcement of or entry of judgment upon such award, by any court of competent jurisdiction, including (a) the Supreme Court of the State of New York, New York County, or (b) the United States District Court for the Southern District of New York, in accordance with Section 10.15. The arbitrator shall be entitled, if appropriate, to award any remedy in such proceedings, including, without limitation, monetary damages, specific performance and all other forms of legal and equitable relief; PROVIDED, HOWEVER, the arbitrator shall not be entitled to award punitive damages. The parties hereto waive any rights to claim any punitive damages. Without limiting the provisions of the Rules, unless otherwise agreed in writing by or among the relevant parties or permitted by this Agreement, the undersigned shall keep confidential all matters relating to the arbitration or the award, PROVIDED such matters may be disclosed (i) to the extent reasonably necessary in any proceedings brought to enforce the award or for entry of a judgment upon the award and (ii) to the extent otherwise required by law. The arbitrator shall have the authority to apportion costs of the arbitration, including those costs specified by Article 31 of the Rules, in accordance with the arbitrator's disposition of the merits of the claims. Nothing contained herein is intended to or shall be construed to prevent any party, in accordance with Article 21(3) of the Rules or otherwise, from applying to any court of competent jurisdiction for interim measures or other provisional relief in connection with the subject matter of any Agreement Disputes.

(b) Unless otherwise agreed in writing, the parties will continue to provide service and honor all other commitments under this Agreement during the course of dispute resolution pursuant to the provisions of Section 10.8(a) with respect to all matters not subject to such dispute, controversy or claim.

10.9 FURTHER ASSURANCES. The parties hereto will sign such further documents, cause such meetings to be held, resolutions passed, exercise their votes and do and perform and cause to be done such further acts and things as may be necessary in order to give full effect to this Agreement and every provision hereof.

10.10 NON-ASSIGNABILITY. This Agreement will inure to the benefit of and be binding on the parties hereto and their respective successors and permitted assigns. This Agreement may not be assigned by any party hereto without the express prior written consent of the other parties, and any attempted assignment, without such consents, will be null and void; PROVIDED, HOWEVER, that (i) the KKR Partnership may assign or delegate its rights hereunder to any Affiliate, and in the event of any such assignment references to a "KKR PARTNERSHIP" herein shall be deemed to refer to such Affiliate; (ii) the KKR Partnership may assign its rights to purchase Offered Securities under Section 2.6, and (iii) subject to compliance with this Agreement, any Purchaser or Permitted Transferee may assign or delegate its rights hereunder to a Permitted Transferee. Holdings and the Company may assign rights or obligations to purchase or redeem securities hereunder pursuant to an employees' share ownership plan or trust, which forms an employees' share scheme (as defined in Section 743 of the U.K. Companies Act 1985) or to an Affiliate.

10.11 ADDITIONAL PURCHASERS. Prior to the Offer to Purchase becoming or being declared unconditional in all respects, up to four additional insurance carriers (each an "ADDITIONAL PURCHASER") may become parties hereto; PROVIDED that (i) (A) the KKR Partnership and (B) at least three of the Purchasers consent to each such Additional Purchaser becoming a

party hereto, (ii) upon the addition of one Additional Purchaser, (A) if Purchaser 4 has increased its aggregate investment to match the other Purchasers, 100% of the proceeds of such Additional Purchaser's subscription shall be applied to reduce pro rata the commitments of Purchaser 1, Purchaser 2, Purchaser 3, Purchaser 4 and Purchaser 5, and (B) if Purchaser 4 has not increased its aggregate investment to match the other Purchasers, the proceeds of such Additional Purchaser's Subscription shall be applied to reduce pro rata the commitments of Purchaser 1, Purchaser 2, Purchaser 3 and Purchaser 5 to match the aggregate investment to be made by Purchaser 4 with any excess proceeds to be applied pursuant to the direction of the KKR Partnership, (iii) 50% of the proceeds of any further Additional Purchaser's subscription will represent additional equity invested in Holdings and the Company and 50% of which will represent equity which would otherwise have been subscribed by the then existing Purchasers and the First Additional Purchaser, (iv) such Additional Purchaser enters into an Assumption Agreement and (v) such Additional Purchaser becomes a party to the Subscription Agreement pursuant to the terms thereof. If an Additional Purchaser becomes a party hereto in accordance with the provisions of this Section 10.11, such Additional Purchaser shall be deemed a "Purchaser" for purposes of this Agreement except with respect to the provisions of this Section 10.11.

10.12 AMENDMENT; WAIVER. This Agreement may be amended, supplemented or otherwise modified only by a written instrument executed by the parties hereto. No waiver by any party of any of the provisions hereof will be effective unless explicitly set forth in writing and executed by the party so waiving. Except as provided in the preceding sentence, no action taken pursuant to this Agreement, including without limitation, any investigation by or on behalf of any party, will be deemed to constitute a waiver by the party taking such action of compliance with any covenants or agreements contained herein. The waiver by any party hereto of a breach of any provision of this Agreement will not operate or be construed as a waiver of any subsequent breach.

10.13 ADDITIONAL KKR INVESTORS. Any private equity fund which is an Affiliate of KKR and which hereafter subscribes for Ordinary Shares shall agree in writing to be bound by, and be entitled to the benefits of, this Agreement as if it were a party hereto, and, for purposes of this Agreement, such Person shall be deemed to be a KKR Partnership.

10.14 THIRD PARTIES. This Agreement does not create any rights, claims or benefits inuring to any person that is not a party hereto nor create or establish any third party beneficiary hereto.

10.15 GOVERNING LAW; SUBMISSION TO JURISDICTION; APPOINTMENT OF AGENT FOR SERVICE; WAIVER. (a) This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

(b) Each of Holdings, the Company, Purchaser 1 and Purchaser 2 (each a "FOREIGN PERSON"), to the fullest extent permitted by applicable law, irrevocably and fully waives the defense of an inconvenient forum to the maintenance of such legal action or proceeding and will hereby irrevocably designate and appoint within ten Business Days of the date hereof CT Corporation (the "AUTHORIZED AGENT"), as its authorized agent upon whom process may be served in any such suit or proceedings. Each such Foreign Person represents that is has notified the Authorized Agent of such designation and appointment and that the Authorized Agent has accepted the same in writing. Each such Foreign Person hereby irrevocably authorizes and directs its Authorized Agent to accept to such service. Each such Foreign Person further agrees that service of process upon its Authorized Agent and written notice of said service to such Foreign Person mailed by first class mail or delivered to its Authorized Agent shall be deemed in every respect effective service of process upon such Foreign Person in any such suit or proceeding. Nothing herein shall affect the right of any person to serve process in any other manner permitted by law. Each such Foreign Person agrees that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner. Notwithstanding the foregoing, any action against any such Foreign Person arising out of or based on this Agreement or the transactions contemplated hereby may also be instituted in any competent court in the United Kingdom, and each such Foreign Person expressly accepts the jurisdiction of any such court in any such action.

(c) Each such Foreign Person hereby irrevocably waives, to the extent permitted by law, any immunity to jurisdiction to which it may otherwise be entitled (including, without limitation, immunity to pre-judgement attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or based on this Agreement or the transactions contemplated hereby.

10.16 SPECIFIC PERFORMANCE. Without limiting or waiving in any respect any rights or remedies of the parties hereto under this Agreement now or hereinafter existing at law or in equity or by statute, each of the parties hereto will be entitled to seek specific performance of the obligations to be performed by the other in accordance with the provisions of this Agreement.

10.17 ENTIRE AGREEMENT. This Agreement sets forth the entire understanding of the parties hereto with respect to the subject matter hereof.

10.18 TITLES AND HEADINGS. The section headings contained in this Agreement are for reference purposes only and will not affect the meaning or interpretation of this Agreement.

10.19 SEVERABILITY. If any provision of this Agreement is declared by any court of competent jurisdiction to be illegal, void or unenforceable, all other provisions of this Agreement will not be affected and will remain in full force and effect.

10.20 COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original and all of which together will be deemed to be one and the same instrument.

10.21 NON-RECOURSE. Notwithstanding anything that may be expressed or implied in this Agreement, the parties hereto, by their acceptance of the benefits hereof, covenant, agree and acknowledge that no person other than the KKR Partnership shall have any obligation hereunder with respect to claims against the KKR Partnership and that, notwithstanding that the KKR Partnership is a partnership, no recourse hereunder or any documents or instruments delivered in connection herewith shall be had against any current or future officer, agent or employee of the KKR Partnership or against any current or future general or limited partner of the KKR Partnership or any current or future director, officer, employee, general or limited partner, member, affiliate or assignee of any of the foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of the KKR Partnership or any current or future general or limited partner of the KKR Partnership or any current or future director, officer, employee, general or limited partner, member, affiliate or assignee of any of the foregoing, as such, for any obligations of the KKR Partnership under this Agreement or any documents or instruments delivered in connection herewith or for any claim based on, in respect of or by reason of such obligations or their creation, PROVIDED, HOWEVER, that this Section 10.21 will not limit or offset any claim based upon fraud.

IN WITNESS WHEREOF, each of the undersigned has executed this Agreement or caused this Agreement to be executed on its behalf as of the date first written above.

TA I LIMITED

By: /s/ Scott Nuttall
---
Title:

TA II LIMITED

By: /s/ Scott Nuttall
---
Title:

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: KKR 1996 Fund (Overseas), Limited Partnership, as its general partner

By: KKR Associates II (1996), Limited Partnership, its general partner

By: KKR 1996 Overseas Limited, its general partner

By: /s/ Perry Gollan
---
Authorized Signatory

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

By: /s/ Paul Spencer
---
Title:

GUARDIAN ROYAL EXCHANGE PLC

By: /s/ Caroline Burton
---
Title: Executive Director-Investments

THE CHUBB CORPORATION

By: /s/ Andrew A. McElwee, Jr.
---
Title: Senior Vice President

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

By: /s/ Brenda J. Furlong
---
Title: Senior Vice President

THE TRAVELERS INDEMNITY COMPANY

By: /s/ Jordan Spitzer
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Title: Vice President

EXHIBIT 10.14

# CONTRIBUTION AND SHARE SUBSCRIPTION AGREEMENT

CONTRIBUTION AND SHARE SUBSCRIPTION AGREEMENT, dated as of July 22, 1998, among TA I Limited, a company organized under the laws of England and Wales ("NEWCO 1"), TA II Limited, a company organized under the laws of England and Wales ("NEWCO 2"), TA III plc, a company organized under the laws of England and Wales ("NEWCO 3"), Trinity Acquisition plc, a company organized under the laws of England and Wales ("BIDCO"), KKR 1996 Fund (Overseas), Limited Partnership, an Alberta limited partnership ("KKR 1996 FUND"), and Profit Sharing (Overseas), Limited Partnership, an Alberta limited partnership ("KKR PROFIT SHARING" and, together with the KKR 1996 Fund, the "KKR PARTNERSHIPS").

## RECITALS

A. The current authorized share capital of Newco 1 is (pound)100 divided into 100 ordinary shares of par value (pound)1 per share (the "NC 1 ORDINARY SHARES") of which one ordinary share of (pound)1 is issued and fully paid and held by thE KKR 1996 Fund.

B. The current authorized share capital of Newco 2 is (pound)100 divided INto 100 ordinary shares of par value (pound)1 per share of which one ordinary shaRe of (pound)1 is issued and fully paid and held by Newco 1.

C. The current authorized and issued share capital of Newco 3 is (pound)50,000 divided into 50,000 ordinary shares of par value (pound)1 per share. The KKR 1996 Fund holds one share fully paid and the remainder are held by Newco 2 (49,998 shares of which are paid up as to one quarter and one share of which is fully paid).

D. The current authorized and issued share capital of Bidco is (pound)50,000 divided into 50,000 ordinary shares of par value (pound)1 per share. The KKR 1996 Fund holds one share fully paid and the remainder are held by Newco 3 (49,998 shares of which are paid up as to one quarter and one share of which is fully paid).

E. In connection with the offer to purchase (the "OFFER TO PURCHASE") and the acquisition of up to 9.9% of the ordinary shares of the Willis Corroon Group plc (the "WC SHARES") outside the Offer to Purchase (the "SHARE ACQUISITION"), (i) the KKR 1996 Fund desires to make an investment of at least (pound)165 million (or the dollar equivalent) to KKR Profit Sharing. KKR Profit Sharing will invest such amount in the capital of Newco 1 and will cause Newco 1 and the direct and indirect subsidiaries of Newco 1 to invest such monies in the capital of Bidco to permit Bidco to obtain the level of equity financing necessary, in light of the other financing sources available to Bidco, to fund the Offer to Purchase and the Share Acquisition on the terms set forth below.

## AGREEMENT

NOW THEREFORE, the parties hereto agree as follows:

ARTICLE 1
CAPITAL CONTRIBUTION AND SHARE SUBSCRIPTION

SECTION 1.1 CAPITAL INVESTMENT. Upon the terms and subject to the conditions of this Agreement, the KKR 1996 Fund agrees to invest in the capital of KKR Profit Sharing an amount (in dollars or sterling) sufficient to enable KKR Profit Sharing to invest, in turn, in Newco 1 an amount equivalent to at least (pound)165 million (the "Minimum Capital Contribution") and to contribute one NC 1 Ordinary Share to KKR Profit Sharing, and KKR Profit Sharing agrees to accept the Minimum Capital Contribution and the one NC 1 Ordinary Share from the KKR 1996 Fund. If the KKR 1996 Fund becomes required to make additional investments in KKR Profit Sharing to enable KKR Profit Sharing to subscribe for additional ordinary shares of Newco 1, par value (pound)0.10 per share ("Newco 1 Ordinary Shares"), KKR Profit Sharing agrees to accept any such additional investment and, upon receipt, to so subscribe.

SECTION 1.2 SHARE SUBSCRIPTION. Upon the terms and subject to the conditions of this Agreement, (i) KKR Profit Sharing will invest at least (pound)165 million in the capital of Newco 1, such investment to consist of up to 82.5 million Newco 1 Ordinary Shares at a price of (pound)2.00 per share, provided (x) that in connection with the management equity investment program to be implemented for officers and employees of Willis Corroon Group plc and its subsidiaries, up to (pound)20 million of such investment may, at the election of KKR Profit Sharing, be for convertible preferred shares of Newco 1, or other equity securities, which are either redeemable for cash or convertible into Newco 1 Ordinary Shares at a redemption or conversion price, as the case may be, equal to the subscription price, and (y) that if KKR Profit Sharing subscribes for additional Newco 1 Ordinary Shares, Newco 1 will issue additional Newco 1 Ordinary Shares at (pound)2.00 per share, (ii) Newco 2 agrees to issue Newco 1 a number of ordinary shares, par value (pound)0.10 per share ("Newco 2 Ordinary Shares"), and Newco 1 agrees to subscribe for a number of Newco 2 Ordinary Shares with the proceeds of at least (pound)165 million received by Newco 1 from the issuance of Newco 1 Ordinary Shares at a subscription price of (pound)2.00 per share, (iii) Newco 3 agrees to issue Newco 2 a number of ordinary shares, par value (pound)0.10 per share ("Newco 3 Ordinary Shares"), and Newco 2 agrees to subscribe for a number of Newco 3 Ordinary Shares with the proceeds of at least (pound)165 million received by Newco 2 from the issuance of Newco 2 Ordinary Shares at a subscription price of (pound)2.00 per share, and (iv) Bidco agrees to issue a number of ordinary shares, par value (pound)0.10 per share ("Bidco Ordinary Shares"), to Newco 3, and Newco 3 agrees to subscribe for a number of Bidco Ordinary Shares with the proceeds of at least (pound)165 million received by Newco 3 from the issuance of Newco 3 Ordinary Shares at a subscription price of (pound)2.00 per share.

Section 1.3 The closings of the subscription and sale of the Subscription Shares hereunder (the "Closings") shall take place at the offices of Clifford Chance, 200 Aldersgate, London EC1A 4JJ. Bidco and its advisors will determine the amount of funds due from time to time to purchase WC Shares in the Offer to Purchase and the date (each such date, a "Closing Date") on which such funds need to be received in order to permit payment to the persons tendering WC Shares in such Offer to Purchase when due pursuant to the terms of such Offer to Purchase. Newco 1 and its subsidiaries shall cause a notice to be prepared (a "Closing Notice") and sent to KKR Profit Sharing and to the other subscribers to the capital of Newco 1 and Newco 2 at least five Business Days prior to each Closing Date. Each Closing Notice shall set forth the

amount of funds to be delivered and the amount and class of securities to be subscribed for by each subscriber. Each subscriber shall deliver funds to such bank accounts and take delivery of the relevant Subscription Shares as the applicable issuer and subscriber that are parties hereto may agree.

## ARTICLE 2
## TERMINATION

SECTION 2.1 GROUNDS FOR TERMINATION. This Agreement may be terminated at any time prior to the Closing:

(a) if the Offer to Purchase (as originally made or as extended) ceases to be capable of becoming or being declared unconditional in all respects; or

(b) the Offer to Purchase is not made within seven days of the date of this Agreement.

SECTION 2.2 EFFECT OF TERMINATION. If this Agreement is terminated as permitted by Section 2.1, such termination shall be without liability of any party (or any stockholder, general partner, limited partner, member, director, officer, employee, agent, consultant or representative of such party) to any of the other parties to this Agreement, and this Agreement shall be of no further force or effect. Notwithstanding the foregoing, the provisions of Section 3.4 shall survive any termination hereof pursuant to Section 2.1.

## ARTICLE 3
## MISCELLANEOUS

SECTION 3.1 NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 3.1):

if to a KKR Partnership, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to Newco 1, Newco 2, Newco 3 or Bidco, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

SECTION 3.2 SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and lawful assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto.

SECTION 3.3 GOVERNING LAW; SUBMISSION TO JURISDICTION; WAIVER. This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

SECTION 3.4 NON-RECOURSE. Notwithstanding anything that may be expressed or implied in this Agreement, the other parties hereto, by their acceptance of the benefits hereof, covenant, agree and acknowledge that, no person other than the KKR Partnerships shall have any obligation hereunder and that, notwithstanding that the KKR Partnerships are partnerships, no recourse hereunder or any documents or instruments delivered in connection herewith shall be had against any current or future officer, agent or employee of the KKR Partnerships or against any current or future general or limited partner of the KKR Partnerships or any current or future director, officer, employee, general or limited partner, member, affiliate or assignee of any of the

foregoing, whether by the enforcement of any assessment or by any legal or equitable proceeding, or by virtue of any statute, regulation or other applicable law, it being expressly agreed and acknowledged that no personal liability whatsoever shall attach to, be imposed on or otherwise be incurred by any current or future officer, agent or employee of the KKR Partnerships or any current or future general or limited partner of the KKR Partnerships or any current or future director, officer, employee, general or limited partner, member, affiliate or assignee of any of the foregoing, as such, for any obligations of the KKR Partnerships under this Agreement or any documents or instruments delivered in connection herewith or for any claim based on, in respect of or by reason of such obligations or their creation.

SECTION 3.5 COUNTERPARTS; THIRD PARTY BENEFICIARIES. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

SECTION 3.6 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject mater of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

SECTION 3.7 CAPTIONS. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

SECTION 3.8 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforced in accordance with its terms to the maximum extent permitted by law.

SECTION 3.9 INTERPRETATION. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

KKR 1996 FUND (OVERSEAS), LIMITED PARTNERSHIP

By: KKR Associates II (1996), Limited Partnership, its general partner

By: KKR 1996 Overseas Limited, its general partner

By: /s/ Perry Gollan
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Authorized Signatory

PROFIT SHARING (OVERSEAS), LIMITED PARTNERSHIP

By: KKR 1996 Fund (Overseas), Limited Partnership, as its general partner

By: KKR Associates II (1996), Limited Partnership, its general partner

By: KKR 1996 Overseas Limited, its general partner

By: /s/ Perry Gollan
---
Authorized Signatory

TA I LIMITED

By /s/ Scott Nuttall
---
Name:
Title:

TA II LIMITED

By: /s/ Scott Nuttall
---
Name:
Title:

TA III PLC

By: /s/ Scott Nuttall
---
Name:
Title:

TRINITY ACQUISITION PLC

By: /s/ Scott Nuttall
---
Name:
Title:

EXHIBIT 10.15

# SHARE SUBSCRIPTION AGREEMENT

SHARE SUBSCRIPTION AGREEMENT dated as of July 22, 1998 (this "AGREEMENT") among each of the entities listed on the signature pages hereof under the caption "Purchasers" (collectively, the "PURCHASERS"), TA I Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 1") and TA II Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 2" and, together with Newco 1, the "NEWCOS").

## RECITALS:

All the issued and outstanding ordinary shares, par value (pound)1.00 per share, of Newco 1 are currently owned by one or more entities (the "KKR PARTNERSHIPS") organized by an affiliate of Kohlberg Kravis Roberts & Co. Newco 1 owns all the issued and outstanding ordinary shares, par value (pound)1.00 per share, of Newco 2. Newco 2 beneficially owns all of the issued and outstanding ordinary shares, par value (pound)1.00 per share, of TA III plc, a public limited company organized under the laws of England and Wales ("NEWCO 3"). Newco 3 beneficially owns all of the issued and outstanding ordinary shares, par value (pound)1.00 per share, of Trinity Acquisition plc, a publIC limited liability company organized under the laws of England and Wales ("BIDCO"), which proposes to make an offer (the "OFFER") for all of the issued and outstanding ordinary shares of Willis Corroon Group plc, a public limited liability company organized under the laws of England and Wales ("WCG").

In connection with the Offer, Newco 1 desires to issue ordinary shares, par value (pound)0.10 per share ("NEWCO 1 ORDINARY SHARES"), and Newco 2 desires to issue preferred shares, redemption value $25.00 per share ("NEWCO 2 PREFERRED SHARES"), in each case, to the Purchasers upon the terms and subject to the conditions hereinafter set forth.

The Purchasers have conditioned subscription of the Newco 1 Ordinary Shares and the Newco 2 Preferred Shares to be subscribed for by them hereunder on Newco 1 and Newco 2 making certain representations and warranties to them hereunder and, in order to induce the Purchasers to subscribe such shares and in connection with the transactions contemplated to occur on the Closing Date (as defined below), including the Offer, each of Newco 1 and Newco 2 is willing to make and hereby makes such representations and warranties.

## AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

## ARTICLE 1
## PURCHASE AND SALE

SECTION 1.1 PURCHASE AND SALE. Upon the terms and subject to the conditions of this Agreement, Newco 1 agrees to issue to each Purchaser or its Affiliate , and each Purchaser agrees to subscribe, or to procure the subscription by an Affiliate of, the number of Newco 1 Ordinary Shares (the "Subscription Ordinary Shares"), and Newco 2 agrees to issue to each Purchaser or its Affiliate, and each Purchaser agrees to subscribe, or to procure the subscription

by an Affiliate of, the number of Newco 2 Preferred Shares (the "Subscription Preferred Shares" and, together with the Subscription Ordinary Shares, the "Subscription Shares") set forth opposite its name on Schedule I hereto, provided, however, that if additional investors acceptable to Purchasers who have agreed to subscribe for 60% of the Preferred Shares and to the KKR Partnership are invited to subscribe and agree to subscribe for Ordinary Shares and Preferred Shares on the same terms and conditions as those agreed by the Purchasers, then the amount of Ordinary Shares and Preferred Shares subscribed by the Purchasers pursuant hereto shall be reduced in accordance with the provisions of Section 10.11 of the Shareholder Rights Agreement (as defined in Section 2.2). The subscription price for the Subscription Ordinary Shares is (pound)2 per share (the "Per Ordinary Share Subscription Price"), and the subscription price for the Subscription Preferred Shares is the sterling equivalent of $25 per share (using the exchange rate of $1.6430 per (pound)1.00) (the "Per Preferred Share Subscription Price"). The aggregate subscription price for all of the Subscription Ordinary Shares is (pound)38,666,666 (the "Aggregate Ordinary Share Subscription Price"), and the aggregate subscription price for all of the Subscription Preferred Shares is (pound)154,666,666 (the "Aggregate Preferred Share Subscription Price").

SECTION 1.2 CLOSING. The closings (the "Closings") of the subscription and sale of the Subscription Shares hereunder shall take place at the offices of Clifford Chance, 200 Aldersgate, London EC1A 4JJ on each of the dates on which the closings of the Contribution and Share Subscription Agreement dated the date hereof (the "Contribution and Share Subscription Agreement") among Newco 1, Newco 2, Newco 3, Bidco and the KKR Partnerships named therein in the agreed form occur (the "Closing Dates"), which dates shall be notified by Bidco to the Purchasers at least five Business Days in advance thereof (any such notice, a "Closing Notice"). Each Closing Notice shall set forth for each Purchaser (i) the aggregate amount due on such date for the subscription (x) of Ordinary Shares and (y) Preferred Shares, and (ii) the number of Ordinary Shares and Preferred Shares to be delivered on such date. The aggregate amount due for all Purchasers on a Closing Date will be calculated by reference to the amount due on the same date by the KKR Partnership on the basis that for every (pound)46.0465 due from the KKR Partnership, (pound)53.9535 will be due from the Purchasers as a whole (the "Investment Ratio"), provided, however, that to the extent the KKR Partnership or any of its Affiliates has directly or indirectly financed the purchase of WCG ordinary shares prior to the closing of the Offer to Purchase, then the Purchasers shall be required to invest an amount up to the amount that would be required so that the ratio of the aggregate investment by the KKR Partnership and its Affiliates in such WCG ordinary shares to the aggregate investment by the Purchasers pursuant hereto equals the Investment Ratio. Of the aggregate amount due from the Purchasers on a Closing Date, the amount due from a given Purchaser will be pro rata to such Purchaser's commitment as set forth in Schedule I, and will be divided between Ordinary Shares and Preferred Shares in the same ratio as the Aggregate Ordinary Share Subscription Price bears to the Aggregate Preferred Share Subscription Price. At each Closing, (a) each Purchaser, shall deliver or cause to be delivered to Newco 1, in immediately available funds, the amount indicated in the relevant Closing Notice, by intrabank transfer to an account designated by Newco 1 in such Closing Notice, and deliver or cause to be delivered to Newco 2, in immediately available funds, the amount indicated in the relevant Closing Notice by intrabank transfer to an account designated by Newco 2 in such Closing Notice, and (b) Newco 1 shall deliver to the person or persons designated by each of the Purchasers, certificates for each Purchaser's Subscription Ordinary Shares in the amount set forth in the relevant Closing Notice, and Newco 2 shall deliver to the person or persons designated by each of the Purchasers,

certificates for each Purchaser's Subscription Preferred Shares in the amount set forth in the relevant Closing Notice, in each case, duly registered in the names of the Person or Persons designated by each of the Purchasers, each such designation to be notified to Newco 1 and Newco 2 at least two Business Days in advance of the applicable Closing Date.

## ARTICLE 2
## REPRESENTATIONS AND WARRANTIES OF NEWCOS

Each Newco jointly and severally represents and warrants:

SECTION 2.1 CORPORATE EXISTENCE AND POWER; NEWLY FORMED CORPORATION. Such Newco, Newco 3 and Bidco are limited liability companies duly organized under the laws of England and Wales and are validly existing. Such Newco, Newco 3 and Bidco were incorporated solely for the purpose of effectuating the Offer (including the transactions contemplated by this Agreement) and have not conducted any business or entered into any agreements or commitments except with respect to the foregoing.

SECTION 2.2 AUTHORIZATION. (a) The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement, dated as of July 22, 1998, among the Newcos, the KKR Partnership named therein and the Purchasers (the "Shareholder Rights Agreement"; unless otherwise defined herein, terms defined in the Shareholder Rights Agreement are used herein as defined therein), and the Registration Rights Agreement, dated as of July 22, 1998, between the Newcos and the Purchasers (the "Registration Rights Agreement"), and the transactions contemplated hereby and by each of the foregoing are within such Newco's corporate powers and have been duly authorized by all necessary corporate action on the part of such Newco.

(b) This Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement have each been duly executed and delivered by such Newco. This Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement each constitute a valid and binding agreement of such Newco, enforceable against it in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement or creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy.

SECTION 2.3 GOVERNMENTAL AUTHORIZATION. The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement, and the making of the Offer by Bidco require no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official except such as have been obtained or except where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not, in the aggregate, reasonably be expected materially to adversely affect the ability of such Newco to perform its obligations hereunder or thereunder.

SECTION 2.4 NONCONTRAVENTION. The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement, and the making of the Offer by Bidco do not and will not (i) violate the memorandum and articles of association of such Newco, Newco 3 or Bidco, (ii) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon such Newco, Newco 3 or Bidco, (iii) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Newco, Newco 3 or Bidco or to a loss of any benefit to which such Newco, Newco 3 or Bidco is entitled under any provision of any agreement or other instrument binding upon such Newco, Newco 3 or Bidco or any of its assets or properties or (iv) result in the creation or imposition of any material mortgage, lien, pledge, charge, security interest or encumbrance (each, a "Lien") on any property or asset of such Newco, Newco 3 or Bidco.

SECTION 2.5 CAPITALIZATION. (a) As of the date hereof, the authorized capital of Newco 1 consists of 100 ordinary shares of (pound)1.00 each and no other securities. Immediately prior to the first Closing, the authorized capital of Newco 1 will comprise at least a sufficient number of Newco 1 Ordinary Shares so as to satisfy the subscriptions hereunder and under the Contribution and Share Subscription Agreement, dated as of the date hereof (the "Contribution Agreement"), among the KKR Partnerships, the Newcos and the other parties named therein.

(b) As of the date hereof, the authorized capital of Newco 2 consists of 100 ordinary shares of (pound)1.00 each. Immediately prior to the first Closing, the authorized capital of Newco 2 will comprise at least a sufficient number of Newco 2 Preferred Shares so as to satisfy the subscriptions hereunder.

(c) The structure chart attached hereto as Schedule II summarizes the corporate structure of the KKR Partnership's ownership of Newco 1 and its subsidiaries.

(d) Except as set forth in this Section 2.5 and the Contribution Agreement, there are, and immediately after the Closing there will be, no issued (i) ordinary shares or voting securities of such Newco, (ii) securities of such Newco convertible into or exchangeable for ordinary shares or voting securities of such Newco, (iii) options or other rights to acquire from such Newco, or other obligation of such Newco to issue, any ordinary shares, voting securities or securities convertible into or exchangeable for ordinary shares or voting securities of such Newco (except for rights and options to acquire Newco 1 Ordinary Shares granted to certain officers and employees of WCG and its subsidiaries) or (iv) obligation of such Newco to repurchase or otherwise acquire or retire any ordinary shares or any convertible securities, rights or options of the type described in clause (i), (ii), or (iii) (except as permitted by the terms of the Newco 2 Preferred Shares, the terms of the Shareholder Rights Agreement and the terms of the agreements to be entered into with certain officers and employees of WCG or its subsidiaries relating to Newco 1 Ordinary Shares and options).

SECTION 2.6 VALID ISSUANCE OF SECURITIES. The Subscription Shares which are being issued by such Newco to the Purchasers hereunder will be duly and validly authorized and, when issued in accordance with the terms hereof for the consideration expressed herein, will be fully paid and nonassessable.

SECTION 2.7 NO BROKERS FEES. Except for the financial advisors retained in connection with the Offer, such Newco has not retained, and is not subject to the valid claim of, any finder, broker, consultant or financial advisor in connection with this Agreement or the transactions contemplated hereby who might be entitled to a fee or commission from the Purchasers in connection with this Agreement or the transactions contemplated hereby.

SECTION 2.8 CONTRIBUTION AGREEMENT. The Contribution Agreement has been entered into by each of the parties thereto and will not be amended in a manner that adversely affects the rights of the Purchasers without the consent of Purchasers who have agreed to subscribe for at least 60% of the Preferred Shares.

## ARTICLE 3

## REPRESENTATION AND WARRANTIES OF PURCHASERS

Each Purchaser, severally and not jointly as to any other Purchaser, represents and warrants:

SECTION 3.1 EXISTENCE AND POWER. Such Purchaser is a corporation, limited partnership or limited liability company, as the case may be, duly organized, validly existing and in good standing, as applicable, under the laws of its jurisdiction of organization.

SECTION 3.2 AUTHORIZATION. The execution, delivery and performance by such Purchaser of this Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement and the transactions contemplated hereby and by each of the foregoing are within its corporate, partnership or limited liability company powers, as the case may be, and have been duly authorized by all necessary action on the part of such Purchaser. This Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement have each been duly executed and delivered by such Purchaser. This Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement each constitute a valid and binding agreement of such Purchaser, enforceable against such Purchaser in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement or creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy.

SECTION 3.3 GOVERNMENTAL AUTHORIZATION. The execution, delivery and performance by such Purchaser of this Agreement, the Shareholder Rights Agreement and the Registration Rights Agreement require no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official except such as have been obtained or except where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not, in the aggregate, reasonably be expected to adversely affect the ability of such Purchaser to perform its obligations hereunder or thereunder.

SECTION 3.4 NONCONTRAVENTION. The execution, delivery and performance by such Purchaser of this Agreement, the Shareholder Rights Agreement and the Registration Rights do not and will not (i) violate, if such Purchaser is a corporation, the certificate of incorporation or bylaws of such Purchaser, if such Purchaser is a limited partnership, the certificate of limited partnership or agreement of limited partnership of such Purchaser, or, if such Purchaser is a limited liability company, the certificate of formation or limited liability company agreement of such Purchaser, or, in any case, any similar organizational or constitutive document, (ii) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon such Purchaser, (iii) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Purchaser or to a loss of any benefit to which such Purchaser is entitled under any provision of any agreement or other instrument binding upon such Purchaser or any of its assets or properties or (iv) result in the creation or imposition of any material Lien on any property or asset of such Purchaser.

SECTION 3.5 PURCHASE FOR INVESTMENT. Such Purchaser is purchasing its Subscription Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof.

SECTION 3.6 PRIVATE PLACEMENT. (a) Such Purchaser's financial situation is such that such Purchaser can afford to bear the economic risk of holding its Subscription Shares for an indefinite period of time, and such Purchaser can afford to suffer the complete loss of the investment in its Subscription Shares.

(b) Such Purchaser's knowledge and experience in financial and business matters are such that it is capable of evaluating the merits and risks of the investment in its Subscription Shares, or such Purchaser has been advised by a representative possessing such knowledge and experience.

(c) Such Purchaser understands that the Subscription Shares acquired hereunder are a speculative investment which involves a high degree of risk of loss of the entire investment therein, that there will substantial restrictions on the transferability of the Subscription Shares as set forth in the Shareholder Rights Agreement and that for an indefinite period following the date hereof there will be no public market for the Subscription Shares and that, accordingly, it may not be possible for such Purchaser to sell the Subscription Shares in case of emergency or otherwise.

(d) Such Purchaser and its representatives, including, to the extent it deems appropriate, its professional, financial, tax and other advisors, have reviewed all documents provided to them in connection with the investment in the Subscription Shares, and such Purchaser understands and is aware of the risks related to such investment.

(e) Such Purchaser and its representatives have been given the opportunity to examine documents and to ask questions of, and to receive answers from Newco 1, Newco 2 and the KKR Partnership and/or their respective representatives concerning the terms and conditions of the acquisition of the Subscription Shares and related matters and to obtain such additional information which such Purchaser or its representatives deem necessary.

(f) Such Purchaser is an "ACCREDITED INVESTOR" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

SECTION 3.7 ACCURACY OF INFORMATION. The information provided by such Purchaser relating to it and its shareholdings and dealings in the ordinary shares of WCG as required by The City Code on Takeovers and Mergers for the purpose of preparation of the documents issued in connection with the Offer is true and accurate in all material respects.

SECTION 3.8 NO BROKERS FEES. Such Purchaser has not retained, and, to its knowledge, is not subject to the valid claim of, any finder, broker, consultant or financial advisor in connection with this Agreement or the transactions contemplated hereby who might be entitled to a fee or commission from either Newco or the KKR Partnership in connection with this Agreement or the transactions contemplated hereby.

## ARTICLE 4

## CONDITIONS TO CLOSING

SECTION 4.1 CONDITIONS TO OBLIGATIONS OF PURCHASERS AND NEWCOS. The obligations of the Purchasers and the Newcos to consummate the transactions contemplated hereby are subject to the Offer becoming or being declared unconditional in all respects not later than the 120th day after the posting of the Offer such that the KKR Partnership is unconditionally obligated to make its capital contribution to Newco 1 to provide a portion of the funds needed to purchase all of the issued and to be issued ordinary shares of WCG pursuant to the Offer.

## ARTICLE 5

## COVENANTS OF THE PARTIES

SECTION 5.1 FURTHER ASSURANCES. Each Newco and Purchaser agrees that, from time to time, it will execute and deliver such further instruments of conveyance and transfer and take such other actions as may be necessary to carry out the purposes and intents of this Agreement.

SECTION 5.2 ARTICLES OF ASSOCIATION. Newco 1 and Newco 2 will adopt Articles of Association in substantially the form of the articles of association attached hereto as Schedule III prior to the first Closing and all subscriptions pursuant to this Agreement and the Contribution Agreement will be made on the terms of such articles.

ARTICLE 6

TERMINATION

SECTION 6.1 GROUNDS FOR TERMINATION. This Agreement may be terminated by any Purchaser with respect to its rights and obligations hereunder at any time prior to the Closing:

(a) if the Offer (as originally made or as extended) ceases to be capable of becoming or being declared unconditional in all respects; or

(b) the Offer is not made within seven days of the date of this Agreement on substantially the terms in all material respects of the draft Press Announcement attached hereto as Annex A or if the price per ordinary share of WCG at which the Offer is made is increased.

SECTION 6.2 EFFECT OF TERMINATION. If this Agreement is terminated as permitted by Section 6.1, such termination shall be without liability of any party (or any stockholder, general partner, limited partner, member, director, officer, employee, agent, consultant or representative of such party) to any of the other parties to this Agreement, and this Agreement shall be of no further force or effect. Notwithstanding the foregoing, the provisions of Sections 7.3 and 7.5 shall survive any termination hereof pursuant to Section 6.1.

ARTICLE 7

MISCELLANEOUS

SECTION 7.1 NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 7.1):

if to a KKR Partnership, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to Newco 1 or Newco 2, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to any of the Purchasers:

Royal & Sun Alliance Insurance Group plc
1 Cornhill
London EC3V 3QR
Attention: The Company Secretary
Telecopy: 44-171-283-4841

-and-

Guardian Royal Exchange plc
Royal Exchange
London EC2V 3LS
Attention: The Company Secretary
Telecopy: 44-171-696-5301

-and-

The Chubb Corporation
15 Mountain View
Warren, New Jersey 07059
Attention: General Counsel
Telecopy: 908-903-3607

-and-

The Hartford Financial Services Group, Inc.
690 Asylum Avenue
Hartford, Connecticut 06115
Attention: General Counsel
Telecopy: 860-547-6959

-and-

The Travelers Indemnity Company
One Tower Square
10 CR Hartford, Connecticut 06183
Attention: General Counsel
Telecopy: 860-954-3730

with a copy to:

Ashurst Morris Crisp
Broadwalk House
5 Appold Street
London EC2A 2HA
Attention: Mark A. Wippell
Telecopy: 44-171-972-7990

with a copy to:

Dewey Ballantine LLP
1301 Avenue of the Americas
New York, New York 10019
Attention: Jeff S. Liebmann
Telecopy: 212-259-6333

SECTION 7.2 AMENDMENTS AND WAIVERS. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 7.3 EXPENSES. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense, except that if the Closing shall occur, Newco 1 and Newco 2, jointly and severally, agree to reimburse the Purchasers for all documented out-of-pocket expenses incurred by them, including, without limitation, the

reasonable fees and expenses of one U.K. counsel and one U.S. counsel for all of the Purchasers, up to, but not in excess of, $350,000 in the aggregate for all such expenses.

SECTION 7.4 SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and lawful assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, provided, further, that any Affiliate of a Purchaser that subscribes for Newco 1 Ordinary Shares or Newco 2 Preferred Shares pursuant to Section 1.1 shall be deemed a "Purchaser" for purposes of this Agreement.

SECTION 7.5 GOVERNING LAW; SUBMISSION TO JURISDICTION; APPOINTMENT OF AGENT FOR SERVICE; WAIVER. (a) This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

(b) Each of Purchaser 1, Purchaser 2, Purchaser 3, Newco 1 and Newco 2 to the fullest extent permitted by applicable law, irrevocably and fully waives the defense of an inconvenient forum to the maintenance of such legal action or proceeding and will hereby irrevocably designate and appoint within ten Business Days of the date hereof CT Corporation (the "AUTHORIZED AGENT"), as its authorized agent upon whom process may be served in any such suit or proceedings. Each such Purchaser and Newco represents that it has notified the Authorized Agent of such designation and appointment and that the Authorized Agent has accepted the same in writing. Each such Purchaser and Newco hereby irrevocably authorizes and directs its Authorized Agent to accept such service. Each such Purchaser and Newco further agrees that service of process upon its Authorized Agent and written notice of said service to such Purchaser or Newco, as the case may be, mailed by first class mail or delivered to its Authorized Agent shall be deemed in every respect effective service of process upon such Purchaser in any such suit or proceeding. Nothing herein shall affect the right of any person to serve process in any other manner permitted by law. Each such Purchaser and Newco agrees that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner. Notwithstanding the foregoing, any action against any such Purchaser or Newco, as the case may be, arising out of or based on this Agreement or the transactions contemplated hereby may also be instituted in any competent court in the United Kingdom, and each such Purchaser and Newco expressly accepts the jurisdiction of any such court in any such action.

(c) Each such Purchaser and Newco hereby irrevocably waives, to the extent permitted by law, any immunity to jurisdiction to which it may otherwise be entitled (including, without limitation, immunity to pre-judgment attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or based on this Agreement or the transactions contemplated thereby.

SECTION 7.6 COUNTERPARTS; THIRD PARTY BENEFICIARIES. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

SECTION 7.7 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject mater of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

SECTION 7.8 CAPTIONS. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

SECTION 7.9 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so excluded and shall be enforced in accordance with its terms to the maximum extent permitted by law.

SECTION 7.10 INTERPRETATION. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

TA I LIMITED

By: /s/ Scott Nuttall
---
Name:
Title:

TA II LIMITED

By: /s/ Scott Nuttall
---
Name:
Title:

PURCHASERS:

ROYAL & SUN ALLIANCE INSURANCE GROUP PLC

By: /s/ Paul Spencer
---
Title:

GUARDIAN ROYAL EXCHANGE PLC

By: /s/ Caroline Burton
---
Title: Executive Director-Investments

THE CHUBB CORPORATION

By: /s/ Andrew A. McElwee, Jr.
---
Title: Senior Vice President

THE HARTFORD FINANCIAL SERVICES GROUP, INC.

By: /s/ Brenda J. Furlong
---
Title: Senior Vice President

THE TRAVELERS INDEMNITY COMPANY

By: /s/ Craig H. Fornsworth
---
Title: Second Vice President

SCHEDULE I

| Name of Purchaser | Newco 1 Ordinary Shares | Aggregate Preferred Share Subscription Price | Newco 2 Preferred Shares |
|---|---|---|---|
| Royal & Sun Alliance Insurance Group Inc | 4,000,000 | (pound)32,000,000 | 2,103,040 |
| Guardian Royal Exchange plc | 4,000,000 | (pound)32,000,000 | 2,103,040 |
| The Chubb Corporation | 4,000,000 | (pound)32,000,000 | 2,103,040 |
| The Travelers Indemnity Company | 4,000,000 | (pound)32,000,000 | 2,103,040 |
| The Hartford Financial Services Group, Inc. | 3,333,333 | (pound)26,666,666 | 1,752,533 |
| Total | 19,333,333 | (pound)154,666,666 | 10,164,693 |

EXHIBIT 10.16

# SHARE SUBSCRIPTION AGREEMENT

SHARE SUBSCRIPTION AGREEMENT, dated as of November 12, 1998 (this "AGREEMENT"), among The Tokio Marine and Fire Insurance Co., Ltd., a Tokyo corporation ("TOKIO MARINE"), TA I Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 1"), and TA II Limited, a limited liability company organized under the laws of England and Wales ("NEWCO 2" and, together with Newco 1, the "NEWCOS").

RECITALS:

Approximately 79% of the issued and outstanding ordinary shares, par value (pound)0.10 per share, of Newco 1 ("NEWCO 1 ORDINARY SHARES") are currently owned by Profit Sharing (Overseas), Limited Partnership, an Alberta limited partnership (the "KKR PARTNERSHIP") organized by an affiliate of Kohlberg Kravis Roberts & Co., and approximately 21% of the issued and outstanding Newco 1 Ordinary Shares are currently owned by Royal & Sun Alliance Insurance Group plc, Guardian Royal Exchange plc, The Chubb Corporation, The Hartford Financial Services Group, Inc. and The Travelers Indemnity Company (collectively, the "EXISTING PURCHASERS"). Newco 1 owns all the issued and outstanding ordinary shares, par value (pound)0.10 per share, of Newco 2. All the issued and outstanding preference shares, redemption value $25.00 per share, of Newco 2 ("NEWCO 2 PREFERRED SHARES") are currently owned by the Existing Purchasers.

Newco 2 beneficially owns all of the issued and outstanding ordinary shares, par value (pound)0.10 per share, of TA III plc, a public limited company organized under the laws of England and Wales ("NEWCO 3"). Newco 3 beneficially owns all of the issued and outstanding ordinary shares, par value (pound)0.10 per share, of Trinity Acquisition plc, a public limited liability company organized under the laws of England and Wales ("BIDCO"), which made a successful offer (the "OFFER") for all of the issued and outstanding ordinary shares of Willis Corroon Group plc, a public limited liability company organized under the laws of England and Wales ("WCG").

The Existing Purchasers or their nominees subscribed for their Newco 1 Ordinary Shares and their Newco 2 Preferred Shares pursuant to the Share Subscription Agreement, dated as of July 22, 1998 (the "SHARE SUBSCRIPTION AGREEMENT"), among Newco 1, Newco 2 and the Existing Purchasers. In connection with the Existing Purchasers' subscription for such shares, (i) the Newcos and the KKR Partnership granted the Existing Purchasers certain rights, and the Existing Purchasers agreed to certain restrictions, with respect to such shares pursuant to a Shareholder Rights Agreement, dated as of July 22, 1998 (the "SHAREHOLDER RIGHTS AGREEMENT"), among Newco 1, Newco 2, the KKR Partnership and the Existing Purchasers and (ii) the Newcos granted the Existing Purchasers certain registration rights with respect to their shares pursuant to the Registration Rights Agreement, dated as of July 21, 1998 (the "REGISTRATION RIGHTS AGREEMENT"), among Newco 1, Newco 2 and the Existing Purchasers.

Newco 1 desires to issue, and Tokio Marine desires to purchase, 1,000,000 Newco 1 Ordinary Shares, and Newco 2 desires to issue, and Tokio Marine desires to purchase, 525,760 Newco 2 Preferred Shares upon the terms and subject to the conditions hereinafter set forth.

In connection with Tokio Marine's subscriptions hereunder, Tokio Marine, the Newcos, the KKR Partnership and the Existing Purchasers will enter into an Amendment and Assumption Agreement, dated as of the date hereof (the "AMENDMENT AGREEMENT"; unless otherwise defined herein, terms defined in the Amendment Agreement are used herein as defined therein), pursuant to which, among other things, Tokio Marine will become a party to, and be bound by, to the same extent as the Existing Purchasers, the Shareholder Rights Agreement and the Registration Rights Agreement.

Tokio Marine has conditioned subscription of the Newco 1 Ordinary Shares and the Newco 2 Preferred Shares to be subscribed for by it hereunder on Newco 1 and Newco 2 making certain representations and warranties to it hereunder and, in order to induce Tokio Marine to subscribe such shares, each of Newco 1 and Newco 2 is willing to make and hereby makes such representations and warranties.

AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

PURCHASE AND SALE

SECTION 1.1 PURCHASE AND SALE. Upon the terms and subject to the conditions of this Agreement, Newco 1 agrees to issue to Tokio Marine or its Affiliate, and Tokio Marine agrees to subscribe, or to procure the subscription by an Affiliate of, the number of Newco 1 Ordinary Shares (the "SUBSCRIPTION ORDINARY SHARES"), and Newco 2 agrees to issue to Tokio Marine or its Affiliate, and Tokio Marine agrees to subscribe, or to procure the subscription by an Affiliate of, the number of Newco 2 Preferred Shares (the "SUBSCRIPTION PREFERRED SHARES" and, together with the Subscription Ordinary Shares, the "SUBSCRIPTION SHARES") set forth opposite its name on Schedule I hereto. The subscription price for the Subscription Ordinary Shares is (pound)2.00 per share, and the subscription price for the Subscription Preferred Shares is the sterling equivalent of $25 per share (using the exchange rate of $1.6430 per (pound)1.00). The aggregate subscription price for all of the Subscription Ordinary Shares is (pound)2,000,000 (the "ORDINARY SHARE SUBSCRIPTION PRICE"), and the aggregate subscription price for all of the Subscription Preferred Shares is (pound)8,000,000 (the "PREFERRED SHARE SUBSCRIPTION PRICE").

SECTION 1.2 CLOSING. The closing (the "CLOSING") of the subscription and sale of the Subscription Shares hereunder shall take place at the offices of Clifford Chance, 200 Aldersgate, London EC1A 4JJ on or about November 18, 1998 (the "CLOSING DATE") unless otherwise agreed to by the parties hereto, and such date will then be deemed to be the "Closing Date" for purposes hereunder. At the Closing, (a) Tokio Marine shall deliver or cause to be delivered to Newco 1, in immediately available funds, the Ordinary Share Subscription Price, by wire transfer of immediately available funds to an account designated by Newco 1 at least two Business Days prior to the Closing Date, and deliver or cause to be delivered to Newco 2, in immediately available funds, the Preferred Share Subscription Price by wire transfer of immediately available funds to an account designated by Newco 2 at least two Business Days prior to the Closing Date, and (b) Newco 1 shall deliver to Tokio Marine certificates for Tokio

Marine's Subscription Ordinary Shares, and Newco 2 shall deliver to Tokio Marine certificates for Tokio Marine's Subscription Preferred Shares, in each case, duly registered in the names of the Person or Persons designated by Tokio Marine, each such designation to be notified to Newco 1 and Newco 2 at least two Business Days in advance of the Closing Date. Dividends on the Newco 2 Preferred Shares shall accrue from the date they are issued.

## ARTICLE 2

## REPRESENTATIONS AND WARRANTIES OF NEWCOS

Each Newco jointly and severally represents and warrants:

SECTION 2.1 CORPORATE EXISTENCE AND POWER; NEWLY FORMED CORPORATION. Such Newco, Newco 3 and Bidco are limited liability companies duly organized under the laws of England and Wales and are validly existing. Such Newco, Newco 3 and Bidco were incorporated solely for the purpose of effectuating the Offer and have not conducted any business or entered into any agreements or commitments except with respect to the foregoing.

SECTION 2.2 AUTHORIZATION. (a) The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement, the Registration Rights Agreement and the Amendment Agreement and the transactions contemplated hereby and by each of the foregoing are within such Newco's corporate powers and have been duly authorized by all necessary corporate action on the part of such Newco.

(b) This Agreement, the Shareholder Rights Agreement, the Registration Rights Agreement and the Amendment Agreement have each been duly executed and delivered by such Newco. This Agreement, the Shareholder Rights Agreement, the Registration Rights Agreement and the Amendment Agreement each constitute a valid and binding agreement of such Newco, enforceable against it in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement or creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy.

SECTION 2.3 GOVERNMENTAL AUTHORIZATION. The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement, the Registration Rights Agreement and the Amendment Agreement require no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official except such as have been obtained or except where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not, in the aggregate, reasonably be expected materially to adversely affect the ability of such Newco to perform its obligations hereunder or thereunder.

SECTION 2.4 NONCONTRAVENTION. The execution, delivery and performance by such Newco of this Agreement, the Shareholder Rights Agreement, the Registration Rights

Agreement and the Amendment Agreement do not and will not (i) violate the memorandum and articles of association of such Newco, Newco 3 or Bidco, (ii) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon such Newco, Newco 3 or Bidco, (iii) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right of termination, cancellation or acceleration of any right or obligation of such Newco, Newco 3 or Bidco or to a loss of any benefit to which such Newco, Newco 3 or Bidco is entitled under any provision of any agreement or other instrument binding upon such Newco, Newco 3 or Bidco or any of its assets or properties or (iv) result in the creation or imposition of any material mortgage, lien, pledge, charge, security interest or encumbrance (each, a "LIEN") on any property or asset of such Newco, Newco 3 or Bidco.

SECTION 2.5 CAPITALIZATION. (a) As of the date hereof, the authorized capital of Newco 1 consists of 2,000,001,000 Newco 1 Ordinary Shares and 199,999,900 convertible cumulative redeemable preference shares, of which 92,027,162 and 20,000,000 are issued, respectively. On or about the Closing Date, the issued convertible cumulative redeemable preference shares will convert into 10,000,000 Newco 1 Ordinary Shares. Immediately prior to the Closing, the authorized capital of Newco 1 will comprise at least a sufficient number of Newco 1 Ordinary Shares so as to satisfy the subscription hereunder.

(b) As of the date hereof, the authorized capital of Newco 2 consists of 2,000,000,000 ordinary shares of (pound)0.10 each and 20,000,000 preference shARES of $10.00 each, of which 101,833,342 and 10,164,693 are issued, respectively. Immediately prior to the Closing, the authorized capital of Newco 2 will comprise at least a sufficient number of Newco 2 Preferred Shares so as to satisfy the subscription hereunder.

(c) Except as set forth in this Section 2.5, there are, and immediately after the Closing there will be, no issued (i) ordinary shares or voting securities of such Newco, (ii) securities of such Newco convertible into or exchangeable for ordinary shares or voting securities of such Newco, (iii) options or other rights to acquire from such Newco, or other obligation of such Newco to issue, any ordinary shares, voting securities or securities convertible into or exchangeable for ordinary shares or voting securities of such Newco (except for rights and options to acquire Newco 1 non-voting ordinary shares granted to certain officers and employees of WCG and its subsidiaries) or (iv) obligation of such Newco to repurchase or otherwise acquire or retire any ordinary shares or any convertible securities, rights or options of the type described in clause (i), (ii), or (iii) (except as permitted by the terms of the Newco 2 Preferred Shares, the terms of the Shareholder Rights Agreement and the terms of the agreements to be entered into with certain officers and employees of WCG or its subsidiaries relating to Newco 1 non-voting ordinary shares and options).

SECTION 2.6 VALID ISSUANCE OF SECURITIES. The Subscription Shares which are being issued by such Newco to Tokio Marine hereunder will be duly and validly authorized and, when issued in accordance with the terms hereof for the consideration expressed herein, will be fully paid and nonassessable.

SECTION 2.7 NO BROKERS FEES. Such Newco has not retained, and is not subject to the valid claim of, any finder, broker, consultant or financial advisor in connection with this

Agreement or the transactions contemplated hereby who might be entitled to a fee or commission from Tokio Marine in connection with this Agreement or the transactions contemplated hereby.

## ARTICLE 3

## REPRESENTATION AND WARRANTIES OF PURCHASERS

Tokio Marine represents and warrants:

SECTION 3.1 EXISTENCE AND POWER. Tokio Marine is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization.

SECTION 3.2 AUTHORIZATION. The execution, delivery and performance by Tokio Marine of this Agreement and the Amendment Agreement and the transactions contemplated hereby and thereby are within its corporate powers and have been duly authorized by all necessary action on the part of Tokio Marine. This Agreement and the Amendment Agreement have each been duly executed and delivered by Tokio Marine. This Agreement and the Amendment Agreement each constitute a valid and binding agreement of Tokio Marine, enforceable against Tokio Marine in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement or creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy.

SECTION 3.3 GOVERNMENTAL AUTHORIZATION. The execution, delivery and performance by Tokio Marine of this Agreement and the Amendment Agreement require no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official except such as have been obtained or except where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not, in the aggregate, reasonably be expected to adversely affect the ability of Tokio Marine to perform its obligations hereunder or thereunder.

SECTION 3.4 NONCONTRAVENTION. The execution, delivery and performance by Tokio Marine of this Agreement and the Amendment Agreement do not and will not (i) violate the certificate of incorporation or bylaws of Tokio Marine or any similar organizational or constitutive document, (ii) violate any law, rule, regulation, judgment, injunction, order or decree applicable to or binding upon Tokio Marine, (iii) require any consent or other action by any person under, constitute a default under (with due notice or lapse of time or both), or give rise to any right of termination, cancellation or acceleration of any right or obligation of Tokio Marine or to a loss of any benefit to which Tokio Marine is entitled under any provision of any agreement or other instrument binding upon Tokio Marine or any of its assets or properties or (iv) result in the creation or imposition of any material Lien on any property or asset of Tokio Marine.

SECTION 3.5 PURCHASE FOR INVESTMENT. Tokio Marine is purchasing its Subscription Shares for investment for its own account and not with a view to, or for sale in connection with, any distribution thereof.

SECTION 3.6 PRIVATE PLACEMENT. (a) Tokio Marine's financial situation is such that Tokio Marine can afford to bear the economic risk of holding its Subscription Shares for an indefinite period of time, and Tokio Marine can afford to suffer the complete loss of the investment in its Subscription Shares.

(b) Tokio Marine's knowledge and experience in financial and business matters are such that it is capable of evaluating the merits and risks of the investment in its Subscription Shares, or Tokio Marine has been advised by a representative possessing such knowledge and experience.

(c) Tokio Marine understands that the Subscription Shares acquired hereunder are a speculative investment which involves a high degree of risk of loss of the entire investment therein, that there will substantial restrictions on the transferability of the Subscription Shares as set forth in the Shareholder Rights Agreement and that for an indefinite period following the date hereof there will be no public market for the Subscription Shares and that, accordingly, it may not be possible for Tokio Marine to sell the Subscription Shares in case of emergency or otherwise.

(d) Tokio Marine and its representatives, including, to the extent it deems appropriate, its professional, financial, tax and other advisors, have reviewed all documents provided to them in connection with the investment in the Subscription Shares, and Tokio Marine understands and is aware of the risks related to such investment.

(e) Tokio Marine and its representatives have been given the opportunity to examine documents and to ask questions of, and to receive answers from Newco 1, Newco 2 and the KKR Partnership and/or their respective representatives concerning the terms and conditions of the acquisition of the Subscription Shares and related matters and to obtain such additional information which Tokio Marine or its representatives deem necessary.

(f) Tokio Marine is an "ACCREDITED INVESTOR" as such term is defined in Regulation D under the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

SECTION 3.7 NO BROKERS FEES. Tokio Marine has not retained, and, to its knowledge, is not subject to the valid claim of, any finder, broker, consultant or financial advisor in connection with this Agreement or the transactions contemplated hereby who might be entitled to a fee or commission from either Newco or the KKR Partnership in connection with this Agreement or the transactions contemplated hereby.

ARTICLE 4

COVENANTS OF THE PARTIES

SECTION 4.1 FURTHER ASSURANCES. Each Newco and Tokio Marine agrees that, from time to time, it will execute and deliver such further instruments of conveyance and transfer and take such other actions as may be necessary to carry out the purposes and intents of this Agreement.

ARTICLE 5

MISCELLANEOUS

SECTION 5.1 NOTICES. All notices, requests, claims, demands and other communications hereunder shall be in writing and shall be given or made (and shall be deemed to have been duly given or made upon receipt) by delivery in person, by courier service, by cable, by telecopy, by telegram, by telex or registered or certified mail (postage prepaid, return receipt requested) as follows (or at such other address for a party as shall be specified in a notice given in accordance with this Section 5.1):

if to a KKR Partnership, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to Newco 1 or Newco 2, to:

c/o Kohlberg Kravis Roberts & Co.
9 West 57th Street
New York, New York 10019
Attention: Perry Golkin
Telecopy: (212) 750-0003

with a copy to:

Simpson Thacher & Bartlett
99 Bishopsgate
21st Floor
London EC2M 3YH
Attention: Gregory W. Conway, Esq.
Telecopy: 44-171-422-4022

if to Tokio Marine:

The Tokio Marine and Fire Insurance Co., Ltd.
West 14th Floor, Otemachi First Square
5-1, Otemachi 1-Chome
Chiyoda-ku, Tokyo
100-0004 Japan
Attention: Eisuke Shigemura
Telecopy: 813-5223-3542

SECTION 5.2 AMENDMENTS AND WAIVERS. (a) Any provision of this Agreement may be amended or waived if, but only if, such amendment or waiver is in writing and is signed, in the case of an amendment, by each party to this Agreement, or in the case of a waiver, by the party against whom the waiver is to be effective.

(b) No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

SECTION 5.3 EXPENSES. All costs and expenses incurred in connection with this Agreement shall be paid by the party incurring such cost or expense.

SECTION 5.4 SUCCESSORS AND ASSIGNS. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and lawful assigns, provided that no party may assign, delegate or otherwise transfer any of its rights or obligations under this Agreement without the consent of each other party hereto, provided, further, that any Affiliate of Tokio Marine that subscribes for Newco 1 Ordinary Shares or Newco 2 Preferred Shares pursuant to Section 1.1 shall be deemed to be included within the definition of "Tokio Marine" for purposes of this Agreement.

SECTION 5.5 GOVERNING LAW; SUBMISSION TO JURISDICTION; APPOINTMENT OF AGENT FOR SERVICE; WAIVER. (a) This Agreement will be governed by, and construed in accordance with, the laws of the State of New York, without giving effect to the principles of conflict of laws thereof. The parties to this Agreement hereby agree to submit to the jurisdiction of the courts of the State of New York, the courts of the United States of America for the Southern District of New York, and appellate courts from any thereof in any action or proceeding arising out of or relating to this Agreement. The parties hereto irrevocably and unconditionally waive

trial by jury in any legal action or proceeding in relation to this Agreement and for any counterclaim therein.

(b) Each of Tokio Marine and Newco 1 and Newco 2 to the fullest extent permitted by applicable law, irrevocably and fully waives the defense of an inconvenient forum to the maintenance of such legal action or proceeding and will hereby irrevocably designate and appoint within ten Business Days of the date hereof CT Corporation (the "AUTHORIZED AGENT"), as its authorized agent upon whom process may be served in any such suit or proceedings. Each Newco and Tokio Marine represents that within ten Business Days of the date hereof it will notify the Authorized Agent of such designation and appointment and that the Authorized Agent will accept the same in writing. Each Newco and Tokio Marine hereby irrevocably authorizes and directs its Authorized Agent to accept such service. Each Newco and Tokio Marine further agrees that service of process upon its Authorized Agent and written notice of said service to such Newco or Tokio Marine, as the case may be, mailed by first class mail or delivered to its Authorized Agent shall be deemed in every respect effective service of process in any such suit or proceeding. Nothing herein shall affect the right of any person to serve process in any other manner permitted by law. Each Newco and Tokio Marine agrees that a final action in any such suit or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other lawful manner. Notwithstanding the foregoing, any action against any Newco or Tokio Marine, as the case may be, arising out of or based on this Agreement or the transactions contemplated hereby may also be instituted in any competent court in the United Kingdom, and each Newco and Tokio Marine expressly accepts the jurisdiction of any such court in any such action.

(c) Each such Newco and Tokio Marine hereby irrevocably waives, to the extent permitted by law, any immunity to jurisdiction to which it may otherwise be entitled (including, without limitation, immunity to pre-judgment attachment, post-judgment attachment and execution) in any legal suit, action or proceeding against it arising out of or based on this Agreement or the transactions contemplated hereby.

SECTION 5.6 COUNTERPARTS; THIRD PARTY BENEFICIARIES. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. This Agreement shall become effective when each party hereto shall have received a counterpart hereof signed by the other party hereto. No provision of this Agreement shall confer upon any person other than the parties hereto any rights or remedies hereunder.

SECTION 5.7 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties with respect to the subject mater of this Agreement and supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

SECTION 5.8 CAPTIONS. The captions herein are included for convenience of reference only and shall be ignored in the construction or interpretation hereof.

SECTION 5.9 SEVERABILITY. If one or more provisions of this Agreement are held to be unenforceable under applicable law, such provision shall be deemed to be excluded from this Agreement and the balance of this Agreement shall be interpreted as if such provision were so

excluded and shall be enforced in accordance with its terms to the maximum extent permitted by law.

SECTION 5.10 INTERPRETATION. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

TA I LIMITED

By: /s/ Scott Nuttall
---
Name:
Title:

TA II LIMITED

By: /s/ Scott Nuttall
---
Name:
Title:

THE TOKIO MARINE AND FIRE INSURANCE CO., LTD.

By: /s/ Kouki Higuchi
---
Title: President

SCHEDULE I

| Name | Newco 1 Ordinary Shares | Aggregate Preferred Share Subscription Price | Newco 2 Preferred Shares |
|---|---|---|---|
| The Tokio Marine and Fire Insurance Co., Ltd. | 1,000,000 | (pound)8,000,000 | 525,760 |

Exhibit 21.1

SUBSIDIARIES OF WILLIS GROUP HOLDINGS LIMITED

| COMPANY NAME | COUNTRY OF REGISTRATION |
|---|---|
| TA I LIMITED | England & Wales |
| TA II Limited | England & Wales |
| TA III Limited | England & Wales |
| Trinity Acquisition Limited | England & Wales |
| TA IV Limited | England & Wales |
| Willis Group Limited* | England & Wales |

* The following are the subsidiaries of Willis Group Limited:

| COMPANY NAME | COUNTRY OF REGISTRATION |
|---|---|
| WILLIS NORTH AMERICA INC.. | U.S.A. |
| WILLIS OF MICHIGAN, INC.. | U.S.A. |
| Baccala & Shoop Insurance Services | U.S.A. |
| CBL Equities, Inc. | U.S.A. |
| Richard Oliver International Inc | U.S.A. |
| WF Corroon Corporation - Great Lakes | U.S.A. |
| WF Corroon Corporation - Texas | U.S.A. |
| Willis Administrative Services Corporation | U.S.A. |
| Willis Affinity Programs Insurance Agency of Massachusetts, Inc. | U.S.A. |
| Willis Affinity Programs of Arizona, Inc. | U.S.A. |
| Willis Affinity Programs of Colorado, Inc. | U.S.A. |
| Willis Affinity Programs of Indiana, Inc. | U.S.A. |
| Willis Affinity Programs of Kentucky, Inc. | U.S.A. |
| Willis Affinity Programs of Louisiana, Inc. | U.S.A. |
| Willis Affinity Programs of Mississippi, Inc. | U.S.A. |
| Willis Affinity Programs of Nevada, Inc. | U.S.A. |
| Public Entities National Companies of Oklahoma | U.S.A. |
| Willis Affinity Programs of Utah, Inc. | U.S.A. |
| Willis Affinity Programs of Virginia, Inc. | U.S.A. |
| Public Entities National Company of Wyoming | U.S.A. |
| Willis of Louisville, Inc. | U.S.A. |
| Willis Corroon Corporation of Sacramento | U.S.A. |
| Willis of Tennessee, Inc. | U.S.A. |
| Willis North American Holding Company | U.S.A. |
| Willis of Greater New York, Inc. | U.S.A. |
| Global Special Risks Inc. (Louisiana) | U.S.A. |
| Global Special Risks Inc of New York | U.S.A. |
| Global Special Risks Inc. (Texas) | U.S.A. |
| McAlear Associates, Inc. (Michigan) | U.S.A. |
| McAlear Associates, Inc. (Ohio) | U.S.A. |
| Pacific International Brokers Limited | U.S.A. |
| Willis Affinity Programs Midwest, Inc. | U.S.A. |
| Willis Affinity Programs of Idaho, Inc. | U.S.A. |
| Queenswood Properties Inc | U.S.A. |
| Stewart Smith East, Inc. | U.S.A. |
| Stewart Smith Southeast, Inc. | U.S.A. |
| Stewart Smith Southwest, Inc. | U.S.A. |
| Stewart Smith West of Arizona, Inc. | U.S.A. |
| Willis Americas Administration, Inc. | U.S.A. |
| Willis Construction Services Corporation of New Jersey | U.S.A. |
| Willis of Alaska, Inc. | U.S.A. |
| Willis of Arizona, Inc. | U.S.A. |

| COMPANY NAME | COUNTRY OF REGISTRATION |
|---|---|
| Willis of Birmingham, Inc. | U.S.A. |
| Willis Insurance Services of California, Inc. | U.S.A. |
| Willis Insurance Services of Georgia, 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 Minnesota, Inc. | U.S.A. |
| Willis of Mississippi, Inc. | U.S.A. |
| Willis of Missouri, Inc. | U.S.A. |
| Willis of Mobile, 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 Oregon, Inc. | U.S.A. |
| Willis of Pennsylvania, Inc. | U.S.A. |
| Willis of Seattle, Inc. | U.S.A. |
| Willis Insurance Brokerage of Utah, Inc. | U.S.A. |
| Willis of Wisconsin, Inc. | U.S.A. |
| Willis of Greater Texas, Inc. | U.S.A. |
| Willis Management (Vermont) Limited | U.S.A |
| Willis Re Inc | U.S.A. |
| Cordis Consulting, Inc. | U.S.A. |
| Willis Holding Corp. A | U.S.A. |
| Willis Holding Corp. B | U.S.A. |
| Willis Holding Corp. C | U.S.A. |
| SOVEREIGN MARINE & GENERAL INSURANCE COMPANY LIMITED (in scheme of arrangement) | England & Wales |
| Greyfriars Insurance Company Limited | England & Wales |
| Associated International Insurance (Bermuda) Limited | Bermuda |
| Sovereign Insurance (UK) Limited | England & Wales |
| EASTERN INSURANCE & REINSURANCE LIMITED | ENGLAND & WALES |
| HARRAP BROTHERS LIFE & PENSIONS LIMITED | ENGLAND & WALES |
| STEWART WRIGHTSON NORTH AMERICA HOLDINGS LIMITED | ENGLAND & WALES |
| WILLIS CORROON GMBH | GERMANY |
| Mansfeld Willis GmbH & Co. KG | Germany |
| Willis Japan GmbH | Germany |
| WILLIS PENSION TRUSTEES LIMITED | England & Wales |
| WILLIS FABER LIMITED | England & Wales |
| Arbuthnot Insurance Services Limited | England & Wales |
| Armed Forces Financial Advisory Services Limited | England & Wales |
| Bevis Marks Limited | England & Wales |
| C D D Gilmour (Underwriting Agencies) Limited | England & Wales |
| Carter, Wilkes & Fane (Holding) Limited | England & Wales |
| Carter,Wilkes & Fane Limited | England & Wales |
| Cordis Consulting Limited | England & Wales |
| Durant, Wood Limited | England & Wales |
| Friars Street Trustees Limited | England & Wales |

| COMPANY NAME | COUNTRY OF REGISTRATION |
|---|---|
| Galbraith Pembroke (Insurance) Limited | England & Wales |
| Hinton & Higgs Limited | England & Wales |
| Hinton & Holt Limited | England & Wales |
| International Claims Bureau Limited | England & Wales |
| Invest for School Fees Limited | England & Wales |
| Johnson Puddifoot & Last Limited | England & Wales |
| Lloyd Armstrong & Ramsey Limited | Eire |
| Martin Boag & Co Limited | England & Wales |
| Matthews Wrightson & Co Limited | England & Wales |
| Mercantile U.K. Limited | England & Wales |
| Rattray Daffern & Partners Limited | England & Wales |
| Run-Off 1997 Limited | England & Wales |
| RCCM Limited | England & Wales |
| Stewart Wrightson International Group Limited | England & Wales |
| Stephenson's Campus (Berwick) Limited | England & Wales |
| Fane Stevenson & Co Limited | England & Wales |
| Willis Group Holdings Limited | England & Wales |
| Stewart Wrightson (Private) Limited | Zimbabwe |
| Stewart Wrightson (Regional Offices) Limited | England & Wales |
| Stewart Wrightson Group Limited | England & Wales |
| Stewart Wrightson Marine Hull Limited | England & Wales |
| Stewart Wrightson Marine (Hellas) Limited | Greece |
| Stewart Wrightson Members' Agency Limited | England & Wales |
| Stewart Wrightson Surety & Specie Limited | England & Wales |
| Willis Risk Management Limited | England & Wales |
| W F C Trustees (C.I.) Limited | Guernsey |
| Willis Asia Pacific Limited | England & Wales |
| Willis Consulting Group Limited | England & Wales |
| Willis Structured Financial Solutions Limited | England & Wales |
| Willis Corroon ESOP Management Limited | Guernsey |
| Willis Corroon Hinton (Ireland) Limited | Eire |
| Willis Japan Limited | England & Wales |
| Willis Corroon Licensing Limited | England & Wales |
| Willis Faber & Dumas Limited | England & Wales |
| Willis Group Services Limited | England & Wales |
| Stewart Wrightson Management Services Limited | England & Wales |
| Willis Corroon Nominees Limited | England & Wales |
| Willis Group Medical Trust Limited | England & Wales |
| Willis Corroon Risk Management Holdings Limited | England & Wales |
| Willis Faber Kirke-Van Orsdel Limited (in liquidation) | England & Wales |
| Willis Faber UK Group Limited | England & Wales |
| Trinity Processing Services Limited | England & Wales |
| Willis China Limited | England & Wales |
| Willis Corroon Europe Limited | England & Wales |
| Willis Corroon North Limited | England & Wales |
| Willis Faber Underwriting Agencies Limited | England & Wales |
| Devonport Underwriting Agency Limited | England & Wales |
| Willis Faber (Underwriting Management) Limited | England & Wales |
| Willis Faber Underwriting Services Limited | England & Wales |
| Willis International Holdings Limited | England & Wales |
| Friars Street Insurance Limited | Guernsey |
| Meridian Insurance Company Limited | Bermuda |
| Venture Reinsurance Company Limited | Barbados |
| Willis (Bermuda) Limited | Bermuda |
| Willis Management (Cayman) Limited | Grand Cayman |
| Willis Douglas Limited | Isle of Man |
| Willis Overseas Investments Limited | England & Wales |
| Willis Corroon (Jersey) Limited | Jersey |
| Willis Management (Bermuda) Limited | Bermuda |

| COMPANY NAME | COUNTRY OF REGISTRATION |
| --- | --- |
| Willis Management (Dublin) Limited | Eire |
| Willis Management (Gibraltar) Limited | Gibraltar |
| Willis Corroon Management (Luxembourg) S.A. | Luxembourg |
| WFD Servicios S.A. de C.V. (40% owned by Willis Europe BV) | Mexico |
| Willis Faber Services Limited | Netherlands |
| Willis Overseas Limited | England & Wales |
| Willis Europe B.V. (40.86% owned by Willis Overseas Investment Limited) | Netherlands |
| Willis SA | Argentina |
| Herzfeld & Levy SA | Argentina |
| Asifina S.A. | Argentina |
| Risco S.A. | Argentina |
| Willis Australia Limited | Australia |
| ACN095454247 Pty Ltd | Australia |
| GIS Financial Services Pty Ltd | Australia |
| Willis Corroon Professional Services Limited (in liquidation) | Australia |
| Willis New Zealand Limited (further 39% owned by Willis Europe BV) | New Zealand |
| Willis Corroon Limited | New Zealand |
| Willis Reinsurance Australia Limited | Australia |
| Richard Oliver International Pty Limited | Australia |
| Richard Oliver Pty Limited (in liquidation) | Australia |
| Richard Oliver International Pte Limited | Singapore |
| Willis Superannuation Pty Limited | Australia |
| Richard Oliver Australia Pty Limited (in liquidation) | Australia |
| Richard Oliver International Limited | England & Wales |
| Richard Oliver International Limited | New Zealand |
| Richard Oliver International Pty Limited | Hong Kong |
| Richard Oliver Underwriting Managers Pty Limited | Australia |
| Willis Corroon Belgium S.A. | Belgium |
| WFB Limitada | Brazil |
| Sertec Services Tecnicos de Inspeceo, Levantamento e Avaliacoes Ltda (30% held by WFB Limitada) | Brazil |
| York Centro Corretora de Seguros Limitada (30% held by WFB Limitada) | Brazil |
| York Nordeste Corretora de Seguros Limitada (30% held by WFB Limitada) | Brazil |
| York Sul Corretora de Seguros Limitada (30% held by WFB Limitada) | Brazil |
| York Willis Corroon Corretores de Seguros S.A. (2.88% held by WFB Limitada) | Brazil |
| York Vale Corretora e Administradora de Seguros Limitada | Brazil |
| Willis Faber do Brasil Consultoria e Participacoes S.A. | Brazil |
| Willis Faber Insurance Brokers (B) Sdn Bhd | Brunei |
| Willis Holding Company of Canada Inc | Canada |
| MHR International Inc | Canada |
| Willis Canada Inc. | Canada |
| 177637 Canada Inc. | Canada |
| Willis Corroon Aerospace of Canada Limited | Canada |
| Willis Faber Chile Limitada | Chile |
| Willis Faber Chile Corredores de Reaseguro Limitada | Chile |
| Willis Correa Insurance Services Limitada (4% held by Willis International Holding Limited) | Chile |
| Suma Corresdores de Seguros S.A. | Colombia |
| Willis sro | Czech Republic |
| Willis Corroon Ireland Limited (23.29% held by Willis UK) | Eire |
| Kindlon Ryan Insurances Limited | Eire |
| Willis Kendriki SA | Greece |
| Willis Management (Guernsey) Limited | Guernsey |
| Willis Management (Jersey) Limited | Jersey |
| Willis Secretarial Services (Guernsey) Limited | Guernsey |
| Willis China (Hong Kong) Limited | Hong Kong |
| Willis Faber Consulting (Far East) Limited | Hong Kong |
| ACP Insurance Brokers Limited | Hong Kong |
| Willis Kft | Hungary |

| COMPANY NAME | COUNTRY OF REGISTRATION |
|---|---|
| Trinity Computer Processing (India) Limited | India |
| Willis India Private Limited | India |
| PT Willis Corroon BancBali | Indonesia |
| Willis Management (Isle of Man) Limited | Isle of Man |
| Willis Italia Holding S.P.A | Italy |
| Willis Italia S.p.A. Consulenti Generali Assicurativi | Italy |
| Willis Italia Cargo S.p.A | Italy |
| Fiduciaria Immobiliare Emmezeta S.r.l. | Italy |
| De.Mo.Co. S.r.l. | Italy |
| Interconsult Wise S.r.l. | Italy |
| UTA Willis Corroon Firenze S.R.L | Italy |
| Willis Italia S.p.A. | Italy |
| Willis Korea Limited | Korea |
| BMZ-Willis Agente de Seguros y de Fianza, S.A. de C.V. | Mexico |
| Willis Faber & Dumas (Mexico) Intermediario de Reaseguro S.A. de C.V. | Mexico |
| Willis Nederlands B.V. | Netherlands |
| Willis B.V. | Netherlands |
| Rontarca-Prima Y Asociados, C.A. | Venezuela |
| Plan Administrativo Rontarca Salud, C.A. | Venezuela |
| Segur Auto 911, C.A. | Venezuela |
| C.A. Prima | Venezuela |
| Scheuer Verzekeringen B.V. | Netherlands |
| Willis South America B.V. | Netherlands |
| Willis Sev Dahl AS | Norway |
| Willis Sev Dahl Stavanger AS | Norway |
| Willis Polska S.A. | Poland |
| Willis (Singapore) Pte Limited | Singapore |
| Willis South Africa (Pty) Limited | South Africa |
| Willis Faber Anclamar S.A. | Spain |
| Bolgey Holding S.A. | Spain |
| Willis Iberia Correduria de Seguros y Reaseguros SA | Spain |
| Willis Corretores de Seguros Limitada | Portugal |
| V.M. Oficina Tecnica Correduria de Seguros S.A. | Spain |
| Willis ANDAL Correduria de Seguros SA (Seville) | Spain |
| V.M. Oficina Tecnica Correduria de Seguros Madrid S.L. | Spain |
| Willis Employee Benefits AB | Sweden |
| Willis Global Financial & Executive Risks AB (34% held by Willis Europe B.V.) | Sweden |
| Willis i Orebro AB | Sweden |
| Willis OY AB | Finland |
| Willis Faber AG | Switzerland |
| Willis (Taiwan) Limited | Taiwan |
| Willis Faber Advisory Services Limited | Zambia |
| Willis Limited | England & Wales |
| Bloodstock & General Insurance Services Limited | England & Wales |
| Claims and Recovery Services Limited | England & Wales |
| Claims & Recovery Services (Moscow) Limited | Russia |
| Hughes-Gibb & Company Limited | England & Wales |
| Special Contingency Risks Limited | England & Wales |
| Willis Faber Corretaje de Reaseguros S.A. | Venezuela |
| Willis Faber (Aegean) Limited | England & Wales |
| Willis CIS LLC | Russia |
| W.I.R.E. Limited | England & Wales |
| W.I.R.E. Risk Information Limited | England & Wales |
| Worldwide Intellectual Resources Exchange Limited | England & Wales |
| Willis Safety Solutions Limited | England & Wales |
| Global Liability Management S.M. | Belgium |
| McGuire Insurances Limited | Eire |
| Willis UK Limited | England & Wales |

| COMPANY NAME | COUNTRY OF REGISTRATION |
| --- | --- |
| Goodhale Limited | England & Wales |
| QRM Healthcare Limited | England & Wales |
| VEAGIS Limited | England & Wales |
| Willis Corroon Cargo Limited | England & Wales |
| Willis Corroon Construction Risks Limited | England & Wales |
| Willis Overseas Brokers Limited | England & Wales |
| Willis Corroon (FR) Limited | England & Wales |
| Willis Harris Marrian Limited | N.Ireland |
| Willis Transportation Risks Limited | England & Wales |
| Willis Scotland Limited | Scotland |
| Willis Corroon Services Limited | England & Wales |
| Willis First Response Limited | England & Wales |
| Willis National Holdings Limited | England & Wales |
| ANIFA Limited | England & Wales |
| Willis Corroon Financial Planning Limited | England & Wales |
| Willis National Limited | England & Wales |

EXHIBIT 23.2

[DELOITTE & TOUCHE LETTERHEAD]

INDEPENDENT AUDITORS' CONSENT

We consent to the use in this Registration Statement of Willis Group Holdings Limited on Form F-1 Registration No. 333- of our report on TA I Limited dated February 12, 2001, appearing in the Prospectus, which is a part of this Registration Statement, and to the reference to us under the heading "Experts" in such Prospectus.

/s/ Deloitte & Touche

DELOITTE & TOUCHE
London, England

May 11, 2001