



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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2011

or

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

Commission file number: 001-16503

**WILLIS GROUP HOLDINGS PUBLIC  
LIMITED COMPANY**

*(Exact name of registrant as specified in its charter)*

**Ireland**  
*(Jurisdiction of  
incorporation or organization)*

**98-0352587**  
*(I.R.S. Employer  
Identification No.)*

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

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

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

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

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

Large accelerated filer

Accelerated filer

Non-accelerated filer   
*(Do not check if a smaller reporting company)*

Smaller reporting company

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

As of July 29, 2011, there were outstanding 173,040,762 ordinary shares, nominal value \$0.000115 per share, of the Registrant.

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**Certain Definitions**

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

'We', 'Us', 'Company', 'Group', 'Willis', or 'Our'	Willis Group Holdings and its subsidiaries.
'Willis Group Holdings' or 'Willis Group Holdings plc'	Willis Group Holdings Public Limited Company, a company organized under the laws of Ireland.
'shares'	The ordinary shares of Willis Group Holdings Public Limited Company, nominal value \$0.000115 per share.
'HRH'	Hilb Rogal & Hobbs Company.

# Willis Group Holdings plc

## FORWARD-LOOKING STATEMENTS

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

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

- the impact of any regional, national or global political, economic, business, competitive, market, environmental and regulatory conditions on our global business operations;
- the impact of current financial market conditions on our results of operations and financial condition, including as a result of any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions;
- our ability to continue to manage our significant indebtedness;
- our ability to compete effectively in our industry;
- our ability to implement and realize anticipated benefits of the 2011 Operational Review, the Willis Cause, or any other initiative we pursue;
- material changes in commercial property and casualty markets generally or the availability of insurance products or changes in premiums resulting from a catastrophic event, such as a hurricane, or otherwise;
- the volatility or declines in other insurance markets and premiums on which our commissions are based, but which we do not control;
- our ability to retain key employees and clients and attract new business;

- the timing or ability to carry out share repurchases, refinancings or take other steps to manage our capital and the limitations in our long-term debt agreements that may restrict our ability to take these actions;
- any fluctuations in exchange and interest rates that could affect expenses and revenue;
- rating agency actions that could inhibit our ability to borrow funds or the pricing thereof;
- a significant decline in the value of investments that fund our pension plans or changes in our pension plan funding obligations;
- our ability to achieve the expected strategic benefits of transactions;
- our ability to receive dividends or other distributions in needed amounts from our subsidiaries;
- changes in the tax or accounting treatment of our operations;
- any potential impact from the US healthcare reform legislation;
- the potential costs and difficulties in complying with a wide variety of foreign laws and regulations and any related changes, given the global scope of our operations;
- our involvements in and the results of any regulatory investigations, legal proceedings and other contingencies;
- risks associated with non-core operations including underwriting, advisory or reputational;
- our exposure to potential liabilities arising from errors and omissions and other potential claims against us; and
- the interruption or loss of our information processing systems or failure to maintain secure information systems.

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

For more information see the section entitled 'Risk Factors' included in Willis' Form 10-K for the year ended December 31, 2010 and this Form 10-Q for the quarter ended June 30, 2011. Copies of the 10-K are available online at <http://www.sec.gov> or [www.willis.com](http://www.willis.com) or on request from the Company as set forth in Part I, Item 1 'Business-Available Information' in Willis' Form 10-K.

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

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

# Willis Group Holdings plc

## PART I — FINANCIAL INFORMATION

### Item 1—Financial Statements

#### UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Three months ended June 30,		Six months ended June 30,	
		2011	2010	2011	2010
(millions, except per share data)					
<b>REVENUES</b>					
Commissions and fees		\$ 854	\$ 789	\$ 1,854	\$ 1,752
Investment income		8	10	16	19
Other income		1	—	1	—
Total revenues		<u>863</u>	<u>799</u>	<u>1,871</u>	<u>1,771</u>
<b>EXPENSES</b>					
Salaries and benefits	3	(506)	(456)	(1,090)	(942)
Other operating expenses		(164)	(135)	(317)	(284)
Depreciation expense		(19)	(16)	(39)	(31)
Amortization of intangible assets		(17)	(21)	(34)	(42)
Net (loss) gain on disposal of operations		—	(2)	4	(2)
Total expenses		<u>(706)</u>	<u>(630)</u>	<u>(1,476)</u>	<u>(1,301)</u>
<b>OPERATING INCOME</b>					
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	14	—	—	(171)	—
Interest expense		(34)	(41)	(74)	(84)
<b>INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>					
Income taxes	4	(31)	(35)	(32)	(102)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>					
Interest in earnings of associates, net of tax		92	93	118	284
<b>NET INCOME</b>					
Less: net income attributable to noncontrolling interests		(4)	(2)	(12)	(9)
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>					
		<u>\$ 85</u>	<u>\$ 89</u>	<u>\$ 119</u>	<u>\$ 293</u>
<b>EARNINGS PER SHARE — BASIC AND DILUTED</b>					
—Basic earnings per share	5	\$ 0.49	\$ 0.52	\$ 0.69	\$ 1.73
—Diluted earnings per share	5	\$ 0.48	\$ 0.52	\$ 0.68	\$ 1.71
<b>CASH DIVIDENDS DECLARED PER SHARE</b>					
		<u>\$ 0.26</u>	<u>\$ 0.26</u>	<u>\$ 0.52</u>	<u>\$ 0.52</u>

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

**UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS**

	Note	June 30, 2011 (millions, except share data)	December 31, 2010
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		\$ 317	\$ 316
Accounts receivable, net		1,049	839
Fiduciary assets		11,256	9,569
Deferred tax assets		32	36
Other current assets	12	327	340
Total current assets		<u>12,981</u>	<u>11,100</u>
<b>NON-CURRENT ASSETS</b>			
Fixed assets, net		391	381
Goodwill	10	3,317	3,294
Other intangible assets, net	11	461	492
Investments in associates		186	161
Deferred tax assets		9	7
Pension benefits asset		231	179
Other non-current assets	12	365	233
Total non-current assets		<u>4,960</u>	<u>4,747</u>
<b>TOTAL ASSETS</b>		<u>\$ 17,941</u>	<u>\$ 15,847</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES</b>			
Fiduciary liabilities		\$ 11,256	\$ 9,569
Deferred revenue and accrued expenses		323	298
Income taxes payable		50	57
Short-term debt and current portion of long-term debt	14	114	110
Deferred tax liabilities		22	9
Other current liabilities	13	318	266
Total current liabilities		<u>12,083</u>	<u>10,309</u>
<b>NON-CURRENT LIABILITIES</b>			
Long-term debt	14	2,307	2,157
Liability for pension benefits		150	164
Deferred tax liabilities		111	83
Provisions for liabilities		184	179
Other non-current liabilities	13	367	347
Total non-current liabilities		<u>3,119</u>	<u>2,930</u>
<b>Total liabilities</b>		<u>15,202</u>	<u>13,239</u>

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# Willis Group Holdings plc

## UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

	<u>Note</u>	<u>June 30, 2011</u>	<u>December 31, 2010</u>
		<u>(millions, except share data)</u>	
COMMITMENTS AND CONTINGENCIES	7		
<b>EQUITY</b>			
Ordinary shares, \$0.000115 nominal value; Authorized: 4,000,000,000; Issued 172,949,656 shares in 2011 and 170,883,865 shares in 2010		—	—
Ordinary shares, €1 nominal value; Authorized: 40,000; Issued 40,000 shares in 2011 and 2010		—	—
Preference shares, \$0.000115 nominal value; Authorized: 1,000,000,000; Issued nil shares in 2011 and 2010		—	—
Additional paid-in capital		1,033	985
Retained earnings		2,165	2,136
Accumulated other comprehensive loss, net of tax	16	(488)	(541)
Treasury shares, at cost, 46,408 shares, \$0.000115 nominal value, in 2011 and 2010 and 40,000 shares, €1 nominal value, in 2011 and 2010		(3)	(3)
Total Willis Group Holdings stockholders' equity	17	2,707	2,577
Noncontrolling interests	17	32	31
Total equity		2,739	2,608
TOTAL LIABILITIES AND EQUITY		<u>\$ 17,941</u>	<u>\$ 15,847</u>

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

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	Note	Six months ended	
		June 30,	
		2011	2010 <sup>(i)</sup>
		(millions)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net income		\$ 131	\$ 302
Adjustments to reconcile net income to total net cash provided by operating activities:			
Net (gain) loss on disposal of operations and fixed and intangible assets		(5)	3
Depreciation expense		39	31
Amortization of intangible assets		34	42
Provision for doubtful debts		1	—
Provision (benefit) for deferred income taxes		49	(17)
Excess tax benefits from share-based payment arrangements		(4)	(1)
Share-based compensation		24	25
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs		171	—
Undistributed earnings of associates		(6)	(14)
Non-cash Venezuela currency devaluation	2	—	12
Effect of exchange rate changes on net income		3	(2)
Change in operating assets and liabilities, net of effects from purchase of subsidiaries:			
Accounts receivable, net		(188)	(119)
Fiduciary funds		(1,510)	(1,525)
Fiduciary liabilities		1,510	1,525
Other assets		(145)	(110)
Other liabilities		21	22
Movement on provisions		1	(20)
Net cash provided by operating activities		<u>126</u>	<u>154</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds on disposal of fixed and intangible assets		5	4
Additions to fixed assets		(47)	(45)
Acquisitions of subsidiaries, net of cash acquired		(4)	(15)
Acquisition of investments in associates		(2)	(1)
Investment in Trident V Parallel Fund, LP		(4)	—
Net cash used in investing activities		<u>(52)</u>	<u>(57)</u>

<sup>(i)</sup> The 2010 Unaudited Condensed Consolidated Statement of Cash Flows has been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details.

(Continued on next page)

## Willis Group Holdings plc

## UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Note	Six months ended	
		2011	2010 <sup>(i)</sup>
		(millions)	
INCREASE IN CASH AND CASH EQUIVALENTS FROM OPERATING AND INVESTING ACTIVITIES		\$ 74	\$ 97
CASH FLOWS FROM FINANCING ACTIVITIES			
(Repayment of) proceeds from draw down of revolving credit facility	14	(90)	30
Senior notes issued	14	794	—
Debt issuance costs		(7)	—
Repayments of debt	14	(555)	(70)
Make-whole on repurchase and redemption of senior notes	14	(158)	—
Proceeds from issue of shares		42	17
Excess tax benefits from share-based payment arrangements		4	1
Dividends paid		(90)	(89)
Acquisition of noncontrolling interests		(9)	(4)
Dividends paid to noncontrolling interests		(12)	(22)
Net cash used in financing activities		(81)	(137)
DECREASE IN CASH AND CASH EQUIVALENTS		(7)	(40)
Effect of exchange rate changes on cash and cash equivalents		8	(14)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		316	221
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 317	\$ 167

<sup>(i)</sup> The 2010 Unaudited Condensed Consolidated Statement of Cash Flows has been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details. The accompanying notes are an integral part of these condensed consolidated financial statements.

## 1. NATURE OF OPERATIONS

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

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

## 2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements ('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. However, the Company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the six month period ended June 30, 2011 may not necessarily be indicative of the operating results for the entire fiscal year.

These Interim Financial Statements should be read in conjunction with the Company's consolidated balance sheets as of December 31, 2010 and 2009, and the related consolidated statements of operations, cash flows and changes in equity for each of the three years in the period ended December 31, 2010 included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 25, 2011 ('2010 10-K') and Current Report on Form 8-K subsequently filed on March 14, 2011.

### Balance Sheet Presentation

As disclosed in the Company's 2010 10-K, the Company now provides additional disclosure within the unaudited condensed consolidated balance sheet of:

- the Group's non-fiduciary balances; and
- the further distinction between those assets and liabilities that are expected to be realized within or later than twelve months of the balance sheet date.

The Company believes this amended presentation better reflects the Company's liquidity position and exposures to credit risk. Accordingly, the unaudited condensed consolidated statement of cash flows for the six months ended June 30, 2010 has been recast to conform with the new balance sheet presentation.

### Devaluation of Venezuelan Currency

With effect from January 1, 2010, the Venezuelan economy was designated as hyper-inflationary. The Venezuelan government also devalued the Bolivar Fuerte in January 2010. As a result of these actions, the Company recorded a \$12 million charge in other operating expenses in the three month period ended March 31, 2010 to reflect the re-measurement of its net monetary assets denominated in Venezuelan Bolivar Fuerte at January 1, 2010.

# Willis Group Holdings plc

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

### Recent Accounting Pronouncements

#### Fair Value Measurement and Disclosure

In May 2011, the Financial Accounting Standards Board ('FASB') issued Accounting Standards Update ('ASU') No. 2011-04, *Fair Value Measurement: Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs*. The new guidance was issued to provide a consistent definition of fair value and ensure that fair value measurements and disclosure requirements are similar between US GAAP and International Financial Reporting Standards ('IFRS'). The guidance changes certain fair value measurement principles and enhances the disclosure requirements for fair value measurements.

This guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively.

The Company is currently evaluating the impact that adoption of this guidance will have on the consolidated financial statements.

#### Other Comprehensive Income

In June 2011, the FASB issued ASU No. 2011-05, *Presentation of Comprehensive Income* to revise the manner in which entities present comprehensive income in their financial statements. These changes require that components of comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the items that must be reported in other comprehensive income or when an item of other comprehensive income must be reclassified to net income.

This guidance is effective for interim and annual periods beginning after December 15, 2011 and is applied retrospectively, although early adoption is permitted.

The Company is currently evaluating the impact that adoption of this guidance will have on the consolidated financial statements.

## 3. SALARIES AND BENEFITS EXPENSE

### Severance Costs

As part of the Company's 2011 Operational Review, the Company incurred severance costs of \$55 million in the six months ended June 30, 2011 (three months ended June 30, 2011: \$9 million). These costs relate to approximately 600 positions that have been eliminated (three months ended June 30, 2011: approximately 150 positions).

\$49 million of these severance costs for these employees were recognized pursuant to a one-time benefit arrangement, with the remaining \$6 million recognized pursuant to the terms of employees' existing benefit arrangements or employee arrangements. All of these costs have been recognized within salaries and benefits.

In addition to the severance incurred as part of the 2011 Operational Review, an additional charge of \$2 million in the six months ended June 30, 2011 (three months ended June 30, 2011: \$nil) was recognised within salaries and benefits relating to the waiver of retention awards held on the balance sheet for the approximately 600 positions that have been eliminated.

### 3. SALARIES AND BENEFITS EXPENSE (Continued)

The Company's severance liability under the 2011 Operational Review was:

	June 30, 2011 (millions)
Balance at January 1, 2011	\$ —
Severance costs accrued	55
Cash payments	(29)
Foreign exchange	—
Balance at end of period	\$ 26

It is estimated that a total of \$70 million will be incurred under the 2011 Operational Review for severance throughout 2011 across the Group.

The Company evaluates the performance of its operating segments based on organic revenue growth and operating income. For internal reporting and segmental reporting, segmental management are not held accountable for certain items deemed to be centrally-controlled costs and initiatives, which includes the 2011 Operational Review. See Note 18 — Segment Information for an analysis of centrally-controlled costs and initiatives, including the 2011 Operational Review costs, disclosed within 'Corporate and Other'.

Severance costs also arise in the normal course of business and these charges amounted to \$nil in the six months ended June 30, 2011 (2010: \$11 million). Of these costs, \$nil was incurred in the three months ended June 30, 2011 (2010: \$3 million).

#### Other Salaries and Benefits Expense

The Company also incurred other salaries and benefits costs as part of the 2011 Operational Review of \$35 million in the six months ended June 30, 2011 (three months ended June 30, 2011: \$1 million) relating primarily to the buy out of previously existing incentive schemes and other contractual arrangements.

#### Cash Retention Awards

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

The following table sets out the amount of cash retention awards made and the related amortization of those awards for the three and six months ended June 30, 2011 and 2010:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions)			
Cash retention awards made	\$11	\$16	\$206	\$185
Amortization of cash retention awards included in salaries and benefits	44	32	88	60

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## 3. SALARIES AND BENEFITS EXPENSE (Continued)

Unamortized cash retention awards totaled \$293 million as of June 30, 2011 (December 31, 2010: \$173 million; June 30, 2010: \$217 million).

## 4. INCOME TAXES

The tables below reflect the components of the tax charge for the three and six months ended June 30, 2011:

	Three months ended June 30, 2011		
	Income before tax	Tax	Effective tax rate
	(millions, except percentages)		
Ordinary income taxed at estimated annual effective tax rate	\$ 123	\$ (31)	25%
As reported	\$ 123	\$ (31)	25%
	Six months ended June 30, 2011		
	Income before tax	Tax	Effective tax rate
	(millions, except percentages)		
Ordinary income taxed at estimated annual effective tax rate	\$ 317	\$ (79)	25%
Items where tax effect is treated discretely:			
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	(171)	47	27%
Non-taxable gain on disposal of operations	4	—	—%
As reported	\$ 150	\$ (32)	21%

For interim income tax reporting purposes, the Company generally determines its best estimate of an annual effective tax rate and applies that rate on a year-to-date basis applicable to its ordinary income. The Company's estimated annual effective tax rate excludes significant, unusual or infrequently occurring items and certain other items excluded pursuant to the US GAAP authoritative guidance where applicable. The income tax expense (or benefit) related to all other items is individually computed and recognized when the items occur.

The estimated annual effective tax rate applicable to ordinary income of 25 percent includes the tax benefit of expenses relating to the 2011 Operational Review, which are generally relieved at a higher rate than the Company's annual effective tax rate calculated excluding these expenses, and the impact of the UK Financial Services Authority ('FSA') regulatory fine for which no tax relief is available. The tax rate effect of these items broadly nets out such that, after adjusting for their impact, the effective tax rate for the six months ended June 30, 2011 would also have been approximately 25 percent.

## 5. EARNINGS PER SHARE

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

At June 30, 2011, time-based and performance-based options to purchase 9.9 million and 7.5 million (2010: 12.3 million and 8.6 million) shares, respectively, and 1.4 million restricted stock units (2010: 1.7 million), respectively, were outstanding.

Notes to the financial statements  
(Unaudited)

**5. EARNINGS PER SHARE (Continued)**

Basic and diluted earnings per share are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions, except per share data)			
Net income attributable to Willis Group Holdings	\$ 85	\$ 89	\$ 119	\$ 293
Basic weighted average number of shares outstanding	172	170	172	169
Dilutive effect of potentially issuable shares	4	1	3	2
Diluted weighted average number of shares outstanding	176	171	175	171
Basic earnings per share:				
Net income attributable to Willis Group Holdings shareholders	\$ 0.49	\$ 0.52	\$ 0.69	\$ 1.73
Dilutive effect of potentially issuable shares	(0.01)	—	(0.01)	(0.02)
Diluted earnings per share:				
Net income attributable to Willis Group Holdings shareholders	\$ 0.48	\$ 0.52	\$ 0.68	\$ 1.71

Options to purchase 2 million shares were not included in the computation of the dilutive effect of stock options for the three and six months ended June 30, 2011 because the effect was antidilutive (three and six months ended June 30, 2010: 13 million).

**6. PENSION PLANS**

The components of the net periodic benefit cost of the UK, US and international defined benefit plans are as follows:

	UK Pension Benefits		US Pension Benefits		Intl Pension Benefits	
	2011	2010	2011	2010	2011	2010
	(millions)					
Components of net periodic benefit cost:						
Service cost	\$ 10	\$ 9	\$ —	\$ —	\$ 1	\$ 2
Interest cost	27	24	11	10	2	2
Expected return on plan assets	(41)	(33)	(12)	(10)	(2)	(2)
Amortization of unrecognized prior service gain	(1)	(1)	—	—	—	—
Amortization of unrecognized actuarial loss	7	9	1	—	—	1
Net periodic benefit cost	\$ 2	\$ 8	\$ —	\$ —	\$ 1	\$ 3



# Willis Group Holdings plc

## 6. PENSION PLANS (Continued)

	Six months ended June 30,					
	UK Pension Benefits		US Pension Benefits		Intl Pension Benefits	
	2011	2010	2011	2010	2011	2010
	(millions)					
Components of net periodic benefit cost:						
Service cost	\$ 19	\$ 18	\$ —	\$ —	\$ 2	\$ 3
Interest cost	53	49	21	20	4	4
Expected return on plan assets	(81)	(69)	(23)	(21)	(4)	(4)
Amortization of unrecognized prior service gain	(2)	(2)	—	—	—	—
Amortization of unrecognized actuarial loss	15	18	2	1	—	1
Net periodic benefit cost	\$ 4	\$ 14	\$ —	\$ —	\$ 2	\$ 4

As of June 30, 2011, the Company had made contributions of \$46 million, \$13 million and \$4 million to the UK, US and international defined benefit pension plans (2010: \$43 million, \$13 million and \$4 million), respectively. The Company expects to contribute a total of approximately \$92 million to the UK defined benefit pension plan, \$30 million to the US plan and \$7 million to the international plans for the full year 2011 (inclusive of amounts contributed in the first six months).

## 7. COMMITMENTS AND CONTINGENCIES

### Debt Obligations and Facilities

Changes in the Company's debt obligations are set out in Note 14 — 'Debt' to the Condensed Consolidated Financial Statements.

### Guarantees

Guarantees issued by Willis Group Holdings and certain of its subsidiaries with respect to the senior notes are discussed in Note 19—'Financial information for parent guarantor, other guarantor subsidiaries and non-guarantor subsidiaries' and Note 20—'Financial information for parent issuer, guarantor subsidiaries and non-guarantor subsidiaries'.

The revolving credit facilities are fully and unconditionally guaranteed on a joint and several basis by Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA1 Limited, Trinity Acquisition plc, Willis Group Limited and Willis Group Holdings plc.

### Other Contractual Obligations

In July 2010, the Company made a capital commitment of \$25 million to Trident V Parallel Fund, L.P. As at June 30, 2011 there had been approximately \$5 million of capital contributions.

In May 2011, the Company made a capital commitment of \$10 million to Dowling Capital Partners I, L.P. As at June 30, 2011 there had been no capital contributions.

**7. COMMITMENTS AND CONTINGENCIES (Continued)****Claims, Lawsuits, and Other Proceedings**

In the ordinary course of business, the Company is subject to various actual and potential claims, lawsuits, and other proceedings relating principally to alleged errors and omissions in connection with the placement of insurance and reinsurance. Similar to other corporations, the Company is also subject to a variety of other claims, including those relating to the Company's employment practices. Some of the claims, lawsuits and other proceedings seek damages in amounts which could, if assessed, be significant.

Errors and omissions claims, lawsuits, and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by policy year and self-insured risks have increased significantly in recent years. Regarding self-insured risks, the Company has established provisions which are believed to be adequate in the light of current information and legal advice, and the Company adjusts such provisions from time to time according to developments.

On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings, to which the Company is subject, or potential claims, lawsuits, and other proceedings relating to matters of which it is aware, will ultimately have a material adverse effect on the Company's financial condition, results of operations or liquidity. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation and disputes with insurance companies, it is possible that an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's results of operations or cash flows in particular quarterly or annual periods.

The material actual or potential claims, lawsuits and other proceedings, of which the Company is currently aware, are:

**Assurance of Discontinuance**

In connection with the investigation launched by the New York State Attorney General in April 2004 concerning, among other things, contingent commissions paid by insurers to insurance brokers, in April 2005, the Company entered into an Assurance of Discontinuance ('Original AOD') with the New York State Attorney General and the Superintendent of the New York Insurance Department and paid \$50 million to eligible clients. As part of the Original AOD, the Company also agreed not to accept contingent compensation and to disclose to customers any compensation the Company will receive in connection with providing policy placement services to the customer. The Company also resolved similar investigations launched by the Minnesota Attorney General, the Florida Attorney General, the Florida Department of Financial Services, and the Florida Office of Insurance Regulation for amounts that were not material to the Company.

Similarly, in August 2005, HRH entered into an agreement with the Attorney General of the State of Connecticut and the Insurance Commissioner of the State of Connecticut to resolve all issues related to their investigations into certain insurance brokerage and insurance agency practices and to settle a lawsuit brought in August 2005 by the Connecticut Attorney General alleging violations of the Connecticut Unfair Trade Practices Act and the Connecticut Unfair Insurance Practices Act. As part of this settlement, HRH agreed to take certain actions including establishing a \$30 million national fund for distribution to certain clients; enhancing disclosure practices for agency and broker clients; and declining to accept contingent compensation on brokerage business.

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

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

# Willis Group Holdings plc

## 7. COMMITMENTS AND CONTINGENCIES (Continued)

compensation disclosure requirements. The Amended and Restated AOD requires the Company among other things to: (i) in New York, and each of the other 49 states of the United States, the District of Columbia and U.S. territories, provide compensation disclosure that will, at a minimum, comply with the terms of the applicable regulations, as may be amended from time to time, or the provisions of the AOD that existed prior to the adoption of the Amended and Restated AOD; and (ii) maintain its compliance programs and continue to provide appropriate training to relevant employees in business ethics, professional obligations, conflicts of interest, and antitrust and trade practices compliance.

### European Commission Sector Inquiry

In 2006, the European Commission issued questionnaires pursuant to its Sector Inquiry or, in respect of Norway, the European Free Trade Association Surveillance Authority, related to insurance business practices, including compensation arrangements for brokers, to at least 150 European brokers including our operations in nine European countries. The Company filed responses to the European Commission and the European Free Trade Association Surveillance Authority questionnaires. The European Commission reported on September 25, 2007, expressing concerns over potential conflicts of interest in the industry relating to remuneration and binding authorities and also over the nature of the coinsurance market. The Company cooperated with both the European Free Trade Association Surveillance Authority and the European Commission to resolve issues raised in its final report regarding coinsurance as required of the industry by the European Commission. The Company has recently learned that the European Commission has renewed its interest in the coinsurance market and we anticipate that, like our competitors and insurers, our European subsidiaries will receive further questionnaires on this matter later this year or early 2012.

### Contingent Compensation Class Action

Since August 2004, the Company and HRH (along with various other brokers and insurers) have been named as defendants in purported class actions in various courts across the United States. All of these actions have been consolidated into a single action in the US District Court for the District of New Jersey ('MDL'). These actions allege that the brokers breached their duties to their clients by entering into contingent compensation agreements with either no disclosure or limited disclosure to clients and participated in other improper activities. Plaintiffs seek monetary damages, including punitive damages, and certain equitable relief. In May 2011, the majority of defendants, including the Company and HRH, entered into a written settlement agreement with plaintiffs. On June 28, 2011, the Judge entered an Order granting preliminary approval to the settlement agreement. Notice of the settlement will be sent to all members of the class and each member will have the opportunity to opt out of the settlement and pursue its own individual claim against any defendant. A Fairness Hearing to decide if the settlement should be given final approval is scheduled for September 14, 2011. The amount of the proposed settlement to be paid by the Company and HRH is immaterial and was previously reserved.

Additional actions could be brought in the future by individual policyholders. The Company disputes the allegations in all of these suits and has been and intends to continue to defend itself vigorously against these actions. The outcomes of these lawsuits, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

### Reinsurance Market Dispute

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

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

**7. COMMITMENTS AND CONTINGENCIES (Continued)**

The reinsurers concerned have taken the position that, despite their decisions to underwrite risks or a group of risks, they are no longer bound by their reinsurance contracts. As a result, they have stopped settling claims and are seeking to recover claims already paid. The Company also understands that there have been arbitration awards in relation to a 'spiral,' among other things, in which the reinsurer successfully argued that it was no longer bound by parts of its reinsurance program. Willis Limited, the Company's principal insurance brokerage subsidiary in the United Kingdom, acted as the reinsurance broker or otherwise as intermediary, but not as an underwriter, for numerous personal accident reinsurance contracts. Due to the small number of reinsurance brokers generally, Willis Limited also utilized other brokers active in this market as sub-agents, including brokers who are parties to the legal proceedings described above, for certain contracts and may be responsible for any errors and omissions they may have made. In July 2003, one of the reinsurers received a judgment in the English High Court against certain parties, including a sub-broker Willis Limited used to place two of the contracts involved in this trial. Although neither the Company nor any of its subsidiaries were a party to this proceeding or any arbitration, Willis Limited entered into tolling agreements with certain of the principals to the reinsurance contracts tolling the statute of limitations pending the outcome of proceedings between the reinsureds and reinsurers.

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

From time to time, former clients or their reinsurers request co-operation from the Company and suggest that claims may be asserted against the Company. Such claims may be made against the Company if reinsurers do not pay claims on policies issued by them. A number of mutual releases have been entered by the Company or its subsidiaries with former clients and/or reinsurers for no financial consideration. The Company cannot predict at this time whether any further claims will be made or the damages that may be alleged.

**Gender Discrimination Class Action**

In December 2006, a purported class action was filed against the Company in the United States District Court, Southern District of New York, alleging that the Company discriminated against female officers and officer equivalent employees on the basis of their gender and seeking injunctive relief, monetary damages and attorneys' fees and costs. In January 2011, the Company reached a monetary settlement with plaintiffs that resolves all individual and class claims. The amount of this settlement is not material. However, this matter cannot be formally and finally settled until the Court approves the settlement and until members of the class are given an opportunity to object to the terms of the settlement.

**World Trade Center**

The Company acted as the insurance broker, but not as an underwriter, for the placement of both property and casualty insurance for a number of entities which were directly impacted by the September 11, 2001 destruction of the World Trade Center complex, including Silverstein Properties LLC, which acquired a 99-year leasehold interest in the twin towers and related facilities from the Port Authority of New York and New Jersey in July 2001. Although the World Trade Center complex insurance was bound at or before the July 2001 closing of the leasehold acquisition, consistent with standard industry practice, the final policy wording for the placements was still in the process of being finalized when the

# Willis Group Holdings plc

## 7. COMMITMENTS AND CONTINGENCIES (Continued)

twin towers and other buildings in the complex were destroyed on September 11, 2001. There have been a number of lawsuits in the United States between the insured parties and the insurers for several placements. Other disputes may arise in respect of insurance placed by us which could affect the Company including claims by one or more of the insureds that the Company made culpable errors or omissions in connection with our brokerage activities. However, the Company does not believe that our role as broker will lead to liabilities which in the aggregate would have a material adverse effect on our results of operations, financial condition or liquidity.

### Stanford Financial Group Litigation

The Company has been named as a defendant in six similar lawsuits relating to the collapse of The Stanford Financial Group ("Stanford"), for which Willis of Colorado, Inc. acted as broker of record on certain lines of insurance. The complaints in these actions generally allege that the defendants actively and materially aided Stanford's alleged fraud by providing Stanford with certain letters regarding coverage that they knew would be used to help retain or attract actual or prospective Stanford client investors. The complaints further allege that these letters, which contain statements about Stanford and the insurance policies that the defendants placed for Stanford, contained untruths and omitted material facts and were drafted in this manner to help Stanford promote and sell its allegedly fraudulent certificates of deposit.

The six actions are as follows:

- *Troice, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01274-N, was filed on July 2, 2009 in the U.S. District Court for the Northern District of Texas against Willis Group Holdings plc, Willis of Colorado, Inc. and a Willis associate, among others. On April 1, 2010, plaintiffs filed the operative Third Amended Class Action Complaint on behalf of a putative, worldwide class of Stanford investors, adding Willis Limited as a defendant and alleging claims under Texas statutory and common law and seeking damages in excess of \$1 billion, punitive damages and costs. On May 2, 2011, the defendants filed motions to dismiss the Third Amended Class Action Complaint, which motions are currently pending. It may be several months or longer before rulings are issued on these motions.
- *Ranni v. Willis of Colorado, Inc., et al.*, C.A. No. 09-22085, was filed on July 17, 2009 against Willis Group Holdings plc and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida. The complaint was filed on behalf of a putative class of Venezuelan and other South American Stanford investors and alleges claims under Section 10(b) of the Securities Exchange Act of 1934 (and Rule 10b-5 thereunder) and Florida statutory and common law and seeks damages in an amount to be determined at trial. On October 6, 2009, *Ranni* was transferred, for consolidation or coordination with other Stanford-related actions (including *Troice*), to the Northern District of Texas by the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML'). The defendants have not yet responded to the complaint in *Ranni*.
- *Canabal, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:09-CV-01474-D, was filed on August 6, 2009 against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate named as a defendant in *Troice*, among others, also in the Northern District of Texas. The complaint was filed on behalf of a putative class of Venezuelan Stanford investors, alleged claims under Texas statutory and common law and sought damages in excess of \$1 billion, punitive damages, attorneys' fees and costs. On December 18, 2009, the parties in *Troice* and *Canabal* stipulated to the consolidation of those actions (under the *Troice* civil action number), and, on December 31, 2009, the plaintiffs in *Canabal* filed a notice of dismissal, dismissing the action without prejudice.
- *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on September 14, 2009 on behalf of 97 Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under the Securities Act of 1933, Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than \$300 million, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed *Rupert* to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On April 1, 2010, the JPML issued a final transfer order for the transfer of *Rupert* to the Northern District of Texas, where it is currently pending. The defendants have not yet responded to the complaint in *Rupert*.

**7. COMMITMENTS AND CONTINGENCIES (Continued)**

- *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-01862-O, was filed on September 16, 2010 on behalf of seven Stanford investors against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. The complaint alleges claims under Texas statutory and common law and seeks actual damages in excess of \$5 million, punitive damages, attorneys' fees and costs. The defendants have not yet responded to the complaint in *Casanova*.
- *Rishmaque, et ano. v. Winter, et al.*, Case No. 2011CI02585, was filed on March 11, 2011 on behalf of two Stanford investors, individually and as representatives of certain trusts, against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than \$37 million and attorneys' fees and costs. On April 11, 2011, certain defendants, including Willis of Colorado, Inc., (i) removed *Rishmaque* to the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On April 13, 2011, the JPML issued a conditional transfer order for the transfer of *Rishmaque* to the Northern District of Texas, which the plaintiffs moved to vacate on May 13, 2011. That motion is currently pending. The defendants have not yet responded to the complaint in *Rishmaque*.

Additional actions could be brought in the future by other investors in certificates of deposit issued by Stanford and its affiliates. The Company disputes these allegations and intends to defend itself vigorously against these actions. The outcomes of these actions, however, including any losses or other payments that may occur as a result, cannot be predicted at this time.

**Regulatory Investigation**

Given the increased interest expressed by US and UK regulators in the effectiveness of compliance controls relating to financial crime in our market sector in particular, we began a voluntary internal review of our policies and controls four years ago. This review includes analysis and advice from external experts on best practices, review of public regulatory decisions, and discussions with government regulators in the US and UK. In addition, the UK Financial Services Authority (the 'FSA') conducted an investigation of Willis Limited's, our UK brokerage subsidiary, compliance systems and controls between 2005 and 2009. On July 21, 2011, we and the FSA announced a settlement under which the FSA concluded its investigation by assessing a £7 million (\$11 million) fine on Willis Limited for lapses in its implementation and documentation of its controls to counter the risks of improper payments being made to non-FSA authorized overseas third parties engaged to help win business, particularly in high risk jurisdictions.

As a result of the FSA settlement, we will also be conducting a further internal review of all payments made between 2005 and 2009. We also continue to fully cooperate with our US regulators, however we are unable to predict at this time when our discussions with them will be concluded. We do not believe that this further internal review or our discussions with the US regulators will result in any material fines or sanctions, but there can be no assurance that any resolution will not have an adverse impact on our ability to conduct our business in certain jurisdictions. While we believe that our current systems and controls are adequate and in accordance with all applicable laws and regulations, we cannot assure that such systems and controls will prevent any violations of applicable laws and regulations.

**8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES****Fair value of derivative financial instruments**

In addition to the note below, see Note 9 for information about the fair value hierarchy of derivatives.

# Willis Group Holdings plc

## 8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

### Primary risks managed by derivative financial instruments

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Company's board of directors reviews and agrees to policies for managing each of these risks as summarized below.

The Company enters into derivative transactions (principally interest rate swaps and forward foreign currency contracts) in order to manage interest rate and currency risks arising from the Company's operations and its sources of finance. The Company does not hold financial or derivative instruments for trading purposes.

### Interest rate risk

As a result of the Company's operating activities, the Company receives cash for premiums and claims which it deposits in short-term investments denominated in US dollars and other currencies. The Company earns interest on these funds, which is included in the Company's financial statements as investment income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity. In order to manage interest rate risk arising from these financial assets, the Company enters into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest denominated in the various currencies related to the short-term investments. The use of interest rate contracts essentially converts groups of short-term variable rate investments to fixed rates.

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

At June 30, 2011, the Company had the following derivative financial instruments that were designated as cash flow hedges of interest rate risk:

		Notional amount <sup>(i)</sup>	Fair value
		(millions)	
US dollar	Receive fixed-pay variable	\$840	\$10
Pounds sterling	Receive fixed-pay variable	250	3
Euro	Receive fixed-pay variable	146	—

(i) Notional amounts represent US dollar equivalents translated at the spot rate as of June 30, 2011.

The Company's operations are financed principally by \$2,050 million fixed rate senior notes and \$356 million under a 5-year term loan facility. Of the fixed rate senior notes, \$350 million are due 2015, \$300 million are due 2016, \$600 million are due 2017, \$300 million are due 2019 and \$500 million are due 2021. At June 30, 2011, we had \$nil million outstanding under our \$300 million revolving credit facility and \$nil outstanding under both our \$200 million facility and our \$20 million UK facility which is solely for use by our main regulated UK entity in certain exceptional circumstances.

The 5-year term loan facility bears interest at LIBOR plus 2.250%. Drawings under the revolving \$300 million credit facility bear interest at LIBOR plus 2.250%. Drawings under the revolving \$200 million credit facility bear interest at LIBOR plus a margin of either 1.750% or 2.750% depending upon the currency of the loan. This margin applies while the Company's debt rating remains BBB-/Baa3. Should the Company's debt rating change, then the margin will change in accordance with the credit facilities agreements.

During the six months ended June 30, 2010, the Company entered into a series of interest rate swaps for a total notional amount of \$350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company has designated and accounts for these instruments as fair value hedges against its

**8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**

\$350 million 5.625% senior notes due 2015. The fair values of the interest rate swaps are included within other assets or other liabilities and the fair value of the hedged element of the senior notes is included within long-term debt.

At June 30, 2011 and December 31, 2010, the Company's interest rate swaps were all designated as hedging instruments.

**Liquidity risk**

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

**Foreign currency risk**

The Company's primary foreign exchange risks arise:

- from changes in the exchange rate between US dollars and pounds sterling as its London market operations earn the majority of their revenues in US dollars and incur expenses predominantly in pounds sterling, and may also hold a significant net sterling asset or liability position on the balance sheet. In addition, the London market operations earn significant revenues in Euros and Japanese yen; and
- from the translation into US dollars of the net income and net assets of its foreign subsidiaries, excluding the London market operations which are US dollar denominated.

The foreign exchange risks in its London market operations are hedged as follows:

- to the extent that forecast pound sterling expenses exceed pound sterling revenues, the Company limits its exposure to this exchange rate risk by the use of forward contracts matched to specific, clearly identified cash outflows arising in the ordinary course of business;
- to the extent the UK operations earn significant revenues in Euros and Japanese yen, the Company limits its exposure to changes in the exchange rate between the US dollar and these currencies by the use of forward contracts matched to a percentage of forecast cash inflows in specific currencies and periods; and
- to the extent that the net sterling asset or liability position in its London market operations relate to short-term cash flows, the Company limits its exposure by the use of forward purchases and sales. These forward purchases and sales are not effective hedges for accounting purposes.

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

The fair value of foreign currency contracts is recorded in other assets and other liabilities. For contracts that qualify as accounting hedges, changes in fair value resulting from movements in the spot exchange rate are recorded as a component of other comprehensive income whilst changes resulting from a movement in the time value are recorded in interest expense. For contracts that do not qualify for hedge accounting, the total change in fair value is recorded in interest expense. Amounts held in comprehensive income are reclassified into earnings when the hedged exposure affects earnings.

At June 30, 2011 and December 31, 2010, the Company's foreign currency contracts were all designated as hedging instruments except for those relating to short-term cash flows in its London market operations.



# Willis Group Holdings plc

## 8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

The table below summarizes by major currency the contractual amounts of the Company's forward contracts to exchange foreign currencies for pounds sterling in the case of US dollars and US dollars for Euro and Japanese yen at June 30, 2011.

	Sell <sup>(i)</sup>	Fair value
	(millions)	
US dollar	\$325	\$10
Euro	161	(5)
Japanese yen	64	(4)

<sup>(i)</sup> Foreign currency notional amounts are reported in US dollars translated at contracted exchange rates.

### Credit risk and concentrations of credit risk

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

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

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

Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the Company does business, as well as the dispersion across many geographic areas. Management does not believe significant risk exists in connection with the Company's concentrations of credit as of June 30, 2011.

## Notes to the financial statements

(Unaudited)

### 8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

#### Derivative financial instruments

The table below presents the fair value of the Company's derivative financial instruments and their balance sheet classification at June 30, 2011 and December 31, 2010:

Derivative financial instruments designated as hedging instruments:	Balance sheet classification	Fair value	
		June 30, 2011	December 31, 2010
		(millions)	
<b>Assets:</b>			
Interest rate swaps (cash flow hedges)	Other assets	\$ 15	\$ 17
Interest rate swaps (fair value hedges)	Other assets	22	14
Forward exchange contracts	Other assets	13	16
Total derivatives designated as hedging instruments		<u>\$ 50</u>	<u>\$ 47</u>
<b>Liabilities:</b>			
Interest rate swaps (cash flow hedges)	Other liabilities	(2)	(2)
Forward exchange contracts	Other liabilities	(12)	(10)
Total derivatives designated as hedging instruments		<u>\$ (14)</u>	<u>\$ (12)</u>

# Willis Group Holdings plc

## 8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

### Cashflow hedges

The table below presents the effects of derivative financial instruments in cash flow hedging relationships on the consolidated statements of operations and the consolidated statements of equity for the three and six months ended June 30, 2011 and 2010:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI(i) on derivative (effective element) (millions)	Location of gain (loss) reclassified from accumulated OCI(i) into income (effective element)	Amount of gain (loss) reclassified from accumulated OCI(i) into income (effective element) (millions)	Location of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges)	Amount of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges) (millions)
<b>Three months ended June 30, 2011</b>					
Interest rate swaps	\$ 6	Investment income	\$ (4)	Other operating expenses	\$ —
Forward exchange contracts	(7)	Other operating expenses	—	Interest expense	—
Total	\$ (1)		\$ (4)		\$ —
<b>Three months ended June 30, 2010</b>					
Interest rate swaps	\$ 6	Investment income	\$ (6)	Other operating expenses	\$ —
Forward exchange contracts	7	Other operating expenses	2	Interest expense	—
Total	\$ 13		\$ (4)		\$ —
<b>Six months ended June 30, 2011</b>					
Interest rate swaps	\$ 4	Investment income	\$ (8)	Other operating expenses	\$ —
Forward exchange contracts	(5)	Other operating expenses	(1)	Interest expense	1
Total	\$ (1)		\$ (9)		\$ 1
<b>Six months ended June 30, 2010</b>					
Interest rate swaps	\$ 11	Investment income	\$ (13)	Other operating expenses	\$ —
Forward exchange contracts	4	Other operating expenses	7	Interest expense	—
Total	\$ 15		\$ (6)		\$ —

Amounts above shown gross of tax.

(i) OCI means other comprehensive income.

For interest rate swaps all components of each derivative's gain or loss were included in the assessment of hedge effectiveness. For foreign exchange contracts, only the changes in fair value resulting from movements in the spot exchange rates are included in this assessment. In instances where the timing of expected cashflows can be matched exactly to the maturity of the foreign exchange contract, then changes in fair value attributable to movement in the forward points are also included.

At June 30, 2011 the Company estimates there will be \$2 million of net derivative gains reclassified from accumulated comprehensive income into earnings within the next twelve months.

**8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)**

**Fair value hedges**

The table below presents the effects of derivative financial instruments in fair value hedging relationships on the consolidated statements of operations for the three and six months ended June 30, 2011 and 2010.

Derivatives in fair value hedging relationships	Hedged item in fair value hedging relationship	Gain (loss) recognized for derivative	Gain (loss) recognized for hedged item (millions)	Ineffectiveness recognized in interest expense
<b>Three months ended June 30, 2011</b>				
Interest rate swaps	5.625% senior notes due 2015	\$ (6)	\$ 6	\$ —
<b>Three months ended June 30, 2010</b>				
Interest rate swaps	5.625% senior notes due 2015	\$ 12	\$ (12)	\$ —
<b>Six months ended June 30, 2011</b>				
Interest rate swaps	5.625% senior notes due 2015	\$ 5	\$ (4)	\$ (1)
<b>Six months ended June 30, 2010</b>				
Interest rate swaps	5.625% senior notes due 2015	\$ 14	\$ (14)	\$ —

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

**9. FAIR VALUE MEASUREMENT**

The following table presents, for each of the fair-value hierarchy levels, the Company's assets and liabilities that are measured at fair value on a recurring basis:

	June 30, 2011			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	Total
	Level 1	Level 2	Level 3	(millions)
<b>Assets at fair value:</b>				
Cash and cash equivalents	\$ 317	\$ —	\$ —	\$ 317
Fiduciary funds—restricted (included within Fiduciary assets)	1,957	—	—	1,957
Derivative financial instruments	—	50	—	50
<b>Total assets</b>	<b>\$ 2,274</b>	<b>\$ 50</b>	<b>\$ —</b>	<b>\$ 2,324</b>
<b>Liabilities at fair value:</b>				
Derivative financial instruments	\$ —	\$ 14	\$ —	\$ 14
Changes in fair value of hedged debt <sup>(i)</sup>	—	16	—	16
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 30</b>	<b>\$ —</b>	<b>\$ 30</b>

<sup>(i)</sup> Changes in the fair value of the underlying hedged debt instrument since inception of the hedging relationship are included in long-term debt.

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## 9. FAIR VALUE MEASUREMENT (Continued)

	December 31, 2010			Total
	Level 1	Level 2 (millions)	Level 3	
<b>Assets at fair value:</b>				
Cash and cash equivalents	\$ 316	\$ —	\$ —	\$ 316
Fiduciary funds—restricted (included within Fiduciary assets)	1,764	—	—	1,764
Derivative financial instruments	—	47	—	47
<b>Total assets</b>	<b>\$ 2,080</b>	<b>\$ 47</b>	<b>\$ —</b>	<b>\$ 2,127</b>
<b>Liabilities at fair value:</b>				
Derivative financial instruments	\$ —	\$ 12	\$ —	\$ 12
Changes in fair value of hedged debt <sup>(i)</sup>	—	12	—	12
<b>Total liabilities</b>	<b>\$ —</b>	<b>\$ 24</b>	<b>\$ —</b>	<b>\$ 24</b>

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

The estimated fair value of the Company's financial instruments held or issued to finance the Company's operations is summarized below. Certain estimates and judgments were required to develop the fair value amounts. The fair value amounts shown below are not necessarily indicative of the amounts that the Company would realize upon disposition nor do they indicate the Company's intent or ability to dispose of the financial instrument.

	June 30, 2011		December 31, 2010	
	Carrying amount	Fair value	Carrying amount	Fair value
(millions)				
<b>Assets:</b>				
Cash and cash equivalents	\$ 317	\$ 317	\$ 316	\$ 316
Fiduciary funds—restricted (included within Fiduciary assets)	1,957	1,957	1,764	1,764
Derivative financial instruments	50	50	47	47
<b>Liabilities:</b>				
Short-term debt	\$ 114	\$ 114	\$ 110	\$ 110
Long-term debt	2,307	2,436	2,157	2,450
Derivative financial instruments	14	14	12	12

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

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

Fiduciary funds-restricted — Fair values are based on quoted market values.

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

Derivative financial instruments — Market values have been used to determine the fair value of interest rate swaps and forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account the current interest rate environment or current foreign currency forward rates.

**10. GOODWILL**

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

When a business entity is sold, goodwill is allocated to the disposed entity based on the fair value of that entity compared to the fair value of the reporting unit in which it is included.

The changes in the carrying amount of goodwill by operating segment for the three and six months ended June 30, 2011 and the year ended December 31, 2010 are as follows:

	<u>Global</u>	<u>North America</u>	<u>International</u> (millions)	<u>Total</u>
Balance at January 1, 2010	\$ 1,065	\$ 1,780	\$ 432	\$ 3,277
Purchase price allocation adjustments	—	6	—	6
Other movements <sup>(i)</sup>	—	(3)	—	(3)
Foreign exchange	(2)	—	16	14
Balance at December 31, 2010	<u>\$ 1,063</u>	<u>\$ 1,783</u>	<u>\$ 448</u>	<u>\$ 3,294</u>
Purchase price allocation adjustments	—	—	2	2
Other movements <sup>(i)(ii)</sup>	60	—	(61)	(1)
Foreign exchange	3	—	19	22
Balance at June 30, 2011	<u>\$ 1,126</u>	<u>\$ 1,783</u>	<u>\$ 408</u>	<u>\$ 3,317</u>

(i) North America—\$1 million (2010 : \$3 million) tax benefit arising on the exercise of fully vested HRH stock options which were issued as part of the acquisition of HRH in 2008.

(ii) Effective January 1, 2011, the Company changed its internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment; and Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, goodwill of \$60 million has been reallocated from the International segment into the Global segment for Global Markets International, and \$1 million has been reallocated from the International segment into the North America segment for Mexico Retail. Goodwill has been reallocated between segments using the relative fair value allocation approach.

**11. OTHER INTANGIBLE ASSETS, NET**

Other intangible assets are classified into the following categories:

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

# Willis Group Holdings plc

## 11. OTHER INTANGIBLE ASSETS, NET (Continued)

The major classes of amortizable intangible assets are as follows:

	June 30, 2011			December 31, 2010		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
			(millions)			
Customer and Marketing Related:						
Client Relationships	\$ 705	\$ (247)	\$ 458	\$ 695	\$ (207)	\$ 488
Client Lists	8	(7)	1	9	(7)	2
Non-compete Agreements	36	(36)	—	36	(36)	—
Trade Names	11	(10)	1	11	(10)	1
Total Customer and Marketing Related	760	(300)	460	751	(260)	491
Contract based, Technology and Other	4	(3)	1	4	(3)	1
Total amortizable intangible assets	\$ 764	\$ (303)	\$ 461	\$ 755	\$ (263)	\$ 492

The aggregate amortization of intangible assets for the six months ended June 30, 2011 was \$34 million (2010: \$42 million), of which \$17 million was recognized in the three months ended June 30, 2011 (2010: \$21 million). The estimated aggregate amortization of intangible assets for each of the next five years ended December 31 is as follows:

	Remainder of 2011	2012	2013	2014 (millions)	2015	Thereafter	Total
Amortization of intangible assets	\$ 34	\$ 61	\$ 53	\$ 45	\$ 38	\$ 230	\$ 461

## Notes to the financial statements

(Unaudited)

### 12. OTHER ASSETS

An analysis of other assets is as follows:

	June 30, 2011	December 31, 2010
	(millions)	
<b>Other current assets</b>		
Unamortized cash retention awards	\$ 148	\$ 125
Prepayments and accrued income	58	73
Derivatives	17	17
Debt issuance costs	8	8
Income tax receivable	42	69
Other receivables	54	48
Total other current assets	<u>\$ 327</u>	<u>\$ 340</u>
<b>Other non-current assets</b>		
Unamortized cash retention awards	\$ 145	\$ 48
Deferred compensation plan assets	115	114
Prepayments and accrued income	17	—
Debt issuance costs	19	27
Derivatives	33	30
Income taxes receivable	11	—
Other receivables	25	14
Total other non-current assets	<u>\$ 365</u>	<u>\$ 233</u>
Total other assets	<u>\$ 692</u>	<u>\$ 573</u>



# Willis Group Holdings plc

## 13. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	June 30, 2011	December 31, 2010
	(millions)	
Other current liabilities		
Other taxes payable	\$ 46	\$ 41
Accounts payable	72	39
Accrued dividends payable	46	46
Accrued interest payable	37	21
Derivatives	7	6
Other payables	110	113
Total other current liabilities	<u>\$ 318</u>	<u>\$ 266</u>
Other non-current liabilities		
Incentives from lessors	\$ 156	\$ 150
Deferred compensation plan liability	122	120
Capital lease obligation	25	23
Derivatives	7	6
Other payables	57	48
Total other non-current liabilities	<u>\$ 367</u>	<u>\$ 347</u>
Total other liabilities	<u>\$ 685</u>	<u>\$ 613</u>

## 14. DEBT

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

	June 30, 2011	December 31, 2010
	(millions)	
Current portion of 5-year term loan facility	\$ 110	\$ 110
6.000% loan notes due 2012	4	—
	<u>\$ 114</u>	<u>\$ 110</u>

## Notes to the financial statements

(Unaudited)

### 14. DEBT (Continued)

Long-term debt consists of the following:

	June 30, 2011	December 31, 2010
	(millions)	
5-year term loan facility	\$ 246	\$ 301
Revolving \$300 million credit facility	—	90
6.000% loan notes due 2012	—	4
5.625% senior notes due 2015	350	350
Fair value adjustment on 5.625% senior notes due 2015	16	12
12.875% senior notes due 2016	—	500
4.125% senior notes due 2016	299	—
6.200% senior notes due 2017	600	600
7.000% senior notes due 2019	300	300
5.750% senior notes due 2021	496	—
	<u>\$ 2,307</u>	<u>\$ 2,157</u>

The 5-year term loan facility bears interest at LIBOR plus 2.250% and is repayable at \$27 million per quarter, with a final payment of \$115 million currently due in the fourth quarter of 2013.

In March 2011, the Company issued \$300 million of 4.125% senior notes due 2016 and \$500 million of 5.750% senior notes due 2021. The effective interest rates of these senior notes are 4.240% and 5.871% respectively, which include the impact of the discount upon issuance. The proceeds were used to repurchase \$465 million of 12.875% senior notes due 2016 including a make-whole payment (representing a slight discount to the contractual make-whole amount) of \$146 million. Following the repurchase the Company wrote off \$13 million of unamortized debt issuance costs in first quarter 2011.

In March 2011, the Company irrevocably called the remaining \$35 million of the 12.875% senior notes due 2016, which required a contractual make-whole redemption amount of approximately \$12 million, expensed in first quarter 2011. The redemption was completed on April 18, 2011.

# Willis Group Holdings plc

## 15. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Supplemental disclosures regarding cash flow information and non-cash flow investing and financing activities are as follows:

	Six months ended June 30,	
	2011	2010
	(millions)	
Supplemental disclosures of cash flow information:		
Cash (receipts) payments for income taxes, net of cash received	\$ (24)	\$ 56
Cash payments for interest	62	82
Supplemental disclosures of non-cash flow investing and financing activities:		
Write-off of unamortized debt issuance costs	\$ (13)	\$ —
Acquisitions:		
Fair value of assets acquired	\$ 2	\$ 1
Less: Liabilities assumed	—	—
Net assets acquired, net of cash acquired	\$ 2	\$ 1

## 16. COMPREHENSIVE INCOME

a) The components of comprehensive income are as follows:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions)		(millions)	
Net income	\$ 89	\$ 91	\$ 131	\$ 302
Other comprehensive income, net of tax:				
Foreign currency translation adjustment (net of tax of \$nil, \$nil, \$nil and \$nil)	25	(29)	65	(35)
Pension funding adjustment (net of tax of \$nil, \$(2) million, \$(1) million and \$(5) million)	—	6	(5)	12
Net loss on derivative instruments (net of tax of \$1 million, \$(2) million, \$3 million and \$(2) million)	(4)	7	(7)	7
Other comprehensive income (net of tax of \$1 million, \$(4) million, \$2 million and \$(7) million)	21	(16)	53	(16)
Comprehensive income	110	75	184	286
Noncontrolling interest	(4)	(2)	(12)	(9)
Comprehensive income attributable to Willis Group Holdings	\$ 106	\$ 73	\$ 172	\$ 277

Notes to the financial statements  
(Unaudited)

**16. COMPREHENSIVE INCOME (Continued)**

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

	June 30, 2011	December 31, 2010
	(millions)	
Net foreign currency translation adjustment	\$ 13	\$ (52)
Pension funding adjustment	(508)	(503)
Net unrealized gain on derivative instruments	7	14
Accumulated other comprehensive loss, attributable to Willis Group Holdings, net of tax	<u>\$ (488)</u>	<u>\$ (541)</u>

**17. EQUITY AND NONCONTROLLING INTERESTS**

The components of stockholders' equity and noncontrolling interests are as follows:

	June 30, 2011			June 30, 2010		
	Willis Group Holdings stockholders	Noncontrolling interests	Total equity	Willis Group Holdings stockholders	Noncontrolling interests	Total equity
	(millions)					
Balance at beginning of period	\$ 2,577	\$ 31	\$ 2,608	\$ 2,180	\$ 49	\$ 2,229
Comprehensive income:						
Net income	119	12	131	293	9	302
Other comprehensive income (loss), net of tax	53	—	53	(16)	—	(16)
Comprehensive income	172	12	184	277	9	286
Dividends	(90)	(12)	(102)	(89)	(22)	(111)
Additional paid-in capital	48	—	48	33	—	33
Purchase of subsidiary shares from noncontrolling interests	—	—	—	—	(4)	(4)
Foreign currency translation	—	1	1	—	(4)	(4)
Balance at end of period	<u>\$ 2,707</u>	<u>\$ 32</u>	<u>\$ 2,739</u>	<u>\$ 2,401</u>	<u>\$ 28</u>	<u>\$ 2,429</u>

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

	June 30, 2011	June 30, 2010
	(millions)	
Net income attributable to Willis Group Holdings	\$ 119	\$ 293
Transfers from noncontrolling interest:		
Decrease in Willis Group Holdings paid-in capital for purchase of noncontrolling interests	—	(14)
Net transfers to noncontrolling interests	—	(14)
Change from net income attributable to Willis Group Holdings and transfers from noncontrolling interests	<u>\$ 119</u>	<u>\$ 279</u>

# Willis Group Holdings plc

## 18. SEGMENT INFORMATION

During the periods presented, the Company operated through three segments: Global, North America and International. Global provides specialist brokerage and consulting services to clients worldwide for specific industrial and commercial activities and is organized by specialism. North America and International predominantly comprise our retail operations which provide services to small, medium and major corporates, accessing Global's specialist expertise when required.

The Company evaluates the performance of its operating segments based on organic revenue growth and operating income. For internal reporting and segmental reporting, the following items for which segmental management are not held accountable are excluded from segmental expenses:

- (i) costs of the holding company;
- (ii) foreign exchange loss from the devaluation of the Venezuelan currency;
- (iii) foreign exchange hedging activities, foreign exchange movements on the UK pension plan asset and foreign exchange gains and losses from currency purchases and sales;
- (iv) amortization of intangible assets;
- (v) gains and losses on the disposal of operations;
- (vi) significant legal and regulatory settlements which are managed centrally; and
- (vii) costs associated with the 2011 Operational Review.

The accounting policies of the operating segments are consistent with those described in Note 2 — Basis of Presentation and Significant Accounting Policies to the Company's Annual Report on Form 10-K for the year ended December 31, 2010. There are no inter-segment revenues, with segments operating on a revenue-sharing basis equivalent to that used when sharing business with other third-party brokers.

Effective January 1, 2011, the Company changed its internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. Comparative data have been adjusted accordingly.

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

	Three months ended June 30, 2011						
	Commissions and Fees	Investment Income	Other Income	Total Revenues (millions)	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
Global	\$ 271	\$ 3	\$ —	\$ 274	\$ 5	\$ 89	\$ —
North America	326	1	1	328	3	61	—
International	257	4	—	261	10	56	(3)
Total Retail	583	5	1	589	13	117	(3)
Total Operating Segments	854	8	1	863	18	206	(3)
Corporate and Other <sup>(ii)</sup>	—	—	—	—	18	(49)	—
Total Consolidated	\$ 854	\$ 8	\$ 1	\$ 863	\$ 36	\$ 157	\$ (3)

Notes to the financial statements  
(Unaudited)

18. SEGMENT INFORMATION (Continued)

	Three months ended June 30, 2010						
	Commissions and Fees	Investment Income	Other Income	Total Revenues (millions)	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
Global	\$ 249	\$ 2	\$ —	\$ 251	\$ 5	\$ 87	\$ —
North America	328	5	—	333	6	68	—
International	212	3	—	215	5	41	(2)
Total Retail	540	8	—	548	11	109	(2)
Total Operating Segments	789	10	—	799	16	196	(2)
Corporate and Other <sup>(ii)</sup>	—	—	—	—	21	(27)	—
Total Consolidated	\$ 789	\$ 10	\$ —	\$ 799	\$ 37	\$ 169	\$ (2)

(i) Effective January 1, 2011, the Company changed its internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, second quarter 2010 revenues of \$36 million, previously allocated to our International segment, have been included in Global: \$34 million; and North America: \$2 million. Operating income of \$18 million previously allocated to our International segment has been included in Global: \$18 million; and North America: \$nil.

(ii) Corporate and Other includes the following:

	Three months ended June 30,	
	2011	2010
	(millions)	
Amortization of intangible assets	\$ (17)	\$ (21)
Foreign exchange hedging	1	(2)
Foreign exchange on the UK pension plan asset	—	2
Net gain on disposal of operations	—	(2)
2011 Operational Review	(18)	—
FSA regulatory settlement	(11)	—
Other <sup>(a)</sup>	(4)	(4)
Total Corporate and Other	\$ (49)	\$ (27)

(a) Other includes \$6 million of the \$9 million total benefit in second quarter 2011 from the release of funds and reserves related to potential legal liabilities.

	Six months ended June 30, 2011						
	Commissions and Fees	Investment Income	Other Income	Total Revenues (millions)	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
Global	\$ 629	\$ 6	\$ —	\$ 635	\$ 9	\$ 264	\$ —
North America	682	3	1	686	10	146	—
International	543	7	—	550	15	142	13
Total Retail	1,225	10	1	1,236	25	288	13
Total Operating Segments	1,854	16	1	1,871	34	552	13
Corporate and Other <sup>(ii)</sup>	—	—	—	—	39	(157)	—
Total Consolidated	\$ 1,854	\$ 16	\$ 1	\$ 1,871	\$ 73	\$ 395	\$ 13

# Willis Group Holdings plc

## 18. SEGMENT INFORMATION (Continued)

	Six months ended June 30, 2010						
	Commissions and Fees	Investment Income	Other Income	Total Revenues (millions)	Depreciation and Amortization	Operating Income	Interest in Earnings of Associates, net of tax
Global	\$ 580	\$ 5	\$ —	\$ 585	\$ 9	\$ 241	\$ —
North America	693	8	—	701	12	161	—
International	479	6	—	485	10	128	18
Total Retail	1,172	14	—	1,186	22	289	18
Total Operating Segments	1,752	19	—	1,771	31	530	18
Corporate and Other <sup>(ii)</sup>	—	—	—	—	42	(60)	—
Total Consolidated	\$ 1,752	\$ 19	\$ —	\$ 1,771	\$ 73	\$ 470	\$ 18

(i) Effective January 1, 2011, the Company changed its internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, first half year 2010 total revenues of \$70 million, previously allocated to our International segment, have been included in Global: \$65 million; and North America: \$5 million. Operating income of \$34 million previously allocated to our International segment has been included in Global: \$34 million; and North America: \$nil.

(ii) Corporate and Other includes the following:

	Six months ended June 30,	
	2011	2010
	(millions)	
Amortization of intangible assets	\$ (34)	\$ (42)
Foreign exchange hedging	2	(6)
Foreign exchange on the UK pension plan asset	1	6
Net gain (loss) on disposal of operations	4	(2)
2011 Operational Review	(115)	—
FSA regulatory settlement	(11)	—
Venezuela currency devaluation	—	(12)
Other <sup>(a)</sup>	(4)	(4)
Total Corporate and Other	\$ (157)	\$ (60)

(a) Other includes \$6 million of the \$9 million total benefit in second quarter 2011 from the release of funds and reserves related to potential legal liabilities.

The following table reconciles total consolidated operating income, as disclosed in the operating segment tables above, to consolidated income before income taxes and interest in earnings of associates:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions)			
Total consolidated operating income	\$ 157	\$ 169	\$ 395	\$ 470
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	—	(171)	—
Interest expense	(34)	(41)	(74)	(84)
Income before income taxes and interest in earnings of associates	\$ 123	\$ 128	\$ 150	\$ 386

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

Willis North America Inc. ('Willis North America') has \$350 million senior notes outstanding that were issued on July 1, 2005. On March 28, 2007, Willis North America issued further senior notes totaling \$600 million under its June 2006 registration statement. On September 29, 2009, Willis North America issued senior notes totaling \$300 million.

Until December 22, 2010, all direct obligations under the senior notes were jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Group Holdings, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, TA II Limited, Trinity Acquisition plc, TA III Limited, TA IV Limited and Willis Group Limited, the Guarantor Companies. On that date and in connection with an internal group reorganization, TA II Limited, TA III Limited and TA IV Limited transferred their obligations as guarantors to the Other Guarantor Companies. TA II Limited, TA III Limited and TA IV Limited entered voluntary liquidation on December 31, 2010. The assets of these companies were distributed to the Other Guarantor Companies, either directly or indirectly, as a final distribution paid prior to their entering voluntary liquidation. As such, these transactions did not have a material impact on the guarantees of the senior notes and did not require the consent of the noteholders under the applicable indentures.

Presented below is condensed consolidating financial information for:

- (i) Willis Group Holdings, which is a guarantor, on a parent company only basis;
- (ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent and are all direct or indirect parents of the issuer;
- (iii) the Issuer, Willis North America;
- (iv) Other, which are the non-guarantor subsidiaries, on a combined basis;
- (v) Consolidating adjustments; and
- (vi) the Consolidated Company.

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

The entities included in the Other Guarantors column as of June 30, 2011 and December 31, 2010 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc and Willis Group Limited.



## Willis Group Holdings plc

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

## Condensed Consolidating Statement of Operations

	Three months ended June 30, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>						
Commissions and fees	\$ —	\$ —	\$ —	\$ 854	\$ —	\$ 854
Investment income	—	3	1	7	(3)	8
Other income	—	—	—	24	(23)	1
Total revenues	—	3	1	885	(26)	863
<b>EXPENSES</b>						
Salaries and benefits	—	—	—	(523)	17	(506)
Other operating expenses	—	1	(48)	(119)	2	(164)
Depreciation expense	—	—	(3)	(16)	—	(19)
Amortization of intangible assets	—	—	—	(22)	5	(17)
Total expenses	—	1	(51)	(680)	24	(706)
OPERATING INCOME (LOSS)	—	4	(50)	205	(2)	157
Investment income from Group undertakings	1	137	110	40	(288)	—
Interest expense	(10)	(60)	(37)	(102)	175	(34)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	81	23	143	(115)	123
Income taxes	2	2	1	(39)	3	(31)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(7)	83	24	104	(112)	92
Interest in earnings of associates, net of tax	—	—	—	(5)	2	(3)
(LOSS) NET INCOME	(7)	83	24	99	(110)	89
Less: Net income attributable to noncontrolling interests	—	—	—	(4)	—	(4)
EQUITY ACCOUNT FOR SUBSIDIARIES	92	9	(42)	—	(59)	—
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	\$ 85	\$ 92	\$ (18)	\$ 95	\$ (169)	\$ 85

## Notes to the financial statements

(Unaudited)

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

#### Condensed Consolidating Statement of Operations

	Three months ended June 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>						
Commissions and fees	\$ —	\$ —	\$ —	\$ 789	\$ —	\$ 789
Investment income	—	2	—	13	(5)	10
Total revenues	—	2	—	802	(5)	799
<b>EXPENSES</b>						
Salaries and benefits	—	—	—	(466)	10	(456)
Other operating expenses	369	8	(61)	(436)	(15)	(135)
Depreciation expense	—	—	(2)	(14)	—	(16)
Amortization of intangible assets	—	—	—	(21)	—	(21)
Net gain on disposal of operations	—	—	—	2,433	(2,435)	(2)
Total expenses	369	8	(63)	1,496	(2,440)	(630)
<b>OPERATING INCOME (LOSS)</b>	<b>369</b>	<b>10</b>	<b>(63)</b>	<b>2,298</b>	<b>(2,445)</b>	<b>169</b>
Investment income from Group undertakings	—	218	117	65	(400)	—
Interest expense	—	(79)	(38)	(154)	230	(41)
<b>INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>369</b>	<b>149</b>	<b>16</b>	<b>2,209</b>	<b>(2,615)</b>	<b>128</b>
Income taxes	—	(7)	16	(45)	1	(35)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>369</b>	<b>142</b>	<b>32</b>	<b>2,164</b>	<b>(2,614)</b>	<b>93</b>
Interest in earnings of associates, net of tax	—	—	—	(6)	4	(2)
<b>NET INCOME</b>	<b>369</b>	<b>142</b>	<b>32</b>	<b>2,158</b>	<b>(2,610)</b>	<b>91</b>
Less: Net income attributable to noncontrolling interests	—	—	—	—	(2)	(2)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>	<b>(280)</b>	<b>97</b>	<b>(35)</b>	<b>—</b>	<b>218</b>	<b>—</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>	<b>\$ 89</b>	<b>\$ 239</b>	<b>\$ (3)</b>	<b>\$ 2,158</b>	<b>\$ (2,394)</b>	<b>\$ 89</b>

# Willis Group Holdings plc

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

### Condensed Consolidating Statement of Operations

	Six months ended June 30, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>						
Commissions and fees	\$ —	\$ —	\$ —	\$ 1,854	\$ —	\$ 1,854
Investment income	—	6	1	15	(6)	16
Other income	—	—	—	24	(23)	1
<b>Total revenues</b>	<b>—</b>	<b>6</b>	<b>1</b>	<b>1,893</b>	<b>(29)</b>	<b>1,871</b>
<b>EXPENSES</b>						
Salaries and benefits	—	—	—	(1,116)	26	(1,090)
Other operating expenses	1	25	(93)	(253)	3	(317)
Depreciation expense	—	—	(7)	(32)	—	(39)
Amortization of intangible assets	—	—	—	(39)	5	(34)
Net gain on disposal of operations	—	—	—	6	(2)	4
<b>Total expenses</b>	<b>1</b>	<b>25</b>	<b>(100)</b>	<b>(1,434)</b>	<b>32</b>	<b>(1,476)</b>
<b>OPERATING INCOME (LOSS)</b>	<b>1</b>	<b>31</b>	<b>(99)</b>	<b>459</b>	<b>3</b>	<b>395</b>
Investment income from Group undertakings	35	218	173	33	(459)	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	(171)	—	—	—	(171)
Interest expense	(12)	(125)	(73)	(208)	344	(74)
<b>INCOME (LOSS) BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>24</b>	<b>(47)</b>	<b>1</b>	<b>284</b>	<b>(112)</b>	<b>150</b>
Income taxes	2	45	14	(89)	(4)	(32)
<b>INCOME (LOSS) BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>26</b>	<b>(2)</b>	<b>15</b>	<b>195</b>	<b>(116)</b>	<b>118</b>
Interest in earnings of associates, net of tax	—	—	—	9	4	13
<b>NET INCOME (LOSS)</b>	<b>26</b>	<b>(2)</b>	<b>15</b>	<b>204</b>	<b>(112)</b>	<b>131</b>
Less: Net income attributable to noncontrolling interests	—	—	—	(12)	—	(12)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>	<b>93</b>	<b>133</b>	<b>(37)</b>	<b>—</b>	<b>(189)</b>	<b>—</b>
<b>NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>	<b>\$ 119</b>	<b>\$ 131</b>	<b>\$ (22)</b>	<b>\$ 192</b>	<b>\$ (301)</b>	<b>\$ 119</b>

## Notes to the financial statements

(Unaudited)

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

#### Condensed Consolidating Statement of Operations

	Six months ended June 30, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>						
Commissions and fees	\$ —	\$ —	\$ —	\$ 1,752	\$ —	\$ 1,752
Investment income	—	5	1	18	(5)	19
Total revenues	—	5	1	1,770	(5)	1,771
<b>EXPENSES</b>						
Salaries and benefits	—	—	—	(957)	15	(942)
Other operating expenses	565	(26)	(59)	(730)	(34)	(284)
Depreciation expense	—	—	(4)	(27)	—	(31)
Amortization of intangible assets	—	—	—	(42)	—	(42)
Net gain (loss) on disposal of operations	—	—	—	2,435	(2,437)	(2)
Total expenses	565	(26)	(63)	679	(2,456)	(1,301)
<b>OPERATING INCOME (LOSS)</b>	<b>565</b>	<b>(21)</b>	<b>(62)</b>	<b>2,449</b>	<b>(2,461)</b>	<b>470</b>
Investment income from Group undertakings	—	551	173	488	(1,212)	—
Interest expense	—	(211)	(80)	(211)	418	(84)
<b>INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>565</b>	<b>319</b>	<b>31</b>	<b>2,726</b>	<b>(3,255)</b>	<b>386</b>
Income taxes	—	(4)	9	(119)	12	(102)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>	<b>565</b>	<b>315</b>	<b>40</b>	<b>2,607</b>	<b>(3,243)</b>	<b>284</b>
Interest in earnings of associates, net of tax	—	—	—	14	4	18
<b>NET INCOME</b>	<b>565</b>	<b>315</b>	<b>40</b>	<b>2,621</b>	<b>(3,239)</b>	<b>302</b>
Less: Net income attributable to noncontrolling interests	—	—	—	(3)	(6)	(9)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>	<b>(272)</b>	<b>132</b>	<b>(30)</b>	<b>—</b>	<b>170</b>	<b>—</b>
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>	<b>\$ 293</b>	<b>\$ 447</b>	<b>\$ 10</b>	<b>\$ 2,618</b>	<b>\$ (3,075)</b>	<b>\$ 293</b>

# Willis Group Holdings plc

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

### Condensed Consolidating Balance Sheet

	As at June 30, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ —	\$ —	\$ 87	\$ 230	\$ —	\$ 317
Accounts receivable	—	—	—	1,021	28	1,049
Fiduciary assets	—	—	—	11,919	(663)	11,256
Deferred tax assets	—	—	—	32	—	32
Other current assets	3	138	37	434	(285)	327
Total current assets	3	138	124	13,636	(920)	12,981
Investments in subsidiaries	(911)	4,031	1,423	3,875	(8,418)	—
Amounts owed by (to) Group undertakings	4,462	(5,193)	882	(151)	—	—
<b>NON-CURRENT ASSETS</b>						
Fixed assets	—	—	58	335	(2)	391
Goodwill	—	—	—	1,699	1,618	3,317
Other intangible assets	—	—	—	477	(16)	461
Investments in associates	—	—	—	(45)	231	186
Deferred tax assets	—	—	—	7	2	9
Pension benefits asset	—	—	—	231	—	231
Other non-current assets	6	139	48	172	—	365
Total non-current assets	6	139	106	2,876	1,833	4,960
<b>TOTAL ASSETS</b>	<b>\$ 3,560</b>	<b>\$ (885)</b>	<b>\$ 2,535</b>	<b>\$ 20,236</b>	<b>\$ (7,505)</b>	<b>\$ 17,941</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Fiduciary liabilities	\$ —	\$ —	\$ —	\$ 11,919	\$ (663)	\$ 11,256
Deferred revenue and accrued expenses	1	—	—	322	—	323
Income taxes payable	—	51	—	107	(108)	50
Short-term debt	—	—	110	4	—	114
Deferred tax liabilities	—	1	—	21	—	22
Other current liabilities	58	14	57	222	(33)	318
Total current liabilities	59	66	167	12,595	(804)	12,083
<b>NON-CURRENT LIABILITIES</b>						
Long-term debt	794	—	1,513	—	—	2,307
Liabilities for pension benefits	—	—	—	150	—	150
Deferred tax liabilities	—	2	28	81	—	111
Provisions for liabilities	—	—	—	188	(4)	184
Other non-current liabilities	—	5	12	350	—	367
Total non-current liabilities	794	7	1,553	769	(4)	3,119
<b>TOTAL LIABILITIES</b>	<b>\$ 853</b>	<b>\$ 73</b>	<b>\$ 1,720</b>	<b>\$ 13,364</b>	<b>\$ (808)</b>	<b>\$ 15,202</b>
<b>EQUITY</b>						
Total Willis Group Holdings stockholders' equity	2,707	(958)	815	6,840	(6,697)	2,707
Noncontrolling interests	—	—	—	32	—	32
Total equity	2,707	(958)	815	6,872	(6,697)	2,739
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,560</b>	<b>\$ (885)</b>	<b>\$ 2,535</b>	<b>\$ 20,236</b>	<b>\$ (7,505)</b>	<b>\$ 17,941</b>

Notes to the financial statements  
(Unaudited)

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

Condensed Consolidating Balance Sheet

	As at December 31, 2010					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
<b>ASSETS</b>						
<b>CURRENT ASSETS</b>						
Cash and cash equivalents	\$ —	\$ —	\$ 76	\$ 240	\$ —	\$ 316
Accounts receivable	2	—	—	809	28	839
Fiduciary assets	—	—	—	10,167	(598)	9,569
Deferred tax assets	—	—	1	35	—	36
Other current assets	—	23	57	293	(33)	340
Total current assets	2	23	134	11,544	(603)	11,100
Investments in subsidiaries	(1,039)	3,814	1,455	3,855	(8,085)	—
Amounts owed by (to) Group undertakings	3,659	(4,590)	1,002	(71)	—	—
<b>NON-CURRENT ASSETS</b>						
Fixed assets	—	—	52	330	(1)	381
Goodwill	—	—	—	1,696	1,598	3,294
Other intangible assets	—	—	—	492	—	492
Investments in associates	—	—	—	(51)	212	161
Deferred tax assets	—	—	—	7	—	7
Pension benefits asset	—	—	—	179	—	179
Other non-current assets	—	166	41	149	(123)	233
Total non-current assets	—	166	93	2,802	1,686	4,747
<b>TOTAL ASSETS</b>	<b>\$ 2,622</b>	<b>\$ (587)</b>	<b>\$ 2,684</b>	<b>\$ 18,130</b>	<b>\$ (7,002)</b>	<b>\$ 15,847</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Fiduciary liabilities	\$ —	\$ —	\$ —	\$ 10,167	\$ (598)	\$ 9,569
Deferred revenue and accrued expenses	1	—	—	297	—	298
Income taxes payable	—	—	—	69	(12)	57
Short-term debt	—	—	110	—	—	110
Deferred tax liabilities	—	3	1	5	—	9
Other current liabilities	44	15	38	189	(20)	266
Total current liabilities	45	18	149	10,727	(630)	10,309
<b>NON-CURRENT LIABILITIES</b>						
Long-term debt	—	500	1,653	4	—	2,157
Liabilities for pension benefits	—	—	—	164	—	164
Deferred tax liabilities	—	3	26	54	—	83
Provisions for liabilities	—	—	—	183	(4)	179
Other non-current liabilities	—	10	16	321	—	347
Total non-current liabilities	—	513	1,695	726	(4)	2,930
<b>TOTAL LIABILITIES</b>	<b>\$ 45</b>	<b>\$ 531</b>	<b>\$ 1,844</b>	<b>\$ 11,453</b>	<b>\$ (634)</b>	<b>\$ 13,239</b>
<b>EQUITY</b>						
Total Willis Group Holdings stockholders' equity	2,577	(1,118)	840	6,646	(6,368)	2,577
Noncontrolling interests	—	—	—	31	—	31
Total equity	2,577	(1,118)	840	6,677	(6,368)	2,608
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,622</b>	<b>\$ (587)</b>	<b>\$ 2,684</b>	<b>\$ 18,130</b>	<b>\$ (7,002)</b>	<b>\$ 15,847</b>

# Willis Group Holdings plc

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

### Condensed Consolidating Statement of Cash Flows

	Six months ended June 30, 2011					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other (millions)	Consolidating adjustments	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 3	\$ 76	\$ 54	\$ 140	\$ (147)	\$ 126
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	5	—	5
Additions to fixed assets	—	—	(13)	(34)	—	(47)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(4)	—	(4)
Acquisitions of investments in associates	—	—	—	(2)	—	(2)
Investment in Trident V Parallel Fund, LP	—	—	—	(4)	—	(4)
Net cash used in investing activities	—	—	(13)	(39)	—	(52)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	(90)	—	—	(90)
Senior notes issued	794	—	—	—	—	794
Debt issuance costs	(7)	—	—	—	—	(7)
Repayments of debt	—	(500)	(55)	—	—	(555)
Make-whole on repurchase and redemption of senior notes	—	(158)	—	—	—	(158)
Proceeds from issue of shares	42	—	—	—	—	42
Amounts owed by and to Group undertakings	(742)	590	115	37	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	4	—	4
Dividends paid	(90)	—	—	(147)	147	(90)
Acquisition of noncontrolling interests	—	(8)	—	(1)	—	(9)
Dividends paid to noncontrolling interests	—	—	—	(12)	—	(12)
Net cash used in financing activities	(3)	(76)	(30)	(119)	147	(81)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	—	11	(18)	—	(7)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	8	—	8
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	76	240	—	316
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ —	\$ —	\$ 87	\$ 230	\$ —	\$ 317

Notes to the financial statements  
(Unaudited)

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

Condensed Consolidating Statement of Cash Flows

	Six months ended June 30, 2010 <sup>(a)</sup>					
	Willis Group Holdings	The Other Guarantors	The Issuer (millions)	Other	Consolidating adjustments	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 569	\$ 321	\$ 42	\$ (22)	\$ (756)	\$ 154
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	4	—	4
Additions to fixed assets	—	—	(13)	(32)	—	(45)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(15)	—	(15)
Acquisitions of investments in associates	—	—	—	(1)	—	(1)
Net cash used in investing activities	—	—	(13)	(44)	—	(57)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	30	—	—	30
Repayments of debt	—	—	(61)	(9)	—	(70)
Proceeds from issue of shares	17	—	—	—	—	17
Amounts owed by and to Group undertakings	(542)	(189)	(21)	752	—	—
Excess tax benefits from share-based payment arrangements	—	—	—	1	—	1
Dividends paid	(44)	(132)	—	(669)	756	(89)
Acquisition of noncontrolling interests	—	—	—	(2)	—	(4)
Dividends paid to noncontrolling interests	—	—	—	(22)	—	(22)
Net cash (used in) provided by financing activities	(569)	(321)	(52)	49	756	(137)
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	—	—	(23)	(17)	—	(40)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(14)	—	(14)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	104	117	—	221
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ —	\$ —	\$ 81	\$ 86	\$ —	\$ 167

(a) The 2010 Condensed Consolidating Statement of Cash Flows has been recast to conform to the new balance sheet presentation. See Note 2 — Basis of Presentation and Significant Accounting Policies for details



## Willis Group Holdings plc

### 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

The Company may offer debt securities, preferred stock, ordinary stock and other securities pursuant to an effective shelf registration on Form S-3. On March 17, 2011, the Company issued senior notes totaling \$800 million under its existing registration statement. The debt securities issued ('Holdings Debt Securities'), are guaranteed by certain of the Company's subsidiaries. Therefore, the Company is providing the condensed consolidating financial information below. The following 100 percent directly or indirectly owned subsidiaries fully and unconditionally guarantee the Holdings Debt Securities on a joint and several basis: Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America (the 'Guarantors').

The guarantor structure described above differs from the existing guarantor structure associated with the senior notes issued by Willis North America (the 'Willis North America Debt Securities') (and for which condensed consolidating financial information is presented in Note 19) in that Willis Group Holdings is the Parent Issuer and Willis North America is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

- (i) Willis Group Holdings, which is the Parent Issuer;
- (ii) the Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent;
- (iii) Other, which are the non-guarantor subsidiaries, on a combined basis;
- (iv) Consolidating adjustments; and
- (v) the Consolidated Company.

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

The entities included in the Guarantors column as of June 30, 2011 and December 31, 2010 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America.

Notes to the financial statements  
(Unaudited)

20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Operations

	Three months ended June 30, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>					
Commissions and fees	\$ —	\$ —	\$ 854	\$ —	\$ 854
Investment income	—	3	8	(3)	8
Other income	—	—	24	(23)	1
Total revenues	—	3	886	(26)	863
<b>EXPENSES</b>					
Salaries and benefits	—	—	(523)	17	(506)
Other operating expenses	—	(47)	(119)	2	(164)
Depreciation expense	—	(3)	(16)	—	(19)
Amortization of intangible assets	—	—	(22)	5	(17)
Total expenses	—	(50)	(680)	24	(706)
<b>OPERATING (LOSS) INCOME</b>					
Investment income from Group undertakings	1	247	40	(288)	—
Interest expense	(10)	(97)	(102)	175	(34)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	103	144	(115)	123
Income taxes	2	3	(39)	3	(31)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(7)	106	105	(112)	92
Interest in earnings of associates, net of tax	—	—	(5)	2	(3)
<b>NET (LOSS) INCOME</b>	<b>(7)</b>	<b>106</b>	<b>100</b>	<b>(110)</b>	<b>89</b>
Less: Net income attributable to noncontrolling interests	—	—	(4)	—	(4)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>	<b>92</b>	<b>(14)</b>	<b>—</b>	<b>(78)</b>	<b>—</b>
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>	<b>\$ 85</b>	<b>\$ 92</b>	<b>\$ 96</b>	<b>\$ (188)</b>	<b>\$ 85</b>

## Willis Group Holdings plc

## 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

## Condensed Consolidating Statement of Operations

	Three months ended June 30, 2010				
	Willis Group Holdings—the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>					
Commissions and fees	\$ —	\$ —	\$ 789	\$ —	\$ 789
Investment income	—	2	13	(5)	10
Total revenues	—	2	802	(5)	799
<b>EXPENSES</b>					
Salaries and benefits	—	—	(466)	10	(456)
Other operating expenses	369	(53)	(436)	(15)	(135)
Depreciation expense	—	(2)	(14)	—	(16)
Amortization of intangible assets	—	—	(21)	—	(21)
Net gain (loss) on disposal of operations	—	—	2,433	(2,435)	(2)
Total expenses	369	(55)	1,496	(2,440)	(630)
<b>OPERATING INCOME (LOSS)</b>					
Investment income from Group undertakings	—	335	65	(400)	—
Interest expense	—	(117)	(154)	230	(41)
<b>INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>					
Income taxes	—	9	(45)	1	(35)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>					
Interest in earnings of associates, net of tax	—	—	(6)	4	(2)
<b>NET INCOME</b>					
Less: Net income attributable to noncontrolling interests	—	—	—	(2)	(2)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>					
	(280)	65	—	215	—
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>					
	\$ 89	\$ 239	\$ 2,158	\$ (2,397)	\$ 89

## Notes to the financial statements

(Unaudited)

### 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

#### Condensed Consolidating Statement of Operations

	Six months ended June 30, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>					
Commissions and fees	\$ —	\$ —	\$ 1,854	\$ —	\$ 1,854
Investment income	—	6	16	(6)	16
Other income	—	—	24	(23)	1
Total revenues	<u>—</u>	<u>6</u>	<u>1,894</u>	<u>(29)</u>	<u>1,871</u>
<b>EXPENSES</b>					
Salaries and benefits	—	—	(1,116)	26	(1,090)
Other operating expenses	1	(68)	(253)	3	(317)
Depreciation expense	—	(7)	(32)	—	(39)
Amortization of intangible assets	—	—	(39)	5	(34)
Net gain on disposal of operations	—	—	6	(2)	4
Total expenses	<u>1</u>	<u>(75)</u>	<u>(1,434)</u>	<u>32</u>	<u>(1,476)</u>
<b>OPERATING INCOME (LOSS)</b>					
Investment income from Group undertakings	35	391	33	(459)	—
Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	—	(171)	—	—	(171)
Interest expense	(12)	(198)	(208)	344	(74)
<b>INCOME (LOSS) BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>	<u>24</u>	<u>(47)</u>	<u>285</u>	<u>(112)</u>	<u>150</u>
Income taxes	2	59	(89)	(4)	(32)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>	<u>26</u>	<u>12</u>	<u>196</u>	<u>(116)</u>	<u>118</u>
Interest in earnings of associates, net of tax	—	—	9	4	13
<b>NET INCOME</b>	<u>26</u>	<u>12</u>	<u>205</u>	<u>(112)</u>	<u>131</u>
Less: Net income attributable to noncontrolling interests	—	—	(12)	—	(12)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>	<u>93</u>	<u>119</u>	<u>—</u>	<u>(212)</u>	<u>—</u>
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>	<u>\$ 119</u>	<u>\$ 131</u>	<u>\$ 193</u>	<u>\$ (324)</u>	<u>\$ 119</u>

# Willis Group Holdings plc

## 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

### Condensed Consolidating Statement of Operations

	Six months ended June 30, 2010				
	Willis Group Holdings— the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>REVENUES</b>					
Commissions and fees	\$ —	\$ —	\$ 1,752	\$ —	\$ 1,752
Investment income	—	6	18	(5)	19
Total revenues	—	6	1,770	(5)	1,771
<b>EXPENSES</b>					
Salaries and benefits	—	—	(957)	15	(942)
Other operating expenses	565	(85)	(730)	(34)	(284)
Depreciation expense	—	(4)	(27)	—	(31)
Amortization of intangible assets	—	—	(42)	—	(42)
Net gain on disposal of operations	—	—	2,435	(2,437)	(2)
Total expenses	565	(89)	679	(2,456)	(1,301)
<b>OPERATING INCOME (LOSS)</b>					
OPERATING INCOME (LOSS)	565	(83)	2,449	(2,461)	470
Investment income from Group undertakings	—	724	488	(1,212)	—
Interest expense	—	(291)	(211)	418	(84)
<b>INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES</b>					
INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	565	350	2,726	(3,255)	386
Income taxes	—	5	(119)	12	(102)
<b>INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES</b>					
INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	565	355	2,607	(3,243)	284
Interest in earnings of associates, net of tax	—	—	14	4	18
<b>NET INCOME</b>					
NET INCOME	565	355	2,621	(3,239)	302
Less: Net income attributable to noncontrolling interests	—	—	(3)	(6)	(9)
<b>EQUITY ACCOUNT FOR SUBSIDIARIES</b>					
EQUITY ACCOUNT FOR SUBSIDIARIES	(272)	92	—	180	—
<b>NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS</b>					
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	\$ 293	\$ 447	\$ 2,618	\$ (3,065)	\$ 293

Notes to the financial statements  
(Unaudited)

20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Balance Sheet

	As at June 30, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ —	\$ 87	\$ 230	\$ —	\$ 317
Accounts receivable	—	—	1,021	28	1,049
Fiduciary assets	—	—	11,919	(663)	11,256
Deferred tax assets	—	—	32	—	32
Other current assets	3	175	434	(285)	327
Total current assets	3	262	13,636	(920)	12,981
Investments in subsidiaries	(911)	4,639	3,875	(7,603)	—
Amounts owed by (to) Group undertakings	4,462	(4,311)	(151)	—	—
<b>NON-CURRENT ASSETS</b>					
Fixed assets	—	58	335	(2)	391
Goodwill	—	—	1,699	1,618	3,317
Other intangible assets	—	—	477	(16)	461
Investments in associates	—	—	(45)	231	186
Deferred tax assets	—	—	7	2	9
Pension benefits asset	—	—	231	—	231
Other non-current assets	6	187	172	—	365
Total non-current assets	6	245	2,876	1,833	4,960
<b>TOTAL ASSETS</b>	<b>\$ 3,560</b>	<b>\$ 835</b>	<b>\$ 20,236</b>	<b>\$ (6,690)</b>	<b>\$ 17,941</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Fiduciary liabilities	\$ —	\$ —	\$ 11,919	\$ (663)	\$ 11,256
Deferred revenue and accrued expenses	1	—	322	—	323
Income taxes payable	—	51	107	(108)	50
Short-term debt	—	110	4	—	114
Deferred tax liabilities	—	1	21	—	22
Other current liabilities	58	71	222	(33)	318
Total current liabilities	59	233	12,595	(804)	12,083
<b>NON-CURRENT LIABILITIES</b>					
Long-term debt	794	1,513	—	—	2,307
Liabilities for pension benefits	—	—	150	—	150
Deferred tax liabilities	—	30	81	—	111
Provisions for liabilities	—	—	188	(4)	184
Other non-current liabilities	—	17	350	—	367
Total non-current liabilities	794	1,560	769	(4)	3,119
<b>TOTAL LIABILITIES</b>	<b>\$ 853</b>	<b>\$ 1,793</b>	<b>\$ 13,364</b>	<b>\$ (808)</b>	<b>\$ 15,202</b>
<b>EQUITY</b>					
Total Willis Group Holdings stockholders' equity	2,707	(958)	6,840	(5,882)	2,707
Noncontrolling interests	—	—	32	—	32
Total equity	2,707	(958)	6,872	(5,882)	2,739
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,560</b>	<b>\$ 835</b>	<b>\$ 20,236</b>	<b>\$ (6,690)</b>	<b>\$ 17,941</b>

# Willis Group Holdings plc

## 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

### Condensed Consolidating Balance Sheet

	As at December 31, 2010				
	Willis Group Holdings – the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ —	\$ 76	\$ 240	\$ —	\$ 316
Accounts receivable	2	—	809	28	839
Fiduciary assets	—	—	10,167	(598)	9,569
Deferred tax assets	—	1	35	—	36
Other current assets	—	80	293	(33)	340
Total current assets	2	157	11,544	(603)	11,100
Investments in subsidiaries	(1,039)	4,429	3,855	(7,245)	—
Amounts owed by (to) Group undertakings	3,659	(3,588)	(71)	—	—
<b>NON-CURRENT ASSETS</b>					
Fixed assets	—	52	330	(1)	381
Goodwill	—	—	1,696	1,598	3,294
Other intangible assets	—	—	492	—	492
Investments in associates	—	—	(51)	212	161
Deferred tax assets	—	—	7	—	7
Pension benefits asset	—	—	179	—	179
Other non-current assets	—	207	149	(123)	233
Total non-current assets	—	259	2,802	1,686	4,747
<b>TOTAL ASSETS</b>	<b>\$ 2,622</b>	<b>\$ 1,257</b>	<b>\$ 18,130</b>	<b>\$ (6,162)</b>	<b>\$ 15,847</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
<b>CURRENT LIABILITIES</b>					
Fiduciary liabilities	\$ —	\$ —	\$ 10,167	\$ (598)	\$ 9,569
Deferred revenue and accrued expenses	1	—	297	—	298
Income taxes payable	—	—	69	(12)	57
Short-term debt	—	110	—	—	110
Deferred tax liabilities	—	4	5	—	9
Other current liabilities	44	53	189	(20)	266
Total current liabilities	45	167	10,727	(630)	10,309
<b>NON-CURRENT LIABILITIES</b>					
Long-term debt	—	2,153	4	—	2,157
Liabilities for pension benefits	—	—	164	—	164
Deferred tax liabilities	—	29	54	—	83
Provisions for liabilities	—	—	183	(4)	179
Other non-current liabilities	—	26	321	—	347
Total non-current liabilities	—	2,208	726	(4)	2,930
<b>TOTAL LIABILITIES</b>	<b>\$ 45</b>	<b>\$ 2,375</b>	<b>\$ 11,453</b>	<b>\$ (634)</b>	<b>\$ 13,239</b>
<b>EQUITY</b>					
Total Willis Group Holdings stockholders' equity	2,577	(1,118)	6,646	(5,528)	2,577
Noncontrolling interests	—	—	31	—	31
Total equity	2,577	(1,118)	6,677	(5,528)	2,608
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 2,622</b>	<b>\$ 1,257</b>	<b>\$ 18,130</b>	<b>\$ (6,162)</b>	<b>\$ 15,847</b>

Notes to the financial statements  
(Unaudited)

20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

Condensed Consolidating Statement of Cash Flows

	Six months ended June 30, 2011				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 3	\$ 130	\$ 140	\$ (147)	\$ 126
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	—	5	—	5
Additions to fixed assets	—	(13)	(34)	—	(47)
Acquisitions of subsidiaries, net of cash acquired	—	—	(4)	—	(4)
Acquisitions of investments in associates	—	—	(2)	—	(2)
Investment in Trident V Parallel Fund, LP	—	—	(4)	—	(4)
Net cash used in investing activities	—	(13)	(39)	—	(52)
CASH FLOWS FROM FINANCING ACTIVITIES					
Draw down of revolving credit facility	—	(90)	—	—	(90)
Senior notes issued	794	—	—	—	794
Debt issuance costs	(7)	—	—	—	(7)
Repayments of debt	—	(555)	—	—	(555)
Make-whole on repurchase and redemption of senior notes	—	(158)	—	—	(158)
Proceeds from issue of shares	42	—	—	—	42
Amounts owed by and to Group undertakings	(742)	705	37	—	—
Excess tax benefits from share-based payment arrangement	—	—	4	—	4
Dividends paid	(90)	—	(147)	147	(90)
Acquisition of noncontrolling interests	—	(8)	(1)	—	(9)
Dividends paid to noncontrolling interests	—	—	(12)	—	(12)
Net cash used in financing activities	(3)	(106)	(119)	147	(81)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	—	11	(18)	—	(7)
Effect of exchange rate changes on cash and cash equivalents	—	—	8	—	8
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	76	240	—	316
CASH AND CASH EQUIVALENTS, END OF YEAR	—	87	230	—	317



## Willis Group Holdings plc

## 20. FINANCIAL INFORMATION FOR PARENT ISSUER, GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES (Continued)

## Condensed Consolidating Statement of Cash Flows

	Six months ended June 30, 2010				
	Willis Group Holdings — the Parent Issuer	The Guarantors	Other (millions)	Consolidating adjustments	Consolidated
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 569	\$ 363	\$ (22)	\$ (756)	\$ 154
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	—	4	—	4
Additions to fixed assets	—	(13)	(32)	—	(45)
Acquisitions of subsidiaries, net of cash acquired	—	—	(15)	—	(15)
Acquisitions of investments in associates	—	—	(1)	—	(1)
Net cash used in investing activities	—	(13)	(44)	—	(57)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from draw down of revolving credit facility	—	30	—	—	30
Repayments of debt	—	(61)	(9)	—	(70)
Proceeds from issue of shares	17	—	—	—	17
Amounts owed by and to Group undertakings	(542)	(210)	752	—	—
Excess tax benefits from share-based payment arrangement	—	—	1	—	1
Dividends paid	(44)	(132)	(669)	756	(89)
Acquisition of noncontrolling interests	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	(22)	—	(22)
Net cash (used in) provided by financing activities	(569)	(373)	49	756	(137)
DECREASE IN CASH AND CASH EQUIVALENTS	—	(23)	(17)	—	(40)
Effect of exchange rate changes on cash and cash equivalents	—	—	(14)	—	(14)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	—	104	117	—	221
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ —	\$ 81	\$ 86	\$ —	\$ 167

## Item 2—Management’s Discussion and Analysis of Financial Condition and Results of Operations

*This discussion includes references to non-GAAP financial measures as defined in Regulation G of the rules of the Securities and Exchange Commission (“SEC”). We present such non-GAAP financial measures, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company’s operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. Organic revenue growth and organic growth in commissions and fees exclude the impact of acquisitions and disposals, year over year movements in foreign exchange, legacy contingent commissions assumed as part of the HRH acquisition, and investment and other income from growth in revenues and commissions and fees. We believe organic revenue growth and organic growth in commissions and fees provide measures that the investment community may find helpful in assessing the*

*performance of operations that were part of our operations in both the current and prior periods, and provide measures against which our businesses may be assessed in the future. These financial measures should be viewed in addition to, not in lieu of, the consolidated financial statements for the three and six months ended June 30, 2011.*

*This discussion includes forward-looking statements, including under the headings ‘Business Overview and Market Outlook’, ‘Executive Summary’, ‘Operating Results—Group’, ‘Operating Results—Segment Information’ and ‘Liquidity and Capital Resources’. Please see ‘Forward-Looking Statements’ for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in the forward-looking statements.*

### BUSINESS OVERVIEW AND MARKET OUTLOOK

We provide a broad range of insurance broking, risk management and consulting services to our clients worldwide. Our core specialty businesses include Aerospace; Energy; Marine; Construction; Financial and Executive Risks; Fine Art, Jewelry and Specie; Special Contingency Risks; and Reinsurance. Our retail operations provide services to small, medium and major corporations and the employee benefits practice, our largest product-based practice group, provides health, welfare and human resources consulting and brokerage services.

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

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

may vary widely between accounting periods. Reductions in premium rates, leading to downward pressure on commission revenues (a ‘soft’ market), can have a potentially material adverse impact on our commission revenues and operating margin.

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

Following the hard market experienced between 2000 and 2003, we saw a rapid transition to a soft market in 2004, with premium rates falling in most sectors including property and casualty and the reinsurance markets. Rates continued to decline in most sectors through 2005 and 2006, with the exception of catastrophe-exposed markets. In 2007, the market softened further with decreases in many of the market sectors in which we operated and this continued into 2008 with further premium rate declines across most product lines and geographic areas in which we operate.

The global economic downturn which began in the latter half of 2008 has impacted our results in recent years and may continue to do so for the foreseeable future, in particular due to a lower overall value of insurance coverage purchased by our clients driven by reductions in

# Willis Group Holdings plc

their property holdings, headcount, related salaries and benefits expense, and the market value of assets and other insured values.

In 2009, there was modest stabilization of rates in some specialty markets but this benefit was more than offset by the adverse impact of the continued soft market in other sectors and the weakened economic environment across the globe, which has continued to impact our results throughout 2010 and into first half 2011, in particular in

## EXECUTIVE SUMMARY

### Overview

Despite the difficult trading conditions, we reported total revenue growth of 8 percent in second quarter 2011 and 6 percent in first half 2011 compared with the same periods of 2010, reflecting positive organic growth in commissions and fees driven by our International and Global operations.

International achieved total revenue growth of 21 percent in second quarter 2011 and 13 percent in first half 2011, including 6 percent organic growth in commissions and fees in both periods. Global reported 9 percent total revenue growth in second quarter and 8 percent in first half 2011, including 3 percent and 6 percent organic growth in second quarter and first half 2011, respectively.

Our North America operations reported negative total revenue growth of 1 percent in second quarter and negative 2 percent in first half 2011. This included flat organic growth for second quarter 2011 and negative organic growth of 1 percent for first half 2011, reflecting the continued adverse impact of the soft market and difficult economic conditions.

Net income for second quarter 2011 was \$85 million, or \$0.48 per diluted share, compared with \$89 million, or \$0.52 per diluted share, in same period 2010 as revenue growth was more than offset by increased expenses in second quarter 2011, including:

- \$12 million post-tax, or \$0.07 per diluted share, relating to the 2011 Operational Review. See '2011 Operational Review', below;
- an \$11 million, or \$0.06 per diluted share, non tax-deductible expense relating to a previously announced UK Financial Services Authority (FSA) regulatory settlement; and
- a \$9 million post-tax, or \$0.05 per diluted share, increase in the amortization charge relating to our

the reinsurance market and our retail operations in North America and UK and Ireland.

In first half 2011, we have seen some modest increases in catastrophe-exposed property insurance and reinsurance pricing levels driven by significant 2011 catastrophe losses including the Japanese earthquake and tsunami, the New Zealand earthquake and the mid-west US tornadoes. However, we continue to be impacted by the soft insurance market and challenging economic conditions across other sectors.

cash retention awards. See 'Salaries and benefits—Cash retention awards', below.

Net income for first half 2011 was \$119 million, or \$0.68 per diluted share, compared with \$293 million, or \$1.71 per diluted share, in same period 2010, reflecting the impact of a number of significant expense items in 2011, including:

- \$115 million relating to the 2011 Operational Review, equivalent to \$81 million post-tax or \$0.46 per diluted share. See, '2011 Operational Review', below;
- \$171 million relating to the make-whole amounts on the repurchase and redemption of \$500 million of our senior debt and the write-off of related unamortized debt issuance costs, equivalent to \$124 million post-tax or \$0.71 per diluted share. See, 'Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs', below;
- a \$21 million post-tax, or \$0.12 per diluted share, increase in the amortization charge relating to our cash retention awards; and
- the \$11 million, or \$0.06 per diluted share, second quarter 2011 non tax-deductible expense relating to the UK FSA regulatory settlement.

Following the successful debt refinancing, our main priorities for the remainder of 2011 are:

- execution of the Willis Cause—aiming to become the broker and risk adviser of choice globally by aligning our business model to the needs of each client segment and maintaining a focus on growth;
- continued investment in technology, advanced analytics, product innovation and industry talent and expertise to support our growth strategy; and

- completion of our 2011 Operational Review which aims to better align resources with our growth

strategies and enable related long-term expense savings.

#### Results from operations: second quarter 2011

Total revenues at \$863 million for second quarter 2011 were \$64 million, or 8 percent, higher than in second quarter 2010, reflecting positive organic commissions and fees growth of 3 percent and a net 5 percent benefit from foreign currency translation, reflecting the period-over-period weakening of the US dollar against a basket of currencies in which we earn our revenues.

Organic commissions and fees growth of 3 percent comprised 4 percent net new business growth (which constitutes the revenue growth from business won over the course of the period net of the revenue from existing business lost) and a 1 percent negative impact from declining premium rates and other market factors.

Operating margin at 18 percent was 3 percentage points lower than in second quarter 2010 with the decrease mainly reflecting:

- the \$18 million expense for the 2011 Operational Review, discussed below, equivalent to approximately 2 percentage points;
- a \$14 million net increase in incentive expenses, equivalent to approximately 2 percentage points, including a \$12 million increase in the amortization of cash retention awards; and
- the \$11 million expense for a UK FSA regulatory settlement, equivalent to approximately 1 percentage point;

#### Results from operations: six months ended June 30, 2011

Total revenues at \$1,871 million for first half 2011 were \$100 million, or 6 percent, higher than in first half 2010, reflecting positive organic commissions and fees growth of 3 percent and a net 3 percent benefit from foreign currency translation.

Organic commissions and fees growth of 3 percent comprised 4 percent net new business growth (which constitutes the revenue growth from business won over the course of the period net of the revenue from existing business lost) and a 1 percent negative impact from declining premium rates and other market factors.

partly offset by

- the \$64 million increase in revenues including organic growth in commissions and fees;
- a \$9 million benefit from the release of funds and reserves related to potential legal liabilities; and
- rigorous expense management.

Foreign exchange had a net adverse impact on second quarter 2011 margin of approximately 1 percentage point compared with same period 2010.

Income tax expense for second quarter 2011 was \$31 million compared with \$35 million in same period 2010, reflecting the reduction in income before taxation and changes to the geographical mix of profits.

The effective tax rate for the second quarter 2011 was 25 percent. After adjusting for the net effect of non-recurring items, including the 2011 Operational Review expense, relieved at a higher average rate than the underlying tax rate and the UK FSA regulatory settlement expense for which no tax relief is available, the underlying tax rate for the quarter ended June 30, 2011 was also 25 percent, compared with 26 percent for full year 2010.

Operating margin at 21 percent was 6 percentage points lower than in first half 2010 with the decrease mainly reflecting:

- the \$115 million expense for the 2011 Operational Review, discussed below, equivalent to approximately 6 percentage points;
- a \$24 million net increase in incentive expenses, equivalent to approximately 1 percentage point, primarily reflecting a \$28 million increase in the amortization of cash retention awards; and
- the \$11 million second quarter 2011 expense for a UK FSA regulatory settlement;

## Willis Group Holdings plc

partly offset by

- the \$100 million increase in revenues driven by organic growth in commissions and fees;
- the period-over-period benefit from a \$12 million charge relating to the first quarter 2010 devaluation of the Venezuelan currency;
- a \$9 million benefit from the release of funds and reserves related to potential legal liabilities; and
- rigorous expense management.

Foreign exchange had a small net adverse impact on first half 2011 operating margin compared with first half 2010.

We incurred a \$171 million charge in first quarter 2011 relating to the make-whole amounts of \$158 million for the repurchase and redemption of our \$500 million 12.875% senior notes and a related \$13 million write-off of unamortized debt costs, as discussed below.

### 2011 Operational Review

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

We expect full year 2011 salaries and benefits expense (excluding costs attributable to the 2011 Operational Review) to increase by approximately \$100 million compared with 2010, as a result of the following:

- an approximately \$60 million increase due to higher amortization of cash retention payments, of which \$12 million and \$28 million was recognized in second quarter and first half of 2011, respectively;
- the reinstatement of annual salary reviews for all employees from April 2011; and
- the reinstatement of a 401(k) match plan for North America employees.

We estimate that of those items noted above, approximately \$25 million will continue through to 2012 as incremental expense: reflecting a further but significantly lower increase in the amortization of cash retention awards in 2012 compared with 2011, and the full year impact of the 2011 annual salary review.

In addition to these costs, we continue to invest in technology, advanced analytics, product innovation, and industry talent and expertise to support the growth

Income tax expense for first half 2011 was \$32 million compared with \$102 million in same period 2010. The reduction of \$70 million largely reflects the impact of the significantly reduced income before taxation and changes to the geographical mix of profits, driven by costs associated with the 2011 Operational Review and the make-whole amounts on repurchase and redemption of senior notes.

The effective tax rate for the first half 2011 was 21 percent. After adjusting for the net effect of non-recurring items, the underlying tax rate for first half 2011 was 25 percent, compared with 26 percent for full year 2010.

Earnings from associates of \$13 million in first half 2011 were \$5 million lower than in the same period 2010, primarily reflecting reduced net income in our principal associates, GS & Cie Groupe (Gras Savoye) and Al-Futtaim Willis.

strategy and continued execution of the Willis Cause through 2011 and beyond.

In order to fund the higher anticipated salaries and benefits expense and continued investment for future growth, we implemented a review of all our businesses in 2011 to better align our resources with our growth strategies.

In connection with this review, we recorded a pre-tax charge in second quarter 2011 of \$18 million, bringing the total pre-tax charge for first half 2011 to \$115 million, including:

- \$57 million of severance costs relating to approximately 600 positions which have been, or are in the process of being, eliminated;
- \$35 million of other salaries and benefits expense to buy out previously existing incentive schemes and other contractual arrangements that no longer align with the Group's overall remuneration strategy; and
- \$23 million of other operating expenses, including: property and systems rationalization costs; related accelerated systems depreciation of \$5 million; and re-negotiation of sourcing contracts.

We continue to expect the full year cost of the 2011 Operational Review to be approximately \$130 million.

In first half 2011, we realized total cost savings attributable to the 2011 Operational Review of

approximately \$23 million, \$20 million of which was realized in second quarter 2011. We anticipate that the full year 2011 related cost savings will be between

\$65 million and \$75 million, reaching approximate annualized savings of between \$95 million and \$105 million beginning in 2012.

#### **Make-whole on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs**

We issued \$800 million of new debt in March 2011, comprised of \$300 million of 4.125% senior notes due 2016 and \$500 million of 5.750% senior notes due 2021.

Net proceeds of the issue, after underwriting discounts and expenses, were \$787 million and were used to finance the first quarter 2011 repurchase of \$465 million of our 12.875% senior notes due 2016, together with a make-whole payment of \$146 million, which represented a slight discount to the make-whole redemption amount provided in the indenture governing this debt.

In March 2011, we also irrevocably called the remaining \$35 million of the 12.875% senior notes due 2016, together with an additional contractual make-whole payment of \$12 million. As this agreement was contractually binding, we recognized the additional \$12 million make-whole payment in our first quarter 2011 results.

In addition to the make-whole payments of \$158 million, we also wrote off unamortized debt issuance costs of \$13 million, giving a total of \$171 million recognized wholly in first quarter 2011.

#### **Outlook**

As a result of the implementation of the 2011 Operational Review and continued investment in our business model driven by the Willis Cause, we expect to deliver accelerated adjusted margin and adjusted diluted earnings per share growth in 2012 and beyond.

*The statements under '2011 Operational Review' and 'Outlook' constitute forward-looking statements. Please see 'Forward-Looking Statements' for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in the forward-looking statements.*

#### **Acquisitions**

During first quarter 2011, we acquired a 23 percent interest in a new South African associate company at a total cost of \$2 million.

In first quarter 2010, we acquired an additional 39 percent of our Chinese operations at a total cost of approximately \$17 million, bringing our ownership to 90 percent.

#### **2010 Venezuela currency devaluation**

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

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

#### **Cash and financing**

Cash at June 30, 2011 of \$317 million was \$1 million higher than at December 31, 2010.

Net cash generated from operating activities in first half 2011 was \$126 million compared with \$154 million in first half 2010, with the decrease of \$28 million primarily

reflecting the impact of cash payments associated with the charge relating to the 2011 Operational Review. Net cash generated from operating activities in first half 2011 of \$126 million and net proceeds on issue of senior notes of \$787 million were used principally to fund debt

## Willis Group Holdings plc

repayments and associated expenses of \$803 million and dividends to stockholders of \$90 million.

In March 2011, we issued \$300 million of 4.125% senior notes due 2016 and \$500 million of 5.750% senior notes due 2021. We received net proceeds, after underwriting discounts and expenses, of approximately \$787 million which were used to repurchase \$465 million of 12.875% senior notes due 2016 in March 2011 and make a related make-whole payment of \$146 million. Following this repurchase, we also expensed approximately \$13 million of related unamortized debt issuance costs.

In March 2011, we also irrevocably called the remaining \$35 million of the 12.875% senior notes due 2016, including the contractual make-whole cost of approximately \$12 million, which was expensed in first quarter 2011. The redemption was completed on April 18, 2011.

At June 30, 2011, we have \$nil outstanding under our \$300 million revolving credit facility, following full

### Liquidity

Our principal sources of liquidity are cash from operations, cash and cash equivalents of \$317 million at June 30, 2011 and \$500 million remaining availability under our Group revolving credit facilities, excluding the \$20 million UK facility which is solely for use by our main regulated UK entity, Willis Limited, in certain exceptional circumstances.

The repurchase and redemption of our previously existing \$500 million of 12.875% senior notes due 2016, the related make-whole payments and the issuance of \$300 million of senior notes due 2016 and \$500 million

### Management structure

Effective January 1, 2011, we changed our internal reporting structure: Global Markets International, previously reported within our International segment, is now reported in our Global segment. In addition, Mexico

retail of the \$90 million balance outstanding at December 31, 2010. We also have \$nil outstanding under both our \$200 million facility and our \$20 million UK facility, which is solely for use by our main regulated UK entity, Willis Limited, in certain exceptional circumstances.

Total debt, total equity and the capitalization ratio at June 30, 2011 were as follows:

	June 30, 2011	December 31, 2010
	(millions, except percentages)	
Long-term debt	\$ 2,307	\$ 2,157
Short-term debt and current portion of long-term debt	114	110
<b>Total debt</b>	<b>\$ 2,421</b>	<b>\$ 2,267</b>
<b>Total equity</b>	<b>\$ 2,739</b>	<b>\$ 2,608</b>
<b>Capitalization ratio</b>	<b>47%</b>	<b>47%</b>

of notes due 2021, has lengthened our debt maturity profile.

We continue to monitor our debt maturity profile and related financing costs going forwards and, subject to prevailing market conditions, may seek to further restructure our debt from time to time.

Based on current market conditions and information available to us at this time, we believe that we have sufficient liquidity to meet our cash needs for at least the next 12 months.

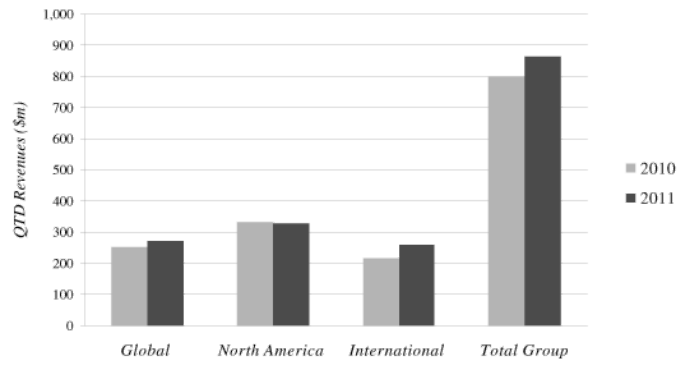
Retail, which was previously reported within our International segment, is now reported in our North America segment.

**OPERATING RESULTS —GROUP**

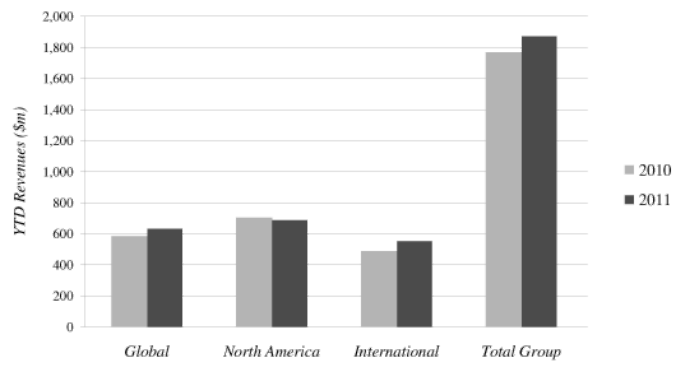
**Revenues**

Total revenues for the Group and by operating segment for the three and six months ended June 30, 2011 and 2010 are shown below:

**Three months ended June 30,**



**Six months ended June 30,**





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Three months ended June 30, <sup>(a)</sup>	(millions)		% Change	Foreign currency translation	Change attributable to:		Organic revenue growth <sup>(b)</sup>
	2011	2010			Acquisitions and disposals	Contingent Commissions <sup>(c)</sup>	
Global	\$ 271	\$ 249	9%	6%	—%	—%	3%
North America	326	328	(1)%	—%	—%	(1)%	—%
International	257	212	21%	15%	—%	—%	6%
Commissions and fees	\$ 854	\$ 789	8%	5%	—%	—%	3%
Investment income	8	10	(20)%				
Other income	1	—	100%				
Total revenues	\$ 863	\$ 799	8%				

Six months ended June 30, <sup>(a)</sup>	(millions)		% Change	Foreign currency translation	Change attributable to:		Organic revenue growth <sup>(b)</sup>
	2011	2010			Acquisitions and disposals	Contingent Commissions <sup>(c)</sup>	
Global <sup>(d)</sup>	\$ 629	\$ 580	8%	2%	—%	—%	6%
North America	682	693	(2)%	—%	—%	(1)%	(1)%
International	543	479	13%	7%	—%	—%	6%
Commissions and fees	\$ 1,854	\$ 1,752	6%	3%	—%	—%	3%
Investment income	16	19	16%				
Other income	1	—	100%				
Total revenues	\$ 1,871	\$ 1,771	6%				

- (a) Effective January 1, 2011, we changed our internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, commissions and fees of \$35 million in second quarter 2010 and \$69 million in first half 2010, previously allocated to our International segment, have been included in Global: \$33 million and \$63 million; and North America: \$2 million and \$6 million.
- (b) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; (iv) in North America, legacy contingent commissions assumed as part of the HRH acquisition that had not been converted into higher standard commission; and (v) investment income and other income from reported revenues.
- (c) Included in North America reported commissions and fees were legacy HRH contingent commissions of \$nil in second quarter 2011 and \$4 million in first half 2011, compared with \$2 million and \$10 million in the second quarter and first half of 2010, respectively.
- (d) Reported commissions and fees and organic revenue growth for Global for the six months ended June 30, 2011 included a first quarter 2011 favorable impact from a change in accounting methodology in a Global Specialty business of \$6 million.

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

## Second quarter 2011

Revenues for second quarter 2011 at \$863 million were \$64 million, or 8 percent, higher than in same period 2010, including organic growth in commissions and fees of 3 percent, which comprised 4 percent net new business growth driven by solid new business generation and higher retention of existing clients, and a 1 percent negative impact from declining premium rates and other market factors.

There was a net 5 percent period-over-period benefit to revenue growth from foreign currency translation, partly offset by smaller decreases attributable to: the period-over-period reduction in contingent commissions assumed as part of the HRH acquisition, for which we reported \$nil in second quarter 2011; and a reduction in investment income.

Investment income was \$8 million for second quarter 2011, \$2 million lower than in second quarter 2010, as low interest rates across the globe, in particular in the

UK and US, continued to impact our investment income: the majority of our fiduciary cash is US dollar-denominated and tied to US interest rates.

The impact of the low interest rates on our investment income was partially mitigated by our forward hedging program. While we expect this forward hedging program to generate additional income in 2011 compared to current LIBOR based rates, there will be a lower benefit than in 2010 as older, more beneficial hedges, continue to expire. Consequently, we continue to expect investment income to be closer to \$30 million for full year 2011, compared with \$38 million for full year 2010.

Our International and Global operations earn a significant portion of their revenues in currencies other than the US dollar, including the Euro and Pound sterling. For the quarter ended June 30, 2011, reported revenues benefited from a period-over-period net positive impact from foreign currency translation driven by the weakening of the US dollar against a number of currencies in which we earn our revenues, most notably the Australian dollar, Euro, Japanese yen and Pound sterling.

#### Six months ended June 30, 2011

Revenues for first half 2011 at \$1,871 million were \$100 million, or 6 percent, higher than in same period 2010, including organic growth in commissions and fees of 3 percent, which comprised 4 percent net new business growth driven by solid new business generation and higher retention of existing clients, and a 1 percent negative impact from declining premium rates and other market factors.

There was a net 3 percent period-over-period benefit to revenue growth from foreign currency translation, partly offset by smaller decreases attributable to: the \$6 million period-over-period reduction in contingent commissions assumed as part of the HRH acquisition; and a net reduction in investment and other income.

Investment income was \$16 million for first half 2011, \$3 million lower than in first half 2010, as low interest rates across the globe, in particular in the UK and US, continued to impact our investment income.

For the six months ended June 30, 2011, reported revenues benefited from a period-over-period net positive impact from foreign currency translation driven by the weakening of the US dollar against a number of currencies in which we earn our revenues, most notably

Organic growth in commissions and fees was 3 percent for second quarter 2011:

- International achieved 6 percent organic growth including double digit growth in Latin America and Eastern Europe regions, together with good organic growth in Asia and Continental Europe;
- Global achieved 3 percent growth, reflecting good positive growth in both our Reinsurance and Global Specialties businesses, partly offset by negative growth in our transaction oriented WCMA business due primarily to the non-recurrence of a significant transaction fee earned in second quarter 2010; and
- North America reported flat organic revenue growth, as the benefits of growth in our Employee Benefits practice and some of our specialty business practices were more than offset by the continued impact of the soft market and ongoing weakened economic conditions.

the Australian dollar, Euro, Japanese yen and Pound sterling.

Organic growth in commissions and fees was 3 percent for first half 2011:

- International achieved 6 percent organic growth driven by our Latin America, Eastern Europe and Asia regions;
- Global also achieved 6 percent growth for the six months ended June 30, 2011, including positive growth in Reinsurance, Global Specialties, London Market Wholesale and WCMA businesses, together with a \$6 million first quarter 2011 benefit from a change in accounting within a Global Specialty business to conform to current Group accounting policy; and
- North America organic revenue growth was negative 1 percent, as the benefits of higher retention rates and growth in some specialties businesses were more than offset by the continued impact of the soft market and ongoing weakened economic conditions.

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

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## General and administrative expenses

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions, except percentages)			
Salaries and benefits	\$ 506	\$ 456	\$ 1,090	\$ 942
Other	164	135	317	284
<b>General and administrative expenses</b>	<b>\$ 670</b>	<b>\$ 591</b>	<b>\$ 1,407</b>	<b>\$ 1,226</b>
Salaries and benefits as a percentage of revenues	59%	57%	58%	53%
Other as a percentage of revenues	19%	17%	17%	16%

### Salaries and benefits

#### Second quarter 2011

Salaries and benefits were 59 percent of revenues in second quarter 2011, compared with 57 percent in same period 2010, primarily reflecting:

- additional salaries and benefits expense in second quarter 2011 of \$10 million associated with our 2011 Operational Review, as discussed above, equivalent to 1 percentage point;
- a \$14 million net increase in incentive expenses, equivalent to 2 percentage points, including a \$12 million increase in the amortization of cash retention awards;
- a period-over-period net adverse impact on salaries and benefits expense from foreign currency translation, driven primarily by the weakening of the US dollar against the Pound sterling (in which our London Market based operations incur the majority of their expenses);
- a \$3 million expense relating to the reinstatement of our 401(k) match plan for our North America employees from January 2011 and the incremental expense of the reinstatement of annual salary reviews for all employees from April 2011; and
- the period-over-period impact of investment in new client-facing hires;

partly offset by

- an \$8 million decrease in pension expense.

#### Six months ended June 30, 2011

Salaries and benefits were 58 percent of revenues in first half 2011, compared with 53 percent in same period 2010, primarily reflecting:

- additional salaries and benefits expense in first half 2011 of \$92 million associated with our 2011 Operational Review, as discussed above, equivalent to 5 percentage points;

- a \$24 million net increase in incentive expenses, equivalent to approximately 1 percentage point, primarily reflecting a \$28 million increase in the amortization of cash retention awards;
- a period-over-period net adverse impact on salaries and benefits expense from foreign currency translation, driven primarily by the weakening of the US dollar against the Pound sterling (in which our London Market based operations incur the majority of their expenses);
- a \$6 million expense relating to reinstatement of our 401(k) match plan for North America employees from January 2011 and the incremental expense of the reinstatement of annual salary reviews for all employees from April 2011; and
- the period-over-period impact of investment in new client-facing hires;

partly offset by

- a \$12 million decrease in pension expense.

#### Cash retention awards

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

Salaries and benefits do not reflect the unamortized portion of annual cash retention awards made to employees. Employees must repay a proportionate amount of these cash retention awards if they voluntarily leave our employ (other than in the event of retirement or permanent disability) before a certain time period, currently three years. We make cash payments to our

employees in the year we grant these retention awards and recognize these payments ratably over the period they are subject to repayment, beginning in the quarter in which the award is made.

During the second quarter and first half 2011, we made \$11 million and \$206 million of cash retention award payments compared with \$16 million and \$185 million in the same periods of 2010. Salaries and benefits in the second quarter and first half of 2011 include \$44 million

#### Other expenses

Second quarter 2011

Other expenses were 19 percent of revenues in second quarter 2011 compared with 17 percent in second quarter 2010, reflecting the impact of:

- an \$11 million expense relating to a previously announced UK FSA regulatory settlement;
- costs associated with the 2011 Operational Review of \$7 million in second quarter 2011, as discussed above; and
- increased systems expense in corporate functions, including amortization of capitalized project costs, in support of our growth initiatives;

partly offset by

- a \$9 million benefit from the release of funds and reserves related to potential legal liabilities, \$6 million

#### Depreciation expense

Depreciation expense was \$19 million and \$39 million for second quarter and first half 2011, compared with \$16 million and \$31 million in the same periods of 2010.

The increases primarily reflect the accelerated depreciation expense of \$1 million and \$5 million for

#### Amortization of intangible assets

Amortization of intangible assets was \$17 million and \$34 million in second quarter and first half 2011, compared with \$21 million and \$42 million in the same periods of 2010.

The decreases primarily reflect the period-over-period benefit of the second quarter and first half 2010

and \$88 million of amortization of cash retention award payments made on or before June 30, 2011 compared with \$32 million and \$60 million in the same periods of 2010. As of June 30, 2011, December 31, 2010 and June 30, 2010, we included \$293 million, \$173 million and \$217 million, respectively, within other current assets and other non-current assets on the balance sheet, which represented the unamortized portion of cash retention award payments made on or before those dates.

- of which is included within Corporate and Other discussed below; and
- continued disciplined management of discretionary expenses.

Six months ended June 30, 2011

Other expenses were 17 percent of revenues in first half 2011 compared with 16 percent in first half 2010, primarily reflecting the impact of: the \$11 million second quarter 2011 UK FSA regulatory settlement; and costs associated with the 2011 Operational Review of \$18 million; partly offset by: the period-over-period positive effect of the \$12 million first quarter 2010 charge relating to the devaluation of the Venezuelan currency; and the \$9 million benefit from the release of funds and reserves related to potential legal liabilities.

second quarter and first half 2011 relating to systems rationalization in connection with the 2011 Operational Review.

We expect depreciation expense for the remainder of 2011 to be approximately \$17 million per quarter.

amortization of the HRH non-compete agreement intangible acquired in 2008, which was fully amortized in 2010.

We expect the amortization of intangible assets expense for full year 2011 to be approximately \$68 million, compared with \$82 million for full year 2010.

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

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions, except percentages)			
Revenues	\$863	\$799	\$1,871	\$1,771
Operating income	157	169	395	470
Operating margin or operating income as a percentage of revenues	18%	21%	21%	27%

### Second quarter 2011

Operating margin at 18 percent was 3 percentage points lower than in second quarter 2010 with the decrease mainly reflecting:

- the \$18 million expense for the 2011 Operational Review, discussed below, equivalent to approximately 2 percentage points;
- a \$14 million net increase in incentive expenses, equivalent to approximately 2 percentage points, including a \$12 million increase in the amortization of cash retention awards; and
- the \$11 million expense for a UK FSA regulatory settlement, equivalent to approximately 1 percentage point;

partly offset by

- the \$64 million increase in revenues including organic growth in commissions and fees;
- a \$9 million benefit from the release of funds and reserves related to potential legal liabilities; and
- rigorous expense management.

Foreign exchange had a net adverse impact on second quarter 2011 margin of approximately 1 percentage point compared with second quarter 2010.

### Six months ended June 30, 2011

Operating margin at 21 percent was 6 percentage points lower than in first half 2010 with the decrease mainly reflecting:

- the \$115 million expense for the 2011 Operational Review, discussed below, equivalent to approximately 6 percentage points;
- a \$24 million net increase in incentive expenses, equivalent to approximately 1 percentage point, primarily reflecting a \$28 million increase in the amortization of cash retention awards; and
- the \$11 million second quarter 2011 expense for a UK FSA regulatory settlement;

partly offset by

- the \$100 million increase in revenues including positive organic growth in commissions and fees;
- the period-over-period benefit from a \$12 million charge relating to the first quarter 2010 devaluation of the Venezuelan currency;
- a \$9 million benefit from the release of funds and reserves related to potential legal liabilities; and
- rigorous expense management.

Foreign exchange had a small net adverse impact on first half 2011 margin compared with first half 2010.

Operating segment margins are discussed in 'Operating Results—Segment Information' below.

## Make-whole amounts on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions)			
Make-whole amounts on repurchase and redemption of senior notes and write-off of unamortized debt issuance costs	\$—	\$—	\$171	\$—

The first half 2011 make-whole amounts on the repurchase and redemption of senior notes and write-off of unamortized debt issuance costs total expense of \$171 million comprised:

- a charge of \$146 million relating to the make-whole payment (at a small discount to the contractual agreement) on the early repurchase of \$465 million of our 12.875% senior notes due 2016 in March 2011;

- a charge of \$12 million relating to the redemption of the remaining \$35 million of 12.875% senior notes due 2016, that were called in March 2011 and redeemed on April 18, 2011; and
- the write-off of \$13 million of unamortized debt issuance costs relating to these notes.

### Interest expense

Interest expense for second quarter and first half 2011 was \$34 million and \$74 million, compared with \$41 million and \$84 million in the same periods of 2010.

The decreases in interest expense primarily reflect the lower coupon payable on our new debt issued in March 2011, the period-over-period decrease in the outstanding balance on our 5-year term loan facility and net gains recognized on our forward rate hedging program.

We expect interest expense for the remainder of 2011 to be approximately \$34 million per quarter.

We continue to monitor our debt profile going forward to identify any further opportunities to reduce our financing costs.

### Income taxes

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions, except percentages)			
Income before taxes	\$123	\$128	\$150	\$386
Income tax charge	31	35	32	102
Effective tax rate	25%	27%	21%	26%

The effective tax rate for second quarter 2011 of 25 percent includes the impact of certain non-recurring items:

- the benefit from the higher tax rate at which costs associated with the 2011 Operational Review will be relieved; and
- the impact of the UK FSA regulatory settlement expense for which no tax relief is available.

The effective tax rate for first half 2011 of 21 percent was also impacted by the above non-recurring items together with the benefit of:

- the make-whole expense on early repurchase and redemption of the 2016 senior notes attracting tax relief at the UK corporation tax rate which is higher than our Group underlying tax rate; and
- the net non-taxable gain on disposal of operations.

Excluding these items, the underlying tax rate for second quarter and first half 2011 was 25 percent, compared with 26 percent for full year 2010.

### Interest in earnings of associates

Interest in earnings of associates, net of tax, in first half 2011 of \$13 million was \$5 million lower than in first half 2010. This fall is primarily driven by a reduction in net income reported by our principal associates: Gras Savoye and Al-Futtaim Willis.

We currently expect interest in earnings of associates in the second half of 2011 to be broadly in line with second half 2010.

# Willis Group Holdings plc

## Net income and diluted earnings per share

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions, except per share data)			
Net income	\$ 85	\$ 89	\$ 119	\$ 293
Diluted earnings per share	\$0.48	\$0.52	\$0.68	\$1.71
Weighted average diluted number of shares outstanding	176	171	175	171

### Second quarter 2011

Net income for second quarter 2011 of \$85 million was \$4 million lower than second quarter 2010, and diluted earnings per share decreased by \$0.04, primarily reflecting:

- the \$12 million post-tax cost of the 2011 Operational Review, as discussed above, equivalent to \$0.07 per diluted share;
- an \$11 million non tax-deductible expense relating to a previously announced UK FSA regulatory settlement, equivalent to \$0.06 per diluted share;
- a \$9 million post-tax increase in the amortization charge relating to our cash retention awards, equivalent to \$0.05 per diluted share; and
- the salaries and benefits expense impact of the reinstated annual salary review and North American 401(k) match plan in 2011, as discussed above;

partly offset by

- the \$64 million increase in revenues, equivalent to \$48 million post-tax, or \$0.27 per diluted share; and
- the decrease in interest expense.

Foreign currency translation had a \$0.01 favorable impact on second quarter 2011 diluted earnings per share.

Average diluted share count for second quarter 2011 was 176 million compared with 171 million in same period 2010. The increased share count primarily reflected the rise in our average share price which has increased the number of options which are dilutive.

### Six months ended June 30, 2011

Net income for first half 2011 of \$119 million was \$174 million lower than first half 2010, and diluted

earnings per share decreased by \$1.03, primarily reflecting:

- the \$81 million post-tax cost of the 2011 Operational Review, as discussed above, equivalent to \$0.46 per diluted share;
- the \$124 million post-tax impact of the make-whole amounts associated with the early repurchase and redemption of the \$500 million 12.875% senior notes due 2016, equivalent to \$0.71 per diluted share;
- a \$21 million post-tax, or \$0.12 per diluted share, increase in the amortization charge relating to our cash retention awards; and
- the \$11 million non tax-deductible expense relating to a previously announced UK FSA regulatory settlement, equivalent to \$0.06 per diluted share;

partly offset by

- the \$100 million increase in revenues, equivalent to \$75 million post-tax, or \$0.43 per diluted share; and
- the \$8 million post-tax decrease in interest expense, equivalent to \$0.05 per diluted share.

Foreign currency translation, excluding the period-over-period benefit of the 2010 Venezuelan currency devaluation, had a \$0.05 favorable impact on diluted earnings per share. The period-over-period benefit in first half 2011 from the 2010 Venezuela currency devaluation was \$0.07 per diluted share.

Average diluted share count for first half 2011 was 175 million compared with 171 million in same period 2010. The increased share count primarily reflected the rise in our average share price which has increased the number of options which are dilutive.

With our share price remaining at current levels, we would expect average diluted share count for full year 2011 to be approximately 176 million.

**OPERATING RESULTS—SEGMENT INFORMATION**

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

Effective January 1, 2011, we changed our internal reporting structure: Global Markets International,

previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. Comparative data has been adjusted accordingly.

The following table is a summary of our operating results by segment for the three and six months ended June 30, 2011 and 2010:

	Three months ended June 30, <sup>(a)</sup>					
	2011			2010		
	Revenues (millions)	Operating Income	Operating Margin	Revenues (millions)	Operating Income	Operating Margin
Global	\$ 274	\$ 89	32%	\$ 251	\$ 87	35%
North America	328	61	19%	333	68	20%
International	261	56	21%	215	41	19%
Total Retail	589	117	20%	548	109	20%
Corporate & Other	—	(49)	n/a	—	(27)	n/a
Total Consolidated	\$ 863	\$ 157	18%	\$ 799	\$ 169	21%

	Six months ended June 30, <sup>(a)</sup>					
	2011			2010		
	Revenues (millions)	Operating Income	Operating Margin	Revenues (millions)	Operating Income	Operating Margin
Global	\$ 635	\$ 264	42%	\$ 585	\$ 241	41%
North America	686	146	21%	701	161	23%
International	550	142	26%	485	128	26%
Total Retail	1,236	288	23%	1,186	289	24%
Corporate & Other	—	(157)	n/a	—	(60)	n/a
Total Consolidated	\$ 1,871	\$ 395	21%	\$ 1,771	\$ 470	27%

<sup>(a)</sup> Effective January 1, 2011, we changed our internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, commissions and fees of \$35 million in second quarter 2010 and \$69 million in first half 2010, previously allocated to our International segment, have been included in Global: \$33 million and \$63 million; and North America: \$2 million and \$6 million. Operating income of \$18 million in second quarter 2010 and \$34 million in first half 2010 has been allocated to our Global segment, with a corresponding reduction in International in the same periods of 2010.

**Global**

Our Global operations comprise Global Specialties, Reinsurance, London Market Wholesale and Willis Capital Markets & Advisory (WCMA).

From January 1, 2011, London Market Wholesale also includes our Global Markets International unit.

The following table sets out Global's revenues, organic revenue growth and operating income and margin for the three and six months ended June 30, 2011 and 2010:



# Willis Group Holdings plc

	Three months ended June 30,(a)		Six months ended June 30,(a)	
	2011	2010	2011	2010
Commissions and fees(b)	\$ 271	\$ 249	\$ 629	\$ 580
Investment income	3	2	6	5
<b>Total revenues</b>	<b>\$ 274</b>	<b>\$ 251</b>	<b>\$ 635</b>	<b>\$ 585</b>
Operating income	\$ 89	\$ 87	\$ 264	\$ 241
Organic revenue growth(c)	3%	9%	6%	8%
Operating margin	32%	35%	42%	41%

(a) Effective January 1, 2011, we changed our internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. As a result of this change, commissions and fees of \$33 million in second quarter 2010 and \$63 million in first half 2010, previously allocated to our International segment, have been included in Global. Operating income of \$18 million in second quarter 2010 and \$34 million in first half 2010 has been allocated to our Global segment, with a corresponding reduction in International in the same periods of 2010.

(b) Reported commissions and fees and organic revenue growth for the six months ended June 30, 2011 included a first quarter 2011 favorable impact from a change in accounting methodology in a Global Specialty business of \$6 million.

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

## Revenues

Commissions and fees of \$271 million were \$22 million, or 9 percent, higher in second quarter 2011 compared with same period 2010 reflecting good organic revenue growth of 3 percent and a net benefit from foreign currency translation of 6 percent.

Our Reinsurance and Global Specialties business both reported good positive organic growth in second quarter 2011. The organic growth included the benefit of net new business generation despite the adverse impact of the continued difficult rate environment and soft market in many of the specialty classes.

High single-digit organic growth in Reinsurance in second quarter 2011 was led by good growth in North America and International and Specialty businesses, reflecting the benefit of net new business growth. The benefit of modest increases in some catastrophe-exposed property reinsurance markets was more than offset by the impact of rates remaining generally soft across other reinsurance markets.

Organic growth in Global Specialties was led by strong contributions from Aerospace, Marine, Energy and Financial and Executive Risk practices, reflecting good new business, high retention levels, targeted hiring of producer talent and global connectivity.

However, the operating environment remains challenging across most Global Specialty businesses with depressed

world trade and transit volumes, industry consolidation and pressure on financing of construction projects still evident.

Our London Market Wholesale business reported flat organic growth in second quarter 2011, as positive growth in Global Markets International was offset by lower revenues in our Faber & Dumas businesses, primarily reflecting the continued soft wholesale market, impacted by the weakened economy.

Our WCMA business is a transaction-oriented business and its results are therefore more variable than some of our other businesses. We reported negative organic revenue growth for WCMA in second quarter 2011, substantially due to the non-recurrence of a significant fee transaction in second quarter 2010.

The 6 percent net benefit to revenue growth from foreign currency translation in second quarter 2011 primarily reflected the period-over-period positive impact of the weakening of the US dollar against both the Euro and Pound sterling, in which we earn a significant portion of Global revenues.

Commissions and fees of \$629 million were \$49 million, or 8 percent, higher in first half 2011 compared with same period 2010 reflecting good organic revenue growth of 6 percent and a net benefit from foreign currency translation of 2 percent.

Organic revenue growth of 6 percent for first half 2011 included positive growth across Reinsurance, Global Specialties, London Market Wholesale and WCMA businesses, together with a \$6 million first quarter 2011 benefit from a change in accounting within a Global

**Operating margin**

Operating margin was 32 percent in second quarter 2011 compared with 35 percent in second quarter 2010, with the decrease primarily reflecting:

- a net negative impact from foreign currency movements;
- a \$3 million increase in incentive expense, including amortization of cash retention award payments; and
- the impact of costs associated with continued support of current and future growth;

partly offset by

- the positive 3 percent organic growth discussed above; and
- a \$4 million decrease in pension expense.

Operating margin of 42 percent in first half 2011 was 1 percent higher than in same period 2010, primarily reflecting:

- the strong 6 percent organic growth discussed above; and
- an \$8 million decrease in pension expense;

Specialty business to conform to current Group accounting policy.

Client retention levels improved to 91 percent for first half 2011, compared with 90 percent for full year 2010.

partly offset by

- a net negative impact from foreign currency movements;
- an \$8 million increase in incentive expense, including amortization of cash retention award payments; and
- the impact of costs associated with continued support of current and future growth.

Operating margin in Global is impacted by foreign exchange movements as the London Market businesses within our Global operations earn revenues in US dollars, Pounds sterling and Euros and primarily incur expenses in Pounds sterling. In addition, they are exposed to exchange risk on certain Pound sterling-denominated balances.

The period-over-period net negative impact from foreign currency movements in both second quarter and first half 2011 primarily reflected the increased US dollar value of our net Pound sterling expense base as a result of the significant second quarter and first half 2011 weakening of the US dollar against the Pound sterling. This was partly offset by the US dollar's relative weakening against the Euro, increasing the US dollar value of our Euro-denominated revenues.

# Willis Group Holdings plc

## North America

Our North America business provides risk management, insurance brokerage, related risk services and employee benefits brokerage and consulting to a wide array of industry and client segments in the United States, Canada and as of January 1, 2011, Mexico.

The following table sets out revenues, organic revenue growth and operating income and margin for the three and six months ended June 30, 2011 and 2010:

	Three months ended June 30, <sup>(a)</sup>		Six months ended June 30, <sup>(a)</sup>	
	2011	2010	2011	2010
	(millions, except percentages)			
Commissions and fees <sup>(b)</sup>	\$ 326	\$ 328	\$ 682	\$ 693
Investment income	1	5	3	8
Other income	1	—	1	—
Total revenues	\$ 328	\$ 333	\$ 686	\$ 701
Operating income	\$ 61	\$ 68	\$ 146	\$ 161
Organic revenue growth <sup>(c)</sup>	—%	(1)%	(1)%	—%
Operating margin	19%	20%	21%	23%

(a) Effective January 1, 2011, we changed our internal reporting structure: Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of this change, commissions and fees of \$2 million in second quarter 2010 and \$6 million in first half 2010, previously allocated to our International segment, have been included in North America.

(b) Included in North America reported commissions and fees were legacy HRH contingent commissions of \$nil in second quarter 2011 and \$4 million in first half 2011, compared with \$2 million and \$10 million in the second quarter and first half of 2010, respectively.

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

## Revenues

Commissions and fees of \$326 million were \$2 million, or 1 percent, lower for second quarter 2011 compared with same period 2010.

Organic revenue growth was flat for second quarter 2011 as the benefits of:

- good net new business growth; and

- positive growth in Employee Benefits, our largest North America practice;

were offset by

- a negative impact from rate declines and other market factors;
- a decline in our Construction business reflecting the ongoing impact of the weakened economy on this sector;
- negative growth in our Loan Protector specialty business, acquired as part of the HRH acquisition, driven by the period-over-period adverse impact of a \$3 million second quarter 2010 benefit from a one-

time accounting adjustment together with the impact of lower foreclosure levels and certain changes to compensation agreements; and

- smaller declines elsewhere reflecting the impact of the continued soft market conditions and weak US economy.

Commissions and fees of \$682 million in first half 2011 were \$11 million, or 2 percent, lower than in same period 2010, of which \$6 million was attributable to the decrease in legacy contingent commissions assumed as part of the HRH acquisition. We recorded \$nil in second quarter 2011 for these legacy contingent commissions.

Organic revenue growth was negative 1 percent for the six months ended June 30, 2011 as the benefits of net new business generation, improved client retention levels and growth in some specialty businesses was more than offset by the impact of the soft market conditions and weakened economy across most sectors.

Net new business growth includes the benefit of higher standard commissions where these have been negotiated in lieu of contingent commissions. These higher standard commissions however may not have been negotiated at the same level or be received in the same periods as the related contingent commissions. Furthermore, the business to which they related may not have been renewed.

Following the introduction of the 2010 Health Care Reform Legislation, some major carriers in the North American Employee Benefits market have begun to

#### Operating margin

Operating margin in North America was 19 percent in second quarter 2011 compared with 20 percent in same period 2010, reflecting the impact of:

- flat organic growth for second quarter 2011;
- a \$4 million decrease in investment income in second quarter 2011;
- a period-over-period increase in 401(k) match plan expense of \$3 million following its reinstatement in 2011; and
- a reduction in legacy HRH contingent commissions of \$2 million in second quarter 2011 and \$6 million in first half 2011;

partly offset by

- a \$2 million decrease in stock-based compensation charge in second quarter 2011; and
- the benefit of cost reductions driven by our continued focus on expense management.

#### International

Our International business comprises our retail operations in Eastern and Western Europe, the United Kingdom and Ireland, Asia-Pacific, Russia, the Middle East, South Africa and Latin America. The services provided are focused according to the characteristics of each market and vary across offices, but generally include direct risk

change their compensation practices in particular lines of business in certain locations. These carriers are now imposing volume-based compensation as their standard payment approach, and after fully disclosing this development to our clients, we have started to accept this compensation, where imposed upon us in medical lines. Willis fully discloses this compensation to its clients.

Client retention levels increased to 93 percent for first half 2011, compared with 92 percent for full year 2010.

Operating margin in North America was 21 percent in first half 2011 compared with 23 percent in first half 2010, primarily reflecting the impact of:

- negative organic growth in commissions and fees, discussed above;
- a reduction in legacy HRH contingent commissions of \$6 million in first half 2011;
- the period-over-period increase in 401(k) match plan expense of \$6 million in first half 2011: we expect the full year 2011 401(k) expense to be approximately \$10 million;
- a \$6 million first half 2011 increase in incentive expense, including amortization of cash retention award payments; and
- a reduction in investment income driven by continued low US interest rates;

partly offset by

- the benefit of cost reductions driven by our continued focus on expense management.

management and insurance brokerage and employee benefits consulting.

The following table sets out revenues, organic revenue growth and operating income and margin for the three and six months ended June 30, 2011 and 2010:

# Willis Group Holdings plc

	Three months ended June 30, <sup>(a)</sup>		Six months ended June 30, <sup>(a)</sup>	
	2011	2010	2011	2010
	(millions, except percentages)			
Commissions and fees	\$ 257	\$ 212	\$ 543	\$ 479
Investment income	4	3	7	6
<b>Total revenues</b>	<b>\$ 261</b>	<b>\$ 215</b>	<b>\$ 550</b>	<b>\$ 485</b>
Operating income	\$ 56	\$ 41	\$ 142	\$ 128
Organic revenue growth <sup>(b)</sup>	6%	6%	6%	5%
Operating margin	21%	19%	26%	26%

- (a) Effective January 1, 2011, we changed our internal reporting structure: Global Markets International, previously reported within the International segment, is now reported in the Global segment. In addition, Mexico Retail, which was previously reported within the International segment, is now reported in the North America segment. As a result of these changes, commissions and fees of \$35 million in second quarter 2010 and \$69 million in first half 2010, previously allocated to our International segment, have been included in our Global and North America segments. Operating income of \$18 million in second quarter 2010 and \$34 million in first half 2010, previously allocated to International, has been included in our Global segment.
- (b) Organic revenue growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; (iii) the net commission and fee revenues related to operations disposed of in each period presented; and (iv) investment income and other income from reported revenues.

## Revenues

Commissions and fees of \$257 million were \$45 million, or 21 percent, higher for second quarter 2011 compared with same period 2010, comprising 6 percent organic revenue growth and a net 15 percent positive impact from foreign currency translation. Net new business growth was 8 percent and there was a negative 2 percent impact from rates and other market factors.

A significant part of International's revenues are earned in currencies other than the US dollar, notably the Euro, Pound sterling and Australian dollar. The US dollar has weakened significantly against these and a basket of other currencies in which we earn International revenues in second quarter 2011 compared with same period 2010. The benefit of these movements was a 15 percent increase in second quarter 2011 revenues compared to second quarter 2010.

There were strong contributions to our second quarter 2011 organic growth from most regions, including double-digit growth in our Latin America and Eastern Europe regions, together with high single-digit growth in Asia. In particular, there was good growth in:

- Brazil, Colombia, Venezuela and Argentina in Latin America;
- Russia in Eastern Europe; and
- China and Hong Kong in Asia.

There was also single-digit growth in our large retail operations in Continental Europe, primarily driven by strong growth in Spain and Denmark, despite the ongoing challenging economic conditions in this region.

Organic revenue growth for second quarter 2011 was also positive in our UK and Irish retail operations, driven by improved client retention levels, despite the economic pressures that continue to affect both the UK and Ireland.

Commissions and fees of \$543 million in first half 2011 were \$64 million, or 13 percent, higher than in same period 2010, reflecting strong organic revenue growth of 6 percent and a net 7 percent benefit from foreign currency translation.

Organic revenue growth of 6 percent for first half 2011 was driven by strong growth across most regions, particularly Latin America, Asia and Eastern Europe.

The net 7 percent benefit from foreign currency translation in first half 2011 primarily reflected the weakening of the US dollar against many other currencies in which we earn International revenues, most notably the Euro, Pound sterling and Australian dollar.

Client retention levels increased to 94 percent for first half 2011, compared with 92 percent for full year 2010.

**Operating margin**

Operating margin in International was 21 percent in second quarter 2011, compared with 19 percent in same period 2010, with the increase reflecting the benefit of:

- 6 percent positive organic revenue growth;
- a net benefit from foreign currency movements, reflecting the benefit of the period-over-period weakening of the US dollar against a number of currencies in which we earn a significant portion of our operating income, notably the Euro, Australian dollar and Pound sterling; and
- lower pension expense;

partly offset by

- a \$4 million increase in incentive expenses in second quarter 2011, including amortization of cash retention award payments;
- the impact of the reinstated annual salary review for all employees from April 2011; and
- increased spending on initiatives to drive future growth, including investment hires.

Operating margin was 26 percent in both first half 2011 and first half 2010, as the benefits of:

- 6 percent positive organic revenue growth;
- a net benefit from foreign currency movements, reflecting the benefit of the period-over-period

weakening of the US dollar against a number of currencies in which we earn a significant portion of our operating income, notably the Euro, Australian dollar and Pound sterling; and

- lower pension expense;

were partly offset by

- a \$10 million increase in incentive expenses in first half 2011, including amortization of cash retention award payments;
- the impact of the reinstated annual salary review for all employees from April 2011; and
- increased spending on initiatives to drive future growth, including investment hires.

Operating margin in International is impacted by foreign exchange movements as our International business earns revenues and incurs expenses primarily in currencies other than the US dollar.

The period-over-period net benefit from foreign currency movements in both second quarter and first half 2011 primarily reflects the increased US dollar value of operating income earned in a number of currencies which have strengthened against the US dollar compared to the same periods of 2010, notably the Euro, Australian dollar and Pound sterling.

**Corporate & Other**

Corporate & Other operating loss comprises the following:

	Three months ended June 30,		Six months ended June 30,	
	2011	2010	2011	2010
	(millions)			
Amortization of intangible assets	\$ (17)	\$ (21)	\$ (34)	\$ (42)
Foreign exchange hedging	1	(2)	2	(6)
Foreign exchange gain on the UK pension plan asset	—	2	1	6
Net (loss) gain on disposal of operations	—	(2)	4	(2)
2011 Operational Review	(18)	—	(115)	—
UK FSA regulatory settlement	(11)	—	(11)	—
Venezuela currency devaluation	—	—	—	(12)
Other <sup>(a)</sup>	(4)	(4)	(4)	(4)
<b>Total</b>	<b>\$ (49)</b>	<b>\$ (27)</b>	<b>\$ (157)</b>	<b>\$ (60)</b>

<sup>(a)</sup> Other includes \$6 million of the \$9 million total benefit in second quarter 2011 from the release of funds and reserves related to potential legal liabilities.

# Willis Group Holdings plc

## CRITICAL ACCOUNTING ESTIMATES

The accounting estimates or assumptions that management considers to be the most important to the presentation of our financial condition or operating performance are discussed in our Annual Report on Form 10-K for the year ended December 31, 2010, filed

with the Securities and Exchange Commission on February 25, 2011 and Current Report on Form 8-K subsequently filed on March 14, 2011. There were no significant additions or changes to these assumptions in first half 2011.

## NEW ACCOUNTING STANDARDS

In May 2011, the Financial Accounting Standards Board ('FASB') issued new guidance to provide a consistent definition of fair value and ensure that fair value measurements and disclosure requirements are similar between US GAAP and International Financial Reporting Standards ('IFRS'). The guidance changes certain fair value measurement principles and enhances the disclosure requirements for fair value measurements.

In June 2011, the FASB also issued new guidance to revise the manner in which entities present comprehensive income in their financial statements, requiring that the components of comprehensive income be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. The amendments do not change the items that must be reported in other comprehensive income (OCI) or when an item of OCI must be reclassified to net income.

Both of the above accounting changes become effective for the Company from first quarter 2012, though early adoption is permitted for the OCI disclosure change.

Further details of the changes are described in Note 2 to the Condensed Consolidated Financial Statements.

The Company is currently evaluating the impact adoption of this guidance will have on the consolidated financial statements.

Other than the changes described above, there were no new accounting standards issued during second quarter 2011 that would have a significant impact on the Company's reporting.

## LIQUIDITY AND CAPITAL RESOURCES

In March 2011, we issued \$300 million of 4.125% senior notes due 2016 and \$500 million of 5.750% senior notes due 2021. We received net proceeds, after underwriting discounts and expenses, of approximately \$787 million which were used to repurchase \$465 million of 12.875% senior notes due 2016 in March 2011 together with a make-whole payment of \$146 million. Following this repurchase, we also wrote off approximately \$13 million of related unamortized debt issuance costs.

In March 2011, we also irrevocably called the remaining \$35 million of the 12.875% senior notes due 2016 which required a related contractual make-whole payment of approximately \$12 million, expensed in first quarter 2011. The redemption was completed on April 18, 2011.

In first half 2011, we also made \$55 million of mandatory repayments against the 5-year term loan, thereby reducing the total outstanding balance as at June 30, 2011 to \$356 million.

At June 30, 2011, we have \$nil outstanding under our \$300 million revolving credit facility, following full repayment of the \$90 million balance outstanding at December 31, 2010. We also have \$nil outstanding under both our \$200 million facility and our \$20 million UK facility, which is solely for use by our main regulated UK entity, Willis Limited, in certain exceptional circumstances.

Total debt as of June 30, 2011 was \$2.4 billion, compared with \$2.3 billion at December 31, 2010. During first half 2011, we amended our credit agreements to increase the maximum leverage ratio (total indebtedness measured against operating income before depreciation, amortization and certain other items) under which we may make certain restricted payments including share repurchases, as calculated under this agreement, to 2.75:1 from the previously existing 2.5:1 ratio.

The leverage ratio at June 30, 2011, as calculated under the credit agreements, was approximately 2.5:1.

Following the April 18, 2011 redemption of the remaining \$35 million outstanding on the 12.875% senior notes, the only mandatory debt repayments falling due within the next 12 months are scheduled repayments on our

### Liquidity

Our principal sources of liquidity are cash from operations, cash and cash equivalents of \$317 million at June 30, 2011 and remaining availability of \$500 million under our revolving credit facilities, excluding the \$20 million UK facility which is solely for use by our main regulated UK entity in certain exceptional circumstances.

The repurchase and redemption of our previously existing \$500 million of 12.875% senior notes due 2016, the related make-whole payments and the issuance of \$300 million of senior notes due 2016 and \$500 million of notes due 2021, has lengthened our debt maturity profile.

As of June 30, 2011, our short-term liquidity requirements consisted of:

- payment of interest on debt, \$110 million of mandatory repayments under our 5-year term loan and

### Fiduciary funds

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

### Own funds

As of June 30, 2011, we had cash and cash equivalents of \$317 million, compared with \$316 million at December 31, 2010.

\$700 million 5-year term loan totaling \$110 million and repayment of our \$4 million 6.000% loan notes falling due in first half 2012.

- the \$4 million mandatory repayment of our 6.000% loan notes;
- capital expenditure; and
- working capital requirements.

Our long-term liquidity requirements consist of:

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

Based on current market conditions and information available to us at this time, we believe that we have sufficient liquidity to meet our cash needs for at least the next 12 months.

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

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

At June 30, 2011, we also had \$500 million remaining availability under our Group revolving credit facilities, excluding the \$20 million UK facility which is solely for use by our main regulated UK entity, Willis Limited, in certain exceptional circumstances.



# Willis Group Holdings plc

## Operating activities

Net cash provided by operations was \$126 million in first half 2011 compared with \$154 million in first half 2010.

The \$28 million decrease in 2011 compared with 2010 primarily reflected:

- a \$21 million increase in cash payments for incentive awards in first half 2011; and
- costs associated with the 2011 Operational Review, of which approximately \$65 million were paid in cash in first half 2011;

## Pension contributions

### UK Plan

We made cash contributions to our UK defined benefit plan of \$46 million in first half 2011, (including amounts in respect of the salary sacrifice contributions) compared with \$43 million in first half 2010.

We currently expect full year cash contributions in 2011 to be approximately \$92 million, including amounts in respect of the salary sacrifice contributions and an additional payment required under the UK plan's funding strategy which we are required to agree with the plan's Trustee.

The most recent funding strategy was agreed in February 2009 and requires full year contributions to the UK plan of approximately \$40 million for 2009 through 2012,

### US Plan

We made cash contributions to our US defined benefit plan of \$13 million in both first half 2011 and 2010.

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

### International Plans

We made cash contributions to our International defined benefit pension plans of \$4 million in both first half 2011 and first half 2010.

partly offset by

- a \$16 million increase in net income before: \$171 million for the make-whole amounts on repurchase and redemption of senior notes and related costs; and the non-cash charges for: depreciation expense; amortization of intangible assets; amortization of cash retention award payments; and the Venezuela currency devaluation charge in first quarter 2010; and
- the timing of cash collections and other working capital movements.

excluding amounts in respect of the salary sacrifice scheme. In addition, if certain funding targets were not met at the beginning of any of the following years, 2010 through 2012, a further contribution of \$40 million would be required for that year.

In 2011, the additional funding requirement was triggered and we began making the additional contributions in first quarter 2011. A similar, additional contribution may also be required for 2012, depending on actual performance against funding targets at the beginning of 2012.

We are currently in negotiations with the plan's Trustee to agree an updated funding strategy.

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

In 2011, we expect to contribute approximately \$7 million to our International plans.

**Investing activities**

Total net cash outflow from investing activities was \$52 million in first half 2011 compared with \$57 million in same period 2010, primarily reflecting:

- an \$11 million decrease in cash payments for acquisitions of subsidiaries, mainly reflecting a

reduction in deferred payments in respect of prior year acquisitions;

partly offset by

- a \$4 million cash payment in first half 2011 for investment in Trident V Parallel Fund, LP.

**Financing activities**

Net cash used in financing activities was \$81 million in first half 2011 compared with \$137 million in 2010.

The net decrease in cash used in financing activities of \$56 million was mainly attributable to:

- the net cash proceeds from the issuance of senior notes due 2016 and 2021 totaling \$787 million, as discussed above; and
- a \$25 million increase in cash proceeds from the issuance of shares relating to share option exercises;

partly offset by

- a \$485 million increase in debt repayment, primarily reflecting the first half 2011 early repayment of the \$500 million 12.875% senior notes due 2016;

- the \$158 million cash paid relating to the make-whole payments on repurchase and redemption of the 12.875% senior notes; and
- a \$120 million first half 2011 period-over-period decrease in draw down against our revolving credit facilities, comprising a \$90 million repayment in first half 2011 compared with a \$30 million draw down in first half 2010.

At June 30, 2011, we have \$nil outstanding under our \$300 million revolving credit facility, following full repayment of the \$90 million balance outstanding at December 31, 2010. We also have \$nil outstanding under both our \$200 million facility and our \$20 million UK facility, which is solely for use by our main regulated UK entity, Willis Limited, in certain exceptional circumstances.

**Share buybacks**

The Company is authorized to repurchase or redeem shares under a variety of methods and will consider whether to do so from time to time based on many factors, including market conditions.

We did not repurchase or redeem any shares in first half 2011 or 2010. There remains \$925 million under the current buyback authorization.

**Dividends**

Cash dividends paid in first half 2011 were \$90 million, compared with \$89 million in first half 2010.

The \$1 million increase in 2011 is driven by the small period-over-period increase in average share count.

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

**CONTRACTUAL OBLIGATIONS**

There have been no material changes to our contractual obligations since December 31, 2010, except contractual, planned payments and the following changes to our debt

# Willis Group Holdings plc

profile, as discussed under 'Liquidity and Capital Resources' above:

- In March 2011, we issued additional senior notes totaling \$800 million, comprising \$300 million of

- 4.125% senior notes due 2016 and \$500 million of 5.750% senior notes due 2021; and
- we subsequently repurchased the previously outstanding \$500 million of 12.875% senior notes due 2016.

## OFF BALANCE SHEET TRANSACTIONS

Apart from commitments, guarantees and contingencies, as disclosed in Note 7 to the Condensed Consolidated Financial Statements, the Company has no off-balance

sheet arrangements that have, or are reasonably likely to have, a material effect on the Company's financial condition, results of operations or liquidity.

## Item 3— Quantitative and Qualitative Disclosures about Market Risk

There has been no material change with respect to market risk from that described in the Company's Annual Report on Form 10-K for the year ended December 31, 2010.

## Item 4—Controls and Procedures

### Evaluation of Disclosure Controls and Procedures

As of June 30, 2011, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chairman and Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Group Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in ensuring that the information required to be included in the Company's periodic SEC filings is

recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to them as appropriate to allow for timely decisions regarding required disclosure.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended June 30, 2011 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

**PART II—OTHER INFORMATION****Item 1—Legal Proceedings**

Information regarding legal proceedings is set forth in Note 7—'Commitments and Contingencies' to the Condensed Consolidated Financial Statements (Unaudited) appearing in Part I, Item 1 of this report.

**Item 1A—Risk Factors**

Other than as discussed below, there have been no material changes to the risk factors described in Part I, Item 1A 'Risk Factors' included in the Form 10-K for the year ended December 31, 2010.

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

Our activities are subject to extensive regulation under the laws of the United States, the United Kingdom and the European Union and its member states, and the other jurisdictions in which we operate. Indeed, over the last few years, there has been a general increase in focus and developments in these laws and regulations. Compliance with laws and regulations that are applicable to our operations is complex and may increase our cost of doing business. These laws and regulations include insurance industry regulations, economic and trade sanctions and laws against financial crimes such as money laundering, bribery or other corruption, such as the U.S. Foreign Corrupt Practices Act. In most jurisdictions, governmental and regulatory authorities have the ability to interpret and amend these laws and regulations and impose penalties for non-compliance, including sanctions, civil remedies, fines, injunctions, revocation of licenses or approvals, suspension of individuals, limitations on business activities or redress to clients.

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

UK Financial Services Authority conducted an investigation of Willis Limited's, our UK brokerage subsidiary, compliance systems and controls between 2005 and 2009. On July 21, 2011, we and the FSA announced a settlement under which the FSA concluded its investigation by assessing a £7 million (\$11 million) fine on Willis Limited for lapses in its implementation and documentation of its controls to counter the risks of improper payments being made to non-FSA authorized overseas third parties engaged to help win business, particularly in high risk jurisdictions.

As a result of the FSA settlement, we will also be conducting a further internal review of all payments made between 2005 and 2009. We also continue to fully cooperate with our US regulators, however we are unable to predict at this time when our discussions with them will be concluded. We do not believe that this further internal review or our discussions with the US regulators will result in any material fines or sanctions, but there can be no assurance that any resolution will not have an adverse impact on our ability to conduct our business in certain jurisdictions. While we believe that our current systems and controls are adequate and in accordance with all applicable laws and regulations, we cannot assure that such systems and controls will prevent any violations of applicable laws and regulations.

**Item 2—Unregistered Sales of Equity Securities and Use of Proceeds**

During the quarter ended June 30, 2011, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

The Company is authorized to purchase up to one billion shares from time to time in the open market and it may also redeem its shares through negotiated trades with

persons who are not affiliated with the Company so long as the cost of the acquisition of the Company's shares (whether by redemption or open market purchases) does not exceed \$925 million. During the quarter ended June 30, 2011, there were no shares repurchased or redeemed.

# Willis Group Holdings plc

## Item 3—Defaults Upon Senior Securities

None.

## Item 4—(Removed and Reserved)

## Item 5—Other Information

None.

## Item 6—Exhibits

- 10.1 First Amendment to the Amended and Restated Willis U.S. 2005 Deferred Compensation Plan, effective June 1, 2011
- 10.2 Form of Time-Based Restricted Share Unit Award Agreement granted under the Willis Group Holdings 2001 Share Purchase and Option Plan (for executive officers)
- 10.3 Form of Performance-Based Share Option Award Agreement granted under the Willis Group Holdings 2008 Share Purchase and Option Plan (for executive officers)
- 10.4 Form of Performance-Based Restricted Share Unit Award Agreement granted under the Willis Group Holdings 2008 Share Purchase and Option Plan (for executive officers)
- 10.5 Form of Performance-Based Share Options Award Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (for executive officers)
- 10.6 Form of Performance-Based Restricted Share Unit Award Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan (for executive officers)
- 10.7 Form of Performance-Based Restricted Share Unit Award Agreement granted under the Willis Group Holdings 2008 Share Purchase and Option Plan, dated May 2, 2011, between Joseph J. Plumeri and Willis Group Holdings Public Limited Company
- 10.8 Form of Performance-Based Restricted Share Unit Award Agreement granted under the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan, dated May 2, 2011, between Martin Sullivan and Willis Group Holdings Public Limited Company
- 31.1 Certification Pursuant to Rule 13a-14(a)
- 31.2 Certification Pursuant to Rule 13a-14(a)
- 32.1 Certification Pursuant to 18 U.S.C. Section 1350
- 32.2 Certification Pursuant to 18 U.S.C. Section 1350
- 101.INS\* XBRL Instance Document†
- 101.SCH\* XBRL Taxonomy Extension Schema Document†
- 101.CAL\* XBRL Taxonomy Extension Calculation Linkbase Document†
- 101.DEF\* XBRL Taxonomy Extension Definition Linkbase Document†
- 101.LAB\* XBRL Taxonomy Extension Label Linkbase Document†
- 101.PRE\* XBRL Taxonomy Extension Presentation Linkbase Document†

\* Pursuant to Rule 406T of Regulation S-T, the Interactive Data Files on Exhibit 101 hereto are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, are deemed not filed for purposes of Section 18 of the Securities and Exchange Act of 1934, as amended, and otherwise are not subject to liability under those sections.

† To be furnished within 30 days in accordance with Rule 405(a)(2) of Regulation S-T.

**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WILLIS GROUP HOLDINGS PLC  
(REGISTRANT)

By:

/s/ MICHAEL K. NEBORAK

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Michael K. Neborak  
Group Chief Financial Officer  
(Principal Financial and Accounting Officer)

Dated: August 9, 2011

**FIRST AMENDMENT TO THE  
AMENDED AND RESTATED WILLIS U.S. 2005 DEFERRED COMPENSATION  
PLAN**

This amendment (the "First Amendment") is made and entered into effective as of the 1st day of June, 2011.

**WHEREAS**, Hilb Rogal & Hobbs Company ("HRH") has previously adopted the Hilb Rogal & Hobbs Company Executive Voluntary Deferral Plan (the "EVDP") to provide certain key executives an opportunity to defer a portion of their compensation on a pre-tax basis; and

**WHEREAS**, Willis HRH, Inc. (the "Company") is the successor to HRH by virtue of a merger of HRH into and with Willis HRH, Inc.; and

**WHEREAS**, the EVDP was frozen effective December 31, 2009 and after such date no additional contributions and no additional salary deferrals have been or will be credited to the EVDP; and

**WHEREAS**, the Company intends to merge the trust for the EVDP into the trust for the Willis U.S. 2005 Deferred Compensation Plan (the "Willis Plan") effective June 1, 2011; and

**WHEREAS**, the Company desires to consolidate the administration and certain other provisions into a single plan document while maintaining the status of certain benefits and distribution provisions under the EVDP as "grandfathered" under section 409A of the Code and the terms and conditions of the EVDP shall continue to apply to the Pre-2005 Accounts and the Post-2004 Accounts as a separate plan and as if it were not part of the Willis Plan except as provided herein; and

**WHEREAS**, Section 11.9(a) and (b) of the Willis Plan permits the Company to amend the Plan.

**NOW, THEREFORE**, the plan is hereby amended, effective as of June 1, 2011 as follows:

1. A Participant's Pre-2005 Account shall be the amounts deferred under the EVDP by the Participant and any other amounts credited thereunder which were earned and vested prior to January 1, 2005, plus earnings thereon. The Pre-2005 Accounts are not intended to be subject to section 409A of the Code ("Section 409A"). It is intended that this First Amendment will not constitute a "material modification" for purposes of Section 409A and this First Amendment is not intended to provide a Participant with materially enhanced or a new material benefit so as to cause such accounts to be subject to Section 409A. Any provision herein or in the Willis Plan that would constitute a material modification to the Pre-2005 Accounts or constitute a materially enhanced or new material benefit with respect to the Pre-2005 Accounts shall be void ab initio.

2. The Pre-2005 Accounts shall be treated as grandfathered benefits under Section 409A of the Code, shall be maintained and accounted for separately and shall remain subject to the terms and conditions of the EVDP, as set forth in Appendix A.

3. A Participant's Post-2004 Account shall document the amounts deferred under the Plan by the Participant and any other amounts credited hereunder on and after January 1, 2005, plus earnings thereon.

4. It is intended that the provisions with respect to the separate Pre-2005 Accounts and Post-2004 Accounts with respect to vesting and distributions under the EVDP will continue to apply to such accounts and this First Amendment is not intended to any way affect or alter the distribution rights, Participant distribution elections or the form and time of any distributions otherwise applicable under the EVDP.

5. This Amendment is intended to constitute a continuation of the EVDP for purposes of the Pre-2005 Accounts and the Post-2004 Accounts, except as specifically modified hereunder. The EVDP, with respect to the Pre-2005 Accounts, is not intended to be subject to Section 409A. Although the Pre-2005 Accounts are not intended to be subject to Section 409A, neither the Company, any Affiliate nor any director, officer, or other representative of the

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Company or an Affiliate shall be liable for any adverse tax consequence suffered by a Participant or Beneficiary if a Pre-2005 Account becomes subject to Section 409A.

6. The following provisions of the EVDP shall no longer apply to the Pre-2005 Accounts and the Post-2004 Accounts, except to the extent necessary to preserve the grandfathered status of the Pre-2005 Account under Section 409A, and the comparable provisions of the Willis Plan shall govern the rights of the Participants with respect to the matters covered by the following Sections of the EVDP: Article 1 (except Sections 1.1, 1.22, 1.26, 1.28, 1.29, 1.30, 1.32, 1.33 and 1.34), Article 2, Article 3, Article 4, Article 7, Article 8, Article 10, Article 11, and Article 12.

7. The EVDP was frozen, effective December 31, 2009, and shall remain a frozen plan, and no additional Deferral Contributions, Corporation Contributions or any other contributions shall be made to or credited to any Account in the EVDP.

8. To the extent of any compliance issues or ambiguous terms, this First Amendment shall be construed in such a manner so as to comply with the requirements of Section 409A, provided, however, with respect to the Pre-2005 Accounts, this First Amendment, including any ambiguous terms herein, shall be construed in such a manner so as to preserve the status of the Pre-2005 Accounts as "grandfathered accounts" and as not subject to Section 409A.

9. Capitalized terms have the meaning set forth herein, or if not defined herein, shall have the meaning ascribed in the EVDP or Willis Plan, as applicable.

10. This First Amendment to The Amended and Restated Willis U.S. 2005 Deferred Compensation Plan shall apply only to the amounts transferred from the EVDP and such accounts shall be held in separate accounts.

**[Signature Page Follows]**



IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to the Plan effective as of the date first written above.

WILLIS NORTH AMERICA INC.

/s/ JENNIFER NEIHOF

By: Jennifer Neihoff

Its: Vice President

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Appendix A

Hilb Rogal & Hobbs Company Executive Voluntary Deferral Plan

**WILLIS GROUP HOLDINGS  
2001 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY  
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**RESTRICTED SHARE UNIT AWARD AGREEMENT  
(Time-Based Restricted Share Units)**

THIS RESTRICTED SHARE UNIT AGREEMENT (this "Agreement"), effective as of [insert date] is made by and between Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the "Company", and the individual (the "Executive") who has duly completed, executed and delivered the Award Acceptance Form, a copy of which is attached hereto as Schedule A, and which is deemed to be a part hereof (the "Acceptance Form") and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof;

WHEREAS, the Company wishes to carry out the Plan (as hereinafter defined), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as hereinafter defined) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant an award of Restricted Share Units (as hereinafter defined) provided for herein to the Executive as an incentive for increased efforts during the Executive's employment with the Company or its Subsidiaries (as hereinafter defined), and has advised the Company thereof and instructed the undersigned officer to prepare said Restricted Share Unit Award;

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

"Act" shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Board

"Board" shall mean the board of directors of the Company or any duly authorized committee thereof.

SECTION 1.3 — Cause

"Cause" shall mean (i) the Executive's continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Executive's receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Executive in connection with the Executive's employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Executive to the Company or its Subsidiaries), (iii) conviction of any criminal

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act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Executive's restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Executive's employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Executive and the Company or any of its Subsidiaries (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Executive's receipt of such notice.

SECTION 1.4 — Committee

"Committee" shall mean the Compensation Committee of the Board (or if no such committee is appointed, the Board, provided that a majority of the Board are "independent directors" for the purpose of the rules and regulations of the New York Stock Exchange).

SECTION 1.5 — Grant Date

"Grant Date" shall mean [insert date].

SECTION 1.6 — Permanent Disability

The Executive shall be deemed to have a "Permanent Disability" if the Executive meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company's or Subsidiary's long-term disability plan applicable to the Executive or, if no such plan is applicable, in the event the Executive is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.7 — Plan

"Plan" shall mean the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time.

SECTION 1.8 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.9 — Restricted Share Units or RSUs

"Restricted Share Units" or "RSUs" shall mean a conditional right to receive Ordinary Shares pursuant to the terms of the Plan upon vesting and settlement, as set forth in Section 3.1 of this Agreement.

SECTION 1.10 — Shares or Ordinary Shares

"Shares" or "Ordinary Shares" means ordinary shares of the Company, nominal value of \$0.000115 each, which may be authorised but unissued.

SECTION 1.11 — Subsidiary

"Subsidiary" shall mean with respect to the Company, any subsidiary of the Company within the meaning of Section 155 of the Act.

SECTION 1.12 — Willis Group

"Willis Group" shall mean the Company and its Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

SECTION 2.1 — Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement, the Company hereby grants to the Executive the number of RSUs stated in the Acceptance Form. In circumstances where the Executive is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Executive agrees that the grant of RSUs pursuant to this Agreement is sufficient consideration for the Executive entering into such agreement.

SECTION 2.2 — RSU Payment

The Shares to be issued upon vesting and settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs vest from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

SECTION 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations, where applicable, the rights and obligations of the Executive under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The RSUs and the Executive's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Executive hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to vest in his RSUs as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — Adjustments in RSUs Pursuant to Merger, Consolidation, etc.

Subject to Sections 8 and 9 of the Plan, in the event that the outstanding Shares subject to RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, shares or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, make an appropriate and equitable adjustment in the number and kind of Shares. In the event of a Change of Control and regardless of whether the RSUs are assumed or substituted by a successor company, the RSUs shall not immediately vest unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their nominal value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares.

SECTION 2.5 — Employee Costs

The Executive must make full payment to the Company or any Subsidiary by which the Executive is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan and/or any social insurance contributions recoverable from and legally applicable to the Executive (the "Tax-Related Items"), the Executive will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-

Related Items. In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of Shares issued upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization); or
- (iii) withholding in Shares to be issued upon vesting of the RSUs, to the extent the Company permits this method of withholding.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Executive's participation in the Plan.

Finally, the Executive shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described.

SECTION 2.6 — Clawback Policy

The Company may cancel all or part of the RSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF VESTING AND ISSUANCE OF SHARES

SECTION 3.1 — Vesting Schedule and Forfeiture Provisions

(a) Subject to the Executive's continued employment with the Willis Group through the applicable vesting date (set forth in the left column), the RSUs shall vest as follows and become payable in accordance with Section 3.2 below:

<u>Date RSUs Become Vested</u>	<u>Percentage of Shares as to which RSUs Become Vested</u>
On [insert date]	[insert] %
On [insert date]	[insert] %
On [insert date]	[insert] %

(b) In the event of a termination of the Executive's employment with Willis Group any unvested RSUs will be forfeited immediately by the Executive, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.1(c) to 3.1(f) below.

(c) In the event of a termination of the Executive's employment as a result of death or Permanent Disability, the RSUs shall become fully vested with respect to all Shares underlying such RSUs on the termination date.

(d) In the event of a termination of the Executive's employment for reasons other than death, Permanent Disability or Cause, the Committee may, in its sole discretion, accelerate the vesting of all or a portion of the RSUs. If no determination is made as of the date of termination, then the RSUs shall, to the extent not then vested, be immediately forfeited by the Executive.

(e) Unless otherwise determined by the Committee, in its sole discretion, the termination date for purposes of this Section 3.1 and the Agreement will be the later of (i) the last day of the Executive's active employment with the Company or any Subsidiary or (ii) the last day of any notice period or garden leave, as provided for under the Executive's employment or service contract or local law.

(f) In the event of a Change of Control, the RSUs shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of the RSUs without regard to whether the RSUs are assumed or substituted by a successor company.

(g) The Executive agrees to execute and deliver the following agreements or other documents in connection with the grant of the RSUs within the period set forth below:

(i) the Executive must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VI below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;

(ii) the Executive must execute the form of joint election as described in Schedule B for the United Kingdom and deliver it to his employing company within 45 days of the receipt of this Agreement; and

(iii) the Executive must execute the Acceptance Form and deliver it to the Company within 45 days of the receipt of this Agreement.

(h) The Committee may, in its sole discretion, cancel the RSUs if the Executive fails to execute and deliver the agreements and documents within the period set forth in Section 3.1(g).

(i) Shares subject to RSUs that vest shall be delivered within one month following the applicable vesting date.

SECTION 3.2 — Conditions to Issuance of Shares

The Shares to be delivered upon the vesting date of the RSUs, in accordance with Section 3.1 of this Agreement, may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the RSUs prior to fulfillment of all of the following conditions, and in any event Subject to Section 409A of the Code for U.S. taxpayers:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The Executive has paid or made arrangements to pay the Tax-Related Items pursuant to Section 2.5.

Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 3.3 — Rights as Shareholder

The Executive shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Executive.

SECTION 3.4 — Limitation on Obligations

The Company's obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Executive of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The RSUs shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Executive for damages relating to any delays in issuing the share certificates or its

electronic equivalent to the Executive (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Executive (or his designated entities) or in the certificates themselves.

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

SECTION 4.1 — Nature of Award

In accepting the RSUs, the Executive acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the RSU award is voluntary and occasional and does not create any contractual or other right to receive future RSU awards, or benefits in lieu of a RSU, even if RSU awards have been granted repeatedly in the past;
- (c) all decisions with respect to future RSUs, if any, will be at the sole discretion of the Company;
- (d) the Executive's participation in the Plan is voluntary;
- (e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the RSUs and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or any Subsidiary;
- (g) the future value of the Shares underlying the RSUs is unknown and cannot be predicted with certainty; and
- (h) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSUs or the Shares underlying the RSUs in the event of the Executive's termination of employment (whether or not in breach of contract or local labor laws and whether or not later found to be invalid), and in consideration of the RSU award to which the Executive is otherwise not entitled, the Executive irrevocably agrees never to institute any claim against the Company or any Subsidiary, waives his ability, if any, to bring any such claim, and releases the Company and any Subsidiary from any such claim.

SECTION 4.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan, the issuance of Shares upon vesting of the RSUs or sale of the Shares. The Executive is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

SECTION 5 — Data Privacy

***(a) The Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Executive's personal data as described in this Agreement and any other RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Executive's participation in the Plan.***



(b) The Executive understands that the Company and the Employer may hold certain personal information about the Executive, including, but not limited to, the Executive's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Executive's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Executive understands, however, that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.

#### ARTICLE VI

##### AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

###### SECTION 6 — Restrictive Covenants and Other Obligations

In consideration of the grant of RSUs, the Executive shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Executive does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of receipt of this Agreement, the Committee may, in its sole discretion, cancel the RSUs. If no such agreement is required, Schedule C shall state none or not applicable.

#### ARTICLE VII

##### MISCELLANEOUS

###### SECTION 7.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the RSUs. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

###### SECTION 7.2 — RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation,

anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

SECTION 7.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 7.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Share Plans

and any notice to be given to the Executive shall be at the address set forth in the RSUs Acceptance Form.

By a notice given pursuant to this Section 7.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 7.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Executive resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

SECTION 7.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 7.6 — Applicability of Plan

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

SECTION 7.7 — Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

SECTION 7.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflict of law provisions; provided, however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 7.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 7.10 — Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Executive hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, this Agreement has been executed on behalf of the Company electronically and the Executive accepts the electronic signature of the Company.

SECTION 7.11 — Language

If the Executive has received this Agreement, or any other document related to the RSUs and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 7.12 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 7.13 — Schedule B

The RSUs shall be subject to any special provisions set forth in Schedule B for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 7.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 7.15 — Counterparts.

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

SECTION 7.16 — Code Section 409A.

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

IN WITNESS WHEREOF, the Company and the Executive have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By:

Name:

Title:

ACCEPTANCE FORM TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
WILLIS GROUP HOLDINGS  
2001 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND  
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)

**Name**

**Number of RSUs Granted**

**Grant Date**

I accept the grant of the Restricted Share Units ("RSUs") under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time, and I agree to be bound by the terms and conditions of the Restricted Share Unit Award Agreement dated [insert date] and any country-specific terms set forth in Schedule B, thereto.

**Signature:**

**Address:**

Once completed, please return one copy of this form to:

Share Plans  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

This form should be returned to the above address within 45 days of receipt. Your RSUs may be cancelled if your form is not received by that date.

**COUNTRY-SPECIFIC APPENDIX TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
(Performance and Time-Based Restricted Share Units)**

**WILLIS GROUP HOLDINGS  
2001 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND  
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Willis Group Holdings 2001 Share Purchase and Option Plan, as amended from time to time (the "Plan") if the Executive resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of June 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Executive with any tax advice with respect to the RSUs. The information is provided below may not apply to the Executive's particular situation, and the Company is not in a position to assure the Executive of any particular result. *Accordingly, the Executive is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Executive's country apply to the Executive's situation.*

Finally, if the Executive is a citizen or resident of a country other than the one in which the Executive is currently working, transfers employment after the Grant Date, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Executive, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Executive.

**UNITED KINGDOM**

***Terms and Conditions***

*Tax Withholding Obligations.* The following provisions supplement Section 2.5 of the Agreement:

The Executive agrees that if he or she does not pay or the Employer or the Company does not withhold from the Executive the full amount of Tax-Related Items that the Executive owes at vesting of the RSUs, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income taxes will constitute a benefit to Participant on which additional income tax and national insurance contributions ("NICs"), including the Employer's NICs (as defined below) will be payable. The Executive acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 2.5 of the

Agreement, although the Executive acknowledges that the Executive ultimately will be responsible for reporting any income tax or NICs due on this additional benefit directly to HMRC under the self-assessment regime.

*Joint Election.* In the case of Executives who are U.K. tax residents, the RSU Award is conditional upon the Executive hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the vesting, assignment, release or cancellation of any RSUs. The Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 2.5. Without prejudice to the foregoing, the Executive agrees to execute a joint election with Company and/or the Employer ("Election"), the form of such Election being formally approved by Her Majesty's Revenue & Customs ("HMRC"), and any other consent or elections required to accomplish the transfer of the Employer NICs to the Executive. The Executive further agrees to execute such other joint elections as may be required between the Executive and any successor to the Company and/or the Employer. If the Executive does not make an Election prior to the vesting of the RSUs or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary, the RSUs shall become null and void without any liability to the Company and/or the Employer.

**UNITED STATES OF AMERICA**

There are no country-specific provisions.

**WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY  
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**SHARE OPTION AWARD AGREEMENT  
(Performance-Based Share Options)**

THIS SHARE OPTION AWARD AGREEMENT (this "Agreement"), effective as of [INSERT DATE] is made by and between Willis Group Holdings Public Limited Company, and any successor thereto (hereinafter referred to as the "Company") and the individual (the "Optionee") who has duly completed, executed and delivered the Option Acceptance Form, a copy of which is attached hereto as Schedule A and which is deemed to be a part hereof (the "Acceptance Form") and; if applicable the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof.

WHEREAS, the Company wishes to carry out the Plan (as hereinafter defined), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

WHEREAS, the Committee (as hereinafter defined) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Option (as hereinafter defined) provided for herein to the Optionee as an incentive for increased efforts on the part of the Optionee during the Optionee's employment with the Company or its Subsidiaries (as hereinafter defined), and has advised the Company thereof and instructed the undersigned officer to prepare said Option.

NOW, THEREFORE, the parties hereto do hereby agree as follows:

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

"Act" shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Adjusted Earnings Per Share

"Adjusted Earnings Per Share" shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.3 — Adjusted Operating Margin

"Adjusted Operating Margin" shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall mean (i) the Optionee’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Optionee’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Optionee in connection with the Optionee’s employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Optionee to the Company or its Subsidiaries), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Optionee’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Optionee’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Optionee and the Company or any of its Subsidiaries (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Optionee’s receipt of such notice.

SECTION 1.6 — Committee

“Committee” shall mean the Compensation Committee of the Board (or if no such committee is appointed, the Board provided that a majority of the Board are “independent directors” for the purpose of the rules and regulations of the New York Stock Exchange).

SECTION 1.7 — Earned Date

“Earned Date” shall mean the date that the annual financial results of the Company are issued by the Company.

SECTION 1.8 — Earned Performance Shares

“Earned Performance Shares” shall mean Shares subject to the Option in respect of which the applicable Performance Objectives, as set out in Section 3.1, have been achieved and shall become vested and exercisable as set out in Section 3.2.

SECTION 1.9 — Grant Date

“Grant Date” shall mean [INSERT DATE].

SECTION 1.10 — Option

“Option” shall mean the option to purchase Ordinary Shares of the Company granted in accordance with this Agreement and the Plan.

SECTION 1.11 — Option Price

“Option Price” shall mean the exercise price of the Option set forth in Schedule A to this Agreement. The Option Price shall not be less than 100% of the Fair Market Value of the Shares on the Grant Date.

SECTION 1.12 — Performance Period

“Performance Period” shall mean [insert performance period].

SECTION 1.13 — Performance Objectives

“Performance Objectives” shall mean the performance objectives based on an Adjusted Earnings Per Share or Adjusted Operating Margin that are set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.14 — Permanent Disability

The Optionee shall be deemed to have a "Permanent Disability" if the Optionee meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company's or Subsidiary's long-term disability plan applicable to the Optionee or, if no such plan is applicable, in the event the Optionee is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.15 — Plan

"Plan" shall mean the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time.

SECTION 1.16 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.17 — Secretary

"Secretary" shall mean the Secretary of the Company.

SECTION 1.18 — Shares or Ordinary Shares

"Shares" or "Ordinary Shares" means ordinary shares of the Company, which may be authorised but unissued.

SECTION 1.19 — Subsidiary

"Subsidiary" shall mean with respect to the Company, a body corporate which is a subsidiary of the Company within the meaning of Section 155 of the Act. For purposes of granting share options or any other "stock rights," within the meaning of Section 409A of the Code, an entity shall not be considered a Subsidiary if granting any such share right would result in the share right becoming subject to Section 409A of the Code. For purposes of granting U.S. incentive stock options, an entity shall not be considered a Subsidiary if it does not also meet the requirements of Section 424(f) of the Code.

SECTION 1.20 — Willis Group

"Willis Group" shall mean the Company and its Subsidiaries collectively.

ARTICLE II

GRANT OF OPTIONS

SECTION 2.1 — Grant of Options

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement, the Company hereby grants to the Optionee an Option to purchase all or part of the aggregate number of Shares, as stated in the Acceptance Form. In circumstances where the Optionee is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Optionee agrees that the grant of an Option pursuant to this Agreement is sufficient consideration for the Optionee entering into such agreement.

SECTION 2.2 — Option Price

Subject to Section 2.4, the Option Price of each Share subject to the Option shall be as stated in the Acceptance Form.

SECTION 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations where applicable, the rights and obligations of the Optionee under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The Option and the Optionee's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Optionee hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn, vest in or exercise any Option as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — Adjustments in Options Pursuant to Merger, Consolidation, etc.

Subject to Sections 9 and 10 of the Plan, in the event that the outstanding Shares subject to an Option are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, make an appropriate and equitable adjustment in the number and kind of Shares, the Option Price, the grant of dividends and/or other value determinations applicable to the Plan or outstanding Options, in all events in order to allow the Optionee to participate in such event in an equitable manner. Notwithstanding Section 10 of the Plan, in the event of a Change of Control and regardless of whether the Option is assumed or substituted by a successor company, the Option shall not immediately vest and become exercisable unless the Committee so determines at the time of the Change of Control. The Committee and/or the amount of consideration as to which or for which, as the case may be. Any such adjustment or determination made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons.

SECTION 2.5 — Clawback Policy

The Company may cancel all or part of the Option or require payment by the Optionee to the Company of all or part of any amount or Shares received by the Optionee following the exercise of the Option pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF EXERCISABILITY

SECTION 3.1 — Commencement of Earning

(a) Subject to Sections 3.1(b) and 3.1(d), the Shares subject to Option shall become Earned Performance Shares as of the Earned Date and shall become eligible to vest and become exercisable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Targets 1 (50% of Target Number of Shares) and 2 (50% of Target Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Optionee being in the employment of the Company or any Subsidiary at each respective vesting date as set forth in Section 3.2 below.

(b) The Optionee understands and agrees that the terms under which the Option shall become Earned Performance Shares as described in Section 3.1(a) above and in Exhibit 1 to the Acceptance Form is confidential and the Optionee agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Optionee's employment with the Company or one of its Subsidiaries, without the prior written consent of the Company. The Optionee's failure to abide by this condition may result in the immediate cancellation of the Option.

(c) As promptly as practicable following the Performance Period, the Committee shall determine whether the applicable Performance Objectives were attained, and based on such determination, shall declare the number of Shares subject to the Option that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and

Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the Option that will become Earned Performance Shares.

(d) If prior to the end of the Performance Period, (i) the Optionee's employment terminates for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion deem the Performance Objectives to be attained at the level (not to exceed the maximum level) determined by the Committee as to all or part of the unearned Shares underlying the Option and deem them to be Earned Performance Shares.

(e) All Shares subject to the Option that are not declared by the Committee to be Earned Performance Shares shall be forfeited immediately on the earlier of the Optionee's termination of employment or the date that the Committee makes a determination on whether the Performance Objectives were attained.

**SECTION 3.2 — Commencement of Vesting and Exercisability**

(a) Subject to the Optionee's continued employment with the Willis Group through the applicable vesting date (set forth in the left column), the Earned Performance Shares shall vest and become exercisable in accordance with Section 3.2 below:

Date Earned Performance Shares Become Vested and Exercisable	Percentage of Earned Performance Shares that Become Vested and Exercisable
Second anniversary of Grant Date [INSERT DATE]	[insert]%
Third anniversary of Grant Date [INSERT DATE]	[insert]%
Fourth anniversary of Grant Date [INSERT DATE]	[insert]%
Fifth anniversary of Grant Date [INSERT DATE]	[insert]%

(b) In the event of a termination of the Optionee's employment as a result of death or Permanent Disability, then (i) the Earned Performance Shares and the Option in respect thereof shall become immediately vested and exercisable with respect to all of the Shares underlying such Option through the time period set forth in Section 3.3 (b) below, and (ii) as of the date of termination of employment, any portion of the Option which then has not become an Earned Performance Share shall immediately terminate and will at no time be exercisable.

(c) Notwithstanding anything herewith to the contrary the Option over Earned Performance Shares that have not yet vested shall immediately terminate and will at no time become exercisable, except that the Committee may, for termination of employment for reasons other than death, Permanent Disability or Cause, determine in its sole discretion that the Option over the Earned Performance Shares that have not yet vested and become exercisable, shall become vested and exercisable.

(d) In the event of a termination of the Optionee's employment for any reason other than death or Permanent Disability, then the Earned Performance Shares that have vested and become exercisable and the Option in respect thereof shall remain exercisable through the time period set forth in Section 3.3 (b) below.

(e) Unless otherwise determined by the Committee, in its sole discretion, the termination date for purposes of this Section 3.2 and the Agreement will be the later of (i) the last day of the Optionee's active employment with the Company or any Subsidiary or (ii) the last day of any notice period or garden leave, as provided for under the Optionee's employment or service contract or local law.

(f) In the event of a Change of Control, the Option shall not automatically vest and become exercisable and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

SECTION 3.3 — Expiration of Options

- (a) The Option shall immediately lapse upon the termination of the Optionee's employment, subject to, and except as otherwise specified within, the terms and conditions of Section 3.2 above.
- (b) The Option over Earned Performance Shares that has become vested and exercisable in accordance with Section 3.2 will cease to be exercisable by the Optionee upon the first to occur of the following events:
- (i) The eighth anniversary of the Grant Date; or
  - (ii) Twelve months after the date of the Optionee's termination of employment by reason of death or Permanent Disability; or
  - (iii) Ninety days after the date of any termination of the Optionee's employment by the Company or its Subsidiary for any reason other than (A) death or Permanent Disability or (B) where the Committee has exercised its discretion in accordance with Section 3.2(c) above; or
  - (iv) Six calendar months after the date of termination of the Optionee's employment provided the Committee has exercised its discretion pursuant to Section 3.2(c) above and termination is other than for Cause; or
  - (v) If the Committee so determines pursuant to Section 9 of the Plan and 3.2(f) of this Agreement, the effective date of a Change of Control, so long as the Optionee has a reasonable opportunity to exercise or receive value for his Options prior to such effective date.
- (c) The Optionee agrees to execute and deliver the following agreements or other documents in connection with the grant of the Option within the period set forth below:
- (i) the Optionee must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VII below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;
  - (ii) the Optionee must execute the Acceptance Form and deliver it to the Company within 45 days of the receipt of this Agreement; and
  - (iii) the Optionees who are resident in the United Kingdom must execute the form of joint election as described in terms set forth in Schedule B for the United Kingdom and deliver it to their employing company within 45 days of the receipt of this Agreement.
- (d) The Committee may, in its sole discretion, cancel the Option, if the Optionee fails to execute and deliver the agreements and documents within the period set forth in Section 3.3(c) or fails to meet the requirements set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

ARTICLE IV

EXERCISE OF OPTION

SECTION 4.1 — Person Eligible to Exercise

During the lifetime of the Optionee, only he may exercise an Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Section 3.3, be exercised by any person empowered to do so under the Optionee's will or under then applicable laws of inheritance.

SECTION 4.2 — Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.3; provided, however, that any partial exercise shall be for whole Shares only.

SECTION 4.3 — Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his office or the Company's agent, if so directed all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.3:

(a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee and made available to the Optionee (or such other person then entitled to exercise the Option);

(b) Full payment (in cash, by cheque, electronic transfer, by way of a cashless exercise with a broker as approved by the Company, by way of surrender of Shares to the Company, by withholding in Shares to be issued upon Option exercise as approved by the Company in its sole discretion, or by a combination thereof) of the Option Price for the Shares with respect to which such Option or portion thereof is exercised, provided the Shares surrendered or withheld have a Fair Market Value (determined as of the day preceding the date of exercise) that is not less than such Option Price or part thereof and any Tax-Related Items (as defined in (d) below);

(c) Full payment to the Company or any Subsidiary, by which the Optionee is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contributions amounts ("Tax") which, under federal, state, local or foreign law, it is required to withhold upon exercise of the Option; and

(d) In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Optionee is liable by virtue of the Optionee's participation in the Plan and/or any social security contributions recoverable from and legally applicable to the Optionee (the "Tax-Related Items"), the Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Optionee's wages or other cash compensation paid to the Optionee by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Shares issued at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued at exercise of the Option, to the extent the Company permits this method of withholding.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Optionee's participation in the Plan.

Finally, the Optionee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described.

(e) In the event the Option or any portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Without limiting the generality of the foregoing, the Committee may, prior to exercise, require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of an Option does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 4.4 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered upon the exercise of an Option, or any portion thereof, in accordance with Section 3.2 of this Agreement may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to issue or deliver any certificates representing such Shares or their electronic equivalent issued upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

- (a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and
- (b) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

SECTION 4.5 — Rights as Shareholder

The Optionee shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the exercise of the Option or any portion thereof unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Optionee.

ARTICLE V

ADDITIONAL TERMS AND CONDITIONS OF OPTION

SECTION 5.1 — Nature of Grant

In accepting the Option, the Optionee acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future options, or benefits in lieu of options, even if options have been granted repeatedly in the past;
- (c) all decisions with respect to future Option grants, if any, will be at the sole discretion of the Company;
- (d) the Optionee's participation in the Plan is voluntary;
- (e) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the Option and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or a Subsidiary;
- (g) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty;
- (h) if the Optionee exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Option Price; and

(i) no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option or Shares acquired upon exercise of the Option in the event of the Optionee's termination of employment (whether or not in breach of contract or local labor laws and whether or not later found to be invalid), and in consideration of the grant of the Option to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees never to institute any claim against the Company or any Subsidiary, waives his ability, if any, to bring any such claim, and releases the Company and any Subsidiary from any such claim.

SECTION 5.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or the issuance of Shares upon exercise of the Option or sale of the Shares. The Optionee is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE VI

DATA PRIVACY NOTICE AND CONSENT

SECTION 6 — Data Privacy

*(a) The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.*

*(b) The Optionee understands that the Company and the Employer may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*(c) The Optionee understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the Optionee's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Optionee's country. The Optionee understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Optionee authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Optionee understands, however, that refusing or withdrawing his consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he may contact his local human resources representative.*



ARTICLE VII

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

SECTION 7 — Restrictive Covenants and Other Obligations

In consideration of the grant of an Option, the Optionee shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Optionee does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the Option. If no such agreement is required, Schedule C shall state none or not applicable.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

SECTION 8.2 — Options Not Transferable

Neither the Options nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Optionee or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 8.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

SECTION 8.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 8.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Share Plans

and any notice to be given to the Optionee shall be at the address set forth in the Option Acceptance Form.

By a notice given pursuant to this Section 8.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Optionee shall, if the Optionee is then deceased, be given to the Optionee's personal representatives if such representatives have previously informed the Company of their status

and address by written notice under this Section 8.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Optionee resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

SECTION 8.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 8.6 — Applicability of Plan

The Options and the Earned Performance Shares underlying the Options shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the Options. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

SECTION 8.7 — Amendment

The Committee shall have the authority to make such amendments to this Agreement as are consistent with the Plan.

SECTION 8.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland, without regard to its conflicts of law provisions, provided; however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 8.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 8.10 — Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, this Agreement has been executed on behalf of the Company electronically and the Optionee accepts the electronic signature of the Company.

SECTION 8.11 — Language

If the Optionee has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 8.12 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 8.13 — Schedule B

The Option shall be subject to any special provisions set forth in Schedule B for the Optionee's country of residence, if any. If the Optionee relocates to one of the countries included in Schedule B during the life of the Option, the special provisions for such country shall apply to the Optionee, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 8.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Option and the Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 8.15 — Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Company and the Optionee have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

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By:  
Name:  
Title:

ACCEPTANCE FORM TO THE SHARE OPTION AWARD AGREEMENT

WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN

(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)

Name  
Target Number of Shares Granted Under Option  
Grant Date  
Option Price

I accept the grant of the Option under the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time and I agree to be bound by the terms and conditions of the Share Option Award Agreement dated [insert date] and any country-specific terms set forth in Schedule B, thereto.

Signature:  
Address:

Once completed, please return one copy of this form to:

Share Plans  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

**This form should be returned to the above address within 45 days of receipt. Your option may be cancelled if your form is not received by that date.**

ACCEPTANCE FORM TO  
SHARE OPTION AWARD AGREEMENTWILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP HOLDINGS  
LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP  
HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)*Performance Period: [Insert]**Earned Date: Publication of Company's Annual Financial Results***Target 1: Adjusted Operating Margin ("OM") Target [Insert]%****Percentage of Option Shares Subject to Target 1: 50%**

<b>Performance Scale:*</b>	<u>89% or below</u>	<u>90-94%</u>	<u>95-99%</u>	<u>100% or above</u>
Percentage of Earned Performance Shares:	<u>OM of [Insert]</u> 0%	<u>OM of [Insert]</u> 80-89%	<u>OM of [Insert]</u> 90-99%	<u>OM of [Insert]</u> 100%

**Target 2: Adjusted Earnings Per Share ("EPS") Target \$ [Insert]****Percentage of Option Shares Subject to Target 2: 50%**

<b>Performance Scale:*</b>	<u>89% or below</u>	<u>90-94%</u>	<u>95-99%</u>	<u>100% or above</u>
Percentage of Earned Performance Shares:	<u>(EPS of [Insert])</u> 0%	<u>(EPS of [Insert])</u> 80-89%	<u>(EPS of [Insert])</u> 90-99%	<u>(EPS of [Insert])</u> 100%

\* Performance between amounts is subject to interpolation.

**COUNTRY-SPECIFIC APPENDIX TO  
SHARE OPTION AWARD AGREEMENT  
(Performance-Based and Time-Based Share Options)**

**WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY  
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Option granted to the Optionee under the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time (the "Plan") if the Optionee resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Optionee's country as of June 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of the Optionee's participation in the Plan because the information may be out of date at the time the Optionee exercises the Option under the Plan.

In addition, the information is general in nature. The Company is not providing the Optionee with any tax advice with respect to the Option. The information is provided below may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. *Accordingly, the Optionee is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Optionee's country apply to the Optionee's situation.*

Finally, if the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working, transfers employment after this Option is granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Optionee, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Optionee.

**UNITED KINGDOM**

***Terms and Conditions***

*Tax Withholding Obligations.* The following provisions supplement Section 4.3(d) of the Agreement:

The Optionee agrees that if he or she does not pay or the Employer or the Company does not withhold from the Optionee the full amount of Tax-Related Items that the Optionee owes at exercise of the Option, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income taxes will constitute a benefit to Participant on which additional income tax and national insurance contributions (including the Employer's NICs, as defined below) will be payable. The Optionee acknowledges that the Company or the Employer

may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 4.3(d) of the Agreement, although the Optionee acknowledges that the Optionee ultimately will be responsible for reporting any income tax or National Insurance Contributions ("NICs") due on this additional benefit directly to HMRC under the self-assessment regime.

**Joint Election**

If the Optionee is a U.K. tax resident, the grant of this Option is conditional upon the Optionee hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the exercise, assignment, release or cancellation of any Option. The Optionee may elect that the Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 4 of the Agreement. Without prejudice to the foregoing, the Optionee agrees to execute a joint election with the Company and/or the Employer ("Election"), the form of such Election being formally approved by HMRC, and any other consent or elections required to accomplish the transfer of the Employer NICs to the Optionee. The Optionee further agrees to execute such other joint elections as may be required between the Optionee and any successor to the Company and/or the Employer. If the Optionee does not make an Election prior to the vesting of the Option or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary of the Company, the Option shall become null and void without any liability to the Company and/or the Employer and may not be exercised by the Optionee.

**UNITED STATES OF AMERICA**

*Notifications*

**Tax Information**

The Option is not an incentive stock option within the meaning of Section 422 of the Code.

**WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**RESTRICTED SHARE UNIT AWARD AGREEMENT  
(Performance-Based Restricted Share Units)**

**WHEREAS**, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the “Company,” has adopted the Willis Group Holding 2008 Share Purchase and Option Plan, as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009 (the “Plan”);

**WHEREAS**, the Committee (as hereinafter defined) has determined that it would be in the best interests of the Company and its shareholders to grant Restricted Share Units to the Executive pursuant to the Plan and the terms set forth herein.

**WHEREAS**, the award of Restricted Share Units is also granted pursuant to the terms and conditions of the SMIP (as hereinafter defined), and is, therefore, intended to qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code (as hereinafter defined).

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

**THIS RESTRICTED SHARE UNIT AGREEMENT** (this “Agreement”), effective as of [insert date] is made by and between the Company and the individual (the “Executive”) who has duly completed, executed and delivered the Acceptance Form, a copy of which is attached hereto as Schedule A (including Exhibit 1 thereto) and which is deemed to be a part hereof (the “Acceptance Form”) and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof.

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

“Act” shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Adjusted Earnings Per Share

“Adjusted Earnings Per Share” shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.3 — Adjusted Operating Margin

“Adjusted Operating Margin” shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall mean (i) the Executive’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries or Designated Associate Companies after having been provided reasonable notice of such failure and a period of at least ten days after the Executive’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Executive in connection with the Executive’s employment which is injurious to the Company or its Subsidiaries or Designated Associate Companies (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Executive to the Company or its Subsidiaries or Designated Associate Companies), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Executive’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Executive’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Executive and the Company or any of its Subsidiaries or Designated Associate Companies (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Executive’s receipt of such notice.

SECTION 1.6 — Certification Date

“Certification Date” shall mean the date that the Committee certifies in accordance with the requirements of Code Section 162(m), the amount payable under the SMIP based on “Earnings” for the Performance Period (as defined in the SMIP), the attainment level of the Performance Objectives and the number of Shares subject to RSUs that will become Earned Performance Shares based on the amount payable under the SMIP and attainment level of the additional Performance Objectives.

SECTION 1.7 — Code

“Code” shall mean the United States Internal Revenue Code of 1986, as amended

SECTION 1.8 — Committee

“Committee” shall mean the Compensation Committee of the Board (or if no such committee is appointed, the Board, provided that a majority of the Board are “independent directors” for the purpose of the rules and regulations of the New York Stock Exchange).

SECTION 1.9 — Earned Performance Shares

“Earned Performance Shares” shall mean Shares subject to the RSUs in respect of which the applicable Performance Objectives, as set out in Section 3.1 and Exhibit 1 to the Acceptance Form, have been achieved and shall become eligible for vesting and payment as set out in Section 3.2.

SECTION 1.10 — Grant Date

“Grant Date” shall mean [insert date].

SECTION 1.11 — Performance Period

“Performance Period” shall mean [insert performance period].

SECTION 1.12 — Performance Objectives

“Performance Objectives” shall mean an Adjusted Earnings Per Share or Adjusted Operating Margin that are set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.13 — Permanent Disability

The Executive shall be deemed to have a “Permanent Disability” if the Executive meets the requirements of the definition of such term, or of an equivalent term, as defined in the Willis Group’s or Designated Associate Company’s long-term disability plan applicable to the Executive or, if no such plan is applicable, in the event the Executive is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.14 — Plan

“Plan” shall mean the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time.

SECTION 1.15 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.16 — Restricted Share Units or RSUs

“Restricted Share Units” or “RSUs” shall mean a conditional right to receive Ordinary Shares, pursuant to the terms of the Plan and this Agreement upon vesting and settlement, as set forth in Sections 3.1 and 3.2 of this Agreement.

SECTION 1.17 — Shares or Ordinary Shares

“Shares” or “Ordinary Shares” means ordinary shares of the Company, nominal value of \$0.000115 each, which may be authorised but unissued.

SECTION 1.18 — SMIP

“SMIP” means the Willis Group Holdings Senior Management Incentive Plan as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009.

SECTION 1.19 — Subsidiary

“Subsidiary” shall mean with respect to the Company, any subsidiary of the Company within the meaning of Section 155 of the Act.

SECTION 1.20 — Willis Group

“Willis Group” shall mean the Company and its Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

SECTION 2.1 — Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement and the additional terms and conditions set forth in the SMIP, the Company hereby grants to the Executive the targeted number of RSUs stated in the

Acceptance Form (including Exhibit 1 thereto). In circumstances where the Executive is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Executive agrees that the grant of RSUs pursuant to this Agreement is sufficient consideration for the Executive entering into such agreement.

SECTION 2.2 — RSU Payment

The Shares to be issued upon vesting and settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs vest from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

SECTION 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations, where applicable, the rights and obligations of the Executive under the terms of his office or employment with the Company or any Subsidiary or Designated Associate Company shall not be affected by his participation in this Plan or any right which he may have to participate in it. The RSUs and the Executive's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary or Designated Associate Company. The Executive hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn or vest in his RSUs as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — Adjustments in RSUs Pursuant to Merger, Consolidation, etc.

Subject to Sections 9 and 10 of the Plan, in the event that the outstanding Shares subject to a RSU are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, shares or extraordinary cash dividend, share combination or reclassification, recapitalization, merger, Change of Control, or similar event, the Committee shall in its absolute discretion, make an appropriate and equitable adjustment in the number and kind of Shares. Notwithstanding Section 10 of the Plan, in the event of a Change of Control, and regardless of whether the RSUs are assumed or substituted by a successor company, the RSUs shall not immediately vest unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their nominal value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares.

SECTION 2.5 — Employee Costs

The Executive must make full payment to the Company or any Subsidiary or Designated Associate Company by which the Executive is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan or any social insurance contributions recoverable from and legally applicable to the Executive (the "Tax-Related Items"), the Executive will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of Shares acquired at vesting either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued at vesting of the RSUs, to the extent the Company permits this method of withholding.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Executive's participation in the Plan.

Finally, the Executive shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described.

SECTION 2.6 — Clawback Policy

The Company may cancel all or part of the RSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy, dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF PERFORMANCE-BASED AND TIME-BASED VESTING REQUIREMENTS

SECTION 3.1 — Earning Performance Shares

(a) Subject to Sections 3.1(c) and (d), the Shares subject to the RSUs shall become Earned Performance Shares as of the Earned Date and shall become eligible to vest and become payable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Targets 1 (50% of Target Number of Shares) and 2 (50% of Target Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Executive being in the employment of the Company, any Subsidiary or Designated Associate Company at each respective vesting date as set forth in Section 3.2 below.

(b) The Executive understands and agrees that the terms under which the RSUs shall become Earned Performance Shares is confidential and the Executive agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Executive's employment with the Company or one of its Subsidiaries, without the prior written consent of the Company. The Executive's failure to abide by this condition may result in the immediate cancellation of the RSUs.

(c) If prior to the end of the Performance Period, (i) the Executive's employment terminates for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion deem the Performance Objectives to be attained at the level (not to exceed the maximum level) determined by the Committee as to all or part of the unearned Shares underlying the RSUs and deem them to be Earned Performance Shares, provided, however, that no RSU shall become an Earned Performance Share to the extent that any such discretion would prevent the RSU from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(d) The Performance Objectives may be adjusted in accordance with the terms of the Plan to the extent such adjustments would not prevent the RSUs from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(e) As of the Certification Date, the Committee shall certify the amount payable under the SMIP, determine the attainment level of applicable Performance Objectives, and based on such certification and determination, shall declare the number of Shares subject to the RSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the RSUs that will become Earned Performance Shares, subject to any requirements under Code Section 162(m).

(f) Shares subject to the RSUs that are not declared by the Committee on the Certification Date to be Earned Performance Shares shall be forfeited immediately.

SECTION 3.2 — Vesting/Settlement

(a) Subject to the Executives' continued employment with the Willis Group or any Designated Associate Company through the applicable vesting date (set forth in the left column), the Earned Performance Shares shall vest as follows and become payable in accordance with Section 3.2 below:

<u>Date Earned Performance Shares Become Vested</u>	<u>Percentage of Earned Performance Shares that Become Vested</u>
First anniversary of Grant Date [INSERT DATE]	[insert]%
Second anniversary of Grant Date [INSERT DATE]	[insert]%
Third anniversary of Grant Date [INSERT DATE]	[insert]%

(b) In the event of a termination of the Executive's employment with Willis Group or any Designated Associate Company any unvested Earned Performance Shares as of the termination date will be forfeited immediately by the Executive, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.2(c) to 3.2(f) below.

(c) In the event of a termination of the Executive's employment as a result of death or Permanent Disability, the RSUs shall become fully vested with respect to all Earned Performance Shares on the termination date.

(d) In the event of a termination of the Executive's employment for reasons other than death, Permanent Disability or Cause, the Committee may, in its discretion accelerate the vesting of the RSUs over Earned Performance Shares as to all or a portion of the Earned Performance Shares subject thereto. If no determination is made as of the date of termination, then the Earned Performance Shares shall, to the extent not then vested be immediately forfeited by the Executive.

(e) Unless otherwise determined by the Committee, in its sole discretion, the termination date for purposes of this Section 3.2 and the Agreement will be the later of (i) the last day of the Executive's active employment with the Company or any Subsidiary or Designated Associate Company or (ii) the last day of any notice period or garden leave, as provided for under the Executives' employment or service contract or local law

(f) In the event of a Change of Control, the RSUs shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

(g) The Executive agrees to execute and deliver the following agreements or other documents in connection with the grant of the RSUs within the period set forth below:

(i) the Executive must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VI below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;

(ii) the Executive must execute the form of joint election as described in Schedule B for the United Kingdom and deliver it to his employing company within 45 days of the receipt of this Agreement; and

(iii) the Executive must execute the Acceptance Form and deliver to the Company within 45 days of the receipt of this Agreement.

(h) The Committee may, in its sole discretion, cancel the RSUs if the Executive fails to execute and deliver the agreements and documents within the period set forth in Section 3.2(g) or fails to meet the requirements as set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

(i) Except as provided herein, Earned Performance Shares that become vested in accordance with this Section 3.2 shall be delivered within one month following the applicable vesting date (which payment schedule is intended to comply with the "short-term deferral" exception from the application of Section 409A of the Code). Subject to Section 7.16 hereof, in the case the Committee exercises its discretion under Section 3.1(c) hereof and the Earned Performance Shares become vested on an accelerated basis pursuant to either Section 3.2 (c), (d) or (e), the Earned Performance Shares underlying the RSUs shall be delivered on April 1st of the year following the last day of the applicable Performance Period. Finally, the Company shall not be required to pay out the Earned Performance Shares to the Participant unless and until the Participant has paid or made arrangements to pay any Tax-Related Items liability in accordance with Section 2.5.

SECTION 3.3 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered upon the vesting of the RSUs, in accordance with Section 3.2 of the Agreement, may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code for U.S. taxpayers:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The Executive has paid or made arrangements to pay the Tax-Related Items pursuant to Section 2.5.

Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries or Designated Associate Companies require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs does not violate the Exchange Act, and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 3.4 — Rights as Shareholder

The Executive shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Executive.

SECTION 3.5 — Limitation on Obligations

The Company's obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Executive of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The RSUs shall not be secured by any specific assets of the Company or any of its Subsidiaries or Designated Associate Companies, nor shall any assets of the Company or any of its Subsidiaries or Designated Associate Companies be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Executive for damages relating to any delays in issuing the share certificates or its electronic equivalent to the Executive (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Executive (or his designated entities) or in the certificates themselves.

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

SECTION 4.1 — Nature of Award

In accepting the RSUs, the Executive acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the RSU award is voluntary and occasional and does not create any contractual or other right to receive future RSU awards, or benefits in lieu of RSU awards, even if RSU awards have been granted repeatedly in the past;
- (c) all decisions with respect to future RSUs, if any, will be at the sole discretion of the Company;
- (d) the Executive's participation in the Plan is voluntary;
- (e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the RSUs and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company, any Subsidiary or Designated Associate Company;
- (g) the future value of the Shares underlying the RSUs is unknown and cannot be predicted with certainty; and
- (h) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSUs or the Shares underlying the RSUs in the event of the Executive's termination employment (whether or not in breach of contract or local labor laws and whether or not later found to be invalid), and in consideration of the RSU award to which the Executive is otherwise not entitled, the Executive irrevocably agrees never to institute any claim against the Company or any Subsidiary or Designated Associate Company, waives his ability, if any, to bring any such claim, and releases the Company and any Subsidiary or Designated Associate Company from any such claim.

SECTION 4.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan, the issuance of Shares upon vesting of the RSUs or sale of the Shares. The Executive is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

SECTION 5 — Data Privacy

***(a) The Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Executive's personal data as described in this Agreement and any other RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries or Designated Associate Companies for the exclusive purpose of implementing, administering and managing the Executive's participation in the Plan.***

***(b) The Executive understands that the Company and the Employer may hold certain personal information about the Executive, including, but not limited to, the Executive's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held***

in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Executive's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Executive understands, however, that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.

#### ARTICLE VI

##### AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

###### SECTION 6 — Restrictive Covenants and Other Obligations

In consideration of the grant of RSUs, the Executive shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Executive does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the RSUs. If no such agreement is required, Schedule C shall state none or not applicable.

#### ARTICLE VII

##### MISCELLANEOUS

###### SECTION 7.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the RSUs. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

###### SECTION 7.2 — RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this



Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

SECTION 7.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 7.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Share Plans

and any notice to be given to the Executive shall be at the address set forth in the RSUs Acceptance Form.

By a notice given pursuant to this Section 7.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 7.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Executive resident outside the United States of America or the United Kingdom, sent by facsimile or with a recognized international courier service.

SECTION 7.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 7.6 — Applicability of Plan

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares. In the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

SECTION 7.7 — Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

SECTION 7.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland, without regard to its conflict of law provisions provided; however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 7.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction

to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 7.10 — *Electronic Delivery and Acceptance*

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Executive hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, this Agreement has been executed on behalf of the Company electronically and the Executive accepts the electronic signature of the Company.

SECTION 7.11 — *Language*

If the Executive has received this Agreement, or any other document related to the RSUs and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 7.12 — *Severability*

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 7.13 — *Schedule B*

The RSUs shall be subject to any special provisions set forth in Schedule B for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 7.14 — *Imposition of Other Requirements*

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 7.15 — *Counterparts*

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

SECTION 7.16 — *Code Section 409A*

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

Anything in this Agreement to the contrary notwithstanding, no Shares underlying the RSU Awards under this Agreement that constitute an item of deferred compensation under Section 409A of the Code that become payable by reason of a Participant's termination of employment with the Company shall be issued to the Participant unless the

Participant's termination of employment constitutes a "separation from service" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder). In addition, no such issuance shall be made to the Participant prior to the earlier of (a) the expiration of the six-month period measured from the date of the Participant's separation from service or (b) the date of the Participant's death, if the Participant is deemed at the time of such separation from service to be a "specified employee" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder) and to the extent such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A of the Code and any the regulations or other guidance thereunder.

IN WITNESS WHEREOF, the Company and the Executive have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

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By:  
Name:  
Title:

ACCEPTANCE FORM TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND  
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)

**Name**

**Target Number of RSUs Granted**

**Grant Date**

I accept the grant of Restricted Share Units (RSUs) under the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time and I agree to be bound by the terms and conditions of the Restricted Share Unit Award Agreement dated [insert date].

**Signature:**

**Address:**

Once completed, please return one copy of this form to:

Share Plans  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

**This form should be returned to the above address within 45 days of receipt. Your RSUs may be cancelled if your form is not received by that date.**

ACCEPTANCE FORM TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
 WILLIS GROUP HOLDINGS  
 2008 SHARE PURCHASE AND OPTION PLAN  
 (AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP HOLDINGS  
 LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP  
 HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)

*Performance Period: [Insert Period]*

*Earned Date: Publication of Company's Annual Financial Results*

**Target 1: Adjusted Operating Margin ("OM") Target [INSERT]%**

**Percentage of RSU Shares Subject to Target 1: 50%**

<b>Performance Scale:*</b>	<b>89% or below (OM of [INSERT] or below)</b>	<b>90-94% (OM of [INSERT])</b>	<b>95-99% (OM of [INSERT])</b>	<b>100% or above</b>
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

**Target 2: Adjusted Earnings Per Share ("EPS") Target \$[INSERT]**

**Percentage of RSU Shares Subject to Target 2: 50%**

<b>Performance Scale:*</b>	<b>89% or below (EPS of \$ [INSERT] or below)</b>	<b>90-94% (EPS of [INSERT])</b>	<b>95-99% (EPS of \$ [INSERT])</b>	<b>100% or above</b>
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

\* Performance between amounts is subject to interpolation.

**COUNTRY-SPECIFIC APPENDIX TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
(Performance-Based RSUs)**

**WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND  
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time (the "Plan") if the Executive resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of June 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Executive with any tax advice with respect to the RSUs. The information is provided below may not apply to the Executive's particular situation, and the Company is not in a position to assure the Executive of any particular result. *Accordingly, the Executive is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Executive's country apply to the Executive's situation.*

Finally, if the Executive is a citizen or resident of a country other than the one in which the Executive is currently working, transfers employment after the Grant Date, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Executive, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Executive.

**UNITED KINGDOM**

***Terms and Conditions***

*Tax Withholding Obligations.* The following provisions supplement Section 2.5 of the Agreement:

The Executive agrees that if he or she does not pay or the Employer or the Company does not withhold from the Executive the full amount of Tax-Related Items that the Executive owes at vesting of the RSUs, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income taxes will constitute a benefit to Participant on which additional income tax and national insurance contributions ("NICs"), including the Employer's NICs (as defined below) will be payable. The Executive acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 2.5 of the Agreement, although the Executive acknowledges that the Executive ultimately will be responsible for reporting any income tax or NICs due on this additional benefit directly to HMRC under the self-assessment regime.

*Joint Election.* In the case of Executives who are U.K. tax residents, the RSU Award is conditional upon the Executive hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the vesting, assignment, release or cancellation of any RSUs. The Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 2.5. Without prejudice to the foregoing, the Executive agrees to execute a joint election with Company and/or the Employer ("Election"), the form of such Election being formally approved by Her Majesty's Revenue & Customs ("HMRC"), and any other consent or elections required to accomplish the transfer of the Employer NICs to the Executive. The Executive further agrees to execute such other joint elections as may be required between the Executive and any successor to the Company and/or the Employer. If the Executive does not make an Election prior to the vesting of the RSUs or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary, the RSUs shall become null and void without any liability to the Company and/or the Employer.

**UNITED STATES OF AMERICA**

***Notifications***

*Exchange Control Information*

United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Company's Shares or proceeds from the sale of same) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds \$10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

## WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

SHARE OPTION AWARD AGREEMENT  
(Performance-Based Share Options)

## GRANTED UNDER THE HILB ROGAL &amp; HOBBS COMPANY

## 2007 SHARE INCENTIVE PLAN

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

**THIS SHARE OPTION AWARD AGREEMENT** (this "Agreement"), effective as of [INSERT DATE] is made by and between Willis Group Holdings Public Limited Company and any successor thereto (hereinafter referred to as the "Company") and the individual (the "Optionee") who has duly completed, executed and delivered the Option Acceptance Form, a copy of which is attached hereto as Schedule A and which is deemed to be a part hereof (the "Acceptance Form") and; if applicable the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof;

**WHEREAS**, the Company wishes to carry out the Plan (as hereinafter defined), the terms of which are hereby incorporated by reference and made a part of this Agreement; and

**WHEREAS**, the Committee (as hereinafter defined) has determined that it would be to the advantage and best interest of the Company and its shareholders to grant the Option (as hereinafter defined) provided for herein to the Optionee as an incentive for increased efforts on the part of the Optionee during the Optionee's employment with the Company or its Subsidiaries (as hereinafter defined), and has advised the Company thereof and instructed the undersigned officer to prepare said Option.

**NOW, THEREFORE**, the parties hereto do hereby agree as follows:

## ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

"Act" shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Adjusted Earnings Per Share

"Adjusted Earnings Per Share" shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.3 — Adjusted Operating Margin

"Adjusted Operating Margin" shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall mean (i) the Optionee’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Optionee’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Optionee in connection with the Optionee’s employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Optionee to the Company or its Subsidiaries), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Optionee’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Optionee’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Optionee and the Company or any of its Subsidiaries (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Optionee’s receipt of such notice.

SECTION 1.6 — Change of Control

“Change of Control” shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person (within the meaning of the Exchange Act and the rules of the U.S. Securities and Exchange Commission thereunder as in effect on the date hereof) or group of Persons of the Ordinary Shares representing more than 50% of the aggregate voting power represented by the issued and outstanding Ordinary Shares; or (b) the occupation of a majority of the seats (other than vacant seats) on the Board by persons who were neither (i) nominated by the Board nor (ii) appointed by directors so nominated. For the avoidance of doubt, a transaction shall not constitute a Change of Control (i) if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity of the Willis Group (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) and (ii) where all or substantially all of the person(s) who are the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, all or substantially all of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the ultimate parent entity resulting from such transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of such outstanding securities of the Company.

SECTION 1.7 — Committee

“Committee” shall mean the Compensation Committee of the Board or any successor thereto (or if no such committee is appointed, the Board provided that a majority of the Board are “independent directors” for the purpose of the rules and regulations of the New York Stock Exchange).

SECTION 1.8 — Earned Date

“Earned Date” shall mean the date that the annual financial results of the Company are issued by the Company.

SECTION 1.9 — Earned Performance Shares

“Earned Performance Shares” shall mean Shares subject to the Option in respect of which the applicable Performance Objectives, as set out in Section 3.1 and Exhibit 1 to the Acceptance Form, have been achieved and shall become vested and exercisable as set out in Section 3.2.

SECTION 1.10 — Grant Date

“Grant Date” shall mean [INSERT DATE].

SECTION 1.11 — Option

“Option” shall mean the option to purchase Ordinary Shares of the Company granted in accordance with this Agreement and the Plan.

SECTION 1.12 — Option Price

“Option Price” shall mean the price per Share purchased on exercise of the Option, as set forth in the Acceptance Form. The Option Price per Share shall not be less than 100% of the Fair Market Value of one Share on the Grant Date.

SECTION 1.13 — Performance Period

“Performance Period” shall mean [insert performance period].

SECTION 1.14 — Performance Objectives

“Performance Objectives” shall mean the performance objectives based on an Adjusted Earnings Per Share or Adjusted Operating Margin that are set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.15 — Permanent Disability

The Optionee shall be deemed to have a “Permanent Disability” if the Optionee meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company’s or Subsidiary’s long-term disability plan applicable to the Optionee or, if no such plan is applicable, in the event the Optionee is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.16 — Person

“Person” shall have the meaning ascribed to such term used in Sections 13(d) and 14(d) of the Exchange Act.

SECTION 1.17 — Plan

“Plan” shall mean the Hilb, Rogal & Hobbs Company 2007 Share Incentive Plan, as amended from time to time.

SECTION 1.18 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.19 — Shares or Ordinary Shares

“Shares” or “Ordinary Shares” means ordinary shares of the Company, which may be authorised but unissued.

SECTION 1.20 — Subsidiary

“Subsidiary” shall mean with respect to the Company, a body corporate which is a subsidiary of the Company within the meaning of Section 155 of the Act. For purposes of granting share options or any other “stock rights,” within the meaning of Section 409A of the Code, an entity shall not be considered a Subsidiary if granting any such share right would result in the share right becoming subject to Section 409A of the Code. For purposes of granting U.S. incentive stock options, an entity shall not be considered a Subsidiary if it does not also meet the requirements of Section 424(f) of the Code.

SECTION 1.21 — Willis Group

“Willis Group” shall mean the Company and its Subsidiaries collectively.

ARTICLE II

GRANT OF OPTIONS

SECTION 2.1 — Grant of Options

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement, the Company hereby grants to the Optionee an Option to purchase all or part of the aggregate number of Shares, as stated in the Acceptance Form. In circumstances where Optionee is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Optionee agrees that the grant of an Option pursuant to this Agreement is sufficient consideration for the Optionee entering into such agreement.

SECTION 2.2 — Option Price

Subject to Section 2.4, the Option Price of each Share subject to the Option shall be as stated in the Acceptance Form.

SECTION 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations where applicable, the rights and obligations of the Optionee under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The Option and the Optionee's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Optionee hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn, vest in or exercise any Option as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Optionee shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — Adjustments Upon a Change in Ordinary Shares

In accordance with and subject to Article X of the Plan, in the event that the Shares subject to any Option are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a (i) share dividend, share split-up, subdivision or consolidation of shares or other similar changes in capitalization; (ii) spin-off, spin-out, split-up, split-off, or other such distribution of assets to shareholders; or (iii) direct or indirect assumptions and/or conversions of outstanding Options due to an acquisition of the Company, then the terms of the Option shall be adjusted as the Committee shall determine to be equitably required, provided the number of Shares subject to the Option shall always be a whole number. Any such adjustment or determination made by the Committee shall be final and binding upon the Associate, the Company and all other interested persons.

SECTION 2.5 — Clawback Policy

The Company may cancel all or part of the Option or require payment by the Optionee to the Company of all or part of any amount or Shares received by the Optionee following the exercise of the Option pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF EXERCISABILITY

SECTION 3.1 — Commencement of Earning

(a) Subject to Sections 3.1(b) and 3.1(d), the Shares subject to Option shall become Earned Performance Shares as of the Earned Date and shall become eligible to vest and become exercisable in accordance with the provisions of

Section 3.2 if and to the extent that the Performance Objectives set out in Targets 1 (50% of Target Number of Shares) and 2 (50% of Target Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Optionee being in the employment of the Company or any Subsidiary at each respective vesting date as set forth in Section 3.2 below.

(b) The Optionee understands and agrees that the terms under which the Option shall become Earned Performance Shares as described in Section 3.1(a) above and in Exhibit 1 to the Acceptance Form is confidential and the Optionee agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Optionee's employment with the Company or one of its Subsidiaries, without the prior written consent of the Company. The Optionee's failure to abide by this condition may result in the immediate cancellation of the Option.

(c) As promptly as practicable following the Performance Period, the Committee shall determine whether the applicable Performance Objectives were attained, and based on such determination, shall declare the number of Shares subject to the Option that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the Option that will become Earned Performance Shares.

(d) If prior to the end of the Performance Period, (i) the Optionee's employment terminates for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion deem the Performance Objectives to be attained at the level (not to exceed the maximum level) determined by the Committee as to all or part of the unearned Shares underlying the Option and deem them to be Earned Performance Shares.

(e) All Shares subject to the Option that are not declared by the Committee to be Earned Performance Shares shall be forfeited immediately on the earlier of the Optionee's termination of employment or the date that the Committee makes a determination on whether the Performance Objectives were attained.

**SECTION 3.2 — Commencement of Vesting and Exercisability.**

(a) Subject to the Optionee's continued employment with the Willis Group through the applicable vesting date (set forth in the left column), the Earned Performance Shares shall vest and become exercisable in accordance with Section 3.2 below:

<b>Date Earned Performance Shares Become Vested and Exercisable</b>	<b>Percentage of Earned Performance Shares that Become Vested and Exercisable</b>
Second anniversary of Grant Date [INSERT DATE]	[insert]%
Third anniversary of Grant Date [INSERT DATE]	[insert]%
Fourth anniversary of Grant Date [INSERT DATE]	[insert]%
Fifth anniversary of Grant Date [INSERT DATE]	[insert]%

(b) In the event of a termination of the Optionee's employment as a result of death or Permanent Disability, then (i) the Earned Performance Shares and the Option in respect thereof shall become immediately vested and exercisable with respect to all of the Shares underlying such Option through the time period set forth in Section 3.3(b) below, and (ii) as of the date of termination of employment, any portion of the Option which then has not become an Earned Performance Share shall immediately terminate and will at no time be exercisable.

(c) Notwithstanding anything herewith to the contrary the Option over Earned Performance Shares that have not yet vested shall immediately terminate and will at no time become exercisable, except that the Committee may, for termination of employment for reasons other than death, Permanent Disability or Cause, determine in its sole discretion that the Option over the Earned Performance Shares that have not yet vested and become exercisable, shall become vested and exercisable.

(d) In the event of a termination of the Optionee's employment for any reason other than death or Permanent Disability, then the Earned Performance Shares that have vested and become exercisable and the Option in respect thereof shall remain exercisable through the time period set forth in Section 3.3 (b) below.

(e) Unless otherwise determined by the Committee, in its sole discretion, the termination date for purposes of this Section 3.2 and the Agreement will be the later of (i) the last day of the Optionee's active employment with the Company or any Subsidiary or (ii) the last day of any notice period or garden leave, as provided for under the Optionee's employment or service contract or local law.

(f) In the event of a Change of Control (as defined in the Agreement), the Option shall not automatically vest and become exercisable and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

SECTION 3.3 — Expiration of Options

(a) The Option shall immediately lapse upon the termination of the Optionee's employment, subject to, and except as otherwise specified within, the terms and conditions of Section 3.2 above.

(b) The Option over Earned Performance Shares that has become vested and exercisable in accordance with Section 3.2 will cease to be exercisable by the Optionee upon the first to occur of the following events:

(i) The eighth anniversary of the Grant Date; or

(ii) Twelve months after the date of the Optionee's termination of employment by reason of death or Permanent Disability; or

(iii) Ninety days after the date of any termination of the Optionee's employment by the Company or its Subsidiary for any reason other than (A) death or Permanent Disability or (B) where the Committee has exercised its discretion in accordance with Section 3.2(c) above; or

(iv) Six calendar months after the date of termination of the Optionee's employment provided the Committee has exercised its discretion pursuant to Section 3.2(c) above and termination is other than for Cause; or

(v) If the Committee so determines pursuant to Section 3.2(e) of this Agreement, the effective date of a Change of Control, so long as the Optionee has a reasonable opportunity to exercise his Options prior to such effective date.

(c) The Optionee agrees to execute and deliver the following agreements or other documents in connection with the grant of the Option within the period set forth below:

(i) the Optionee must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VII below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;

(ii) the Optionee must execute the Acceptance Form and deliver it to the Company within 45 days of the receipt of this Agreement; and

(iii) the Optionees who are resident in the United Kingdom must execute the form of joint election as described in terms set forth in Schedule B for the United Kingdom and deliver it to their employing company within 45 days of the receipt of this Agreement.

(d) The Committee may, in its sole discretion, cancel the Option, if the Optionee fails to execute and deliver the agreements and documents within the period set forth in Section 3.3(c) or fails to meet the requirements set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

ARTICLE IV  
EXERCISE OF OPTION

SECTION 4.1 — Person Eligible to Exercise

During the lifetime of the Optionee, only he may exercise an Option or any portion thereof. After the death of the Optionee, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Section 3.3, be exercised by any person empowered to do so under the Optionee's will or under then applicable laws of inheritance.

SECTION 4.2 — Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.3; provided, however, that any partial exercise shall be for whole Shares only.

SECTION 4.3 — Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his office or the Company's agent if so directed all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.3:

(a) Notice in writing signed by the Optionee or the other person then entitled to exercise the Option or portion thereof, stating that the Option or portion thereof is thereby exercised, such notice complying with all applicable rules established by the Committee and made available to the Optionee (or such other person then entitled to exercise the Option);

(b) Full payment (in cash, by cheque, electronic transfer, by way of a cashless exercise with a broker as approved by the Company, by way of surrender of Shares to the Company, by withholding in Shares to be issued upon Option exercise as approved by the Company in its sole discretion, or by a combination thereof) of the Option Price for the Shares with respect to which such Option or portion thereof is exercised, provided the Shares surrendered or withheld have a Fair Market Value (determined as of the day preceding the date of exercise) that is not less than such Option Price or part thereof and any Tax-Related Items (as defined in (d) below);

(c) Full payment to the Company or any Subsidiary, by which the Optionee is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contributions amounts ("Tax") which, under federal, state, local or foreign law, it is required to withhold upon exercise of the Option; and

(d) In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Optionee is liable by virtue of the Optionee's participation in the Plan and/or any social security contributions recoverable from and legally applicable to the Optionee (the "Tax-Related Items"), the Optionee will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Optionee may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Optionee's wages or other cash compensation paid to the Optionee by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of Shares issued at exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Optionee's behalf pursuant to this authorization); or
- (iii) withholding in Shares to be issued at exercise of the Option, to the extent the Company permits this withholding method.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for

Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Optionee is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Optionee's participation in the Plan.

Finally, the Optionee shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Optionee's participation in the Plan that cannot be satisfied by the means previously described.

(e) In the event the Option or any portion thereof shall be exercised pursuant to Section 4.1 by any person or persons other than the Optionee, appropriate proof of the right of such person or persons to exercise the Option.

Without limiting the generality of the foregoing, the Committee may prior to exercise, require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of an Option does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 4.4 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered upon the exercise of an Option, or any portion thereof, in accordance with Section 3.2 of this Agreement may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to issue or deliver any certificates representing such Shares or their electronic equivalent issued upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

SECTION 4.5 — Rights as Shareholder

The Optionee shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the exercise of the Option or any portion thereof unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Optionee.

ARTICLE V

ADDITIONAL TERMS AND CONDITIONS OF OPTION

SECTION 5.1 — Nature of Grant

In accepting the Option, the Optionee acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;

(b) the grant of the Option is voluntary and occasional and does not create any contractual or other right to receive future options, or benefits in lieu of options, even if options have been granted repeatedly in the past;

(c) all decisions with respect to future Option grants, if any, will be at the sole discretion of the Company;

(d) the Optionee's participation in the Plan is voluntary;

(e) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(f) the Option and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or a Subsidiary;

(g) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty;

(h) if the Optionee exercises the Option and acquires Shares, the value of such Shares may increase or decrease in value, even below the Option Price; and

(i) no claim or entitlement to compensation or damages shall arise from termination of the Option or diminution in value of the Option or Shares acquired upon exercise of the Option in the event of the Optionee's termination of employment (whether or not in breach of contract or local labor laws and whether or not later found to be invalid), and in consideration of the grant of the Option to which the Optionee is otherwise not entitled, the Optionee irrevocably agrees never to institute any claim against the Company or any Subsidiary, waives his ability, if any, to bring any such claim, and releases the Company and any Subsidiary from any such claim.

SECTION 5.2 — NO ADVICE REGARDING GRANT

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Optionee's participation in the Plan, or the issuance of Shares upon exercise of the Option or sale of the Shares. The Optionee is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE VI

DATA PRIVACY NOTICE AND CONSENT

SECTION 6 — Data Privacy

*(a) The Optionee hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Optionee's personal data as described in this Agreement and any other Option grant materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Optionee's participation in the Plan.*

*(b) The Optionee understands that the Company and the Employer may hold certain personal information about the Optionee, including, but not limited to, the Optionee's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Options or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Optionee's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*(c) The Optionee understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Optionee understands that the recipients of the Data may be located in the Optionee's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Optionee's country. The Optionee understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Optionee authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Optionee understands that Data will be held only as long as is necessary to implement, administer and manage the Optionee's participation in the Plan. The Optionee understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Optionee understands,*



however, that refusing or withdrawing his consent may affect the Optionee's ability to participate in the Plan. For more information on the consequences of the Optionee's refusal to consent or withdrawal of consent, the Optionee understands that he may contact his local human resources representative.

#### ARTICLE VII

##### AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

###### SECTION 7 — Restrictive Covenants and Other Obligations

In consideration of the grant of an Option, the Optionee shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Optionee does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the Option. If no such agreement is required, Schedule C shall state none or not applicable.

#### ARTICLE VIII

##### MISCELLANEOUS

###### SECTION 8.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Optionee, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

###### SECTION 8.2 — Options Not Transferable

Neither the Options nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Optionee or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 8.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

###### SECTION 8.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

###### SECTION 8.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Share Plans

and any notice to be given to the Optionee shall be at the address set forth in the Option Acceptance Form.

By a notice given pursuant to this Section 8.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Optionee shall, if the Optionee is then deceased, be given to the Optionee's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 8.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Optionee resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

SECTION 8.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 8.6 — Applicability of Plan

The Options and the Earned Performance Shares underlying the Options shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the Options. With the exception of the definition of Change of Control, in the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

SECTION 8.7 — Amendment

The Committee shall have authority to make such amendments to this Agreement as are consistent with the Plan.

SECTION 8.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Virginia, without regard to its conflicts of law provisions, provided; however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 8.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 8.10 — Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Optionee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, this Agreement has been executed on behalf of the Company electronically and the Optionee accepts the electronic signature of the Company.

SECTION 8.11 — Language

If the Optionee has received this Agreement, or any other document related to the Option and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 8.12 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 8.13 — Schedule B

The Option shall be subject to any special provisions set forth in Schedule B for the Optionee's country of residence, if any. If the Optionee relocates to one of the countries included in Schedule B during the life of the Option, the special provisions for such country shall apply to the Optionee, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 8.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Option and the Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Optionee to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 8.15 — Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF the Company and the Optionee have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By: .  
Name:  
Title:

**WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ACCEPTANCE FORM TO SHARE OPTION AWARD AGREEMENT  
HILB, ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN**

**(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)**

<b>Name</b>	
<b>Number of Shares Granted Under Option</b>	
<b>Grant Date</b>	[TBD]
<b>Option Price</b>	[TBD]

I accept the grant of the Option under the Hilb, Rogal & Hobbs 2007 Share Incentive Plan, as amended from time to time and I agree to be bound by the terms and conditions of the Option Agreement dated [TBD] and any country-specific terms set forth in Schedule B, thereto.

**Signature:**

**Address:**

Once completed, please return one copy of this form to:

Share Plans  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

**This form should be returned to the above address within 45 days of receipt. Your option may be cancelled if your form is not received by that date.**

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ACCEPTANCE FORM TO SHARE OPTION AWARD AGREEMENT  
HILB, ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

*Performance Period: [Insert]*

*Earned Date: Publication of Company's Annual Financial Results*

**Target 1: Adjusted Operating Margin ("OM") Target [INSERT]%  
Percentage of Option Shares Subject to Target 1: 50%**

<b>Performance Scale:*</b>	89% or below (OM of [INSERT] or below)	90-94% (OM of [INSERT])	95-99% (OM of [INSERT])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

**Target 2: Adjusted Earnings Per Share ("EPS") Target \$[INSERT]  
Percentage of Option Shares Subject to Target 2: 50%**

<b>Performance Scale:*</b>	89% or below (EPS of \$[INSERT] or below)	90-94% (EPS of [INSERT])	95-99% (EPS of \$[INSERT])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

\* Performance between amounts is subject to interpolation.

**WILLIS GROUP HOLDINGS  
COUNTRY-SPECIFIC APPENDIX TO OPTION AGREEMENT  
HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN**

**(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Option granted to the Optionee under the Hilb Rogal & Hobbs 2007 Share Incentive Plan, as amended from time to time (the "Plan") if the Optionee resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Optionee's country as of June 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Optionee not rely on the information noted herein as the only source of information relating to the consequences of the Optionee's participation in the Plan because the information may be out of date at the time the Optionee exercises the Option under the Plan.

In addition, the information is general in nature. The Company is not providing the Optionee with any tax advice with respect to the Option. The information is provided below may not apply to the Optionee's particular situation, and the Company is not in a position to assure the Optionee of any particular result. *Accordingly, the Optionee is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Optionee's country apply to the Optionee's situation.*

Finally, if the Optionee is a citizen or resident of a country other than the one in which the Optionee is currently working, transfers employment after this Option is granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Optionee, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Optionee.

**UNITED KINGDOM**

***Terms and Conditions***

*Tax Withholding Obligations.* The following provisions supplement Section 4.3(d) of the Agreement:

The Optionee agrees that if he or she does not pay or the Employer or the Company does not withhold from the Optionee the full amount of Tax-Related Items that the Optionee owes at exercise of the Option, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income taxes will constitute a benefit to Participant on which additional income tax and national insurance contributions (including the Employer's NICs, as defined below) will be payable. The Optionee acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 4.3(d) of the

Agreement, although the Optionee acknowledges that the Optionee ultimately will be responsible for reporting any income tax or National Insurance Contributions (“NICs”) due on this additional benefit directly to HMRC under the self-assessment regime.

**Joint Election**

If the Optionee is a U.K. tax resident, the grant of this Option is conditional upon the Optionee hereby agreeing to accept any liability for any employer National Insurance contributions (“Employer NICs”) which may be payable by the Employer in connection with the exercise, assignment, release or cancellation of any Option. The Optionee may elect that the Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 4.3 of the Agreement. Without prejudice to the foregoing, the Optionee agrees to execute a joint election with the Company and/or the Employer (“Election”), the form of such Election being formally approved by Her Majesty’s Revenue & Customs (“HMRC”), and any other consent or elections required to accomplish the transfer of the Employer NICs to the Optionee. The Optionee further agrees to execute such other joint elections as may be required between the Optionee and any successor to the Company and/or the Employer. If the Optionee does not make an Election prior to the vesting of the Option or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary of the Company, the Option shall become null and void without any liability to the Company and/or the Employer and may not be exercised by the Optionee.

**UNITED STATES OF AMERICA**

*Notifications*

**Tax Information**

The Option is not an incentive stock option within the meaning of Section 422 of the Code.

## WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

RESTRICTED SHARE UNIT AWARD AGREEMENT

(Performance-Based Restricted Share Units)

GRANTED UNDER THE HILB ROGAL &amp; HOBBS COMPANY

2007 SHARE INCENTIVE PLAN

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

**WHEREAS**, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the “Company,” has assumed the Hilb, Rogal & Hobbs 2007 Share Incentive Plan, as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009 (the “Plan”);

**WHEREAS**, the Committee (as hereinafter defined) has determined that it would be in the best interests of the Company and its shareholders to grant Restricted Share Units to the Executive pursuant to the Plan and the terms set forth herein.

**WHEREAS**, the award of Restricted Share Units is also granted pursuant to the terms and conditions of the SMIP (as hereinafter defined), and is, therefore, intended to qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code (as hereinafter defined).

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

**THIS RESTRICTED SHARE UNIT AGREEMENT** (this “Agreement”), effective as of [insert date] is made by and between the Company and the individual (the “Executive”) who has duly completed, executed and delivered the Acceptance Form, a copy of which is attached hereto as Schedule A (including Exhibit 1 thereto) and which is deemed to be a part hereof (the “Acceptance Form”) and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof.

## ARTICLE I

DEFINITIONS

Defined terms used this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

“Act” shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Adjusted Earnings Per Share

“Adjusted Earnings Per Share” shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.3 — Adjusted Operating Margin

“Adjusted Operating Margin” shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall mean (i) the Executive’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Executive’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Executive in connection with the Executive’s employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Executive to the Company or its Subsidiaries), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Executive’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Executive’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Executive and the Company or any of its Subsidiaries (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Executive’s receipt of such notice.

SECTION 1.6 — Change of Control

“Change of Control” shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person (within the meaning of the Exchange Act and the rules of the U.S. Securities and Exchange Commission thereunder as in effect on the date hereof) or group of Persons of the Ordinary Shares representing more than 50% of the aggregate voting power represented by the issued and outstanding Ordinary Shares; or (b) the occupation of a majority of the seats (other than vacant seats) on the Board by persons who were neither (i) nominated by the Board nor (ii) appointed by directors so nominated. For the avoidance of doubt, a transaction shall not constitute a Change of Control (i) if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity of the Willis Group (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) and (ii) where all or substantially all of the person(s) who are the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, all or substantially all of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the ultimate parent entity resulting from such transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of such outstanding securities of the Company.

SECTION 1.7 — Certification Date

“Certification Date” shall mean the date that the Committee certifies in accordance with the requirements of Code Section 162(m), the amount payable under the SMIP based on “Earnings” for the Performance Period (as defined in the SMIP), the attainment level of the Performance Objectives and the number of Shares subject to RSUs that will become Earned Performance Shares based on the amount payable under the SMIP and attainment level of the additional Performance Objectives.

SECTION 1.8 — Code

“Code” shall mean the United States Internal Revenue Code of 1986, as amended.

SECTION 1.9 — Committee

“Committee” shall mean the Compensation Committee of the Board or any successor thereto.

SECTION 1.10 — Earned Performance Shares

“*Earned Performance Shares*” shall mean Shares subject to the Restricted Share Units in respect of which the applicable Performance Objectives, as set out in Section 3.1 and Exhibit 1 to the Acceptance Form, have been achieved and shall become eligible for vesting and payment as set out in Section 3.2.

SECTION 1.11 — Grant Date

“*Grant Date*” shall mean [insert date].

SECTION 1.12 — Performance Period

“*Performance Period*” shall mean [insert performance period].

SECTION 1.13 — Performance Objectives

“*Performance Objectives*” shall mean an Adjusted Earnings Per Share or Adjusted Operating Margin that are set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.14 — Permanent Disability

The Executive shall be deemed to have a “Permanent Disability” if the Executive meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company’s or Subsidiary’s long-term disability plan applicable to the Executive or, if no such plan is applicable, in the event the Executive is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.15 — Person

“*Person*” shall have the meaning ascribed to such term used in Sections 13(d) and 14(d) of the Exchange Act.

SECTION 1.16 — Plan

“*Plan*” shall mean the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan, as amended from time to time.

SECTION 1.17 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.18 — Restricted Share Units or RSUs

“*Restricted Share Units*” or “RSUs” shall mean a conditional right to receive Ordinary Shares pursuant to Article IX of the Plan upon vesting and settlement, as set forth in Article III of this Agreement.

SECTION 1.19 — Shares or Ordinary Shares

“*Shares*” or “Ordinary Shares” means ordinary shares of the Company, nominal value of \$0.000115 each, which may be authorised but unissued.

SECTION 1.20 — SMIP

“*SMIP*” means the Willis Group Holdings Senior Management Incentive Plan as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009.

SECTION 1.21 — *Subsidiary*

“*Subsidiary*” shall mean with respect to the Company, a body corporate which is a subsidiary of the Company within the meaning of Section 155 of the Act and a “subsidiary corporation” of that corporation within the meaning of Section 424(f) of the Code.

SECTION 1.22 — *Willis Group*

“*Willis Group*” shall mean the Company and its Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

SECTION 2.1 — *Grant of the Restricted Share Units*

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement and the additional terms and conditions set forth in the SMIP, the Company hereby grants to the Executive the targeted number of RSUs stated in the Acceptance Form (including Exhibit 1 thereto). In circumstances where the Executive is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Executive agrees that the grant of RSUs pursuant to this Agreement is sufficient consideration for the Executive entering into such agreement.

SECTION 2.2 — *RSU Payment*

The Shares to be issued upon vesting and settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs vest from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

SECTION 2.3 — *Employment Rights*

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations, where applicable, the rights and obligations of the Executive under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The RSUs and the Executive’s participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Executive hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn or vest in his RSUs as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — *Adjustments Upon a Change in Ordinary Shares*

In accordance with and subject to Article X of the Plan, in the event that the Shares subject to RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a (i) share dividend, share split-up, subdivision or consolidation of shares or other similar changes in capitalization; or (ii) spin-off, spin-out, split-up, split-off, or other such distribution of assets to shareholders, then the terms of the RSUs shall be adjusted as the Committee shall determine to be equitably required, provided the number of Shares subject to the RSUs shall always be a whole number. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their nominal value (the “Shortfall”), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares.

SECTION 2.5 — Employee Costs

(a) The Executive must make full payment to the Company or any Subsidiary by which the Executive is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan and/or any social insurance contributions recoverable from and legally applicable to the Executive (the "Tax-Related Items"), the Executive will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of Shares acquired upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization); or
- (iii) withholding in Shares to be issued at vesting of the RSUs, to the extent the Company permits this method of withholding.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Executive's participation in the Plan.

Finally, the Executive shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described.

SECTION 2.6 — Clawback Policy

The Company may cancel all or part of the RSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF PERFORMANCE-BASED AND TIME-BASED VESTING REQUIREMENTS

SECTION 3.1 — Earning Performance Shares

(a) Subject to Sections 3.1(c) and (d) and subject to the aggregate amount payable under the SMIP, the Shares subject to the RSUs shall become Earned Performance Shares as of the Earned Date and shall become eligible to vest and become payable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Targets 1 (applicable to 50% of Target Number of Shares) and Target 2 (applicable to 50% of Target Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Executive being in the employment of the Company or any Subsidiary at each respective vesting date as set forth in Section 3.2 below.

(b) The Executive understands and agrees that the terms under which the RSUs shall become Earned Performance Shares are confidential and the Executive agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Executive's employment with the Company or one of its

Subsidiaries, without the prior written consent of the Company. The Executive's failure to abide by this condition may result in the immediate cancellation of the RSUs.

(c) If prior to the end of the Performance Period, (i) the Executive's employment terminates for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion deem the Performance Objectives to be attained at the level (not to exceed the maximum level) determined by the Committee as to all or part of the unearned Shares underlying the RSUs and deem them to be Earned Performance Shares, provided, however, that no RSU shall become an Earned Performance Share to the extent that any such discretion would prevent the RSU from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(d) The Performance Objectives may be adjusted in accordance with the terms of the Plan to the extent such adjustments would not prevent the RSUs from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(e) As of the Certification Date, the Committee shall certify the amount payable under the SMIP, determine the attainment level of applicable Performance Objectives, and based on such certification and determination, shall declare the number of Shares subject to the RSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the RSUs that will become Earned Performance Shares, subject to any requirements under Code Section 162(m).

(f) Shares subject to the RSUs that are not declared by the Committee on the Certification Date to be Earned Performance Shares shall be forfeited immediately.

**SECTION 3.2- Vesting/Settlement**

(a) Subject to the Executives' continued employment with the Willis Group through the applicable vesting date (set forth in the left column), the Earned Performance Shares shall vest as follows and become payable in accordance with Section 3.2 below:

<b>Date Earned Performance Shares Become Vested</b>	<b>Percentage of Earned Performance Shares that Become Vested</b>
First anniversary of Grant Date [INSERT DATE]	33%
Second anniversary of Grant Date [INSERT DATE]	33%
Third anniversary of Grant Date [INSERT DATE]	34%

(b) In the event of a termination of the Executive's employment with Willis Group any unvested Earned Performance Shares as of the termination date will be forfeited immediately by the Executive, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.2(c) to 3.2(f) below.

(c) In the event of a termination of the Executive's employment as a result of death or Permanent Disability, the RSUs shall become fully vested with respect to all Earned Performance Shares on the termination date.

(d) In the event of a termination of the Executive's employment for reasons other than death, Permanent Disability or Cause, the Committee may, in its discretion accelerate the vesting of the RSUs over Earned Performance Shares as to all or a portion of the Earned Performance Shares subject thereto. If no determination is made as of the date of termination, then the Earned Performance Shares shall, to the extent not then vested be immediately forfeited by the Executive.

(e) Unless otherwise determined by the Committee, in its sole discretion, the termination date for purposes of this Section 3.2 and the Agreement will be the later of (i) the last day of the Executives' active employment with the Company or any Subsidiary or (ii) the last day of any notice period or garden leave, as provided for under the Executives' employment or service contract or local law.

(f) In the event of a Change of Control (as defined in the Agreement), the RSUs shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of invested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

(g) The Executive agrees to execute and deliver the following agreements or other documents in connection with the grant of the RSUs within the period set forth below:

(i) the Executive must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VI below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement;

(ii) the Executive must execute the form of joint election as described in Schedule B for the United Kingdom and deliver it to his employing company within 45 days of the receipt of this Agreement; and

(iii) the Executive must execute the Acceptance Form and deliver it to the Company within 45 days of the receipt of this Agreement.

(h) The Committee may, in its sole discretion, cancel the RSUs if the Executive fails to execute and deliver the agreements and documents within the period set forth in Section 3.2(g) or fails to meet the requirements set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

(i) Except as provided herein, Earned Performance Shares that become vested in accordance with this Section 3.2 shall be delivered within one month following the applicable vesting date (which payment schedule is intended to comply with the "short-term deferral" exception from the application of Section 409A of the Code). Subject to Section 7.16 hereof, in the case the Committee exercises its discretion under Section 3.1(c) hereof and the Earned Performance Shares become vested on an accelerated basis pursuant to either Section 3.2 (c), (d) or (e), the Earned Performance Shares underlying the RSUs shall be delivered on April 1st of the year following the last day of the applicable Performance Period. Finally, the Company shall not be required to pay out the Earned Performance Shares to the Participant unless and until the Participant has paid or made arrangements to pay any Tax-Related Items liability in accordance with Section 2.5.

SECTION 3.3 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered upon the vesting of the RSUs, in accordance with Section 3.2 of the Agreement, may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code for U.S. taxpayers:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The Executive has paid or made arrangements to pay the Tax-Related Items pursuant to Section 2.5.

Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 3.4 — Rights as Shareholder

The Executive shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Executive.

SECTION 3.5 — Limitation on Obligations

The Company's obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Executive of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The RSUs shall not be secured by any specific

assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Executive for damages relating to any delays in issuing the share certificates or its electronic equivalent to the Executive (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Executive (or his designated entities) or in the certificates themselves.

#### ARTICLE IV

##### ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

###### SECTION 4.1 — Nature of Award

In accepting the RSUs, the Executive acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the RSU award is voluntary and occasional and does not create any contractual or other right to receive future RSU awards, or benefits in lieu of RSU awards, even if RSU awards have been granted repeatedly in the past;
- (c) all decisions with respect to future RSUs, if any, will be at the sole discretion of the Company;
- (d) the Executive's participation in the Plan is voluntary;
- (e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the RSUs and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or any Subsidiary;
- (g) the future value of the Shares underlying the RSUs is unknown and cannot be predicted with certainty; and
- (h) no claim or entitlement to compensation or damages shall arise from the forfeiture of the RSUs or the Shares underlying the RSUs in the event of the Executive's termination of employment (whether or not in breach of contract or local labor laws and whether or not later found to be invalid), and in consideration of the RSU award to which the Executive is otherwise not entitled, the Executive irrevocably agrees never to institute any claim against the Company or any Subsidiary, waives his ability, if any, to bring any such claim, and releases the Company and any Subsidiary from any such claim.

###### SECTION 4.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan, the issuance of Shares upon vesting of the RSUs or sale of the Shares. The Executive is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

SECTION 5 — Data Privacy

*(a) The Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Executive's personal data as described in this Agreement and any other RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Executive's participation in the Plan.*

*(b) The Executive understands that the Company and the Employer may hold certain personal information about the Executive, including, but not limited to, the Executive's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Executive's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").*

*(c) The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Executive understands, however, that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.*

ARTICLE VI

AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

SECTION 6 — Restrictive Covenants and Other Obligations

In consideration of the grant of RSUs, the Executive shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Executive does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the receipt of this Agreement, the Committee may, in its sole discretion, cancel the RSUs. If no such agreement is required, Schedule C shall state none or not applicable.



ARTICLE VII  
MISCELLANEOUS

SECTION 7.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the RSUs. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

SECTION 7.2 — RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

SECTION 7.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 7.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Share Plans

and any notice to be given to the Executive shall be at the address set forth in the RSUs Acceptance Form.

By a notice given pursuant to this Section 7.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 7.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Executive resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

SECTION 7.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 7.6 — Applicability of Plan

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares. With the exception of the definition of Change of Control, in the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control.

SECTION 7.7 — Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

SECTION 7.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Virginia without regard to its conflicts of law provisions; provided, however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 7.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 7.10 — Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Executive hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company. Further, this Agreement has been executed on behalf of the Company electronically and the Executive accepts the electronic signature of the Company.

SECTION 7.11 — Language

If the Executive has received this Agreement, or any other document related to the RSUs and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 7.12 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 7.13 — Schedule B

The RSUs shall be subject to any special provisions set forth in Schedule B for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 7.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or

facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 7.15 — Counterparts.

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

SECTION 7.16 — Code Section 409A.

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

Anything in this Agreement to the contrary notwithstanding, no Shares underlying the RSU Awards under this Agreement that constitute an item of deferred compensation under Section 409A of the Code that become payable by reason of a Participant's termination of employment with the Company shall be issued to the Participant unless the Participant's termination of employment constitutes a "separation from service" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder). In addition, no such issuance shall be made to the Participant prior to the earlier of (a) the expiration of the six-month period measured from the date of the Participant's separation from service or (b) the date of the Participant's death, if the Participant is deemed at the time of such separation from service to be a "specified employee" (within the meaning of Section 409A of the Code and any the regulations or other guidance thereunder) and to the extent such delayed commencement is otherwise required in order to avoid a prohibited distribution under Section 409A of the Code and any the regulations or other guidance thereunder.

IN WITNESS WHEREOF, the Company and the Executive have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By:  
Name:  
Title:

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ACCEPTANCE FORM TO RESTRICTED SHARE UNIT AWARD AGREEMENT  
GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN  
(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as  
amended and restated and assumed by Willis Group Holdings Public Limited Company on  
December 31, 2009)

Name \_\_\_\_\_  
Target Number of Restricted Share Units Granted \_\_\_\_\_  
Grant Date \_\_\_\_\_

[TBD]

I accept the grant of Restricted Share Units by Willis Group Holdings Public Limited Company under the Hilb, Rogal & Hobbs 2007 Share Incentive Plan, as amended from time to time, and I agree to be bound by the terms and conditions of the Restricted Share Unit Award Agreement dated [TBD].

Signature:

Address:

Once completed, please return one copy of this form to:

Share Plans  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

This form should be returned to the above address within 45 days of receipt. Your RSUs may be cancelled if your form is not received by that date.

**WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY**  
**ACCEPTANCE FORM TO RESTRICTED SHARE UNIT AWARD AGREEMENT**  
**GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY**  
**2007 SHARE INCENTIVE PLAN**

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

*Performance Period: [INSERT PERIOD]*  
*Earned Date: Certification by the Committee of the Annual Financial Results*

**Target 1: Adjusted Operating Margin ("OM") Target [INSERT]%**  
**Percentage of RSU Shares Subject to Target 1: 50%**

<b>Performance Scale:*</b>	89% or below (OM of [INSERT] or below)	90-94% (OM of [INSERT])	95-99% (OM of [INSERT])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

**Target 2: Adjusted Earnings Per Share ("EPS") Target \$[INSERT]**  
**Percentage of RSU Shares Subject to Target 2: 50%**

<b>Performance Scale:*</b>	89% or below (EPS of \$ [INSERT] or below)	90-94% (EPS of [INSERT])	95-99% (EPS of \$ [INSERT])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

\* Performance between amounts is subject to interpolation.

**WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY**  
**COUNTRY-SPECIFIC APPENDIX TO RESTRICTED SHARE UNIT AWARD AGREEMENT**  
**HILB ROGAL & HOBBS COMPANY**  
**2007 SHARE INCENTIVE PLAN**  
**(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and**  
**as amended and restated and assumed by Willis Group Holdings Public Limited Company on**  
**December 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Plan if the Executive resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of June 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Executive with any tax advice with respect to the RSUs. The information is provided below may not apply to the Executive's particular situation, and the Company is not in a position to assure the Executive of any particular result. *Accordingly, the Executive is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Executive's country apply to the Executive's situation.*

Finally, if the Executive is a citizen or resident of a country other than the one in which the Executive is currently working, transfers employment after the RSU award is granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Executive, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Executive.

**UNITED KINGDOM**

***Terms and Conditions***

*Tax Withholding Obligations.* The following provisions supplement Section 2.5 of the Agreement:

The Executive agrees that if he or she does not pay or the Employer or the Company does not withhold from the Executive the full amount of Tax-Related Items that the Executive owes at vesting of the RSUs, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income taxes will constitute a benefit to Participant on which additional income tax and national insurance contributions ("NICs"), including the Employer's NICs (as defined below) will be payable. The Executive acknowledges that the Company or the Employer may recover any such additional income tax and NICs at any time thereafter by any of the means referred to in the Section 2.5 of the

Agreement, although the Executive acknowledges that the Executive ultimately will be responsible for reporting any income tax or NICs due on this additional benefit directly to HMRC under the self-assessment regime.

*Joint Election.* In the case of Executives who are U.K. tax residents, the RSU Award is conditional upon the Executive hereby agreeing to accept any liability for any employer National Insurance contributions ("Employer NICs") which may be payable by the Employer in connection with the vesting, assignment, release or cancellation of any RSUs. The Employer NICs may be collected by the Company or the Employer using any of the methods described in Section 2.5. Without prejudice to the foregoing, the Executive agrees to execute a joint election with Company and/or the Employer ("Election"), the form of such Election being formally approved by Her Majesty's Revenue & Customs ("HMRC"), and any other consent or elections required to accomplish the transfer of the Employer NICs to the Executive. The Executive further agrees to execute such other joint elections as may be required between the Executive and any successor to the Company and/or the Employer. If the Executive does not make an Election prior to the vesting of the RSUs or if approval to the Election is withdrawn by HMRC and a new Election is not entered into, without any liability to the Company, the Employer or any Subsidiary, the RSUs shall become null and void without any liability to the Company and/or the Employer.

**UNITED STATES OF AMERICA**

There are no country-specific provisions.

**WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY  
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)**

**RESTRICTED SHARE UNIT AWARD AGREEMENT**  
(Performance-Based Restricted Share Units)

**WHEREAS**, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the “Company,” has adopted the Willis Group Holding 2008 Share Purchase and Option Plan, as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009 (the “Plan”);

**WHEREAS**, the Committee (as hereinafter defined) has determined that it would be in the best interests of the Company and its shareholders to grant Restricted Share Units provided for herein to the Executive (as hereinafter defined) pursuant to the Plan and the terms set forth herein.

**WHEREAS**, the award of Restricted Share Units is also granted pursuant to the terms and conditions of the SMIP (as hereinafter defined), and is, therefore, intended to qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code (as hereinafter defined).

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

**THIS RESTRICTED SHARE UNIT AWARD AGREEMENT** (this “Agreement”), effective as of May 2, 2011 is made by and between the Company and the individual (the “Executive”) who has duly completed, executed and delivered the Award Acceptance Form, a copy of which is set out in Schedule A attached hereto (including Exhibit 1 thereto) and which is deemed to be part hereof (the “Acceptance Form”).

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified below, or to the extent not defined, as specified in the Plan unless the context clearly indicates to the contrary.

SECTION 1.1 — Act

“Act” shall mean the Companies Act 1963 of Ireland.

SECTION 1.2 — Adjusted Earnings Per Share

“Adjusted Earnings Per Share” shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.3 — Adjusted Operating Margin

“Adjusted Operating Margin” shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall have the same meaning as the definition stated in the Employment Agreement.

SECTION 1.6 — Certification Date

“Certification Date” shall mean the date that the Committee certifies in accordance with the requirements of Code Section 162(m), the amount payable under the SMIP based on “Earnings” for the Performance Period (as defined in the SMIP), the attainment level of the Performance Objectives and the number of Shares subject to RSUs that will become Earned Performance Shares based on the amount payable under the SMIP and attainment level of the additional Performance Objectives.

SECTION 1.7 — Change of Control

“Change of Control” shall have the same meaning as the definition stated in the Employment Agreement.

SECTION 1.8 — Committee

“Committee” shall mean the Compensation Committee of the Board (which Committee shall be constituted to satisfy the requirements of Section 162(m) of the Code).

SECTION 1.9 — Disability

“Disability” shall have the same meaning as the definition stated in the Employment Agreement.

SECTION 1.10 — Earned Performance Shares

“Earned Performance Shares” shall mean Shares subject to the RSUs in respect of which the applicable Performance Objectives, as set out in Section 3.1 and Exhibit 1 to the Acceptance Form, and other conditions have been achieved in accordance with Section 3.1 and shall become eligible for vesting and payment as set out in Section 3.2.

SECTION 1.11 — Employment Agreement

“Employment Agreement” shall mean the 2010 Amended and Restated Employment Agreement dated as of January 1, 2010 by and between Willis North America, Inc. and the Executive.

SECTION 1.12 — Good Reason

“Good Reason” shall have the same meaning as the definition stated in the Employment Agreement.

SECTION 1.13 — Grant Date

“Grant Date” shall mean May 2, 2011.

SECTION 1.14 — Mutual Retirement

“Mutual Retirement” shall have the same meaning as the definition stated in the Employment Agreement.

SECTION 1.15 — Performance Period

“Performance Period” shall mean January 1, 2011 to December 31, 2011.

SECTION 1.16 — Performance Objectives

“Performance Objectives” shall mean the performance objectives based on Adjusted Earnings Per Share or Adjusted Operating Margin that are set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.17 — Plan

“Plan” shall mean the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time.

SECTION 1.18 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.19 — Restricted Share Unit

“Restricted Share Unit” or “RSU” shall mean a conditional right to receive Ordinary Shares pursuant to the terms of the Plan and this Agreement, upon vesting and settlement, as set forth in Section 3.2 of this Agreement.

SECTION 1.20 — Shares or Ordinary Shares

“Shares” or “Ordinary Shares” means ordinary shares of the Company, nominal value of \$0.000115 each, which may be authorised but unissued.

SECTION 1.21 — SMIP

“SMIP” means the Willis Group Holdings Senior Management Incentive Plan as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009.

SECTION 1.22 — Subsidiary

“Subsidiary” shall mean with respect to the Company, any subsidiary of the Company within the meaning of Section 155 of the Act.

SECTION 1.23 — Willis Group

“Willis Group” shall mean the Company and the Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

SECTION 2.1 — Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement including any country-specific provisions set forth in Schedule B to this Agreement and the additional terms and conditions set forth in the SMIP, the Company hereby grants RSUs to the Executive, over a targeted number of Shares as stated in the Acceptance Form (including Exhibit 1 thereto).

SECTION 2.2 — RSU Payment

In accordance with Section 6(b) of the Plan, the Shares to be issued upon settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs are settled from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

SECTION 2.3 — Adjustments in RSUs Pursuant to Merger, Consolidation, etc.

Subject to Sections 9 and 10 of the Plan, in the event that the outstanding Shares subject to the RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, shares or extraordinary cash dividend, share combination or reclassification, recapitalization, merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, make an appropriate and equitable adjustment in the number and kind of Shares. Any adjustments or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their nominal value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares.

SECTION 2.4 — Tax Withholding.

The Executive must make full payment to the Company or any Subsidiary by which the Executive is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan and/or any social insurance contributions recoverable from and legally applicable to the Executive (the "Tax-Related Items"), the Executive will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

- (i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company and/or the Employer; or
- (ii) withholding from proceeds of the sale of Shares acquired upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization); or
- (iii) withholding in Shares to be issued at vesting of the RSUs, to the extent the Company permits this withholding method.

If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Executive's participation in the Plan. To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates.

Notwithstanding anything to the contrary in this Section 2.4, in order to avoid a prohibited acceleration under Section 409A of the Code, the number of Shares that the Employer shall be permitted to withhold or sell on behalf of the Executive to satisfy any liability for Tax-Related Items with respect to any portion of the RSUs that is considered deferred compensation subject to Section 409A of the Code shall not exceed that number of Shares that equals the aggregate amount of all Tax-Related Items.

Finally, the Executive shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described.

SECTION 2.5 — Clawback Policy.

The Company may cancel all or part of the RSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERFORMANCE AND TIME-BASED VESTING REQUIREMENTS

SECTION 3.1 — Earned Performance Shares

(a) Subject to Sections 3.1(b),(c), and (d) below and subject to the aggregate amount payable limitations under the SMIP, the Shares subject to the RSUs shall become Earned Performance Shares as of the Certification Date and shall become eligible to vest and become payable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Target 1 (applicable to 50% of Target Number of Shares) and Target 2 (applicable to 50% of Target Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Executive being in the employment of the Company or any Subsidiary at each respective vesting date as set forth in Section 3.2 below.

(b) The Performance Objectives may be adjusted in accordance with the terms of the Plan to the extent such adjustments would not prevent the RSUs from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(c) As of the Certification Date, the Committee shall certify the amount payable under the SMIP, determine the attainment level of applicable Performance Objectives, and based on such certification and determination, shall declare the number of Shares subject to the RSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the RSUs that will become Earned Performance Shares, subject to any requirements under Code Section 162(m).

(d) Shares subject to the RSUs that are not declared by the Committee on the Certification Date to be Earned Performance Shares shall be forfeited immediately.

(e) If, prior to the end of the Performance Period there is a Change of Control, the Performance Objectives will be deemed to be attained at the level (not to exceed the maximum level) determined by the Committee as to all of the unearned Shares underlying the RSUs and deem them to be Earned Performance Shares; provided, however, (i) that no RSU shall become an Earned Performance Share prior to the Certification Date or to the extent such exercise of discretion would result in a payment exceeding the amount payable under SMIP, and (ii) that the time-based vesting requirements set forth in Section 3.2 shall continue to apply. Notwithstanding the foregoing, the Committee shall retain all discretion to waive the vesting requirements set forth in Section 3.2 in connection with a Change of Control so as to vest the Shares at an earlier date than that specified in Section 3.2.

SECTION 3.2 — Vesting/Settlement

(a) Subject to the Executive's continued employment with the Willis Group through the applicable vesting date set forth below and Section 3.2(b), the Earned Performance Shares shall vest as follows and become payable in accordance with Section 3.2(e) below:

<u>Date Earned Performance Shares Become Vested</u>	<u>Percentage of Earned Performance Shares</u>
First anniversary of Grant Date (May 2, 2012) (or, if later, the Certification Date)	50%
Second anniversary of Grant Date (May 2, 2013)	50%

(b) In the event of a termination of the Executive's employment with the Willis Group by an employer in the Willis Group without Cause, by the Executive for Good Reason, or due to death, Disability or Mutual Retirement, any employment or service requirements shall be waived but the performance criteria set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form, if any, shall remain and the RSUs shall become fully vested with respect to all Earned Performance Shares on the termination date or, if later, on the applicable Certification Date (or as otherwise provided in this Section 3.1(e)).

(c) In the event of a termination of the Executive's employment with the Willis Group by an employer in the Willis Group for Cause or by the Executive without Good Reason, any unvested Earned Performance Shares will be immediately forfeited by the Executive.

(d) The Executive agrees to execute the Acceptance Form and deliver it to the Company within 45 days of the receipt of the Agreement.

(e) Earned Performance Shares that become vested in accordance with this Section 3.2 shall be delivered on the later of (i) March 1, 2012 or (ii) the date the Executive incurs a "separation from service" (within the meaning of Section 409A of the Code), subject to any delay in payment required as set forth in Section 7(k) of the Employment Agreement.

SECTION 3.3 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered, as set out in 3.2(e) above, may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the settlement of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable;

(b) The Executive has paid or made arrangements to pay the Tax-Related items pursuant to Section 2.4; and

(c) Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs does not violate the U.S. Securities Exchange Act of 1934, as amended, and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 3.4 — Rights as Shareholder

The Executive shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Executive.

SECTION 3.5 — Limitation on Obligations

The Company's obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Executive of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The RSUs shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Executive for damages relating to any delays in issuing the share certificates or its electronic equivalent to the Executive (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Executive (or his designated entities) or in the certificates themselves.

ARTICLE IV

DATA PRIVACY NOTICE AND CONSENT

SECTION 4 — Data Privacy

***(a) The Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Executive's personal data as described in this Agreement and any other RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Executive's participation in the Plan.***

(b) The Executive understands that the Company and the Employer may hold certain personal information about the Executive, including, but not limited to, the Executive's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in the Executive's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Executive understands, however, that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.

## ARTICLE V

### MISCELLANEOUS

#### SECTION 5.1 — RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 5.1 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

#### SECTION 5.2 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

#### SECTION 5.3 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: General Counsel

and any notice to be given to the Executive shall be at the address set forth in the RSUs Acceptance Form.

By a notice given pursuant to this Section 5.3, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 5.3. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or by a recognized courier service.

SECTION 5.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 5.6 — Applicability of Plan and the Employment Agreement

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares. In the event of any conflict between this Agreement, the Plan and the Employment Agreement, the terms of the Plan shall control. Notwithstanding the foregoing, the definitions of Cause, Change of Control, Good Reason, Disability and Mutual Retirement shall be as set out in the Employment Agreement.

SECTION 5.7 — Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

SECTION 5.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflict of law principles.

SECTION 5.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts.

SECTION 5.10 — Electronic Delivery

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Executive hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

SECTION 5.11 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 5.12 — Schedule B

The RSUs shall be subject to any special provisions set forth in Schedule B for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 5.13 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 5.14 — Counterparts.

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

SECTION 5.15 — Code Section 409A.

It is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may, at any time with the Executive's consent, modify the terms of the RSUs to the minimum extent reasonably appropriate to conform with Section 409A of the Code and the related U.S. Department of Treasury guidance.

IN WITNESS WHEREOF, the Company and the Executive have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By: /s/ Adam Ciongoli

Name: Adam Ciongoli

Title: Company Secretary



WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND  
ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
ON DECEMBER 31, 2009)  
RESTRICTED SHARE UNIT AWARD AGREEMENT- ACCEPTANCE FORM

**Name**  
**Target Number of RSUs Granted**  
**Grant Date**

Joseph J. Plumeri  
144,543  
May 2, 2011

I accept the grant of Restricted Share Units (RSUs) under the Willis Group Holdings 2008 Share Purchase and Option Plan, as amended from time to time, and I agree to be bound by the terms and conditions of the Restricted Share Unit Award Agreement dated May 2, 2011.

**Signature:**

/s/ Joseph J. Plumeri

**Address:**

c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281

Once completed, please return one copy of this form to:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: General Counsel

WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN  
(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP HOLDINGS  
LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP  
HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)

RESTRICTED SHARE UNIT AWARD AGREEMENT-ACCEPTANCE FORM

*Performance Period: January 1, 2011 through December 31, 2011*

Target 1: Adjusted Operating Margin ("OM") Target [    ]

Percentage of RSU Shares Subject to Target 1: 50%

Performance Scale:*	89% or below (OM of [    ] or below)	90-94% (OM of [    ])	95-99% (OM of [    ])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

Target 2: Adjusted Earnings Per Share ("EPS") Target \$[    ]

Percentage of RSU Shares Subject to Target 2: 50%

Performance Scale:*	89% or below (EPS of [    ] or below)	90-94% (EPS of [    ])	95-99% (EPS of [    ])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

\* Performance between amounts is subject to interpolation.

**COUNTRY-SPECIFIC APPENDIX TO  
WILLIS GROUP HOLDINGS  
2008 SHARE PURCHASE AND OPTION PLAN**

**(AS AMENDED AND RESTATED ON DECEMBER 30, 2009 BY WILLIS GROUP  
HOLDINGS LIMITED AND AS AMENDED AND RESTATED AND ASSUMED BY WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY ON DECEMBER 31, 2009)  
RESTRICTED SHARE UNIT AWARD AGREEMENT**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Plan if the Executive resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of May 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Executive with any tax advice with respect to the RSUs. The information is provided below may not apply to the Executive's particular situation, and the Company is not in a position to assure the Executive of any particular result. *Accordingly, the Executive is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Executive's country apply to the Executive's situation.*

Finally, if the Executive is a citizen or resident of a country other than the one in which the Executive is currently working, transfers employment after the RSU award is granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Executive, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Executive.

**UNITED STATES OF AMERICA**

*Exchange Control Information.* United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Company's Shares or proceeds from the sale of same) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds \$10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

WILLIS GROUP HOLDINGS  
**RESTRICTED SHARE UNITS AWARD AGREEMENT**  
(Performance-Based Restricted Share Units)  
GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

**WHEREAS**, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the “Company,” has assumed the Hilb, Rogal & Hobbs 2007 Share Incentive Plan, as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009 (the “Plan”);

**WHEREAS**, the Committee (as defined below) has determined that it would be in the best interests of the Company and its shareholders to grant Restricted Share Units to the Executive pursuant to the Plan and the terms set forth herein;

**WHEREAS**, the award of Restricted Share Units is also granted pursuant to the terms and conditions of the SMIP (as hereinafter defined), and is, therefore, intended to qualify as “qualified performance-based compensation” for purposes of Section 162(m) of the Code (as defined herein).

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

**THIS RESTRICTED SHARE UNITS AGREEMENT** (this “Agreement”), effective as of May 2, 2011, is made by and between the Company and the individual (the “Executive”) who has duly completed, executed and delivered the Acceptance Form, a copy of which is attached hereto as Schedule A (including Exhibit 1 thereto) and which is deemed to be a part hereof (the “Acceptance Form”) and, if applicable, the Agreement of Restrictive Covenants and Other Obligations, a copy of which is set out in Schedule C attached hereto and deemed to be a part hereof.

ARTICLE I

**DEFINITIONS**

Defined terms used this Agreement shall have the meaning specified in the Plan or below unless the context clearly indicates to the contrary.

**SECTION 1.1 — Act**

“Act” shall mean the Companies Act 1963 of Ireland.

**SECTION 1.2 — Adjusted Earnings Per Share**

“Adjusted Earnings Per Share” shall mean the adjusted earnings per share as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

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SECTION 1.3 — Adjusted Operating Margin

“Adjusted Operating Margin” shall mean the adjusted operating margin as stated by the Company in its annual financial results as issued by the Company with respect to the Performance Period.

SECTION 1.4 — Board

“Board” shall mean the board of directors of the Company.

SECTION 1.5 — Cause

“Cause” shall mean (i) the Executive’s continued and/or chronic failure to adequately and/or competently perform his material duties with respect to the Company or its Subsidiaries after having been provided reasonable notice of such failure and a period of at least ten days after the Executive’s receipt of such notice to cure and/or correct such performance failure, (ii) willful misconduct by the Executive in connection with the Executive’s employment which is injurious to the Company or its Subsidiaries (willful misconduct shall be understood to include, but not be limited to, any breach of the duty of loyalty owed by the Executive to the Company or its Subsidiaries), (iii) conviction of any criminal act (other than minor road traffic violations not involving imprisonment), (iv) any breach of the Executive’s restrictive covenants and other obligations as provided in Schedule C to this Agreement (if applicable), in the Executive’s employment agreement (if any), or any other non-compete agreement and/or confidentiality agreement entered into between the Executive and the Company or any of its Subsidiaries (other than an insubstantial, inadvertent and non-recurring breach), or (v) any material violation of any written Company policy after reasonable notice and an opportunity to cure such violation within ten (10) days after the Executive’s receipt of such notice.

SECTION 1.6 — Certification Date

“Certification Date” shall mean the date that the Committee certifies in accordance with the requirements of Code Section 162(m), the amount payable under the SMIP based on “Earnings” for the Performance Period (as defined in the SMIP), the attainment level of the Performance Objectives and the number of Shares subject to RSUs that will become Earned Performance Shares based on the amount payable under the SMIP and attainment level of the additional Performance Objectives.

SECTION 1.7 — Change of Control

“Change of Control” shall mean (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any Person or group (within the meaning of the Exchange Act and the rules of the U.S. Securities and Exchange Commission thereunder as in effect on the date hereof) of the Ordinary Shares representing more than 50% of the aggregate voting power represented by the issued and outstanding Ordinary Shares; or (b) occupation of a majority of the seats (other than vacant seats) on the Board by persons who were neither (i) nominated by the Board nor (ii) appointed by directors so nominated. For the avoidance of doubt, a transaction shall not constitute a Change of Control (i) if effected for the purpose of changing the place of incorporation or form of organization of the ultimate parent entity of the Willis Group (including where the Company is succeeded by an issuer incorporated under the laws of another state, country or foreign government for such purpose and whether or not the Company remains in existence following such transaction) and (ii) where all or substantially all of the person(s) who are the beneficial owners of the outstanding voting securities of the Company immediately prior to such transaction will beneficially own, directly or indirectly, all or substantially all of the combined voting power of the outstanding voting securities entitled to vote generally in the election of directors of the ultimate parent entity resulting from such transaction in substantially the same proportions as their ownership, immediately prior to such transaction, of such outstanding securities of the Company.

SECTION 1.8 — Code

“Code” shall mean the United States Internal Revenue Code of 1986, as amended.

SECTION 1.9 — Committee

“Committee” shall mean the Compensation Committee of the Board or any successor thereto.

SECTION 1.10 — Earned Performance Shares

“Earned Performance Shares” shall mean Shares subject to the Restricted Share Units in respect of which the applicable Performance Objectives, as set out in Section 3.1, have been achieved and shall become eligible for vesting and payment as set out in Section 3.2.

SECTION 1.11 — Employment Documents

“Employment Documents” shall mean the Employment Agreement made effective on September 7, 2010 between Martin Sullivan and Willis North America, Inc. and the Offer Letter dated September 1, 2010 to Martin Sullivan.

SECTION 1.12 — Grant Date

“Grant Date” shall mean May 2, 2011.

SECTION 1.13 — Performance Period

“Performance Period” shall mean January 1, 2011 to December 31, 2011.

SECTION 1.14 — Performance Objectives

“Performance Objectives” shall mean Adjusted Earnings Per Share and Adjusted Operating Margin, as set forth in Section 3.1(a) and Exhibit 1 to the Acceptance Form.

SECTION 1.15 — Permanent Disability

The Executive shall be deemed to have a “Permanent Disability” if the Executive meets the requirements of the definition of such term, or of an equivalent term, as defined in the Company’s or Subsidiary’s long-term disability plan applicable to the Executive or, if no such plan is applicable, in the event the Executive is unable by reason of physical or mental illness or other similar disability, to perform the material duties and responsibilities of his job for a period of 180 consecutive business days out of 270 business days.

SECTION 1.16 — Person

“Person” shall have the meaning ascribed to such term used in Sections 13(d) and 14(d) of the Exchange Act.

SECTION 1.17 — Plan

“Plan” shall mean the Hilb Rogal & Hobbs Company 2007 Share Incentive Plan, as amended from time to time.

SECTION 1.18 — Pronouns

The masculine pronoun shall include the feminine and neuter, and the singular the plural, where the context so indicates.

SECTION 1.19 — Restricted Share Units or RSUs

“Restricted Share Units” or “RSUs” shall mean a conditional right to receive Ordinary Shares pursuant to Article IX of the Plan upon vesting and settlement, as set forth in Article III of this Agreement.

SECTION 1.20 — Shares or Ordinary Shares

“Shares” or “Ordinary Shares” means ordinary shares of the Company, par value of \$0.000115 each, which may be authorised but unissued.

SECTION 1.21 — SMIP

“SMIP” means the Willis Group Holdings Senior Management Incentive Plan as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009.

SECTION 1.22 — Subsidiary

“Subsidiary” shall mean with respect to the Company, a body corporate which is a subsidiary of the Company within the meaning of Section 155 of the Act and a “subsidiary corporation” of that corporation within the meaning of Section 424(f) of the Code.

SECTION 1.23 — Willis Group

“Willis Group” shall mean the Company and its Subsidiaries, collectively.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

SECTION 2.1 — Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement and the additional terms and conditions set forth in the SMIP, the Company hereby grants to the Executive the targeted number of RSUs stated in the Acceptance Form (including Exhibit 1 thereto). In circumstances where the Executive is required to enter into the Agreement of Restrictive Covenants and Other Obligations set forth in Schedule C, the Executive agrees that the grant of RSUs pursuant to this Agreement is sufficient consideration for the Executive entering into such agreement.

SECTION 2.2 — RSU Payment

The Shares to be issued upon vesting and settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the nominal value (US\$0.000115) per Share. The Committee shall ensure that payment of the nominal value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs vest from a Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

SECTION 2.3 — Employment Rights

Subject to the terms of the Agreement of Restrictive Covenants and Other Obligations, where applicable, the rights and obligations of the Executive under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it. The RSUs and the Executive's participation in the Plan will not be interpreted to form an employment agreement with the Company or any Subsidiary. The Executive hereby waives any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to earn or vest in his RSUs as a result of such termination. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Executive shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

SECTION 2.4 — Adjustments Upon a Change in Ordinary Shares

In accordance with and subject to Article X of the Plan, in the event that the Shares subject to RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a (i) share dividend, share split-up, subdivision or consolidation of shares or other similar changes in capitalization; or (ii) spin-off, spin-out, split-up, split-off, or other such distribution of assets to shareholders, then the terms of the RSUs shall be

adjusted as the Committee shall determine to be equitably required, provided the number of Shares subject to the RSUs shall always be a whole number. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their nominal value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares.

SECTION 2.5 — Employee Costs

(a) The Executive must make full payment to the Company or any Subsidiary by which the Executive is employed (the "Employer") of all income tax, payroll tax, payment on account, and social insurance contribution amounts ("Tax"), which under federal, state, local or foreign law, it is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where any Employer is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan and/or any social insurance contributions recoverable from and legally applicable to the Executive (the "Tax-Related Items"), the Executive will pay or make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Executive authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following:

(i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company and/or the Employer; or

(ii) withholding from proceeds of the sale of Shares acquired upon vesting of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization); or

(iii) withholding in Shares to be issued at vesting of the RSUs.

To avoid any negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Executive's participation in the Plan.

Finally, the Executive shall pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described.

SECTION 2.6 — Clawback Policy

The Company may cancel all or part of the RSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy dated December 2009, as amended from time to time, except to the extent prohibited under applicable law.

ARTICLE III

PERIOD OF PERFORMANCE-BASED AND TIME-BASED VESTING REQUIREMENTS

SECTION 3.1 — Earned Performance Shares

(a) Subject to Sections 3.1(c) and (d) and subject to the aggregate amount payable under the SMIP, the Shares subject to the RSUs shall become Earned Performance Shares as of the Certification Date and shall become eligible to vest and become payable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Targets 1 (applicable to 50% of Target Number of Shares) and Target 2 (applicable to 50% of Target



Number of Shares) of Exhibit 1 to the Acceptance Form are attained and subject to the Executive being in the employment of the Company or any Subsidiary at each respective vesting date as set forth in Section 3.2 below.

(b) The Executive understands and agrees that the terms under which the RSUs shall become Earned Performance Shares are confidential and the Executive agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Executive's employment with the Company or one of its Subsidiaries, without the prior written consent of the Company. The Executive's failure to abide by this condition may result in the immediate cancellation of the RSUs.

(c) If, prior to the end of the Performance Period, (i) the Executive's employment terminates for reasons other than Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion, deem the Performance Objectives to be attained at the level (not to exceed the maximum level) determined by the Committee as to all or part of the unearned Shares underlying the RSUs and deem them to be Earned Performance Shares; provided, however, that no RSU shall become an Earned Performance Share prior to the Certification Date or to the extent such exercise of discretion would result in a payment exceeding the amount payable under SMIP.

(d) The Performance Objectives may be adjusted in accordance with the terms of the Plan to the extent such adjustments would not prevent the RSUs from qualifying as qualified performance-based compensation under Section 162(m) of the Code.

(e) As of the Certification Date, the Committee shall certify the amount payable under the SMIP, determine the attainment level of applicable Performance Objectives, and based on such certification and determination, shall declare the number of Shares subject to the RSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Exhibit 1 to the Acceptance Form notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the RSUs that will become Earned Performance Shares, subject to any requirements under Code Section 162(m).

(f) Shares subject to the RSUs that are not declared by the Committee on the Certification Date to be Earned Performance Shares shall be forfeited immediately.

**SECTION 3.2 — Vesting/Settlement**

(a) Subject to the Executives' continued employment with the Willis Group through the applicable vesting date (set forth in the left column), the Earned Performance Shares shall vest as follows and become payable in accordance with Section 3.2(h) below:

<b>Date Earned Performance Shares Become Vested</b>	<b>Percentage of Earned Performance Shares that Become Vested</b>
First anniversary of Grant Date May 2, 2012	33%
Second anniversary of Grant Date May 2, 2013	33%
Third anniversary of Grant Date May 2, 2014	34%

(b) In the event of a termination of the Executive's employment with Willis Group, any unvested Earned Performance Shares as of the termination will be forfeited immediately by the Executive, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.2(c) to 3.2(e) below.

(c) In the event of a termination of the Executive's employment as a result of death or Permanent Disability, the RSUs shall become fully vested with respect to all Earned Performance Shares on the termination date.

(d) In the event of a termination of the Executive's employment for reasons other than death, Permanent Disability or Cause, the Committee may, in its discretion accelerate the vesting of the RSUs over Earned Performance Shares as to all or a portion of the unvested Earned Performance Shares subject thereto. If no determination is made as of the date of termination, then the Earned Performance Shares shall, to the extent not then vested, be immediately forfeited by the Executive.

(e) In the event of a Change of Control, the Earned Performance Shares shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares without regard to whether the Earned Performance Shares are assumed or substituted by a successor company.

(f) The Executive agrees to execute and deliver the following agreements or other documents in connection with the grant of the RSUs within the period set forth below:

(i) the Executive must execute the Agreement of Restrictive Covenants and Other Obligations pursuant to Article VI below, if applicable, and deliver it to the Company within 45 days of the receipt of this Agreement; and

(iii) the Executive must execute the Acceptance Form and deliver to the Company within 45 days of the receipt of this Agreement.

(g) The Committee may, in its sole discretion, cancel the RSUs if the Executive fails to execute and deliver the agreements and documents within the period set forth in Section 3.2(f) or fails to meet the requirements set forth in Section 3.1(c).

(h) Earned Performance Shares that become vested in accordance with this Section 3.2 shall be delivered within one month following the applicable vesting date.

SECTION 3.3 — Conditions to Issuance of Shares

The Earned Performance Shares to be delivered upon the vesting of the RSUs, in accordance with Section 3.2 of the Agreement, may be either previously authorized but unissued Shares or issued Shares held by any other person. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code for U.S. taxpayers:

(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

(b) The Executive has paid or made arrangements to pay the Tax-Related Items pursuant to Section 2.5.

Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

SECTION 3.4 — Rights as Shareholder

(a) Subject to Section 3.4(b) below, the Executive shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares or their electronic equivalent shall have been issued by the Company to the Executive.

(b) Pursuant to the terms of the Executive's Employment Documents, the Executive is prohibited from selling, transferring or otherwise disposing of any Shares acquired upon the settlement of the RSUs under this Agreement and the Executive's participation in the Plan until the earlier of (i) May 2, 2015 or (ii) the date the Company or Willis North America, Inc. provides the Executive with consent to sell, transfer or otherwise dispose of the Shares.

SECTION 3.5 — Limitation on Obligations

The Company's obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Executive of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. The RSUs shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under this Agreement. In addition, the Company shall not be liable to the Executive for damages relating to any delays in issuing the share certificates or its

electronic equivalent to the Executive (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates (or the electronic equivalent) to the Executive (or his designated entities) or in the certificates themselves.

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

SECTION 4.1 — Nature of Award

In accepting the RSUs, the Executive acknowledges, understands and agrees that:

- (a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time;
- (b) the RSU award is voluntary and occasional and does not create any contractual or other right to receive future RSU awards, or benefits in lieu of RSU awards, even if RSU awards have been granted repeatedly in the past;
- (c) all decisions with respect to future RSUs, if any, will be at the sole discretion of the Company;
- (d) the Executive's participation in the Plan is voluntary;
- (e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;
- (f) the RSUs and any Shares acquired under the Plan are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments and in no event should be considered as compensation for, or relating in any way to past services for, the Employer, the Company or any Subsidiary;
- (g) the future value of the Shares underlying the RSUs is unknown and cannot be predicted with certainty.

SECTION 4.2 — No Advice Regarding Grant

The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding the Executive's participation in the Plan, the issuance of Shares upon vesting of the RSUs or sale of the Shares. The Executive is hereby advised to consult with his own personal tax, legal and financial advisors regarding his participation in the Plan before taking any action related to the Plan.

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

SECTION 5 — Data Privacy

**(a) The Executive hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of the Executive's personal data as described in this Agreement and any other RSU materials by and among, as applicable, the Employer, the Company and its Subsidiaries for the exclusive purpose of implementing, administering and managing the Executive's participation in the Plan.**

**(b) The Executive understands that the Company and the Employer may hold certain personal information about the Executive, including, but not limited to, the Executive's name, home address, telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all RSUs or any other entitlement to Shares awarded, canceled, exercised, vested, unvested**

or outstanding in the Executive's favor, for the exclusive purpose of implementing, administering and managing the Plan ("Data").

(c) The Executive understands that Data will be transferred to Morgan Stanley SmithBarney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley SmithBarney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. The Executive understands, however, that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.

#### ARTICLE VI

##### AGREEMENT OF RESTRICTIVE COVENANTS AND OTHER OBLIGATIONS

###### SECTION 6 — Restrictive Covenants and Other Obligations

In consideration of the grant of RSUs, the Executive shall enter into the Agreement of Restrictive Covenants and Other Obligations, a copy of which is attached hereto as Schedule C. In the event the Executive does not sign and return the Agreement of Restrictive Covenants and Other Obligations within 45 days of the Grant Date, the Committee may, in its sole discretion, cancel the RSUs. If no such agreement is required, Schedule C shall state none or not applicable.

#### ARTICLE VII

##### MISCELLANEOUS

###### SECTION 7.1 — Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. All actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the RSUs. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

###### SECTION 7.2 — RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

SECTION 7.3 — Binding Effect

The provisions of this Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

SECTION 7.4 — Notices

Any notice to be given under the terms of this Agreement to the Company shall be addressed to the Company at the following address:

Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
Attention: Company Secretary

and any notice to be given to the Executive shall be at the address set forth in the RSUs Acceptance Form.

By a notice given pursuant to this Section 7.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 7.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Executive resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

SECTION 7.5 — Titles

Titles are provided herein for convenience only and are not to serve as a basis for interpretation or construction of this Agreement.

SECTION 7.6 — Applicability of Plan and the Employment Documents

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares. With the exception of the definition of Change of Control, in the event of any conflict between this Agreement and the Plan, the terms of the Plan shall control. With the exception of the definitions in this Agreement, in the event of any conflict between this Agreement, the Plan and the Employment Agreement, the terms of the Employment Documents shall control.

SECTION 7.7 — Amendment

This Agreement may be amended only by a document executed by the parties hereto, which specifically states that it is amending this Agreement.

SECTION 7.8 — Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of the Commonwealth of Virginia without regard to its conflicts of law provisions; provided, however, that the Agreement of Restrictive Covenants and Other Obligations, if applicable, shall be governed by and construed in accordance with the laws specified in that agreement.

SECTION 7.9 — Jurisdiction

The courts of the state of New York shall have jurisdiction to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably submit to the jurisdiction of such courts; provided, however, where applicable, that with respect to the Agreement of Restrictive Covenants and Other Obligations the courts specified in such agreement shall have jurisdiction

to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with that agreement.

SECTION 7.10 — Electronic Delivery.

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Executive hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

SECTION 7.11 — Language

If the Executive has received this Agreement, or any other document related to the RSUs and/or the Plan translated into a language other than English and if the translated version is different than the English version, the English version will control.

SECTION 7.12 — Severability

The provisions of this Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

SECTION 7.13 — Schedule B

The RSUs shall be subject to any special provisions set forth in Schedule B for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable in order to comply with local law or facilitate the administration of the Plan. Schedule B constitutes part of this Agreement.

SECTION 7.14 — Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable in order to comply with local laws or facilitate the administration of the Plan, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

SECTION 7.15 — Counterparts.

This Agreement may be executed in any number of counterparts (including by facsimile), each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

SECTION 7.16 — Code Section 409A.

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto.

IN WITNESS WHEREOF, the Company and the Executive have each executed this Agreement.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

By: /s/ Adam Ciongoli  
Name: Adam Ciongoli  
Title: Company Secretary

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ACCEPTANCE FORM TO  
WILLIS GROUP HOLDINGS  
RESTRICTED SHARE UNITS AWARD AGREEMENT  
(Performance-Based Restricted Share Units)  
GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN

(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as amended and restated and assumed by Willis Group Holdings Public Limited Company on December 31, 2009)

<b>Name</b>	Martin Sullivan
<b>Target Number of Restricted Share Units Granted</b>	50,000
<b>Grant Date</b>	May 2, 2011

I accept the grant of Restricted Stock Units under the Hilb Rogal & Hobbs 2007 Share Incentive Plan, as amended from time to time, and I agree to be bound by the terms and conditions of the Restricted Share Units Award Agreement dated May 2, 2011.

**Signature:**

/s/ Martin Sullivan

**Address:**

276 Quaker Road  
Chappaqua, NY 10514

Once completed, please return one copy of this form to:

General Counsel  
Willis Group Holdings Public Limited Company  
c/o Willis North America, Inc.  
One World Financial Center  
New York, NY 10281  
U.S.A.

This form should be returned to the above address within 45 days of receipt. Your RSUs may be cancelled if your form is not received by that date.



ACCEPTANCE FORM TO  
WILLIS GROUP HOLDINGS  
RESTRICTED SHARE UNITS AWARD AGREEMENT  
(Performance-Based Restricted Share Units)  
GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN  
(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as  
amended and restated and assumed by Willis Group Holdings Public Limited Company on  
December 31, 2009)

*Performance Period: January 1, 2011 through December 31, 2011*  
*Certification Date: Certification by the Committee of the Annual Financial Results*

**Target 1: Adjusted Operating Margin ("OM") Target [ ]%**  
**Percentage of RSU Shares Subject to Target 1: 50%**

<b>Performance Scale:*</b>	89% or below (OM of [ ] or below)	90-94% (OM of [ ] 21.808%)	95-99% (OM of [ ])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

**Target 2: Adjusted Earnings Per Share ("EPS") Target \$[ ]**  
**Percentage of RSU Shares Subject to Target 2: 50%**

<b>Performance Scale:*</b>	89% or below (EPS of [ ] or below)	90-94% (EPS of [ ])	95-99% (EPS of [ ])	100% or above
Percentage of Earned Performance Shares:	0%	80-89%	90-99%	100%

\* Performance between amounts is subject to interpolation.

**COUNTRY-SPECIFIC APPENDIX TO  
WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY  
RESTRICTED SHARE UNIT AWARD AGREEMENT  
(Performance-Based Restricted Share Units)  
GRANTED UNDER THE HILB ROGAL & HOBBS COMPANY  
2007 SHARE INCENTIVE PLAN  
(as amended and restated on December 30, 2009 by Willis Group Holdings Limited and as  
amended and restated and assumed by Willis Group Holdings Public Limited Company on  
December 31, 2009)**

**Terms and Conditions**

This Schedule B includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Plan if the Executive resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

**Notifications**

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of May 2011. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

In addition, the information is general in nature. The Company is not providing the Executive with any tax advice with respect to the RSUs. The information is provided below may not apply to the Executive's particular situation, and the Company is not in a position to assure the Executive of any particular result. *Accordingly, the Executive is strongly advised to seek appropriate professional advice as to how the tax or other laws in the Executive's country apply to the Executive's situation.*

Finally, if the Executive is a citizen or resident of a country other than the one in which the Executive is currently working, transfers employment after the RSU award is granted, or is considered a resident of another country for local law purposes, the notifications contained herein may not be applicable to the Executive, and the Company shall, in its discretion, determine to what extent the terms and conditions contained herein shall be applicable to the Executive.

**UNITED STATES OF AMERICA**

*Exchange Control Information.* United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Company's Shares or proceeds from the sale of same) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds \$10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

Not applicable.

## CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Joseph J. Plumeri, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Group Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

By:

/s/ JOSEPH J. PLUMERI  
Joseph J. Plumeri  
*Chairman and Chief Executive Officer*

## CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Michael K. Neborak, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Group Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2011

By:

/s/ MICHAEL K. NEBORAK  
Michael K. Neborak  
Group Chief Financial Officer  
(Principal Financial and Accounting Officer)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, of Willis Group Holdings plc (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Joseph J. Plumeri, Chairman and Chief Executive Officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, certify that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

By:

/s/ JOSEPH J. PLUMERI  
Joseph J. Plumeri  
*Chairman and Chief Executive Officer*

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350**

In connection with the Quarterly Report on Form 10-Q for the quarter ended June 30, 2011, of Willis Group Holdings plc (the "Company"), as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael K. Neborak, Group Chief Financial Officer of the Company, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, certify that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 9, 2011

By:

/s/ MICHAEL K. NEBORAK  
Michael K. Neborak  
Group Chief Financial Officer  
(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.