UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2017
OR

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

For the transition period from __________ to __________

Commission File Number: 001-16503

WILLIS TOWERS WATSON 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, smaller reporting company, or an emerging growth company. See the definitions of 'large accelerated filer', 'accelerated filer', 'smaller reporting company', and 'emerging growth company' in Rule 12b-2 of the Exchange Act.

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

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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 May 2, 2017, there were outstanding 135,192,486 ordinary shares, nominal value $0.000304635 per share, of the registrant.

WILLIS TOWERS WATSON

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For the Three Months Ended March 31, 2017

Certain Definitions

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

‘We’, ‘Us’, ‘Company’, ‘Willis Towers Watson’, ‘Our’, ‘Willis Towers Watson plc’ or ‘WTW’	Willis Towers Watson Public Limited Company, a company organized under the laws of Ireland, and its subsidiaries
‘shares’	The ordinary shares of Willis Towers Watson Public Limited Company, nominal value $0.000304635 per share
‘Legacy Willis’ or ‘Willis’	Willis Group Holdings Public Limited Company and its subsidiaries, predecessor to Willis Towers Watson, prior to the Merger
‘Legacy Towers Watson’ or ‘Towers Watson’	Towers Watson & Co. and its subsidiaries
‘Merger’	Merger of Willis Group Holdings Public Limited Company and Towers Watson & Co. pursuant to the Agreement and Plan of Merger, dated June 29, 2015, as amended on November 19, 2015, and completed on January 4, 2016
‘Gras Savoye’	GS & Cie Groupe SAS

Disclaimer Regarding Forward-looking Statements

We have included in this document 'forward-looking statements' within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook, future capital expenditures, future share repurchases, growth in commissions and fees, business strategies and planned acquisitions, competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, plans and references to future successes, and the benefits of the Merger, including our future financial and operating results, plans, objectives, expectations and intentions are forward-looking statements. Also, when we use words such as 'may,' 'will,' 'would,' 'anticipate,' 'believe,' 'estimate,' 'expect,' 'intend,' 'plan,' 'probably,' or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

There are important risks, 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:

- changes in general economic, business and political conditions, including changes in the financial markets;
- consolidation in or conditions affecting the industries in which we operate;
- any changes in the regulatory environment in which we operate;
- our ability to successfully manage ongoing organizational changes;
- our ability to successfully integrate the Towers Watson, Gras Savoye and Legacy Willis businesses, operations and employees, and realize anticipated growth, synergies and cost savings;
- the potential impact of the Merger on relationships, including with employees, suppliers, clients and competitors;
- significant competition that we face and the potential for loss of market share and/or profitability;
- compliance with extensive government regulation;
- our ability to make divestitures or acquisitions and our ability to integrate or manage such acquired businesses;
- the risk that we may not be able to repurchase our intended number of outstanding shares due to M&A activity or investment opportunities, market or business conditions, or other factors;
- expectations, intentions and outcomes relating to outstanding litigation;
- the risk that the Stanford litigation settlement will not be approved, the risk that the bar order may be challenged in other jurisdictions, and the deductibility of the charge relating to the settlement;
- the risk of material adverse outcomes on existing litigation or investigation matters;
- the diversion of time and attention of our management team while the Merger and other acquisitions are being integrated;
- doing business internationally, including the impact of exchange rates;
- the potential impact of the United Kingdom's ('U.K.') government triggering Article 50 of the Treaty of Lisbon, giving formal notice of the U.K.'s intention to withdraw from membership in the European Union ('E.U.'), referred to as Brexit;
- the federal income tax consequences of the Merger and the enactment of additional, or the revision of existing, state, federal, and/or foreign regulatory and tax laws and regulations, including changes in tax rates;
- our capital structure, including indebtedness amounts, the limitations imposed by the covenants in the documents governing such indebtedness and the maintenance of the financial and disclosure controls and procedures of each;
- our ability to obtain financing on favorable terms or at all;

- adverse changes in our credit ratings;
- the possibility that the anticipated benefits from the Merger cannot be fully realized or may take longer to realize than expected;
- our ability to retain and hire key personnel;
- a decline in the defined benefit pension plan market;
- various claims, government inquiries or investigations or the potential for regulatory action;
- failure to protect client data or breaches of information systems;
- reputational damage;
- disasters or business continuity problems;
- clients choosing to reduce or terminate the services provided by us;
- fluctuation in revenues against our relatively fixed expenses;
- technological change;
- the inability to protect intellectual property rights, or the potential infringement upon the intellectual property rights of others;
- fluctuations in our pension liabilities;
- loss of, failure to maintain, or dependence on certain relationships with insurance carriers;
- changes and developments in the United States healthcare system;
- reliance on third-party services;
- our holding company structure could prevent us from being able to receive dividends or other distributions in needed amounts from our subsidiaries; and
- changes in accounting estimates and assumptions.

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, please see Item 1A - Risk Factors in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, and our subsequent filings with the Securities and Exchange Commission. Copies are available online at http://www.sec.gov or www.willistowerswatson.com.

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 relying on these forward-looking statements.

PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS (UNAUDITED)

WILLIS TOWERS WATSON
Condensed Consolidated Statements of Comprehensive Income
(In millions of U.S. dollars, except per share data)
(Unaudited)

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues		
Commissions and fees	$ 2,303	$ 2,219
Interest and other income	16	15
Total revenues	2,319	2,234
Costs of providing services		
Salaries and benefits	1,191	1,196
Other operating expenses	401	431
Depreciation	46	43
Amortization	151	161
Restructuring costs	27	25
Integration expenses	40	52
Total costs of providing services	1,856	1,908
Income from operations	463	326
Interest expense	46	46
Other expense, net	20	18
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	397	262
Provision for income taxes	46	18
INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	351	244
Interest in earnings of associates, net of tax	1	1
NET INCOME	352	245
Income attributable to noncontrolling interests	(8)	(7)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	$ 238
EARNINGS PER SHARE		
Basic earnings per share	$ 2.51	$ 1.76
Diluted earnings per share	$ 2.50	$ 1.75
Cash dividends declared per share	$ 0.53	$ 0.48
Comprehensive income before noncontrolling interests	$ 331	$ 231
Comprehensive income attributable to noncontrolling interests	(11)	(9)
Comprehensive income attributable to Willis Towers Watson	$ 320	$ 222

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON
Condensed Consolidated Balance Sheets
(In millions of U.S. dollars, except share data)
(Unaudited)

	March 31, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	$ 901	$ 870
Fiduciary assets	12,266	10,505
Accounts receivable, net	2,307	2,080
Prepaid and other current assets	321	337
Total current assets	15,795	13,792
Fixed assets, net	863	839
Goodwill	10,442	10,413
Other intangible assets, net	4,245	4,368
Pension benefits assets	536	488
Other non-current assets	351	353
Total non-current assets	16,437	16,461
TOTAL ASSETS	$ 32,232	$ 30,253
LIABILITIES AND EQUITY		
Fiduciary liabilities	$ 12,266	$ 10,505
Deferred revenue and accrued expenses	1,203	1,481
Short-term debt and current portion of long-term debt	120	508
Other current liabilities	996	876
Total current liabilities	14,585	13,370
Long-term debt	3,975	3,357
Liability for pension benefits	1,286	1,321
Deferred tax liabilities	799	864
Provision for liabilities	618	575
Other non-current liabilities	512	532
Total non-current liabilities	7,190	6,649
TOTAL LIABILITIES	21,775	20,019
COMMITMENTS AND CONTINGENCIES		
REDEEMABLE NONCONTROLLING INTEREST	53	51
EQUITY (i)		
Additional paid-in capital	10,628	10,596
Retained earnings	1,561	1,452
Accumulated other comprehensive loss, net of tax	(1,908)	(1,884)
Treasury shares, at cost, 17,519 shares in 2017 and 795,816 shares in 2016, and 40,000 shares, €1 nominal value, in 2017 and 2016	(3)	(99)
Total Willis Towers Watson shareholders' equity	10,278	10,065
Noncontrolling interests	126	118
Total equity	10,404	10,183
TOTAL LIABILITIES AND EQUITY	$ 32,232	$ 30,253

i. Equity includes (a) Ordinary shares $0.000304635 nominal value; Authorized 1,510,003,775; Issued 135,432,801 (2017) and 137,075,068 (2016); Outstanding 135,432,801 (2017) and 136,296,771 (2016); (b) Ordinary shares, €1 nominal value; Authorized and Issued 40,000 shares in 2017 and 2016; and (c) Preference shares, $0.000115 nominal value; Authorized 1,000,000,000 and Issued none in 2017 and 2016.

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON
Condensed Consolidated Statements of Cash Flows
(In millions of U.S. dollars)
(Unaudited)

	Three Months Ended March 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	$ 352	$ 245
Adjustments to reconcile net income to total net cash from operating activities:		
Depreciation	52	43
Amortization	151	161
Net periodic benefit of defined benefit pension plans	(31)	(23)
Provision for doubtful receivables from clients	9	13
Benefit from deferred income taxes	(74)	(70)
Share-based compensation	14	35
Non-cash foreign exchange (gain)/loss	(11)	5
Other, net	9	—
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Accounts receivable	(253)	(161)
Fiduciary assets	(1,657)	(1,379)
Fiduciary liabilities	1,657	1,379
Other assets	(62)	(118)
Other liabilities	(109)	(80)
Movement on provisions	48	69
Net cash from operating activities	95	119
CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES		
Additions to fixed assets and software for internal use	(62)	(48)
Capitalized software costs	(15)	(18)
Acquisitions of operations, net of cash acquired	(12)	469
Other, net	7	14
Net cash (used in)/from investing activities	(82)	417
CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES		
Net borrowings/(payments) on revolving credit facility	826	(338)
Senior notes issued	—	997
Proceeds from issue of other debt	32	400
Debt issuance costs	(3)	—
Repayments of debt	(636)	(1,181)
Repurchase of shares	(156)	—
Proceeds from issuance of shares	20	11
Cash paid for employee taxes on withholding shares	(3)	(1)
Dividends paid	(65)	—
Acquisitions of and dividends paid to noncontrolling interests	(1)	(4)
Net cash from/(used in) financing activities	14	(116)
INCREASE IN CASH AND CASH EQUIVALENTS	27	420
Effect of exchange rate changes on cash and cash equivalents	4	2
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	870	532
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 901	$ 954

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON

Condensed Consolidated Statements of Changes in Equity

(In millions of U.S. Dollars and number of shares in thousands)

(Unaudited)

	Shares outstanding (i)	Ordinary shares and APIC (ii)	Retained earnings	Treasury shares	AOCL (iii)	Total WTW shareholders' equity	Noncontrolling interests	Total equity	Redeemable Noncontrolling interest (iv)	Total
Balance as of December 31, 2015	68,625	$ 1,672	$ 1,597	$ (3)	$ (1,037)	$ 2,229	$ 131	$ 2,360	$ 53	
Net income	—	—	238	—	—	238	6	244	1	$ 245
Dividends	—	—	(64)	—	—	(64)	—	(64)	(3)	
Other comprehensive income/(loss)	—	—	—	—	(16)	(16)	—	(16)	2	$ (14)
Issue of shares under employee stock compensation plans and related tax benefits	273	10	—	—	—	10	—	10	—	
Issue of shares for acquisitions	69,500	8,686	—	—	—	8,686	—	8,686		
Replacement share-based compensation awards issued on acquisition	—	37	—	—	—	37	—	37	—	
Share-based compensation	—	35	—	—	—	35	—	35	—	
Additional noncontrolling interests	—	(1)	—	—	—	(1)	16	15	—	
Foreign currency translation	—	(3)	—	—	—	(3)	—	(3)		
Balance as of March 31, 2016	138,398	$ 10,436	$ 1,771	$ (3)	$ (1,053)	$ 11,151	$ 153	$ 11,304	$ 53	
Balance as of December 31, 2016	136,297	$ 10,596	$ 1,452	$ (99)	$ (1,884)	$ 10,065	$ 118	$ 10,183	$ 51	
Adoption of ASU 2016-16 (See Note 2)	—	—	(3)	—	—	(3)	—	(3)	—	
Shares repurchased	(1,237)	—	(156)	—	—	(156)	—	(156)	—	
Shares canceled	—	—	—	96	—	96	—	96	—	
Net income	—	—	344	—	—	344	8	352	—	$ 352
Dividends	—	—	(76)	—	—	(76)	(1)	(77)	—	
Other comprehensive income/(loss)	—	—	—	—	(24)	(24)	1	(23)	2	$ (21)
Issue of shares under employee stock compensation plans	373	20	—	—	—	20	—	20	—	
Share-based compensation	—	14	—	—	—	14	—	14	—	
Foreign currency translation	—	(2)	—	—	—	(2)	—	(2)	—	
Balance as of March 31, 2017	135,433	$ 10,628	$ 1,561	$ (3)	$ (1,908)	$ 10,278	$ 126	$ 10,404	$ 53	

i. The nominal value of the ordinary shares and the number of ordinary shares issued in the balance as of December 31, 2015 have been retroactively adjusted to reflect the reverse stock split on January 4, 2016. See Note 3 — Merger for further details.
ii. Additional paid-in capital ('APIC').
iii. Accumulated other comprehensive loss, net of tax ('AOCL').
iv. The noncontrolling interest is related to Max Matthiessen Holding AB.

See accompanying notes to the condensed consolidated financial statements

Note 1 — Nature of Operations

Willis Towers Watson plc was formed upon completion of the Merger on January 4, 2016, between Willis and Towers Watson. See Note 3 — Merger for additional information pertaining to this transaction.

Willis Towers Watson is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. The Company has more than 41,000 employees and services clients in more than 140 countries and territories. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals.

We offer clients a broad range of services to help them to identify and control their risks, and to enhance business performance by improving their ability to attract, retain and engage a talented workforce. Our risk control services range from strategic risk consulting (including providing actuarial analysis), to a variety of due diligence services, to the provision of practical on-site risk control services (such as health and safety or property loss control consulting), as well as analytical and advisory services (such as hazard modeling and reinsurance optimization studies). We assist clients in planning how to manage incidents or crises when they occur. These services include contingency planning, security audits and product tampering plans. We help our clients enhance their business performance by delivering consulting services, technology and solutions that help organizations anticipate, identify and capitalize on emerging opportunities in human capital management as well as investment advice to help our clients develop disciplined and efficient strategies to meet their investment goals.

As an insurance broker, we act as an intermediary between our clients and insurance carriers by advising our clients on their risk management requirements, helping clients determine the best means of managing risk and negotiating and placing insurance with insurance carriers through our global distribution network. We operate the largest private Medicare exchange in the United States (‘U.S.’). Through this exchange and those for active employees, we help our clients move to a more sustainable economic model by capping and controlling the costs associated with healthcare benefits.

We are not an insurance company, and therefore we do not underwrite insurable risks for our own account.

We believe our broad perspective allows us to see the critical intersections between talent, assets and ideas - the dynamic formula that drives business performance.

Note 2 — Basis of Presentation and Recent Accounting Pronouncements

Basis of Presentation

The accompanying unaudited quarterly condensed consolidated financial statements of Willis Towers Watson and our subsidiaries are presented in accordance with the rules and regulations of the Securities and Exchange Commission (‘SEC’) for quarterly reports on Form 10-Q and therefore do not include all of the information and footnotes required by U.S. generally accepted accounting principles (‘GAAP’). We have reclassified certain prior period amounts to conform to current period presentation due to the adoption of certain updated accounting standards (see below for further discussion). In the opinion of management, these condensed consolidated financial statements reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for a fair presentation of the condensed consolidated financial statements and results for the interim periods. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements should be read together with the Company’s Annual Report on Form 10-K filed with the SEC on March 1, 2017, and may be accessed via EDGAR on the SEC’s web site at www.sec.gov.

The results of operations for the three months ended March 31, 2017 are not necessarily indicative of the results that can be expected for the entire year. The results reflect certain estimates and assumptions made by management, including those estimates used in calculating acquisition consideration and fair value of tangible and intangible assets and liabilities, professional liability claims, estimated bonuses, valuation of billed and unbilled receivables, and anticipated tax liabilities that affect the amounts reported in the condensed consolidated financial statements and related notes.

Recent Accounting Pronouncements

Not yet adopted

In May 2014, the Financial Accounting Standards Board (‘FASB’) issued Accounting Standard Update (‘ASU’) No. 2014-09, *Revenue From Contracts With Customers*. The new standard supersedes most current revenue recognition guidance and eliminates industry-specific guidance. The ASU is based on the principle that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to fulfill a contract. Entities have the option of using either a full retrospective or a modified retrospective approach for the adoption of the new standard. Additional ASUs have since been issued which provide additional guidance, examples and technical corrections for the implementation of ASU No. 2014-09. The guidance is effective for the Company at the beginning of its 2018 fiscal year, with early adoption permitted.

While we are still in the process of analyzing our various revenue streams to determine the full impact this standard will have on our revenue recognition, cost deferral, systems and processes, the Company has determined the following:

- The Company will adopt the standard using the modified retrospective approach on January 1, 2018.
- We expect certain revenue streams to have accelerated revenue recognition timing. In particular, the revenue recognition for our Retiree Medicare Exchange is expected to move from monthly ratable recognition over the policy period, to the recognition upon placement of the policy during the Company’s fourth quarter of the preceding calendar year in the amount of one year of expected commissions. Therefore, upon adoption, we will reflect an adjustment to retained earnings for the revenue that would otherwise have been recognized during our 2018 calendar year since our earnings process will have been completed during the fourth quarter of 2017.
- We expect our accounting for deferred costs will change. First, for those portions of the business that currently defer costs (related to system implementation activities), the length of time over which we amortize those costs is expected to extend to a longer estimated contract term. Currently these costs are amortized over a typical period of 3-5 years in accordance with the initial stated terms of the customer agreement. Second, we believe there may be other types of arrangements with associated costs that do not meet the rules for cost deferral under current U.S. GAAP but do meet the rules under the new standard. We are still evaluating the types of arrangements that might now have cost deferral impacts including broking arrangements and certain consulting arrangements.

The Company continues to update its assessment of the impacts of the accounting standard, and related updates, to its condensed consolidated financial statements, and will note material impacts when known.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires a lessee to recognize in the statement of financial position a liability to make lease payments (the lease liability) and a right-of-use asset representing its right to use the underlying asset for the lease term. The ASU becomes effective for the Company at the beginning of its 2019 fiscal year and early adoption is permitted. In transition, the Company is required to recognize and measure leases at the beginning of the earliest period presented using a modified retrospective approach, which includes a number of optional practical expedients. While the Company continues to assess the impact of the ASU to its condensed consolidated financial statements, the majority of its leases are currently considered operating leases and will be capitalized as a lease asset on its balance sheet with a related lease liability for the obligated lease payments.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows - Classification of Certain Cash Receipts and Cash Payments*, which amends guidance on presentation and classification of eight specific cash flow issues with the objective of reducing diversity in practice. The ASU becomes effective for the Company on January 1, 2018. Early adoption is permitted and any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is still assessing the impact of this ASU, but we believe the impact on our financial statements will be immaterial as we are currently largely in compliance with its requirements.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment*, which simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. In computing the implied fair value of goodwill under Step 2, current U.S. GAAP requires the performance of procedures to determine the fair value at the impairment testing date of assets and liabilities (including unrecognized assets and liabilities) following the procedure that would be required in determining the fair value of assets acquired and liabilities assumed in a business combination. Instead, the amendments under this ASU require the goodwill impairment test to be performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The ASU becomes effective for the Company on January 1, 2020. The amendments in this ASU should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company does not expect an immediate impact to its condensed consolidated financial statements upon adopting this ASU since the most recent Step 1 goodwill impairment test resulted in fair values in excess of carrying values for all reporting units at October 1, 2016.

In March 2017, the FASB issued ASU No. 2017-07, *Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which requires entities to (1) disaggregate the current service-cost component from the other components of net benefit cost (the 'other components') and present it in the income statement with other current compensation costs for related employees and (2) present the other components elsewhere in the income statement and outside of income from operations if that subtotal is presented. In addition, the ASU requires entities to disclose the income statement lines that contain the other components if they are not presented or included in appropriately described separate lines. The ASU becomes effective for the Company on January 1, 2018, and should be applied retrospectively. Early adoption is permitted as of the beginning of a financial year. The Company is currently assessing the impact that this standard will have on its condensed consolidated financial statements.

Adopted

In March 2016, the FASB issued ASU No. 2016-09, *Compensation - Stock Compensation*, which simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows. The ASU became effective for the Company on January 1, 2017. In accordance with the prospective adoption of the recognition of excess tax benefits and deficiencies in the condensed consolidated statements of comprehensive income, we recognized a $1 million tax benefit in provision for income taxes during the three months ended March 31, 2017. In addition, we elected to prospectively adopt the amendment to present excess tax benefits on share-based compensation as an operating activity, resulting in the recognition of a $1 million excess tax benefit as an operating activity in the condensed consolidated statement of cash flows for the three months ended March 31, 2017. We elected to continue to estimate expected forfeitures. We also retrospectively adopted the amendment to present cash payments to tax authorities in connection with shares withheld to meet statutory tax withholding requirements as a financing activity. As a result, this $1 million use of cash was reclassified from net cash from operating activities to net cash used in financing activities in the condensed consolidated statement of cash flows for the three months ended March 31, 2016.

In October 2016, the FASB issued ASU No. 2016-16, *Accounting for Income Taxes: Intra-Entity Asset Transfers of Assets Other than Inventory*, which amends guidance regarding the recognition of current and deferred income taxes for intra-entity asset transfers. Current U.S. GAAP prohibits the recognition of current and deferred income taxes for an intra-entity asset transfer until the asset has been sold to an outside party. The ASU states that an entity should recognize the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. The amendments in this ASU should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. The Company elected to early adopt this standard on January 1, 2017, and recorded a cumulative reduction to retained earnings of $3 million.

Note 3 — Merger

On January 4, 2016, pursuant to the Agreement and Plan of Merger, dated June 29, 2015, as amended on November 19, 2015, between Willis, Towers Watson, and Citadel Merger Sub, Inc., a wholly-owned subsidiary of Willis formed for the purpose of facilitating this transaction ('Merger Sub'), Merger Sub merged with and into Towers Watson, with Towers Watson continuing as the surviving corporation and as a wholly-owned subsidiary of Willis.

At the effective time of the Merger (the 'Effective Time'), each issued and outstanding share of Towers Watson common stock (the 'Towers Watson shares'), was converted into the right to receive 2.6490 validly issued, fully paid and nonassessable ordinary shares of Willis (the 'Willis ordinary shares'), $0.000115 nominal value per share, other than any Towers Watson shares owned by Towers Watson, Willis or Merger Sub at the Effective Time and the Towers Watson shares held by stockholders who are entitled to, and who properly exercised, dissenter's rights under Delaware law.

Immediately following the Merger, Willis effected (i) a consolidation (i.e., a reverse stock split under Irish law) of Willis ordinary shares whereby every 2.6490 Willis ordinary shares were consolidated into one Willis ordinary share ($0.000304635 nominal value per share) and (ii) an amendment to its Constitution and other organizational documents to change its name from Willis Group Holdings Public Limited Company to Willis Towers Watson Public Limited Company.

On December 29, 2015, the third business day immediately prior to the closing date of the Merger, Towers Watson declared and paid a pre-merger special dividend of $10.00 per share of its common stock, and approximately $694 million in the aggregate based on approximately 69 million Towers Watson shares issued and outstanding at December 29, 2015.

On December 30, 2015, all Towers Watson treasury stock was canceled.

The Merger was accounted for using the acquisition method of accounting with Willis considered the accounting acquirer of Towers Watson.

The table below presents the final calculation of aggregate Merger consideration**.**

		January 4, 2016
Number of shares of Towers Watson common stock outstanding as of January 4, 2016		69 million
Exchange ratio		2.6490
Number of Willis Group Holdings shares issued (prior to reverse stock split)		184 million
Willis Group Holdings price per share on January 4, 2016	$	47.18
Fair value of 184 million Willis ordinary shares	$	8,686
Value of equity awards assumed		37
Aggregate Merger consideration	$	8,723

A summary of the fair values of the identifiable assets acquired, and liabilities assumed, of Towers Watson at January 4, 2016 are summarized in the following table.

		January 4, 2016
Cash and cash equivalents	$	476
Accounts receivable, net		825
Other current assets		82
Fixed assets, net		204
Goodwill		6,783
Intangible assets		3,991
Pension benefits assets		67
Other non-current assets		115
Deferred tax liabilities		(1,151)
Liability for pension benefits		(923)
Other current liabilities (i)		(667)
Other non-current liabilities (ii)		(331)
Long-term debt, including current portion (iii)		(740)
Net assets acquired	$	8,731
Noncontrolling interests acquired		(8)
Allocated aggregate Merger consideration	$	8,723

i. Includes $348 million in accounts payable, accrued liabilities and deferred revenue, $308 million in employee-related liabilities and $11 million in other current liabilities.

ii. Includes acquired contingent liabilities of $242 million. See Note 12 - Commitments and Contingencies for a discussion of our material acquired contingencies related to Legacy Towers Watson.

iii. Represents both debt due upon change of control of $400 million borrowed under Towers Watson's term loan ($188 million) and revolving credit facility ($212 million) and a draw down under a new term loan of $340 million. The $400 million debt was repaid by Willis borrowings under the 1-year term loan facility on January 4, 2016. The $340 million new term loan partially funded the $694 million Towers Watson pre-merger special dividend.

The purchase price allocation as of the date of acquisition was based on a valuation of the assets acquired and liabilities assumed in the acquisition. The purchase price allocation was complete as of December 31, 2016.

Goodwill is calculated as the difference between aggregate Merger consideration and the acquisition date fair value of the net assets acquired, and represents the value of the Legacy Towers Watson assembled workforce and the future economic benefits that we expect to realize as a result of the Merger. None of the goodwill recognized on the transaction is tax deductible.

The acquired intangible assets are attributable to the following categories:

	Amortization basis	Fair Value	Expected life (years)
Customer relationships	In line with underlying cash flows	$ 2,221	15.0
Software - income approach	In line with underlying cash flows or straight-line basis	567	6.4
Software - cost approach	Straight-line basis	108	4.9
Product	In line with underlying cash flows	42	17.5
IPR&D (i)	n/a	39	n/a
Trade name	Straight-line basis	1,003	25.0
Favorable lease agreements	Straight-line basis	11	6.5
		$ 3,991	

i. Represents software not yet placed into service as of the acquisition date. Once placed into service, each in-process research and development ('IPR&D') software component will be reclassified into finite-lived software intangible assets and amortized in line with underlying cash flows or on a straight-line basis. These assets were placed into service during the three months ended March 31, 2017.

Acquired Share-Based Compensation Plans

In connection with the Merger, we assumed certain stock options and restricted stock units ('RSUs') issued under the Towers Watson & Co. 2009 Long Term Incentive Plan ('LTIP'), the Liazon Corporation 2011 Equity Incentive Plan, and the Extend Health, Inc. 2007 Equity Incentive Plan.

Stock Options. The outstanding unvested employee stock options were converted into 592,486 Willis Towers Watson stock options using the conversion ratios stated in the Merger agreement for the number of options. The fair value of the stock options was calculated using the Black-Scholes model with a volatility and risk-free interest rate over the expected term of each group of options and Willis Towers Watson's closing share price on the date of acquisition. We determined the fair value of the portion of the outstanding options related to pre-acquisition employee service using the straight-line expense methodology from the date of grant to the acquisition date to be $7 million, which was added to the transaction consideration. The fair value of the remaining portion of options related to the post-acquisition employee services was $13 million, and will be recognized over the future vesting periods.

Restricted Stock Units. The outstanding unvested RSUs were converted into 597,307 Willis Towers Watson RSUs using the conversion ratios as stated in the Merger agreement. The fair value of these RSUs was calculated using Willis Towers Watson's closing share price on the date of acquisition. We determined the fair value of the portion of the outstanding RSUs related to pre-acquisition employee service using the straight-line expense methodology from the date of grant to the acquisition date to be $30 million, which was added to the transaction consideration. The fair value of the remaining portion of RSUs related to the post-acquisition employee services was $32 million, and will be recognized over the future vesting periods.

Note 4 — Segment Information

Willis Towers Watson has four reportable operating segments or business areas:

- Human Capital and Benefits ('HCB')
- Corporate Risk and Broking ('CRB')
- Investment, Risk and Reinsurance ('IRR')
- Exchange Solutions ('ES')

Willis Towers Watson's chief operating decision maker is its chief executive officer. We determined that the operational data used by the chief operating decision maker is at the segment level. Management bases strategic goals and decisions on these segments and the data presented below is used to assess the adequacy of strategic decisions, the method of achieving these strategies and related financial results.

The Company experiences seasonal fluctuations of its commissions and fees revenue. Revenue is typically higher during the Company's first and fourth quarters due to timing of broking-related activities.

Beginning in 2017, we made certain changes that affect our segment results. These changes, which are detailed in the Form 8-K filed with the SEC on April 7, 2017, include the following:

- First, to better align our business within our segments, we moved Max Matthiessen, which specializes in pension investment advice, to Investment, Risk and Reinsurance from Human Capital and Benefits; and moved Fine Art, Jewellery and Specie, which is a specialty broker, to Corporate Risk and Broking from Investment, Risk and Reinsurance.

- Second, we recast operating income to better reflect the new segment reporting basis. As part of the further integration of our Willis Towers Watson businesses, we updated our corporate expense allocations to standardize our methodologies and allocate those expenses which are directly related to the business segment operations. Additionally, we revised the presentation of certain adjustments which arose from the purchase accounting for the Merger. Due to the long-term nature of these adjustments, which impact fixed asset and internally-developed software, we aligned the presentation within the respective segments and consolidated operating income, thereby eliminating a reconciling adjustment.

The prior period comparatives reflected in the tables below have been retrospectively adjusted to reflect our current segment presentation.

The following table presents segment commissions and fees, segment interest and other income, segment revenues, and segment operating income for our reportable segments for the three months ended March 31, 2017 and 2016, respectively.

	Three months ended March 31,									
	HCB		**CRB**		**IRR**		**ES**		**Total**	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**	**2017**	**2016**
Segment commissions and fees	$ 951	$ 926	$ 650	$ 641	$ 502	$ 498	$ 179	$ 163	$ 2,282	$ 2,228
Segment interest and other income	4	4	5	6	5	4	—	—	14	14
Segment revenues	$ 955	$ 930	$ 655	$ 647	$ 507	$ 502	$ 179	$ 163	$ 2,296	$ 2,242
Segment operating income	$ 349	$ 313	$ 122	$ 110	$ 222	$ 199	$ 38	$ 43	$ 731	$ 665

The following table presents a reconciliation of the information reported by segment to the Company's consolidated amounts reported for the three months ended March 31, 2017 and 2016, respectively:

	Three Months Ended March 31, 2017	Three Months Ended March 31, 2016
Revenues:		
Total segment revenue	$ 2,296	$ 2,242
Fair value adjustment for deferred revenue	—	(32)
Reimbursable expenses and other	23	24
Total revenues	$ 2,319	$ 2,234
Total segment operating income	$ 731	$ 665
Fair value adjustment for deferred revenue	—	(32)
Amortization	(151)	(161)
Restructuring costs	(27)	(25)
Merger-related integration expenses	(40)	(52)
Provision for the Stanford litigation	—	(50)
Unallocated, net (i)	(50)	(19)
Income from operations	463	326
Interest expense	46	46
Other expense, net	20	18
Income from operations before income taxes and interest in earnings of associates	$ 397	$ 262

i. Includes certain costs, primarily related to corporate functions which are not directly related to the segments, and certain differences between budgeted expenses determined at the beginning of the year and actual expenses that we report for U.S. GAAP purposes.

The Company does not currently provide asset information by reportable segment as it does not routinely evaluate the total asset position by segment.

Note 5 — Restructuring Costs

The Company has two major elements of the restructuring costs included in the condensed consolidated financial statements, which are the Operational Improvement Program, continuing through 2017, and the Business Merger Restructure Program, which was fully accrued by the end of 2016.

Operational Improvement Program - In April 2014, Legacy Willis announced a multi-year operational improvement program designed to strengthen its client service capabilities and to deliver future cost savings. The main elements of the program, which will be completed by the end of 2017, include: moving more than 3,500 support roles from higher cost locations to facilities in lower cost locations; net workforce reductions in support positions; lease consolidation in real estate; and information technology systems simplification and rationalization.

The Company recognized restructuring costs of $27 million and $25 million in the three months ended March 31, 2017 and 2016, respectively, all of which were related to the Operational Improvement Program. The Company expects to incur $130 million of restructuring costs during fiscal year 2017, bringing the cumulative restructuring charges to approximately $440 million.

An analysis of the total cumulative restructuring costs recognized for the Operational Improvement Program from commencement to March 31, 2017 by segment is as follows:

	HCB	CRB	IRR	ES	Corporate	Total
2014						
Termination benefits	$ —	$ 15	$ 1	$ —	$ —	$ 16
Professional services and other(i)	—	3	—	—	17	20
2015						
Termination benefits	2	24	7	—	3	36
Professional services and other(i)	1	57	2	—	30	90
2016						
Termination benefits	1	18	3	—	1	23
Professional services and other(i)	1	81	4	—	36	122
2017						
Termination benefits	—	4	2	—	—	6
Professional services and other(i)	1	15	1	—	4	21
Total						
Termination benefits	3	61	13	—	4	81
Professional services and other(i)	3	156	7	—	87	253
Total	$ 6	$ 217	$ 20	$ —	$ 91	$ 334

i. Other includes salary and benefits, premises, and other expenses incurred to support the ongoing management and facilitation of the programs.

At March 31, 2017, the Company’s liability under the Operational Improvement Program was as follows:

	Termination Benefits	Professional Services and Other	Total
Balance at January 1, 2014	$ —	$ —	$ —
Charges incurred	16	20	36
Cash payments	(11)	(14)	(25)
Balance at December 31, 2014	5	6	11
Charges incurred	36	90	126
Cash payments	(26)	(85)	(111)
Balance at December 31, 2015	15	11	26
Charges incurred	23	122	145
Cash payments	(31)	(115)	(146)
Balance at December 31, 2016	7	18	25
Charges incurred	6	21	27
Cash payments	(4)	(33)	(37)
Balance at March 31, 2017	$ 9	$ 6	$ 15

Business Restructure Program - In the second quarter of 2016, we began planning targeted staffing reductions in certain portions of the business due to a reduction in business demand or change in business focus (hereinafter referred to as the Business Restructure Program). The main element of the program included workforce reductions, and was completed in 2016. The Company recognized no restructuring costs for the three months ended March 31, 2017 and 2016 related to the Business Restructure Program.

At March 31, 2017, the Company's liability under the Business Restructure Program was as follows:

	Termination Benefits	Professional Services and Other	Total
Balance at January 1, 2016	$ —	$ —	$ —
Charges incurred	45	3	48
Cash payments	(19)	(3)	(22)
Balance at December 31, 2016	26	—	26
Cash payments	(18)	—	(18)
Balance at March 31, 2017	$ 8	$ —	$ 8

Note 6 — Income Taxes

Provision for income taxes for the three months ended March 31, 2017 was $46 million, compared to $18 million for the three months ended March 31, 2016. The effective tax rate was 11.6% for the three months ended March 31, 2017 and 6.9% for the three months ended March 31, 2016. Our effective tax rate is low as compared to the U.S. statutory rate of 35%. This is primarily due to our global mix of income which creates deductions in jurisdictions with high statutory income tax rates. The effective tax rate for the three months ended March 31, 2017 was higher than the rate for the three months ended March 31, 2016 primarily due to the U.S. tax expense resulting from an internal reorganization of certain legacy Towers Watson businesses.

Historically, we have not provided deferred taxes on cumulative earnings of our subsidiaries that have been reinvested indefinitely. As a result of our plan to restructure or distribute accumulated earnings of certain acquired Towers Watson foreign operations, we continue to accrue deferred taxes on current year earnings of those subsidiaries. However, we assert that the historical cumulative earnings of our other subsidiaries are reinvested indefinitely, and therefore do not provide deferred tax liabilities on these amounts.

The Company records valuation allowances against net deferred tax assets based on whether it is more likely than not that the deferred tax assets will be realized.

We have liabilities for uncertain tax positions under Accounting Standards Codification ('ASC') 740, *Income Taxes* of $54 million, excluding interest and penalties. The Company believes the outcomes that are reasonably possible within the next 12 months may result in a reduction in the liability for uncertain tax positions in the range of approximately $1 million to $4 million, excluding interest and penalties.

Note 7 — Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of businesses acquired over the fair market value of identifiable net assets at the dates of acquisition. 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. Goodwill is allocated to our reporting units primarily based on the original purchase price allocation for acquisitions within the reporting units, or relative fair value when an acquisition covers multiple reporting units. When a business entity is sold, goodwill is allocated to the disposed entity based on the relative fair value of that entity compared with the fair value of the reporting unit in which it was included.

The components of goodwill are outlined below for the three months ended March 31, 2017:

	HCB	CRB	IRR	ES	Total
Balance at December 31, 2016:					
Goodwill, gross	$ 4,412	$ 2,178	$ 1,758	$ 2,557	$ 10,905
Accumulated impairment losses	(130)	(362)	—	—	(492)
Goodwill, net - December 31, 2016	4,282	1,816	1,758	2,557	10,413
Goodwill reassigned in segment realignment (i)	(113)	13	100	—	—
Goodwill acquired during the period	—	8	—	—	8
Foreign exchange	9	9	3	—	21
Balance at March 31, 2017:					
Goodwill, gross	4,308	2,208	1,861	2,557	10,934
Accumulated impairment losses	(130)	(362)	—	—	(492)
Goodwill, net - March 31, 2017	$ 4,178	$ 1,846	$ 1,861	$ 2,557	$ 10,442

i. Represents the preliminary reallocation of goodwill related to certain businesses which were realigned among the segments as of January 1, 2017. See Note 4 — Segment Information for further information.

Other Intangible Assets

The following table reflects changes in the net carrying amounts of the components of finite-lived intangible assets for the three months ended March 31, 2017:

	Balance as of December 31, 2016	Intangible assets acquired	Intangible assets disposed	Amortization (ii)	Foreign Exchange	Balance as of March 31, 2017
Client relationships	$ 2,655	$ 11	$ —	$ (98)	$ 13	$ 2,581
Management contracts	54	—	—	(1)	1	54
Software (i)	570	36	—	(39)	1	568
Trademark and trade name	1,006	—	—	(12)	2	996
Product	33	—	—	(1)	—	32
Favorable agreements	11	—	—	—	—	11
Other	3	—	—	—	—	3
Total amortizable intangible assets	$ 4,332	$ 47	$ —	$ (151)	$ 17	$ 4,245

i. All in-process research and development intangible assets acquired as part of the Merger on January 4, 2016 of $39 million ($36 million at March 31, 2017) have been placed in service during the three months ended March 31, 2017 and have been included as intangible assets acquired in this presentation.

ii. Amortization associated with favorable lease agreements is recorded in Other operating expenses in the condensed consolidated statements of comprehensive income.

We record amortization related to our finite-lived intangible assets. Exclusive of the amortization of our favorable lease agreements, for the three months ended March 31, 2017 and 2016, we recorded amortization of $151 million and $161 million, respectively.

Our acquired unfavorable lease liabilities were $29 million as of both March 31, 2017 and December 31, 2016 and are recorded in other non-current liabilities in the condensed consolidated balance sheet.

The following table reflects the carrying value of finite-lived intangible assets and liabilities as of March 31, 2017 and December 31, 2016:

	March 31, 2017		December 31, 2016	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Client relationships	$ 3,413	$ (832)	$ 3,396	$ (741)
Management contracts	63	(9)	62	(8)
Software	742	(174)	711	(141)
Trademark and trade name	1,052	(56)	1,051	(45)
Product	36	(4)	36	(3)
Favorable agreements	13	(2)	13	(2)
Other	6	(3)	6	(3)
Total finite-lived assets	$ 5,325	$ (1,080)	$ 5,275	$ (943)
Unfavorable agreements	$ 35	$ (6)	$ 34	$ (5)
Total finite-lived intangible liabilities	$ 35	$ (6)	$ 34	$ (5)

The weighted average remaining life of amortizable intangible assets and liabilities at March 31, 2017 was 14.7 years.

The table below reflects the future estimated amortization expense for amortizable intangible assets and the rent offset resulting from amortization of the net lease intangible assets and liabilities for the remainder of 2017 and for subsequent years:

	Amortization	Rent offset
Remainder of 2017	$ 424	$ (3)
2018	524	(3)
2019	468	(2)
2020	416	(2)
2021	342	(2)
Thereafter	2,060	(6)
Total	$ 4,234	$ (18)

Note 8 — Derivative Financial Instruments

We are exposed to certain interest rate and foreign currency risks. Where possible, we identify exposures in our business that can be offset internally. Where no natural offset is identified, we may choose to enter into various derivative transactions. These instruments have the effect of reducing our exposure to unfavorable changes in interest and foreign currency rates. The Company's board of directors reviews and approves policies for managing each of these risks as summarized below.

Interest Rate Risk - Investment Income

As a result of the Company's operating activities, the Company holds fiduciary funds. The Company earns interest on these funds, which is included in the Company's condensed consolidated financial statements as interest and other income. These funds are regulated in terms of access as are the instruments in which they may be invested, most of which are short-term in nature.

During 2015, in order to manage interest rate risk arising from these financial assets, the Company entered into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest. These derivatives were designated as hedging instruments at March 31, 2017 and December 31, 2016 and had total notional amounts of $300 million at both dates presented and net fair value liabilities of $1 million and nil, respectively.

Foreign Currency Risk

Certain non-U.S. subsidiaries receive revenues and incur expenses in currencies other than their functional currency and as a result, the foreign subsidiary's functional currency revenues will fluctuate as the currency rates change. Additionally, the forecast Pounds sterling expenses of our London brokerage market operations may exceed their Pounds sterling revenues, and they may also hold a significant net Pounds sterling asset or liability position in the consolidated balance sheet. To reduce such variability, we use foreign exchange forward contracts to hedge against this currency risk.

These derivatives were designated as hedging instruments and as of March 31, 2017 and December 31, 2016 had total notional amounts of $787 million and $945 million, respectively, and net fair value liabilities of $85 million and $110 million, respectively.

At March 31, 2017, the Company estimates, based on current interest and exchange rates, there will be $57 million of net derivative losses on forward exchange rates, interest rate swaps, and treasury locks reclassified from accumulated other comprehensive income/(loss) into earnings within the next twelve months as the forecast transactions affect earnings. At March 31, 2017, our longest outstanding maturity was 2.2 years.

The effects of the material derivative instruments that are designated as hedging instruments on the condensed consolidated statements of comprehensive income for the three months ended March 31, 2017 and 2016 are as follows:

Three Months Ended March 31,	Gain /(loss) recognized in OCI (effective portion)		Location of loss reclassified from Accumulated OCI into income (effective element)	Loss reclassified from Accumulated OCI into income (effective element)		Location of gain recognized in income (ineffective portion and amount excluded from effectiveness testing)	Gain recognized in income (ineffective portion and amount excluded from effectiveness testing)	
	2017	2016		2017	2016		2017	2016
Forward exchange contracts	$ 3	$ (28)	Other income (expense), net	$ (23)	$ (4)	Interest expense	$ 1	$ —

We also enter into foreign currency transactions, primarily to hedge certain intercompany loans. These derivatives are not generally designated as hedging instruments and at March 31, 2017 and December 31, 2016, we had notional amounts of $461 million and $630 million, respectively, and had nil and a net fair value liability of $8 million, respectively. The effects of derivatives that have not been designated as hedging instruments on the condensed consolidated statements of comprehensive income was a gain of $8 million and a loss of $10 million for the three months ended March 31, 2017 and 2016, respectively.

Note 9 — Debt

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

	March 31, 2017	December 31, 2016
6.200% senior notes due 2017	$ —	$ 394
Current portion of 7-year term loan facility (expiring 2018)	—	22
Current portion of term loan due 2019	85	85
Short term borrowing under bank overdraft arrangement	33	5
Other debt	2	2
	$ 120	$ 508

Long-term debt consists of the following:

	March 31, 2017	December 31, 2016
Revolving $1.25 billion credit facility	$ 1,064	$ —
Revolving $800 million credit facility	—	238
7-year term loan facility (expiring 2018)	—	196
Term loan due 2019	148	169
7.000% senior notes due 2019	186	186
5.750% senior notes due 2021	496	496
3.500% senior notes due 2021	446	446
2.125% senior notes due 2022	573	565
4.625% senior notes due 2023	248	247
4.400% senior notes due 2026	543	543
6.125% senior notes due 2043	271	271
	$ 3,975	$ 3,357

Revolving credit facility

On March 7, 2017, the Company, together with its wholly-owned subsidiary, Trinity Acquisition plc (see Note 18 for further information), entered into a $1.25 billion amended and restated revolving credit facility (the 'RCF'), that will mature on March 7, 2022. The RCF replaced the previous $800 million revolving credit facility. Amounts outstanding under the RCF shall bear interest at LIBOR plus a margin of 1.00% to 1.75%, or alternatively, the base rate plus a margin of 0.00% to 0.75%, based upon the Company's guaranteed senior unsecured long-term debt rating.

Borrowings of $409 million and €45 million against the RCF were used to repay all outstanding borrowings against the previous $800 million credit facility and the 7-year term loan due July 23, 2018.

Additionally, on March 28, 2017, $407 million was used to repay the 6.200% senior notes due 2017, including accrued interest.

At March 31, 2017 and December 31, 2016, we were in compliance with all financial covenants.

Note 10 — Fair Value Measurements

The Company has categorized its assets and liabilities that are measured at fair value on a recurring and non-recurring basis into a three-level fair value hierarchy, based on the reliability of the inputs used to determine fair value as follows:

- Level 1: refers to fair values determined based on quoted market prices in active markets for identical assets;
- Level 2: refers to fair values estimated using observable market based inputs or unobservable inputs that are corroborated by market data; and
- Level 3: includes fair values estimated using unobservable inputs that are not corroborated by market data.

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

Market values for our derivative instruments 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. Such financial instruments are classified as Level 2 in the fair value hierarchy.

Available-for-sale securities are classified as Level 1 because we use quoted market prices in determining the fair value of these securities.

Contingent consideration payable is classified as Level 3, and we estimate fair value based on the likelihood and timing of achieving the relevant milestones of each arrangement, applying a probability assessment to each of the potential outcomes, and discounting the probability-weighted payout. Typically, milestones are based on revenue or EBITDA growth for the acquired business.

The following tables present our assets and liabilities measured at fair value on a recurring basis at March 31, 2017 and December 31, 2016:

	Balance Sheet Location	Fair Value Measurements on a Recurring Basis at March 31, 2017 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities:					
Mutual funds / exchange traded funds	Prepaid and other current assets and other non-current assets	$ 38	$ —	$ —	$ 38
Derivatives:					
Derivative financial instruments (i)	Prepaid and other current assets and other non-current assets	$ —	$ 13	$ —	$ 13
Liabilities:					
Contingent Consideration:					
Contingent Consideration (ii)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 54	$ 54
Derivatives:					
Derivative financial instruments (i)	Other current liabilities and other non-current liabilities	$ —	$ 99	$ —	$ 99

	Balance Sheet Location	Fair Value Measurements on a Recurring Basis at December 31, 2016 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities:					
Mutual funds / exchange traded funds	Prepaid and other current assets and other non-current assets	$ 37	$ —	$ —	$ 37
Derivatives:					
Derivative financial instruments (i)	Prepaid and other current assets and other non-current assets	$ —	$ 15	$ —	$ 15
Liabilities:					
Contingent Consideration:					
Contingent Consideration (ii)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 55	$ 55
Derivatives:					
Derivative financial instruments (i)	Other current liabilities and other non-current liabilities	$ —	$ 133	$ —	$ 133

i. See Note 8 — Derivative Financial Instruments for further information on our derivative investments.

ii. Probability weightings are based on our knowledge of the past and planned performance of the acquired entity to which the contingent consideration applies. The weighted average discount rate used on our material contingent consideration calculations was 10.02% and 10.76% at March 31, 2017 and December 31, 2016, respectively. Using different probability weightings and discount rates could result in an increase or decrease of the contingent consideration payable.

The following table summarizes the change in fair value of the Level 3 liabilities:

Fair Value Measurements using significant unobservable inputs (Level 3)	**March 31, 2017**
Balance at December 31, 2016	$ 55
Obligations assumed	—
Payments	(2)
Realized and unrealized losses	—
Foreign exchange	1
Balance at March 31, 2017	$ 54

There were no significant transfers between Levels 1, 2 or 3 in the three months ended March 31, 2017 and 2016.

The following presents our liabilities not measured at fair value on a recurring basis at March 31, 2017 and December 31, 2016:

	March 31, 2017		December 31, 2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:				
Current portion of long-term debt	$ 120	$ 120	$ 508	$ 513
Long-term debt	$ 3,975	$ 4,216	$ 3,357	$ 3,504

The carrying values of our revolving lines of credit and term loans approximate their fair values. The fair values above 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. The fair value of our respective senior notes are considered level 2 financial instruments as they are corroborated by observable market data.

Note 11 — Retirement Benefits

Defined Benefit Plans and Post-retirement Welfare Plan

Willis Towers Watson sponsors both qualified and non-qualified defined benefit pension plans and other post-retirement welfare plans ('PRW') plans throughout the world. The majority of our plan assets and obligations are in the United States and the United Kingdom. We have also included disclosures related to defined benefit plans in certain other countries, including Canada, France, Germany, Ireland and the Netherlands. Together, these disclosed funded and unfunded plans represented 99% of Willis Towers Watson's pension and PRW obligations and are disclosed herein.

Components of Net Periodic Benefit Cost for Defined Benefit Pension and Post-retirement Welfare Plans

The following table sets forth the components of net periodic benefit cost for the Company's defined benefit pension and PRW plans for the three months ended March 31, 2017 and 2016, respectively:

	Three Months Ended March 31,							
	2017				2016			
	U.S.	U.K.	Other	PRW	U.S.	U.K.	Other	PRW
Service cost	$ 16	$ 8	$ 5	$ —	$ 15	$ 6	$ 5	$ —
Interest cost	35	22	4	1	34	28	6	1
Expected return on plan assets	(61)	(68)	(7)	—	(59)	(64)	(8)	—
Settlement	—	—	—	—	—	—	2	—
Amortization of net loss	3	13	—	—	3	11	—	—
Amortization of prior service (credit)	—	(5)	—	—	—	(5)	—	—
Net periodic benefit (income) /cost	$ (7)	$ (30)	$ 2	$ 1	$ (7)	$ (24)	$ 5	$ 1

Employer Contributions to Defined Benefit Pension Plans

The Company made no contributions to its U.S. plans for the three months ended March 31, 2017 and anticipates making $50 million in contributions over the remainder of the fiscal year. The Company made contributions of $12 million to its U.K. plans for the three months ended March 31, 2017 and anticipates making additional contributions of $48 million for the remainder of the fiscal year. The Company made contributions of $5 million to its other plans for the three months ended March 31, 2017 and anticipates making additional contributions of $9 million for the remainder of the fiscal year.

Defined Contribution Plans

The Company made contributions of $42 million and $36 million to its various defined contribution plans during the three months ended March 31, 2017 and 2016, respectively.

Note 12 — Commitments and Contingencies

Indemnification Agreements

Willis Towers Watson has various agreements which provide that it may be obligated to indemnify the other party to the agreement with respect to certain matters. Generally, these indemnification provisions are included in contracts arising in the normal course of business and in connection with the purchase and sale of certain businesses. Although it is not possible to predict the maximum potential amount of future payments that may become due under these indemnification agreements because of the conditional nature of Willis Towers Watson's obligations and the unique facts of each particular agreement, the Company does not believe that any potential liability that might arise from such indemnity provisions is probable or material. There are no provisions for recourse to third parties, nor are any assets held by any third parties that any guarantor can liquidate to recover amounts paid under such indemnities.

Legal Proceedings

In the ordinary course of business, the Company is subject to various actual and potential claims, lawsuits and other proceedings. Some of the claims, lawsuits and other proceedings seek damages in amounts which could, if assessed, be significant. We do not expect the impact of claims or demands not described below to be material to the Company's financial statements. The Company also receives subpoenas in the ordinary course of business and, from time to time, receives requests for information in connection with governmental investigations.

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. Regarding self-insured risks, the Company has established provisions which are believed to be adequate in the light of current information and legal advice, or, in certain cases, where a range of loss exists, the Company accrues the minimum amount in the range if no amount within the range is a better estimate than any other amount. 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 or settlement 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. In addition, given the early stages of some litigation or regulatory proceedings described below, it is not possible to predict their outcome or resolution, and it is possible that these events may have a material adverse effect on the Company.

The Company provides for contingent liabilities based on ASC 450, *Contingencies*, when it is determined that a liability, inclusive of defense costs, is probable and reasonably estimable. The contingent liabilities recorded are primarily developed actuarially. Litigation is subject to many factors which are difficult to predict so there can be no assurance that in the event of a material unfavorable result in one or more claims, we will not incur material costs.

Merger-related Appraisal demands

Between November 12, 2015 and December 10, 2015, in connection with the then-proposed Merger, Towers Watson received demands for appraisal under Section 262 of the Delaware General Corporation Law on behalf of ten purported beneficial owners of an aggregate of approximately 2.4% of the shares of Towers Watson common stock outstanding at the time of the Merger. Between March 3, 2016 and March 23, 2016, three appraisal petitions were filed in the Court of Chancery for the State of Delaware on behalf of three purported beneficial owners of an aggregate of 1,354,338 shares of Towers Watson common stock, captioned *Rangeley Capital LLC v. Towers Watson & Co.,* C.A. No. 12063-CB, *Merion Capital L.P. v. Towers Watson & Co.,* C.A. No. 12064-CB, *and College Retirement Equities Fund v. Towers Watson & Co.,* C.A. No. 12126-CB. The appraisal petitions seek, among other things, a determination of the fair value of the appraisal petitioners' shares at the time of the Merger; an order that Towers Watson pay that value to the appraisal petitioners, together with interest at the statutory rate; and an award of costs, attorneys' fees, and other expenses. Towers Watson answered the appraisal petitions between March 24, 2016 and April 18, 2016. On May 9, 2016, the court consolidated the three pending appraisal proceedings under the caption *In re Appraisal of Towers Watson & Co.,* Consolidated C.A. No. 12064-CB. Based on all of the information to date, the Company is currently unable to estimate what the court would determine, following trial, to be the fair value of the appraisal petitioners' shares. It is possible that the court could determine that fair value was the same as, less than or greater than the value received by shareholders in the Merger. Therefore we are unable to provide an estimate of the reasonably possible loss or range of loss as to such value. The Company intends to vigorously defend against the appraisal proceedings.

Stanford Financial Group

The Company has been named as a defendant in 15 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 15 actions are as follows:

- *Troice, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:9-CV-1274-N, was filed on July 2, 2009 in the U.S. District Court for the Northern District of Texas against Willis Group Holdings plc, Willis of Colorado, Inc. and a Willis associate, among others. On April 1, 2011, plaintiffs filed the operative Third Amended Class Action Complaint individually and on behalf of a putative, worldwide class of Stanford investors, adding Willis Limited as a defendant and alleging claims under Texas statutory and common law and seeking damages in excess of $1 billion, punitive damages and costs. On May 2, 2011, the defendants filed motions to dismiss the Third Amended Class Action Complaint, arguing, *inter alia*, that the plaintiffs' claims are precluded by the Securities Litigation Uniform Standards Act of 1998 ('SLUSA').

  On May 10, 2011, the court presiding over the Stanford-related actions in the Northern District of Texas entered an order providing that it would consider the applicability of SLUSA to the Stanford-related actions based on the decision in a separate Stanford action not involving a Willis entity, *Roland v. Green*, Civil Action No. 3:10-CV-0224-N ('Roland'). On August 31, 2011, the court issued its decision in Roland, dismissing that action with prejudice under SLUSA.

  On October 27, 2011, the court in *Troice* entered an order (i) dismissing with prejudice those claims asserted in the Third Amended Class Action Complaint on a class basis on the grounds set forth in the *Roland* decision discussed above and (ii) dismissing without prejudice those claims asserted in the Third Amended Class Action Complaint on an individual basis. Also on October 27, 2011, the court entered a final judgment in the action.

  On October 28, 2011, the plaintiffs in *Troice* filed a notice of appeal to the U.S. Court of Appeals for the Fifth Circuit. Subsequently, *Troice*, *Roland* and a third action captioned *Troice, et al. v. Proskauer Rose LLP*, Civil Action No. 3:09-CV-01600-N, which also was dismissed on the grounds set forth in the *Roland* decision discussed above and on appeal to the U.S. Court of Appeals for the Fifth Circuit, were consolidated for purposes of briefing and oral argument. Following the completion of briefing and oral argument, on March 19, 2012, the Fifth Circuit reversed and remanded the actions. On April 2, 2012, the defendants-appellees filed petitions for rehearing *en banc*. On April 19, 2012, the petitions for rehearing *en banc* were denied. On July 18, 2012, defendants-appellees filed a petition for writ of certiorari with the United States Supreme Court regarding the Fifth Circuit's reversal in *Troice*. On January 18, 2013, the Supreme Court granted our petition. Opening briefs were filed on May 3, 2013 and the Supreme Court heard oral argument on October 7, 2013. On February 26, 2014, the Supreme Court affirmed the Fifth Circuit's decision.

  On March 19, 2014, the plaintiffs in *Troice* filed a Motion to Defer Resolution of Motions to Dismiss, to Compel Rule 26(f) Conference and For Entry of Scheduling Order.

  On March 25, 2014, the parties in *Troice and the Janvey, et al. v. Willis of Colorado, Inc., et al.* action discussed below stipulated to the consolidation of the two actions for pre-trial purposes under Rule 42(a) of the Federal Rules of Civil Procedure. On March 28, 2014, the Court 'so ordered' that stipulation and, thus, consolidated *Troice* and *Janvey* for pre-trial purposes under Rule 42(a).

  On September 16, 2014, the court (a) denied the plaintiffs' request to defer resolution of the defendants' motions to dismiss, but granted the plaintiffs' request to enter a scheduling order; (b) requested the submission of supplemental briefing by all parties on the defendants' motions to dismiss, which the parties submitted on September 30, 2014; and (c) entered an order setting a schedule for briefing and discovery regarding plaintiffs' motion for class certification, which schedule, among other things, provided for the submission of the plaintiffs' motion for class certification (following the completion of briefing and discovery) on April 20, 2015.

  On December 15, 2014, the court granted in part and denied in part the defendants' motions to dismiss. On January 30, 2015, the defendants except Willis Group Holdings plc answered the Third Amended Class Action Complaint.

  On April 20, 2015, the plaintiffs filed their motion for class certification, the defendants filed their opposition to plaintiffs' motion, and the plaintiffs filed their reply in further support of the motion. Pursuant to an agreed stipulation also filed with the court on April 20, 2015, the defendants on June 4, 2015 filed sur-replies in further opposition to the motion. The Court has not yet scheduled a hearing on the motion.

  On June 19, 2015, Willis Group Holdings plc filed a motion to dismiss the complaint for lack of personal jurisdiction. On November 17, 2015, Willis Group Holdings plc withdrew the motion.

On March 31, 2016, the parties in the *Troice* and *Janvey* actions entered into a settlement in principle that is described in more detail below.

- *Ranni v. Willis of Colorado, Inc., et al., C.A.* No. 9-22085, was filed on July 17, 2009 against Willis Group Holdings plc and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida. The complaint was filed on behalf of a putative class of Venezuelan and other South American Stanford investors and alleges claims under Section 10(b) of the Securities Exchange Act of 1934 (and Rule 10b-5 thereunder) and Florida statutory and common law and seeks damages in an amount to be determined at trial. On October 6, 2009, *Ranni* was transferred, for consolidation or coordination with other Stanford-related actions (including *Troice*), to the Northern District of Texas by the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML'). The defendants have not yet responded to the complaint in *Ranni*. On August 26, 2014, the plaintiff filed a notice of voluntary dismissal of the action without prejudice.

- *Canabal, et al. v. Willis of Colorado, Inc., et al., C.A.* No. 3:9-CV-1474-D, was filed on August 6, 2009 against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate named as a defendant in *Troice*, among others, also in the Northern District of Texas. The complaint was filed individually and on behalf of a putative class of Venezuelan Stanford investors, alleged claims under Texas statutory and common law and sought damages in excess of $1 billion, punitive damages, attorneys' fees and costs. On December 18, 2009, the parties in *Troice* and *Canabal* stipulated to the consolidation of those actions (under the *Troice* civil action number), and, on December 31, 2009, the plaintiffs in *Canabal* filed a notice of dismissal, dismissing the action without prejudice.

- *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on September 14, 2009 on behalf of 97 Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under the Securities Act of 1933, Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $300 million, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed *Rupert* to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On April 1, 2010, the JPML issued a final transfer order for the transfer of *Rupert* to the Northern District of Texas. On January 24, 2012, the court remanded *Rupert* to Texas state court (Bexar County), but stayed the action until further order of the court. On August 13, 2012, the plaintiffs filed a motion to lift the stay, which motion was denied by the court on September 16, 2014. On October 10, 2014, the plaintiffs appealed the court's denial of their motion to lift the stay to the U.S. Court of Appeals for the Fifth Circuit. On January 5, 2015, the Fifth Circuit consolidated the appeal with the appeal in the *Rishmague, et ano. v. Winter, et al.* action discussed below, and the consolidated appeal, was fully briefed as of March 24, 2015. Oral argument on the consolidated appeal was held on September 2, 2015. On September 16, 2015, the Fifth Circuit affirmed. The defendants have not yet responded to the complaint in *Rupert*.

- *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-1862-O, was filed on September 16, 2010 on behalf of seven Stanford investors against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. The complaint alleges claims under Texas statutory and common law and seeks actual damages in excess of $5 million, punitive damages, attorneys' fees and costs. On February 13, 2015, the parties filed an Agreed Motion for Partial Dismissal pursuant to which they agreed to the dismissal of certain claims pursuant to the motion to dismiss decisions in the *Troice* action discussed above and the *Janvey* action discussed below. Also on February 13, 2015, the defendants except Willis Group Holdings plc answered the complaint in the *Casanova* action. On June 19, 2015, Willis Group Holdings plc filed a motion to dismiss the complaint for lack of personal jurisdiction. Plaintiffs have not opposed the motion.

- *Rishmague, et ano. v. Winter, et al.*, Case No. 2011CI2585, was filed on March 11, 2011 on behalf of two Stanford investors, individually and as representatives of certain trusts, against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $37 million and attorneys' fees and costs. On April 11, 2011, certain defendants, including Willis of Colorado, Inc., (i) removed *Rishmague* to the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On August 8, 2011, the JPML issued a final transfer order for the transfer of *Rishmague* to the Northern District of Texas, where it is currently pending. On August 13, 2012, the plaintiffs joined with the plaintiffs in the *Rupert* action in their motion to lift the court's stay of the *Rupert* action. On September 9, 2014, the court remanded *Rishmague* to Texas state court (Bexar County), but stayed the action until further order of the court and denied the plaintiffs' motion to lift the stay. On October 10, 2014, the plaintiffs appealed the court's denial of their motion to lift the stay to the Fifth Circuit. On January 5, 2015, the Fifth Circuit consolidated the appeal with the appeal in the *Rupert* action, and the consolidated appeal was fully briefed as of March 24, 2015. Oral argument on the consolidated appeal was held on September 2, 2015. On September 16, 2015, the Fifth Circuit affirmed. The defendants have not yet responded to the complaint in *Rishmague*.

- *MacArthur v. Winter, et al.*, Case No. 2013-07840, was filed on February 8, 2013 on behalf of two Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Harris County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks actual, special, consequential and treble damages of approximately $4 million and attorneys' fees and costs. On March 29, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. (i) removed *MacArthur* to the U.S. District Court for the Southern District of Texas and (ii) notified the JPML of the pendency of this related action. On April 2, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. filed a motion in the Southern District of Texas to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. Also on April 2, 2013, the court presiding over *MacArthur* in the Southern District of Texas transferred the action to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On September 29, 2014, the parties stipulated to the remand (to Texas state court (Harris County)) and stay of *MacArthur* until further order of the court (in accordance with the court's September 9, 2014 decision in *Rishmague* (discussed above)), which stipulation was 'so ordered' by the court on October 14, 2014. The defendants have not yet responded to the complaint in *MacArthur*.

- *Florida suits*: On February 14, 2013, five lawsuits were filed against Willis Group Holdings plc, Willis Limited and Willis of Colorado, Inc. in Florida state court (Miami-Dade County) alleging violations of Florida common law. The five suits are: (1) *Barbar, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05666CA27, filed on behalf of 35 Stanford investors seeking compensatory damages in excess of $30 million; (2) *de Gadala-Maria, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05669CA30, filed on behalf of 64 Stanford investors seeking compensatory damages in excess of $83.5 million; (3) *Ranni, et ano. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05673CA06, filed on behalf of two Stanford investors seeking compensatory damages in excess of $3 million; (4) *Tisminesky, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05676CA09, filed on behalf of 11 Stanford investors seeking compensatory damages in excess of $6.5 million; and (5) *Zacarias, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05678CA11, filed on behalf of 10 Stanford investors seeking compensatory damages in excess of $12.5 million. On June 3, 2013, Willis of Colorado, Inc. removed all five cases to the Southern District of Florida and, on June 4, 2013, notified the JPML of the pendency of these related actions. On June 10, 2013, the court in *Tisminesky* issued an order *sua sponte* staying and administratively closing that action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation and coordination with the other Stanford-related actions. On June 11, 2013, Willis of Colorado, Inc. moved to stay the other four actions pending the JPML's transfer decision. On June 20, 2013, the JPML issued a conditional transfer order for the transfer of the five actions to the Northern District of Texas, the transmittal of which was stayed for 7 days to allow for any opposition to be filed. On June 28, 2013, with no opposition having been filed, the JPML lifted the stay, enabling the transfer to go forward.

  On September 30, 2014, the court denied the plaintiffs' motion to remand in *Zacarias*, and, on October 3, 2014, the court denied the plaintiffs' motions to remand in *Tisminesky* and *de Gadala Maria*. On December 3, 2014 and March 3, 2015, the court granted the plaintiffs' motions to remand in *Barbar* and *Ranni*, respectively, remanded both actions to Florida state court (Miami-Dade County) and stayed both actions until further order of the court. On January 2, 2015 and April 1, 2015, the plaintiffs in *Barbar* and *Ranni*, respectively, appealed the court's December 3, 2014 and March 3, 2015 decisions to the Fifth Circuit. On April 22, 2015 and July 22, 2015, respectively, the Fifth Circuit dismissed the *Barbar* and *Ranni* appeals *sua sponte* for lack of jurisdiction. The defendants have not yet responded to the complaints in *Ranni* or *Barbar*.

  On April 1, 2015, the defendants except Willis Group Holdings plc filed motions to dismiss the complaints in *Zacarias*, *Tisminesky* and *de Gadala-Maria*. On June 19, 2015, Willis Group Holdings plc filed motions to dismiss the complaints in *Zacarias*, *Tisminesky* and *de Gadala-Maria* for lack of personal jurisdiction. On July 15, 2015, the court dismissed the complaint in *Zacarias* in its entirety with leave to replead within 21 days. On July 21, 2015, the court dismissed the complaints in *Tisminesky* and *de Gadala-Maria* in their entirety with leave to replead within 21 days. On August 6, 2015, the plaintiffs in *Zacarias*, *Tisminesky* and *de Gadala-Maria* filed amended complaints (in which, among other things, Willis Group Holdings plc was no longer named as a defendant). On September 11, 2015, the defendants filed motions to dismiss the amended complaints. The motions await disposition by the court.

- *Janvey, et al. v. Willis of Colorado, Inc., et al.*, Case No. 3:13-CV-03980-D, was filed on October 1, 2013 also in the Northern District of Texas against Willis Group Holdings plc, Willis Limited, Willis North America Inc., Willis of Colorado, Inc. and the same Willis associate. The complaint was filed (i) by Ralph S. Janvey, in his capacity as Court-Appointed Receiver for the Stanford Receivership Estate, and the Official Stanford Investors Committee (the 'OSIC') against all defendants and (ii) on behalf of a putative, worldwide class of Stanford investors against Willis North America Inc. Plaintiffs Janvey and the OSIC allege claims under Texas common law and the court's Amended Order Appointing Receiver, and the putative class plaintiffs allege claims under Texas statutory and common law. Plaintiffs seek actual damages in excess of $1 billion, punitive damages and costs. As alleged by the Stanford Receiver, the total amount of collective losses allegedly sustained by all investors in Stanford certificates of deposit is approximately $4.6 billion.

  On November 15, 2013, plaintiffs in *Janvey* filed the operative First Amended Complaint, which added certain defendants unaffiliated with Willis. On February 28, 2014, the defendants filed motions to dismiss the First Amended Complaint, which motions, other than with respect to Willis Group Holding plc's motion to dismiss for lack of personal jurisdiction, were granted in part and denied in part by the court on December 5, 2014. On December 22, 2014, Willis filed a motion to amend the court's December 5 order to certify an interlocutory appeal to the Fifth Circuit, and, on December 23, 2014, Willis filed a motion to amend and, to the extent necessary, reconsider the court's December 5 order. On January 16, 2015, the defendants answered the First Amended Complaint. On January 28, 2015, the court denied Willis's motion to amend the court's December 5 order to certify an interlocutory appeal to the Fifth Circuit. On February 4, 2015, the court granted Willis's motion to amend and, to the extent necessary, reconsider the December 5 order.

  As discussed above, on March 25, 2014, the parties in *Troice* and *Janvey* stipulated to the consolidation of the two actions for pre-trial purposes under Rule 42(a) of the Federal Rules of Civil Procedure. On March 28, 2014, the Court 'so ordered' that stipulation and, thus, consolidated *Troice* and *Janvey* for pre-trial purposes under Rule 42(a).

  On January 26, 2015, the court entered an order setting a schedule for briefing and discovery regarding the plaintiffs' motion for class certification, which schedule, among other things, provided for the submission of the plaintiffs' motion for class certification (following the completion of briefing and discovery) on July 20, 2015. By letter dated March 4, 2015, the parties requested that the court consolidate the scheduling orders entered in *Troice* and *Janvey* to provide for a class certification submission date of April 20, 2015 in both cases. On March 6, 2015, the court entered an order consolidating the scheduling orders in *Troice* and *Janvey*, providing for a class certification submission date of April 20, 2015 in both cases, and vacating the July 20, 2015 class certification submission date in the original *Janvey* scheduling order.

  On November 17, 2015, Willis Group Holdings plc withdrew its motion to dismiss for lack of personal jurisdiction.

  On March 31, 2016, the parties in the *Troice* and *Janvey* actions entered into a settlement in principle that is described in more detail below.

- *Martin v. Willis of Colorado, Inc., et al.*, Case No. 201652115, was filed on August 5, 2016, on behalf of one Stanford investor against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate in Texas state court (Harris County). The complaint alleges claims under Texas statutory and common law and seeks actual damages of less than $100,000, exemplary damages, attorneys' fees and costs. On September 12, 2016, the plaintiff filed an amended complaint, which added five more Stanford investors as plaintiffs and seeks damages in excess of $1 million. The defendants have not yet responded to the amended complaint in *Martin*.

- *Abel, et al. v. Willis of Colorado, Inc., et al*., C.A. No. 3:16-cv-2601, was filed on September 12, 2016, on behalf of more than 300 Stanford investors against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, also in the Northern District of Texas. The complaint alleges claims under Texas statutory and common law and seeks actual damages in excess of $135 million, exemplary damages, attorneys' fees and costs. On November 10, 2016, the plaintiffs filed an amended complaint, which, among other things, added several more Stanford investors as plaintiffs. The defendants have not yet responded to the complaint in *Abel*.

The plaintiffs in *Janvey* and *Troice* and the other actions above seek overlapping damages, representing either the entirety or a portion of the total alleged collective losses incurred by investors in Stanford certificates of deposit, notwithstanding the fact that Legacy Willis acted as broker of record for only a portion of time that Stanford issued certificates of deposit. In the fourth quarter of 2015, the Company recognized a $70 million litigation provision for loss contingencies relating to the Stanford matters based on its ongoing review of a variety of factors as required by accounting standards.

On March 31, 2016, the Company entered into a settlement in principle for $120 million relating to this litigation, and we have therefore increased our provisions by $50 million. Further details on this settlement in principle are given below.

The settlement is contingent on a number of conditions, including court approval of the settlement and a bar order prohibiting any continued or future litigation against Willis related to Stanford, which may not be given. Therefore, the ultimate resolution of these matters may differ from the amount provided for. The Company continues to dispute the allegations and, to the extent litigation proceeds, to defend the lawsuits vigorously.

Settlement. On March 31, 2016, the Company entered into a settlement in principle, as reflected in a Settlement Term Sheet, relating to the Stanford litigation matter. The Company agreed to the Settlement Term Sheet to eliminate the distraction, burden, expense and uncertainty of further litigation. In particular, if the settlement and the related bar orders described below are approved by the Court and become effective, the Company (a newly-combined firm) would be able to conduct itself with the bar orders' protection from the continued overhang of matters alleged to have occurred approximately a decade ago. Further, the Settlement Term Sheet provided that the parties understood and agreed that there is no admission of liability or wrongdoing by the Company. The Company expressly denies any liability or wrongdoing with respect to the matters alleged in the Stanford litigation.

On or about August 31, 2016, the parties to the settlement signed a formal Settlement Agreement memorializing the terms of the settlement as originally set forth in the Settlement Term Sheet. The parties to the Settlement Agreement are Ralph S. Janvey (in his capacity as the Court-appointed receiver (the 'Receiver') for The Stanford Financial Group and its affiliated entities in receivership (collectively, 'Stanford')), the Official Stanford Investors Committee, Samuel Troice, Martha Diaz, Paula Gilly-Flores, Punga Punga Financial, Ltd., Manuel Canabal, Daniel Gomez Ferreiro and Promotora Villa Marina, C.A. (collectively, 'Plaintiffs'), on the one hand, and Willis Towers Watson Public Limited Company (formerly Willis Group Holdings Public Limited Company), Willis Limited, Willis North America Inc., Willis of Colorado, Inc. and the Willis associate referenced above (collectively, 'Defendants'), on the other hand. Under the terms of the Settlement Agreement, the parties agreed to settle and dismiss the *Janvey* and *Troice* actions (collectively, the 'Actions') and all current or future claims arising from or related to Stanford. If the settlement, including the bar orders described below, is approved by the Court and is not subject to further appeal, Willis North America Inc. will make a one-time cash payment of $120 million to the Receiver to be distributed to all Stanford investors who have claims recognized by the Receiver pursuant to the distribution plan in place at the time the payment is made.

The Settlement Agreement also provides the parties' agreement to seek the Court's entry of bar orders prohibiting any continued or future litigation against the Defendants and their related parties of claims relating to Stanford, whether asserted to date or not. The terms of the bar orders therefore would prohibit all Stanford-related litigation described above, and not just the Actions, but including any pending matters and any actions that may be brought in the future. Final Court approval of these bar orders is a condition of the settlement.

On September 7, 2016, Plaintiffs filed with the Court a motion to approve the settlement. On October 19, 2016, the Court preliminarily approved the settlement. Several of the plaintiffs in the other actions above have objected to the settlement. A hearing to consider final approval of the settlement was held on January 20, 2017, and the Court reserved decision. The Actions are stayed pending final approval of the settlement. The timing of any final decision is subject to the discretion of the Court and any appeal, and the Court may decide not to approve the settlement.

City of Houston

On August 1, 2014, the City of Houston ('plaintiff') filed suit against Legacy Towers Watson in the United States District Court for the Southern District of Texas, Houston Division. On March 8, 2016, plaintiff filed its First Amended Complaint.

In the amended complaint, plaintiff alleges various deficiencies in pension actuarial work-product and advice stated to have been provided by Legacy Towers Watson's predecessor firm, Towers Perrin, in its capacity as principal actuary to the Houston Firefighters' Relief and Retirement Fund (the 'Fund'). Towers Perrin is stated to have acted in this capacity between "the early 1980s until 2003."

In particular, the amended complaint alleges "misrepresentations and miscalculations" in valuation reports allegedly issued by Towers Perrin from 2000 through 2002 upon which plaintiff claims to have relied. Plaintiff asserts that Towers Perrin assigned a new team of actuaries to the Fund in 2002 "to correct Towers' own earlier mistakes" and that the new team "altered" certain calculations which "increased the actuarial accrued liability by $163 million." Plaintiff claims that the reports indicated that the City's minimum contribution percentages to the Fund would remain in place through at least 2019; and that existing benefits under the Fund could be increased, and new benefits could be added, without increasing plaintiff's financial burden, and without increasing plaintiff's rate of annual contributions to the Fund. The amended complaint alleges that plaintiff relied on these reports when supporting a new benefits package for the Fund. These reports, and other advice, are alleged, among other things, to have been negligent, to have misrepresented the present and future financial condition of the Fund and the contributions required to be made by plaintiff to support those benefits. Plaintiff asserts that, but for Towers Perrin's alleged negligence and misrepresentations, plaintiff would not have supported the benefits increase, and that such increased benefits would not and could not have been approved or enacted. It is further asserted that Towers Perrin's alleged "negligence and misrepresentations damaged the City to the tune of tens of millions of dollars in annual contributions."

Plaintiff seeks the award of punitive damages, actual damages, exemplary damages, special damages, attorney's fees and expenses, costs of suit, pre- and post- judgment interest at the maximum legal rate, and other unspecified legal and equitable relief. On May 8, 2017, the Company received the City's expert's damages report, which asserted the City has incurred actual damages of approximately $430 million through July 1, 2017, and will incur future damages that have a present value of approximately $400 million as of July 1, 2017 if the Fund pension benefits remain unchanged. The Company plans to serve expert reports in rebuttal with respect to the City's expert's assessment of potential damages, on or before June 30, 2017.

On October 10, 2014, Legacy Towers Watson filed a motion to dismiss plaintiff's entire complaint on the basis that the complaint fails to state a claim upon which relief can be granted. On November 21, 2014, the City filed its response in opposition to Legacy Towers Watson's motion to dismiss. On September 23, 2015, Legacy Towers Watson's motion to dismiss was denied by the United States District Court for the Southern District of Texas, Houston Division. The court entered a Scheduling Order setting trial for May 30, 2017. On June 20, 2016, the Court entered a Second Amended Scheduling Order setting trial for October 31, 2017. On March 27, 2017, the Court entered a Third Amended Scheduling Order setting trial for January 16, 2018.

Given the stage of the proceedings, the Company is currently unable to provide an estimate of the reasonably possible loss or range of loss. The Company disputes the allegations, and intends to defend the lawsuit vigorously.

Meriter Health Services

On January 6, 2015, Meriter Health Services, Inc. ('Meriter'), plan sponsor of the Meriter Health Services Employee Retirement Plan (the 'Plan') filed a complaint in Wisconsin state court against Towers Watson Delaware Inc. ('TWDE'), a wholly-owned subsidiary of the Company, and against its former lawyers, individual actuaries, and insurers.

In the Third Amended Complaint, served on April 12, 2016, Meriter alleges that Towers, Perrin, Forster & Crosby, Inc. ('TPFC') and Davis, Conder, Enderle & Sloan, Inc. ('DCES'), and other entities and individuals, including Meriter's former lawyers, acted negligently concerning the benefits consulting advice provided to Meriter; these allegations concern matters including TPFC and the lawyers' involvement in the Plan design and drafting of the Plan document in 1987 by TPFC, and DCES and the lawyers' Plan review, Plan redesign, Plan amendment, and drafting of ERISA section 204(h) notices in the early 2000s. Additionally, Meriter asserts that TPFC, DCES, and the individual actuary defendants breached alleged fiduciary duties to advise Meriter regarding the competency of Meriter's then ERISA counsel. Meriter also has asserted causes of action for contribution, indemnity, and equitable subrogation related to amounts paid to settle a class action lawsuit related to the Plan that was filed by Plan participants against Meriter in 2010, alleging a number of ERISA violations and related claims. Meriter settled that lawsuit in 2015 for $82 million. Meriter seeks damages in the amount of approximately $135 million which includes amounts it claims to have paid to settle and defend the class action litigation, and amounts it claims to have incurred as a result of improper plan design. Meriter seeks to recover these alleged damages from TWDE and the other defendants.

On January 12, 2016, TWDE and the other defendants filed a motion for partial summary judgment seeking dismissal of Meriter's negligence and breach of fiduciary duty claims. On April 18, 2016, TWDE and the other defendants filed a motion to dismiss the contribution, indemnification, and equitable subrogation claims. On May 4, 2016, the parties appeared for oral argument on the motion for partial summary judgment, which the court granted in part and denied in part. The court dismissed the fiduciary duty claims, but not the negligence claims. Meriter subsequently moved for reconsideration of the dismissal of its breach of fiduciary duty claims, which motion was denied as to TWDE on August 16, 2016. On June 22, 2016, the court granted in part TWDE's motion to dismiss, and dismissed the contribution and equitable subrogation claims, but denied the motion as to Meriter's indemnification claim without prejudice to the right of any defendant to raise the issue again by later motion. On February 28, 2017, TWDE and the other defendants filed a motion to amend the scheduling order. The motion was granted on March 9, 2017, and the trial is now scheduled to begin on December 11, 2017. Based on all of the information to date, and given the stage of the matter, TWDE is currently unable to provide an estimate of the reasonably possible loss or range of loss in excess of amounts currently accrued. TWDE disputes the allegations, and intends to defend the matter vigorously.

Elma Sanchez, et. al

On August 6, 2013, three individual plaintiffs filed a putative class action suit against the California Public Employees' Retirement System ('CalPERS') in Los Angeles County Superior Court. On January 10, 2014, plaintiffs filed an amended complaint, which added as defendants several members of CalPERS' Board of Administration and three Legacy Towers Watson entities, Towers Watson & Co., Towers Perrin, and Tillinghast-Towers Perrin ('Towers Perrin').

Plaintiffs' claims all relate to a self-funded, non-profit Long Term Care Program that CalPERS established in 1995 (the 'LTC Program'). Plaintiffs' claims seek unspecified damages allegedly resulting from CalPERS' 2012 decision to implement in 2015 and 2016 an 85 percent increase in the premium rates of certain of the long term care policies it issued between 1995 and 2004 (the '85% Increase').

The amended complaint alleges claims against CalPERS for breach of contract and breach of fiduciary duty. It also includes a single cause of action against Towers Perrin for professional negligence relating to actuarial services Towers Perrin provided to CalPERS relating to the LTC Program between 1995 and 2004.

Plaintiffs principally allege that CalPERS mismanaged the LTC Program and its investment assets in multiple respects and breached its contractual and fiduciary duties to plaintiffs and other class members by impermissibly imposing the 85% Increase to make up for investment losses. Plaintiffs also allege that Towers Perrin recommended inadequate initial premium rates at the outset of the LTC Program and used unspecified inappropriate assumptions in its annual valuations for CalPERS. Plaintiffs claim that Towers Perrin's allegedly negligent acts and omissions, prior to the end of its retainer in 2004, contributed to the need for the 85% Increase.

In May 2014, the court denied the motions to dismiss filed by CalPERS and Towers Perrin addressed to the sufficiency of the complaint. On January 28, 2016, the court granted plaintiffs' motion for class certification. The certified class as currently defined includes those long term care policy holders whose policies were "subject to" the 85% Increase. The court thereafter set an October 2, 2017 trial date.

In May 2016, the case was reassigned to a different judge. The court agreed that Towers Perrin may file a motion for summary judgment which was initially scheduled to be heard on February 3, 2017. The motion was then fully briefed, and the hearing date was thereafter moved to March 8, 2017.

On March 1, 2017, Towers Perrin and Plaintiffs participated in a mediation and reached a settlement in principle. Pursuant to the settlement in principle, in exchange for a dismissal of the claims of all class members and a release of Towers Perrin by all class members, Towers Perrin would pay a total of $9.75 million into an interest-bearing settlement fund, to be used to reimburse class counsel's costs, and for later distribution to class members as approved by the court when the case is fully resolved. The settlement in principle is currently being documented, and its effectiveness is conditioned on the parties obtaining court approval after notice to all class members. The settlement in principle is also subject to the court's separate good faith settlement determination.

Based on the stage of the proceedings, in the event the settlement in principle is not approved, the Company is unable to provide an estimate of the reasonably possible loss or range of loss in respect of the plaintiffs' complaint in excess of the proposed settlement.

U.K. Regulatory Investigation

On April 4, 2017, the Financial Conduct Authority ('FCA') informed Willis Limited, our U.K. brokerage subsidiary, that it has opened a formal investigation into possible agreements/concerted practices in the aviation broking sector, which represents less than $100 million of the Company's revenues. The Company is cooperating with the FCA. Given the status of the investigation, the Company is currently unable to assess the terms on which this investigation will be resolved, and thus is unable to provide an estimate of the reasonably possible loss or range of loss.

Note 13 — Supplementary Information for Certain Balance Sheet Accounts

Additional details of specific balance sheet accounts are detailed below.

Accounts receivable, net consists of the following:

	March 31, 2017	December 31, 2016
Billed, net of allowance for doubtful debts of $46 million and $40 million	$ 1,956	$ 1,789
Accrued and unbilled, at estimated net realizable value	351	291
Accounts receivable, net	$ 2,307	$ 2,080

Other current liabilities consist of the following:

	March 31, 2017	December 31, 2016
Accounts payable	$ 135	$ 117
Income and other taxes payable	179	91
Contingent and deferred consideration on acquisition	54	53
Payroll-related liabilities	275	200
Derivatives	66	80
Third-party commissions	186	184
Other current liabilities	101	151
Total other current liabilities	$ 996	$ 876

Provision for liabilities consists of the following:

	March 31, 2017	December 31, 2016
Claims, lawsuits and other proceedings	$ 465	$ 456
Other provisions	153	119
Total provision for liabilities	$ 618	$ 575

Note 14 — Accumulated Other Comprehensive Income/(Loss)

Changes in accumulated other comprehensive income/(loss), net of noncontrolling interests, and net of tax are provided in the following table. The difference between the amounts presented in this table and the amounts presented in the condensed consolidated statements of comprehensive income are the corresponding components attributable to noncontrolling interests, which are not material for further disclosure. Amounts related to available-for-sale securities are immaterial.

	Foreign currency translation (i)	Gains and losses on cash flow hedges (i)	Defined pension and post-retirement benefit costs (ii)	Total
As of December 31, 2015	$ (314)	$ (10)	$ (713)	$ (1,037)
Other comprehensive income/(loss) before reclassifications	4	(26)	(6)	(28)
Amounts reclassified from accumulated other comprehensive income/(loss) (net of tax benefit of $3)	—	4	8	12
Net current-period other comprehensive income/(loss)	4	(22)	2	(16)
As of March 31, 2016	$ (310)	$ (32)	$ (711)	$ (1,053)
As of December 31, 2016	$ (650)	$ (82)	$ (1,152)	$ (1,884)
Other comprehensive income/(loss) before reclassifications	(74)	1	20	(53)
Amounts reclassified from accumulated other comprehensive income/(loss) (net of tax benefit of $6)	—	19	10	29
Net current-period other comprehensive income/(loss)	(74)	20	30	(24)
As of March 31, 2017	$ (724)	$ (62)	$ (1,122)	$ (1,908)

i Reclassification adjustments from accumulated other comprehensive income/(loss) are included in Other expense, net, exclusive of foreign currency translation and gains and losses on cash flow hedges. See Note 8 — Derivative Financial Instruments for additional details regarding the reclassification adjustments for the hedge settlements.

ii Reclassification adjustments from accumulated other comprehensive income/(loss) are included in the computation of net periodic pension cost (see Note 11 — Retirement Benefits) which is included in Salaries and benefits in the accompanying condensed consolidated statements of comprehensive income.

Note 15 — Earnings Per Share

Basic and diluted earnings per share are calculated by dividing net income attributable to Willis Towers Watson by the average number of ordinary 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 March 31, 2017 and 2016, there were 1.0 million and 1.5 million time-based share options; 1.1 million and 1.3 million performance-based options; 0.5 million and 1.2 million restricted time-based stock units; and 0.6 million and 0.7 million restricted performance-based stock units outstanding, respectively.

Basic and diluted earnings per share are as follows:

	Three Months Ended March 31,	
	2017	2016
Net income attributable to Willis Towers Watson	$ 344	$ 238
Basic average number of shares outstanding	137	135
Dilutive effect of potentially issuable shares	1	1
Diluted average number of shares outstanding	138	136
Basic earnings per share	$ 2.51	$ 1.76
Dilutive effect of potentially issuable shares	(0.01)	(0.01)
Diluted earnings per share	$ 2.50	$ 1.75

Options to purchase 0.1 million shares and 0.7 million shares, for the three months ended March 31, 2017 and 2016, respectively, were not included in the computation of the dilutive effect of stock options because their effects were anti-dilutive.

Note 16 — Financial Information for Parent Guarantor, Other Guarantor Subsidiaries and Non-Guarantor Subsidiaries

Willis North America Inc. (‘Willis North America’) had $148 million of senior notes outstanding that were issued on July 1, 2005 and subsequently repaid on July 1, 2015, had $394 million of senior notes issued on March 28, 2007 and subsequently repaid on March 28, 2017, and had $187 million of senior notes issued on September 29, 2009.

All direct obligations under the senior notes are jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V., Willis Investment U.K. Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited, Willis Towers Watson Sub Holdings Unlimited Company and WTW Bermuda Holdings Ltd., collectively the ‘Other Guarantors’, and with Willis Towers Watson, the ‘Guarantor Companies’.

The debt securities that were issued by Willis North America and guaranteed by the entities described above, and for which the disclosures set forth below relate and are required under applicable SEC rules, were issued under an effective registration statement.

Presented below is condensed consolidating financial information for:

(i) Willis Towers Watson, 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 Towers Watson, the Other Guarantors and the Issuer.

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
Revenues						
Commissions and fees	$ —	$ —	$ 6	$ 2,297	$ —	$ 2,303
Interest and other income	—	—	—	16	—	16
Total revenues	—	—	6	2,313	—	2,319
Costs of providing services						
Salaries and benefits	1	—	10	1,180	—	1,191
Other operating expenses	1	7	10	383	—	401
Depreciation	—	1	—	45	—	46
Amortization	—	—	—	151	—	151
Restructuring costs	—	4	3	20	—	27
Integration expenses	—	1	3	36	—	40
Total costs of providing services	2	13	26	1,815	—	1,856
(Loss) Income from operations	(2)	(13)	(20)	498	—	463
Income from Group undertakings	—	(128)	(73)	(58)	259	—
Expenses due to Group undertakings	—	39	46	174	(259)	—
Interest expense	7	24	10	5	—	46
Other expense, net	—	—	—	20	—	20
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	52	(3)	357	—	397
Provision for income taxes	—	4	(2)	44	—	46
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(9)	48	(1)	313	—	351
Interest in earnings of associates, net of tax	—	—	—	1	—	1
Equity account for subsidiaries	353	311	175	—	(839)	—
NET INCOME (LOSS)	344	359	174	314	(839)	352
Income attributable to noncontrolling interests	—	—	—	(8)	—	(8)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	$ 359	$ 174	$ 306	$ (839)	$ 344
Comprehensive income/(loss) before noncontrolling interests	$ 320	$ 334	$ 147	$ 286	$ (756)	$ 331
Comprehensive income attributable to noncontrolling interest	—	—	—	(11)	—	(11)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 320	$ 334	$ 147	$ 275	$ (756)	$ 320

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
Revenues						
Commissions and fees	$ —	$ —	$ 7	$ 2,212	$ —	$ 2,219
Interest and other income	—	—	—	15	—	15
Total revenues	—	—	7	2,227	—	2,234
Costs of providing services						
Salaries and benefits	—	—	14	1,182	—	1,196
Other operating expenses	1	35	58	337	—	431
Depreciation	—	1	4	38	—	43
Amortization	—	—	—	161	—	161
Restructuring costs	—	4	9	12	—	25
Integration expenses	1	12	6	33	—	52
Total costs of providing services	2	52	91	1,763	—	1,908
(Loss) Income from operations	(2)	(52)	(84)	464	—	326
Income from Group undertakings	—	(121)	(54)	(30)	205	—
Expenses due to Group undertakings	—	14	43	148	(205)	—
Interest expense	11	17	10	8	—	46
Other expense, net	1	—	—	17	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(14)	38	(83)	321	—	262
Provision for income taxes	—	(13)	(28)	59	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(14)	51	(55)	262	—	244
Interest in earnings of associates, net of tax	—	—	—	1	—	1
Equity account for subsidiaries	252	199	14	—	(465)	—
NET INCOME (LOSS)	238	250	(41)	263	(465)	245
Income attributable to noncontrolling interests	—	—	—	(7)	—	(7)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 238	$ 250	$ (41)	$ 256	$ (465)	$ 238
Comprehensive income/(loss) before noncontrolling interests	$ 222	$ 232	$ (58)	$ 241	$ (406)	$ 231
Comprehensive income attributable to noncontrolling interest	—	—	—	(9)	—	(9)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 222	$ 232	$ (58)	$ 232	$ (406)	$ 222

Unaudited Condensed Consolidating Balance Sheet

	As of March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ 1	$ —	$ 900	$ —	$ 901
Fiduciary assets	—	—	—	12,266	—	12,266
Accounts receivable, net	—	—	3	2,304	—	2,307
Prepaid and other current assets	1	43	82	235	(40)	321
Amounts due from group undertakings	6,098	2,242	1,231	2,816	(12,387)	—
Total current assets	6,099	2,286	1,316	18,521	(12,427)	15,795
Investments in subsidiaries	4,753	7,992	5,296	—	(18,041)	—
Fixed assets, net	—	35	—	828	—	863
Goodwill	1	—	—	10,441	—	10,442
Other intangible assets, net	—	64	—	4,245	(64)	4,245
Pension benefits assets	—	—	—	536	—	536
Other non-current assets	—	12	259	305	(225)	351
Non-current amounts due from group undertakings	—	5,100	848	—	(5,948)	—
Total non-current assets	4,754	13,203	6,403	16,355	(24,278)	16,437
TOTAL ASSETS	$ 10,853	$ 15,489	$ 7,719	$ 34,876	$ (36,705)	$ 32,232
LIABILITIES AND EQUITY						
Fiduciary liabilities	$ —	$ —	$ —	$ 12,266	$ —	$ 12,266
Deferred revenue and accrued expenses	—	4	17	1,228	(46)	1,203
Short-term debt and current portion of long-term debt	—	—	—	120	—	120
Other current liabilities	79	70	18	812	17	996
Amounts due to group undertakings	—	7,721	2,517	2,149	(12,387)	—
Total current liabilities	79	7,795	2,552	16,575	(12,416)	14,585
Long-term debt	496	3,145	186	148	—	3,975
Liability for pension benefits	—	—	—	1,286	—	1,286
Deferred tax liabilities	—	—	—	1,018	(219)	799
Provision for liabilities	—	—	120	498	—	618
Other non-current liabilities	—	32	15	479	(14)	512
Amounts due to group undertakings	—	—	518	5,430	(5,948)	—
Total non-current liabilities	496	3,177	839	8,859	(6,181)	7,190
TOTAL LIABILITIES	575	10,972	3,391	25,434	(18,597)	21,775
REDEEMABLE NONCONTROLLING INTEREST	—	—	—	53	—	53
EQUITY						
Total Willis Towers Watson shareholders' equity	10,278	4,517	4,328	9,263	(18,108)	10,278
Noncontrolling interests	—	—	—	126	—	126
Total equity	10,278	4,517	4,328	9,389	(18,108)	10,404
TOTAL LIABILITIES AND EQUITY	$ 10,853	$ 15,489	$ 7,719	$ 34,876	$ (36,705)	$ 32,232

Unaudited Condensed Consolidating Balance Sheet

	As of December 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ —	$ —	$ 870	$ —	$ 870
Fiduciary assets	—	—	—	10,505	—	10,505
Accounts receivable, net	—	—	7	2,073	—	2,080
Prepaid and other current assets	—	49	23	324	(59)	337
Amounts due from group undertakings	7,229	1,706	1,190	2,370	(12,495)	—
Total current assets	7,229	1,755	1,220	16,142	(12,554)	13,792
Investments in subsidiaries	3,409	7,733	5,480	—	(16,622)	—
Fixed assets, net	—	34	—	805	—	839
Goodwill	—	—	—	10,413	—	10,413
Other intangible assets, net	—	64	—	4,368	(64)	4,368
Pension benefits assets	—	—	—	488	—	488
Other non-current assets	—	10	80	310	(47)	353
Non-current amounts due from group undertakings	—	4,655	836	—	(5,491)	—
Total non-current assets	3,409	12,496	6,396	16,384	(22,224)	16,461
TOTAL ASSETS	$ 10,638	$ 14,251	$ 7,616	$ 32,526	$ (34,778)	$ 30,253
LIABILITIES AND EQUITY						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,505	$ —	$ 10,505
Deferred revenue and accrued expenses	—	15	27	1,488	(49)	1,481
Short-term debt and current portion of long-term debt	—	22	394	92	—	508
Other current liabilities	77	94	23	684	(2)	876
Amounts due to group undertakings	—	8,323	2,075	2,097	(12,495)	—
Total current liabilities	77	8,454	2,519	14,866	(12,546)	13,370
Long-term debt	496	2,506	186	169	—	3,357
Liability for pension benefits	—	—	—	1,321	—	1,321
Deferred tax liabilities	—	—	—	1,013	(149)	864
Provision for liabilities	—	—	120	455	—	575
Other non-current liabilities	—	48	15	483	(14)	532
Non-current amounts due to group undertakings	—	—	518	4,973	(5,491)	—
Total non-current liabilities	496	2,554	839	8,414	(5,654)	6,649
TOTAL LIABILITIES	573	11,008	3,358	23,280	(18,200)	20,019
REDEEMABLE NONCONTROLLING INTEREST	—	—	—	51	—	51
EQUITY						
Total Willis Towers Watson shareholders’ equity	10,065	3,243	4,258	9,077	(16,578)	10,065
Noncontrolling interests	—	—	—	118	—	118
Total equity	10,065	3,243	4,258	9,195	(16,578)	10,183
TOTAL LIABILITIES AND EQUITY	$ 10,638	$ 14,251	$ 7,616	$ 32,526	$ (34,778)	$ 30,253

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	$ 79	$ (158)	$ (31)	$ 322	$ (117)	$ 95
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES						
Additions to fixed assets and software for internal use	—	(2)	—	(60)	—	(62)
Capitalized software costs	—	—	—	(15)	—	(15)
Acquisitions of operations, net of cash acquired	—	—	—	(12)	—	(12)
Other, net	—	—	—	7	—	7
Proceeds from intercompany investing activities	1,122	—	—	14	(1,136)	—
Repayments of intercompany investing activities	—	(1,379)	—	(1,107)	2,486	—
Reduction in investment in subsidiaries	—	1,000	—	59	(1,059)	—
Additional investment in subsidiaries	(1,000)	(59)	—	—	1,059	—
Net cash from/(used in) investing activities	$ 122	$ (440)	$ —	$ (1,114)	$ 1,350	$ (82)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES						
Net borrowings on revolving credit facility	—	826	—	—	—	826
Proceeds from issue of other debt	—	—	—	32	—	32
Debt issuance costs	—	(3)	—	—	—	(3)
Repayments of debt	—	(219)	(394)	(23)	—	(636)
Repurchase of shares	(156)	—	—	—	—	(156)
Proceeds from issuance of shares	20	—	—	—	—	20
Cash paid for employee taxes on withholding shares	—	—	—	(3)	—	(3)
Dividends paid	(65)	—	(59)	(58)	117	(65)
Acquisitions of and dividends paid to noncontrolling interests	—	—	—	(1)	—	(1)
Proceeds from intercompany financing activities	—	1,018	484	984	(2,486)	—
Repayments of intercompany financing activities	—	(1,023)	—	(113)	1,136	—
Net cash (used in)/from financing activities	$ (201)	$ 599	$ 31	$ 818	$ (1,233)	$ 14
INCREASE IN CASH AND CASH EQUIVALENTS	—	1	—	26	—	27
Effect of exchange rate changes on cash and cash equivalents	—	—	—	4	—	4
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—	870	—	870
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ 1	$ —	$ 900	$ —	$ 901

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	$ (4)	$ (47)	$ (191)	$ 361	$ —	$ 119
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES						
Additions to fixed assets and software for internal use	—	(5)	(4)	(39)	—	(48)
Capitalized software costs	—	—	—	(18)	—	(18)
Acquisitions of operations, net of cash acquired	—	—	—	469	—	469
Other, net	—	—	—	14	—	14
Proceeds from intercompany investing activities	—	—	—	9	(9)	—
Repayments of intercompany investing activities	(4,308)	(4,227)	—	(560)	9,095	—
Reduction in investment in subsidiaries	4,600	3,600	—	—	(8,200)	—
Additional investment in subsidiaries	—	(4,600)	—	(3,600)	8,200	—
Net cash from/(used in) investing activities	$ 292	$ (5,232)	$ (4)	$ (3,725)	$ 9,086	$ 417
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES						
Net payment on revolving credit facility	—	(338)	—	—	—	(338)
Senior notes issued	—	997	—	—	—	997
Proceeds from issue of other debt	—	400	—	—	—	400
Repayments of debt	(300)	(406)	—	(475)	—	(1,181)
Proceeds from issuance of shares	11	—	—	—	—	11
Cash paid for employee taxes on withholding shares	—	—	—	(1)	—	(1)
Acquisitions of and dividends paid to noncontrolling interests	—	—	—	(4)	—	(4)
Proceeds from intercompany financing activities	—	4,633	195	4,267	(9,095)	—
Repayments of intercompany financing activities	—	(9)	—	—	9	—
Net cash (used in)/from financing activities	$ (289)	$ 5,277	$ 195	$ 3,787	$ (9,086)	$ (116)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1)	(2)	—	423	—	420
Effect of exchange rate changes on cash and cash equivalents	—	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3	2	—	527	—	532
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2	$ —	$ —	$ 952	$ —	$ 954

Note 17 — Financial Information for Parent Issuer, Guarantor Subsidiaries and Non-Guarantor Subsidiaries

On March 17, 2011, the Company issued senior notes totaling $800 million in a registered public offering. On March 15, 2016, $300 million of these senior notes was repaid, leaving $500 million outstanding. These debt securities were issued by Willis Towers Watson (‘WTW Debt Securities’) and are guaranteed by certain of the Company’s subsidiaries. Therefore, the Company is providing the condensed consolidating financial information below. The following wholly owned subsidiaries (directly or indirectly) fully and unconditionally guarantee the WTW Debt Securities on a joint and several basis: Willis Netherlands Holdings B.V., Willis Investment U.K. Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited, Willis North America Inc., Willis Towers Watson Sub Holdings Unlimited Company and WTW Bermuda Holdings Ltd. (the ‘Guarantors’).

The guarantor structure described above differs from the guarantor structure associated with the senior notes issued by Willis North America (the ‘Willis North America Debt Securities’) (and for which condensed consolidating financial information is presented in Note 16) in that Willis Towers Watson is the Parent Issuer and Willis North America is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

(i) Willis Towers Watson, 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 Towers Watson and the Guarantors.

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2017				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
Revenues					
Commissions and fees	$ —	$ 6	$ 2,297	$ —	$ 2,303
Interest and other income	—	—	16	—	16
Total revenues	—	6	2,313	—	2,319
Costs of providing services					
Salaries and benefits	1	10	1,180	—	1,191
Other operating expenses	1	17	383	—	401
Depreciation	—	1	45	—	46
Amortization	—	—	151	—	151
Restructuring costs	—	7	20	—	27
Integration expenses	—	4	36	—	40
Total costs of providing services	2	39	1,815	—	1,856
(Loss) Income from operations	(2)	(33)	498	—	463
Income from Group undertakings	—	(174)	(58)	232	—
Expenses due to Group undertakings	—	58	174	(232)	—
Interest expense	7	34	5	—	46
Other expense, net	—	—	20	—	20
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	49	357	—	397
Provision for income taxes	—	2	44	—	46
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(9)	47	313	—	351
Interest in earnings of associates, net of tax	—	—	1	—	1
Equity account for subsidiaries	353	312	—	(665)	—
NET INCOME	344	359	314	(665)	352
Income attributable to noncontrolling interests	—	—	(8)	—	(8)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	$ 359	$ 306	$ (665)	$ 344
Comprehensive income/(loss) before noncontrolling interests	$ 320	$ 334	$ 286	$ (609)	$ 331
Comprehensive income attributable to noncontrolling interest	—	—	(11)	—	(11)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 320	$ 334	$ 275	$ (609)	$ 320

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2016				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
Revenues					
Commissions and fees	$ —	$ 7	$ 2,212	$ —	$ 2,219
Interest and other income	—	—	15	—	15
Total revenues	—	7	2,227	—	2,234
Costs of providing services					
Salaries and benefits	—	14	1,182	—	1,196
Other operating expenses	1	93	337	—	431
Depreciation	—	5	38	—	43
Amortization	—	—	161	—	161
Restructuring costs	—	13	12	—	25
Integration expenses	1	18	33	—	52
Total costs of providing services	2	143	1,763	—	1,908
(Loss) Income from operations	(2)	(136)	464	—	326
Income from Group undertakings	—	(147)	(30)	177	—
Expenses due to Group undertakings	—	29	148	(177)	—
Interest expense	11	27	8	—	46
Other expense, net	1	—	17	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(14)	(45)	321	—	262
Provision for income taxes	—	(41)	59	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(14)	(4)	262	—	244
Interest in earnings of associates, net of tax	—	—	1	—	1
Equity account for subsidiaries	252	254	—	(506)	—
NET INCOME	238	250	263	(506)	245
Income attributable to noncontrolling interests	—	—	(7)	—	(7)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 238	$ 250	$ 256	$ (506)	$ 238
Comprehensive income/(loss) before noncontrolling interests	$ 222	$ 232	$ 241	$ (464)	$ 231
Comprehensive income attributable to noncontrolling interest	—	—	(9)	—	(9)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 222	$ 232	$ 232	$ (464)	$ 222

Unaudited Condensed Consolidating Balance Sheet

	As of March 31, 2017				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
ASSETS					
Cash and cash equivalents	$ —	$ 1	$ 900	$ —	$ 901
Fiduciary assets	—	—	12,266	—	12,266
Accounts receivable, net	—	3	2,304	—	2,307
Prepaid and other current assets	1	125	235	(40)	321
Amounts due from group undertakings	6,098	1,818	2,816	(10,732)	—
Total current assets	6,099	1,947	18,521	(10,772)	15,795
Investments in subsidiaries	4,753	8,960	—	(13,713)	—
Fixed assets, net	—	35	828	—	863
Goodwill	1	—	10,441	—	10,442
Other intangible assets, net	—	64	4,245	(64)	4,245
Pension benefits assets	—	—	536	—	536
Other non-current assets	—	271	305	(225)	351
Non-current amounts due from group undertakings	—	5,430	—	(5,430)	—
Total non-current assets	4,754	14,760	16,355	(19,432)	16,437
TOTAL ASSETS	$ 10,853	$ 16,707	$ 34,876	$ (30,204)	$ 32,232
LIABILITIES AND EQUITY					
Fiduciary liabilities	$ —	$ —	$ 12,266	$ —	$ 12,266
Deferred revenue and accrued expenses	—	21	1,228	(46)	1,203
Short-term debt and current portion of long-term debt	—	—	120	—	120
Other current liabilities	79	88	812	17	996
Amounts due to group undertakings	—	8,583	2,149	(10,732)	—
Total current liabilities	79	8,692	16,575	(10,761)	14,585
Long-term debt	496	3,331	148	—	3,975
Liability for pension benefits	—	—	1,286	—	1,286
Deferred tax liabilities	—	—	1,018	(219)	799
Provision for liabilities	—	120	498	—	618
Other non-current liabilities	—	47	479	(14)	512
Non-current amounts due to group undertakings	—	—	5,430	(5,430)	—
Total non-current liabilities	496	3,498	8,859	(5,663)	7,190
TOTAL LIABILITIES	575	12,190	25,434	(16,424)	21,775
REDEEMABLE NONCONTROLLING INTEREST	—	—	53	—	53
EQUITY					
Total Willis Towers Watson shareholders’ equity	10,278	4,517	9,263	(13,780)	10,278
Noncontrolling interests	—	—	126	—	126
Total equity	10,278	4,517	9,389	(13,780)	10,404
TOTAL LIABILITIES AND EQUITY	$ 10,853	$ 16,707	$ 34,876	$ (30,204)	$ 32,232

Unaudited Condensed Consolidating Balance Sheet

	As of December 31, 2016				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
ASSETS					
Cash and cash equivalents	$ —	$ —	$ 870	$ —	$ 870
Fiduciary assets	—	—	10,505	—	10,505
Accounts receivable, net	—	7	2,073	—	2,080
Prepaid and other current assets	—	72	324	(59)	337
Amounts due from group undertakings	7,229	1,648	2,370	(11,247)	—
Total current assets	7,229	1,727	16,142	(11,306)	13,792
Investments in subsidiaries	3,409	8,955	—	(12,364)	—
Fixed assets, net	—	34	805	—	839
Goodwill	—	—	10,413	—	10,413
Other intangible assets, net	—	64	4,368	(64)	4,368
Pension benefits assets	—	—	488	—	488
Other non-current assets	—	90	310	(47)	353
Non-current amounts due from group undertakings	—	4,973	—	(4,973)	—
Total non-current assets	3,409	14,116	16,384	(17,448)	16,461
TOTAL ASSETS	$ 10,638	$ 15,843	$ 32,526	$ (28,754)	$ 30,253
LIABILITIES AND EQUITY					
Fiduciary liabilities	$ —	$ —	$ 10,505	$ —	$ 10,505
Deferred revenue and accrued expenses	—	42	1,488	(49)	1,481
Short-term debt and current portion of long-term debt	—	416	92	—	508
Other current liabilities	77	117	684	(2)	876
Amounts due to group undertakings	—	9,150	2,097	(11,247)	—
Total current liabilities	77	9,725	14,866	(11,298)	13,370
Long-term debt	496	2,692	169	—	3,357
Liability for pension benefits	—	—	1,321	—	1,321
Deferred tax liabilities	—	—	1,013	(149)	864
Provision for liabilities	—	120	455	—	575
Other non-current liabilities	—	63	483	(14)	532
Non-current amounts due to group undertakings	—	—	4,973	(4,973)	—
Total non-current liabilities	496	2,875	8,414	(5,136)	6,649
TOTAL LIABILITIES	573	12,600	23,280	(16,434)	20,019
REDEEMABLE NONCONTROLLING INTEREST	—	—	51	—	51
EQUITY					
Total Willis Towers Watson shareholders’ equity	10,065	3,243	9,077	(12,320)	10,065
Noncontrolling interests	—	—	118	—	118
Total equity	10,065	3,243	9,195	(12,320)	10,183
TOTAL LIABILITIES AND EQUITY	$ 10,638	$ 15,843	$ 32,526	$ (28,754)	$ 30,253

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2017				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	$ 79	$ (248)	$ 322	$ (58)	$ 95
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Additions to fixed assets and software for internal use	—	(2)	(60)	—	(62)
Capitalized software costs	—	—	(15)	—	(15)
Acquisitions of operations, net of cash acquired	—	—	(12)	—	(12)
Other, net	—	—	7	—	7
Proceeds from intercompany investing activities	1,122	—	14	(1,136)	—
Repayments of intercompany investing activities	—	(985)	(1,107)	2,092	—
Reduction in investment in subsidiaries	—	1,000	59	(1,059)	—
Additional investment in subsidiaries	(1,000)	(59)	—	1,059	—
Net cash from/(used in) investing activities	$ 122	$ (46)	$ (1,114)	$ 956	$ (82)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Net borrowings on revolving credit facility	—	826	—	—	826
Proceeds from issue of other debt	—	—	32	—	32
Debt issuance costs	—	(3)	—	—	(3)
Repayments of debt	—	(613)	(23)	—	(636)
Repurchase of shares	(156)	—	—	—	(156)
Proceeds from issuance of shares	20	—	—	—	20
Cash paid for employee taxes on withholding shares	—	—	(3)	—	(3)
Dividends paid	(65)	—	(58)	58	(65)
Acquisitions of and dividends paid to noncontrolling interests	—	—	(1)	—	(1)
Proceeds from intercompany financing activities	—	1,108	984	(2,092)	—
Repayments of intercompany financing activities	—	(1,023)	(113)	1,136	—
Net cash (used in)/from financing activities	$ (201)	$ 295	$ 818	$ (898)	$ 14
INCREASE IN CASH AND CASH EQUIVALENTS	—	1	26	—	27
Effect of exchange rate changes on cash and cash equivalents	—	—	4	—	4
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	870	—	870
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ 1	$ 900	$ —	$ 901

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2016				
	Willis Towers Watson — the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	$ (4)	$ (238)	$ 361	$ —	$ 119
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES					
Additions to fixed assets and software for internal use	—	(9)	(39)	—	(48)
Capitalized software costs	—	—	(18)	—	(18)
Acquisitions of operations, net of cash acquired	—	—	469	—	469
Other, net	—	—	14	—	14
Proceeds from intercompany investing activities	—	—	9	(9)	—
Repayments of intercompany investing activities	(4,308)	(4,227)	(560)	9,095	—
Reduction in investment in subsidiaries	4,600	3,600	—	(8,200)	—
Additional investment in subsidiaries	—	(4,600)	(3,600)	8,200	—
Net cash from/(used in) investing activities	$ 292	$ (5,236)	$ (3,725)	$ 9,086	$ 417
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES					
Net payments on revolving credit facility	—	(338)	—	—	(338)
Senior notes issued	—	997	—	—	997
Proceeds from issue of other debt	—	400	—	—	400
Repayments of debt	(300)	(406)	(475)	—	(1,181)
Proceeds from issuance of shares	11	—	—	—	11
Cash paid for employee taxes on withholding shares	—	—	(1)	—	(1)
Acquisitions of and dividends paid to noncontrolling interests	—	—	(4)	—	(4)
Proceeds from intercompany financing activities	—	4,828	4,267	(9,095)	—
Repayments of intercompany financing activities	—	(9)	—	9	—
Net cash (used in)/from financing activities	$ (289)	$ 5,472	$ 3,787	$ (9,086)	$ (116)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1)	(2)	423	—	420
Effect of exchange rate changes on cash and cash equivalents	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3	2	527	—	532
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2	$ —	$ 952	$ —	$ 954

Note 18 — Financial Information for Issuer, Parent Guarantor, Other Guarantor Subsidiaries and Non-Guarantor Subsidiaries

Trinity Acquisition plc has $2.1 billion senior notes outstanding of which $525 million were issued on August 15, 2013, $1.0 billion were issued on March 22, 2016, €540 million ($609 million) were issued on May 26, 2016, and $1.1 billion outstanding under the $1.25 billion revolving credit facility issued March 7, 2017.

All direct obligations under the senior notes are jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V., Willis Investment U.K. Holdings Limited, TA I Limited, Willis Group Limited, Willis North America Inc., Willis Towers Watson Sub Holdings Unlimited Company and WTW Bermuda Holdings Ltd., collectively the ‘Other Guarantors’, and with Willis Towers Watson, the ‘Guarantor Companies’.

The guarantor structure described above differs from the guarantor structure associated with the Willis North America Debt Securities (and for which condensed consolidating financial information is presented in Note 16) in that Trinity Acquisition plc is the issuer and not a subsidiary guarantor, and Willis North America Inc. is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

(i) Willis Towers Watson, which is a guarantor, on a parent company only basis;

(ii) the Other Guarantors, which are all wholly owned subsidiaries (directly or indirectly) of the parent. Willis Towers Watson Sub Holdings Unlimited Company, Willis Netherlands Holdings B.V, Willis Investment U.K. Holdings Limited, TA I Limited and WTW Bermuda Holdings Ltd. are all direct or indirect parents of the issuer and Willis Group Limited and Willis North America Inc., are direct or indirect wholly owned subsidiaries of the issuer;

(iii) Trinity Acquisition plc, which is the issuer and is a 100 percent indirectly owned subsidiary of the parent;

(iv) Other, which are the non-guarantor subsidiaries, on a combined basis;

(v) Consolidating adjustments; and

(vi) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets of Willis Towers Watson, the Other Guarantors and the Issuer.

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
Revenues						
Commissions and fees	$ —	$ 6	$ —	$ 2,297	$ —	$ 2,303
Interest and other income	—	—	—	16	—	16
Total revenues	—	6	—	2,313	—	2,319
Costs of providing services						
Salaries and benefits	1	10	—	1,180	—	1,191
Other operating expenses	1	17	—	383	—	401
Depreciation	—	1	—	45	—	46
Amortization	—	—	—	151	—	151
Restructuring costs	—	7	—	20	—	27
Integration expenses	—	4	—	36	—	40
Total costs of providing services	2	39	—	1,815	—	1,856
(Loss) Income from operations	(2)	(33)	—	498	—	463
Income from Group undertakings	—	(168)	(34)	(58)	260	—
Expenses due to Group undertakings	—	80	6	174	(260)	—
Interest expense	7	9	25	5	—	46
Other expense, net	—	—	—	20	—	20
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(9)	46	3	357	—	397
Provision for income taxes	—	2	—	44	—	46
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(9)	44	3	313	—	351
Interest in earnings of associates, net of tax	—	—	—	1	—	1
Equity account for subsidiaries	353	315	340	—	(1,008)	—
NET INCOME	344	359	343	314	(1,008)	352
Income attributable to noncontrolling interests	—	—	—	(8)	—	(8)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	$ 359	$ 343	$ 306	$ (1,008)	$ 344
Comprehensive income/(loss) before noncontrolling interests	$ 320	$ 334	$ 319	$ 286	$ (928)	$ 331
Comprehensive income attributable to noncontrolling interest	—	—	—	(11)	—	(11)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 320	$ 334	$ 319	$ 275	$ (928)	$ 320

Unaudited Condensed Consolidating Statement of Comprehensive Income

	Three Months Ended March 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
Revenues						
Commissions and fees	$ —	$ 7	$ —	$ 2,212	$ —	$ 2,219
Interest and other income	—	—	—	15	—	15
Total revenues	—	7	—	2,227	—	2,234
Costs of providing services						
Salaries and benefits	—	14	—	1,182	—	1,196
Other operating expenses	1	93	—	337	—	431
Depreciation	—	5	—	38	—	43
Amortization	—	—	—	161	—	161
Restructuring costs	—	13	—	12	—	25
Integration expenses	1	18	—	33	—	52
Total costs of providing services	2	143	—	1,763	—	1,908
(Loss) Income from operations	(2)	(136)	—	464	—	326
Income from Group undertakings	—	(146)	(31)	(30)	207	—
Expenses due to Group undertakings	—	52	7	148	(207)	—
Interest expense	11	9	18	8	—	46
Other expense, net	1	—	—	17	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(14)	(51)	6	321	—	262
Provision for income taxes	—	(42)	1	59	—	18
(LOSS) INCOME FROM OPERATIONS BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(14)	(9)	5	262	—	244
Interest in earnings of associates, net of tax	—	—	—	1	—	1
Equity account for subsidiaries	252	259	174	—	(685)	—
NET INCOME	238	250	179	263	(685)	245
Income attributable to noncontrolling interests	—	—	—	(7)	—	(7)
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 238	$ 250	$ 179	$ 256	$ (685)	$ 238
Comprehensive income/(loss) before noncontrolling interests	$ 222	$ 232	$ 161	$ 241	$ (625)	$ 231
Comprehensive income attributable to noncontrolling interest	—	—	—	(9)	—	(9)
Comprehensive income/(loss) (attributable to Willis Towers Watson)	$ 222	$ 232	$ 161	$ 232	$ (625)	$ 222

Unaudited Condensed Consolidating Balance Sheet

	As of March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ 1	$ —	$ 900	$ —	$ 901
Fiduciary assets	—	—	—	12,266	—	12,266
Accounts receivable, net	—	3	—	2,304	—	2,307
Prepaid and other current assets	1	128	—	235	(43)	321
Amounts due from group undertakings	6,098	868	1,760	2,816	(11,542)	—
Total current assets	6,099	1,000	1,760	18,521	(11,585)	15,795
Investments in subsidiaries	4,753	8,630	7,693	—	(21,076)	—
Fixed assets, net	—	35	—	828	—	863
Goodwill	1	—	—	10,441	—	10,442
Other intangible assets, net	—	64	—	4,245	(64)	4,245
Pension benefits assets	—	—	—	536	—	536
Other non-current assets	—	268	3	305	(225)	351
Non-current amounts due from group undertakings	—	4,871	1,500	—	(6,371)	—
Total non-current assets	4,754	13,868	9,196	16,355	(27,736)	16,437
TOTAL ASSETS	$ 10,853	$ 14,868	$ 10,956	$ 34,876	$ (39,321)	$ 32,232
LIABILITIES AND EQUITY						
Fiduciary liabilities	$ —	$ —	$ —	$ 12,266	$ —	$ 12,266
Deferred revenue and accrued expenses	—	21	—	1,228	(46)	1,203
Short-term debt and current portion of long-term debt	—	—	—	120	—	120
Other current liabilities	79	72	19	812	14	996
Amounts due to group undertakings	—	9,387	6	2,149	(11,542)	—
Total current liabilities	79	9,480	25	16,575	(11,574)	14,585
Long-term debt	496	186	3,145	148	—	3,975
Liability for pension benefits	—	—	—	1,286	—	1,286
Deferred tax liabilities	—	—	—	1,018	(219)	799
Provision for liabilities	—	120	—	498	—	618
Other non-current liabilities	—	47	—	479	(14)	512
Non-current amounts due to group undertakings	—	518	423	5,430	(6,371)	—
Total non-current liabilities	496	871	3,568	8,859	(6,604)	7,190
TOTAL LIABILITIES	575	10,351	3,593	25,434	(18,178)	21,775
REDEEMABLE NONCONTROLLING INTEREST	—	—	—	53	—	53
EQUITY						
Total Willis Towers Watson shareholders’ equity	10,278	4,517	7,363	9,263	(21,143)	10,278
Noncontrolling interests	—	—	—	126	—	126
Total equity	10,278	4,517	7,363	9,389	(21,143)	10,404
TOTAL LIABILITIES AND EQUITY	$ 10,853	$ 14,868	$ 10,956	$ 34,876	$ (39,321)	$ 32,232

Unaudited Condensed Consolidating Balance Sheet

	As of December 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
ASSETS						
Cash and cash equivalents	$ —	$ —	$ —	$ 870	$ —	$ 870
Fiduciary assets	—	—	—	10,505	—	10,505
Accounts receivable, net	—	7	—	2,073	—	2,080
Prepaid and other current assets	—	74	1	324	(62)	337
Amounts due from group undertakings	7,229	849	1,595	2,370	(12,043)	—
Total current assets	7,229	930	1,596	16,142	(12,105)	13,792
Investments in subsidiaries	3,409	8,621	7,309	—	(19,339)	—
Fixed assets, net	—	34	—	805	—	839
Goodwill	—	—	—	10,413	—	10,413
Other intangible assets, net	—	64	—	4,368	(64)	4,368
Pension benefits assets	—	—	—	488	—	488
Other non-current assets	—	90	—	310	(47)	353
Non-current amounts due from group undertakings	—	4,859	1,055	—	(5,914)	—
Total non-current assets	3,409	13,668	8,364	16,384	(25,364)	16,461
TOTAL ASSETS	$ 10,638	$ 14,598	$ 9,960	$ 32,526	$ (37,469)	$ 30,253
LIABILITIES AND EQUITY						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,505	$ —	$ 10,505
Deferred revenue and accrued expenses	—	41	1	1,488	(49)	1,481
Short-term debt and current portion of long-term debt	—	394	22	92	—	508
Other current liabilities	77	87	33	684	(5)	876
Amounts due to group undertakings	—	9,946	—	2,097	(12,043)	—
Total current liabilities	77	10,468	56	14,866	(12,097)	13,370
Long-term debt	496	186	2,506	169	—	3,357
Liability for pension benefits	—	—	—	1,321	—	1,321
Deferred tax liabilities	—	—	—	1,013	(149)	864
Provision for liabilities	—	120	—	455	—	575
Other non-current liabilities	—	63	—	483	(14)	532
Non-current amounts due to group undertakings	—	518	423	4,973	(5,914)	—
Total non-current liabilities	496	887	2,929	8,414	(6,077)	6,649
TOTAL LIABILITIES	573	11,355	2,985	23,280	(18,174)	20,019
REDEEMABLE NONCONTROLLING INTEREST	—	—	—	51	—	51
EQUITY						
Total Willis Towers Watson shareholders’ equity	10,065	3,243	6,975	9,077	(19,295)	10,065
Noncontrolling interests	—	—	—	118	—	118
Total equity	10,065	3,243	6,975	9,195	(19,295)	10,183
TOTAL LIABILITIES AND EQUITY	$ 10,638	$ 14,598	$ 9,960	$ 32,526	$ (37,469)	$ 30,253

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2017					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
NET CASH FROM/(USED IN) OPERATING ACTIVITIES	$ 79	$ (635)	$ 387	$ 322	$ (58)	$ 95
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES						
Additions to fixed assets and software for internal use	—	(2)	—	(60)	—	(62)
Capitalized software costs	—	—	—	(15)	—	(15)
Acquisitions of operations, net of cash acquired	—	—	—	(12)	—	(12)
Other, net	—	—	—	7	—	7
Proceeds from intercompany investing activities	1,122	—	—	14	(1,136)	—
Repayments of intercompany investing activities	—	—	(985)	(1,107)	2,092	—
Reduction in investment in subsidiaries	—	1,000	—	59	(1,059)	—
Additional investment in subsidiaries	(1,000)	(59)	—	—	1,059	—
Net cash from/(used in) investing activities	$ 122	$ 939	$ (985)	$ (1,114)	$ 956	$ (82)
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES						
Net borrowings on revolving credit facility	—	—	826	—	—	826
Proceeds from issue of other debt	—	—	—	32	—	32
Debt issuance costs	—	—	(3)	—	—	(3)
Repayments of debt	—	(394)	(219)	(23)	—	(636)
Repurchase of shares	(156)	—	—	—	—	(156)
Proceeds from issuance of shares	20	—	—	—	—	20
Cash paid for employee taxes on withholding shares	—	—	—	(3)	—	(3)
Dividends paid	(65)	—	—	(58)	58	(65)
Acquisitions of and dividends paid to noncontrolling interests	—	—	—	(1)	—	(1)
Proceeds from intercompany financing activities	—	1,108	—	984	(2,092)	—
Repayments of intercompany financing activities	—	(1,017)	(6)	(113)	1,136	—
Net cash (used in)/from financing activities	$ (201)	$ (303)	$ 598	$ 818	$ (898)	$ 14
INCREASE IN CASH AND CASH EQUIVALENTS	—	1	—	26	—	27
Effect of exchange rate changes on cash and cash equivalents	—	—	—	4	—	4
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	—	870	—	870
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ —	$ 1	$ —	$ 900	$ —	$ 901

Unaudited Condensed Consolidating Statement of Cash Flows

	Three Months Ended March 31, 2016					
	Willis Towers Watson	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
NET CASH (USED IN)/FROM OPERATING ACTIVITIES	$ (4)	$ (211)	$ (27)	$ 361	$ —	$ 119
CASH FLOWS FROM/(USED IN) INVESTING ACTIVITIES						
Additions to fixed assets and software for internal use	—	(9)	—	(39)	—	(48)
Capitalized software costs	—	—	—	(18)	—	(18)
Acquisitions of operations, net of cash acquired	—	—	—	469	—	469
Other, net	—	—	—	14	—	14
Proceeds from intercompany investing activities	—	—	—	9	(9)	—
Repayments of intercompany investing activities	(4,308)	(3,600)	(627)	(560)	9,095	—
Reduction in investment securities	4,600	3,600	—	—	(8,200)	—
Additional investment in subsidiaries	—	(4,600)	—	(3,600)	8,200	—
Net cash from/(used in) investing activities	$ 292	$ (4,609)	$ (627)	$ (3,725)	$ 9,086	$ 417
CASH FLOWS (USED IN)/FROM FINANCING ACTIVITIES						
Net payment on revolving credit facility	—	—	(338)	—	—	(338)
Senior notes issued	—	—	997	—	—	997
Proceeds from issue of other debt	—	—	400	—	—	400
Repayments of debt	(300)	—	(406)	(475)	—	(1,181)
Proceeds from issuance of shares	11	—	—	—	—	11
Cash paid for employee taxes on withholding shares	—	—	—	(1)	—	(1)
Acquisitions of and dividends paid to noncontrolling interests	—	—	—	(4)	—	(4)
Proceeds from intercompany financing activities	—	4,827	1	4,267	(9,095)	—
Repayments of intercompany financing activities	—	(9)	—	—	9	—
Net cash (used in)/from financing activities	$ (289)	$ 4,818	$ 654	$ 3,787	$ (9,086)	$ (116)
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(1)	(2)	—	423	—	420
Effect of exchange rate changes on cash and cash equivalents	—	—	—	2	—	2
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	3	2	—	527	—	532
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 2	$ —	$ —	$ 952	$ —	$ 954

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion includes forward-looking statements. See 'Disclaimer Regarding Forward-looking Statements' for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in those statements.

This discussion includes references to non-GAAP financial measures as defined in the rules of the Securities and Exchange Commission ('SEC'). We present such non-GAAP financial measures, specifically, adjusted, constant currency and organic 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 under U.S. GAAP, and these provide a measure against which our businesses may be assessed in the future.

See 'Non-GAAP Financial Measures' below for further discussion of our adjusted, constant currency and organic non-GAAP financial measures.

Executive Overview

Market Conditions

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

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

Management has considered the U.K. referendum vote on June 23, 2016 to depart from the E.U., the triggering of Article 50 of the Treaty of Lisbon (providing the right to and procedures for a member to leave the E.U.) on March 29, 2017, the early general election to be held on June 8, 2017, and the uncertainties about the near-term and longer-term effects of Brexit on the Company. The terms of Brexit, and its impact, are highly uncertain. For a further discussion of the risks of Brexit to the Company, see Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K, filed with the SEC on March 1, 2017.

Typically, our business benefits from regulatory change, political risk or economic uncertainty. Insurance broking generally tracks the economy, but demand for both insurance broking and consulting services usually remains steady during times of uncertainty. We believe that the U.K. has good long-term growth opportunities and, given that, we believe the impact to Willis Towers Watson will be neutral to slightly positive over the next couple of years, with some periods of increase and decrease in that time frame. We have some businesses, such as our health and benefits and administration businesses, which can be counter cyclical during the early period of a significant economic change.

On an annual basis for 2017, although we expect that approximately 22% of our revenues will be generated in the U.K., we expect that only about 12% of revenues will be denominated in Pounds sterling, as much of the insurance business is transacted in U.S. dollars. We expect that approximately 19% of our expenses will be denominated in Pounds sterling; thus, we generally benefit from a weakening Pound sterling in our income from operations. However, we have a Company hedging strategy for this aspect of our business, where revenues are generated in currencies different from the currency of the related expenses, which is designed to mitigate significant fluctuations in currency.

The markets for our consulting, technology and solutions, and private exchange services are subject to changes as a result of economic, regulatory and legislative changes, technological developments, and increased competition from established and new competitors. We believe the primary factors in selecting a human resources or risk management consulting firm include reputation, the ability to provide measurable increases to shareholder value and return on investment, global scale, quality of service and the ability to tailor services to clients' unique needs. With regard to the market for exchanges, we believe that clients base their decisions on a variety of factors that include the ability of the provider to deliver measurable cost savings for clients, a strong reputation for efficient execution and an innovative service delivery model and platform. Part of the employer sponsored insurance market has matured and become more fragmented while other segments remain in the entry phase. As these market segments continue to evolve, we may experience growth in intervals, with periods of accelerated expansion balanced by periods of modest growth.

See Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K, filed with the SEC on March 1, 2017 for a discussion of risks that may affect our ability to compete.

Financial Statement Overview

The table below sets forth our summarized condensed consolidated statements of comprehensive income and data as a percentage of revenue for the periods indicated.

	Three Months Ended March 31,			
	2017		2016	
	($ in millions)			
Total revenues	$ 2,319	100 %	$ 2,234	100 %
Costs of providing services				
Salaries and benefits	1,191	51 %	1,196	54 %
Other operating expenses	401	17 %	431	19 %
Depreciation	46	2 %	43	2 %
Amortization	151	7 %	161	7 %
Restructuring costs	27	1 %	25	1 %
Integration expenses	40	2 %	52	2 %
Total costs of providing services	1,856		1,908	
Income from operations	463	20 %	326	15 %
Interest expense	46	2 %	46	2 %
Other expense, net	20	1 %	18	1 %
Provision for income taxes	46	2 %	18	1 %
Interest in earnings of associates, net of tax	1	— %	1	— %
Income attributable to noncontrolling interests	(8)	— %	(7)	— %
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	15 %	$ 238	11 %
Diluted earnings per share	$ 2.50		$ 1.75	

Consolidated Revenues

Revenues for the three months ended March 31, 2017 were $2.3 billion, compared to $2.2 billion for the three months ended March 31, 2016, an increase of $85 million, or 4%. All segments contributed to the increase in revenues, especially Human Capital and Benefits, which had strong demand and increased utilization, and Exchange Solutions. Additionally, our prior year consolidated revenues were reduced by $32 million that was not recognized during 2016 due to the write-off of deferred revenue as part of the purchase accounting for the Merger.

The components of the change in revenue generated for the three months ended March 31, 2017 and 2016 are as follows:

	Three Months Ended March 31,			Components of Revenue Change			
	2017	2016	As Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Revenue	$ 2,319	$ 2,234	4%	(2)%	6%	—%	6%

Definitions of Constant Currency Change and Organic Change are included under the section entitled Non-GAAP Financial Measures elsewhere within Item 2 of this Form 10-Q.

Our revenues can be materially impacted by changes in currency conversions, which can fluctuate significantly over the course of a calendar year. For the three months ended March 31, 2017, currency translation decreased our consolidated revenues by $50 million. The primary currencies driving the change were the Pound sterling and the Euro.

The following table details our top five markets based on the percentage of consolidated revenues (in U.S. dollars) from the countries where work is performed for the three months ended March 31, 2017. These figures do not represent the currency of the related revenue, which is presented in the next table.

Geographic Region	% of Revenues
United States	45%
United Kingdom	22%
France	9%
Germany	3%
Canada	2%

The table below details our revenues and expenses by transactional currency for the three months ended March 31, 2017.

	Revenues	Expenses (i)
U.S. dollars	53%	51%
Pounds sterling	12%	18%
Euro	20%	13%
Other currencies	15%	18%

i. These percentages exclude certain expenses for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. These items include Merger-related amortization of intangible assets, restructuring costs, and integration expenses.

Segment Revenues

Beginning in 2017, we made certain changes that affect our segment results. These changes, which are detailed in the Form 8-K filed with the SEC on April 7, 2017, include the realignment of certain businesses within our segments, as well as changes to certain allocation methodologies to better reflect the ongoing nature of our businesses. The prior period comparatives reflected in the tables below have been retrospectively adjusted to reflect our current segment presentation. See Part I, Item 1. Note 4 — Segment Information of this Form 10-Q report for a further discussion of these changes.

The segment descriptions below should be read in conjunction with the full descriptions of our businesses contained in Part I, Item 1. Business, contained in our Annual Report on Form 10-K, filed with the SEC on March 1, 2017, as updated by the Form 8-K filed with the SEC on April 7, 2017.

The Company experiences seasonal fluctuations of its commissions and fees revenue. Revenue is typically higher during the Company's first and fourth quarters due to timing of broking-related activities.

Human Capital and Benefits ('HCB')

The HCB segment provides an array of advice, broking, solutions and software for our clients. HCB is the largest segment of the Company. The segment is focused on addressing our clients' employee and risk needs so that they can deliver sustainable employee experiences. This segment also delivers full outsourcing solutions to employers outside of the United States.

The following table sets out the components of HCB revenues for the three months ended March 31, 2017 and 2016, and the components of the change in commissions and fees for the three months ended March 31, 2017.

	Three Months Ended March 31,			Components of Change			
	2017	2016	As Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Commissions and fees	$ 951	$ 926	3%	(2)%	5%	—%	5%
Interest and other income	4	4					
Total segment revenues	$ 955	$ 930					

HCB total segment revenues for the three months ended March 31, 2017 and 2016 were $955 million and $930 million, respectively. Commissions and fees for the three months ended March 31, 2017 and 2016 were $951 million and $926 million, respectively. Retirement revenues increased in the first quarter, led by Great Britain and Western Europe. The demand for actuarial consulting projects and the timing of the European Easter holiday, which was observed in the first quarter of 2016, accounted for the increase. Revenues increased in the Americas due to an increase in utilization. Talent and Rewards experienced a large drop in revenues, primarily in the Rewards, Talent and Communication consulting business in North America. The recent restructuring program impacted this region the hardest, and as expected, external marketing efforts were impacted during this initiative which resulted in a lower pipeline for the first quarter of 2017. Healthcare consulting revenues were up significantly for all markets globally. Revenue in the Technology and Administration business in Great Britain experienced growth as a result of new administration clients and project activity.

Corporate Risk and Broking ('CRB')

The CRB segment provides a broad range of risk advice, insurance broking and consulting services to clients worldwide ranging from small businesses to multinational corporations. The segment delivers innovative, integrated global solutions tailored to client needs and underpinned by data and analytics. CRB operates as an integrated global team comprising both functional and geographic leadership. In these operations, we have extensive specialized experience handling diverse lines of insurance coverage, including complex risk management programs. A key objective is to assist clients in reducing their overall cost of risk.

The following table sets out the components of CRB revenues for the three months ended March 31, 2017 and 2016, and the components of the change in commissions and fees for the three months ended March 31, 2017.

	Three Months Ended March 31,			Components of Change			
	2017	2016	As Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Commissions and fees	$ 650	$ 641	1%	(2)%	3%	—%	3%
Interest and other income	5	6					
Total segment revenues	$ 655	$ 647					

CRB total segment revenues for the three months ended March 31, 2017 and 2016 were $655 million and $647 million, respectively. Commissions and fees for the three months ended March 31, 2017 and 2016 were $650 million and $641 million, respectively. International led the 2017 revenue growth, primarily due to regulatory changes, which brought forward business into the first quarter of 2017. Additionally, China and Hong Kong delivered significant new business. Western Europe also had strong organic growth, primarily in Southern Europe and France, as a result of new business wins. Great Britain grew slightly as a result of property and casualty growth and weaker comparables. North America organic revenue declined slightly, reflecting the strong first quarter in 2016, and while the pipeline is growing, there was a shortfall of contracted new business.

Investment, Risk and Reinsurance ('IRR')

The IRR segment uses a sophisticated approach to risk which helps clients free up capital and manage investment complexity. The segment works closely with investors, reinsurers and insurers to manage the equation between risk and return. Blending advanced analytics with deep institutional knowledge, IRR identifies new opportunities to maximize performance. IRR provides investment consulting services and insurance specific services and solutions through reserves opinions, software, ratemaking, usage-based insurance, risk underwriting and reinsurance broking.

The following table sets out the components of IRR revenues for the three months ended March 31, 2017 and 2016, and the components of the change in commissions and fees for the three months ended March 31, 2017.

	Three Months Ended March 31,			Components of Change			
	2017	2016	As Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Commissions and fees	$ 502	$ 498	1%	(4)%	5%	—%	5%
Interest and other income	5	4					
Total segment revenues	$ 507	$ 502					

IRR total segment revenues for the three months ended March 31, 2017 and 2016 were $507 million and $502 million, respectively. Commissions and fees for the three months ended March 31, 2017 and 2016 were $502 million and $498 million, respectively. Wholesale, Investment, Risk Consulting and Software, Max Mathiessen and Reinsurance all posted notable revenue growth, primarily as a result of strong sales and increased performance fees and timing. Portfolio Underwriting Services and WTW Securities (formerly Capital Markets) performances slightly offset the revenue growth for the segment.

Exchange Solutions ('ES')

The ES segment provides primary medical and ancillary benefit exchange and outsourcing services to active employees and retirees across both the group and individual markets. ES services individual populations via its 'group to individual' technology platform, which tightly integrates patented call routing technology, an efficient quoting and enrollment engine, a custom-developed Customer Relationship Management system and comprehensive insurance carrier connectivity. This segment also delivers group benefit exchanges and full outsourcing solutions serving the active employees of employers across the United States. ES uses Software as a Service ('SaaS')-based technology and related services to deliver consumer-driven healthcare and reimbursement accounts, including health savings accounts, health reimbursement arrangements, flexible spending accounts and other consumer-directed accounts.

The following table sets out the components of ES revenues for the three months ended March 31, 2017 and 2016, and the components of the change in commissions and fees for the three months ended March 31, 2017.

	Three Months Ended March 31,			Components of Change			
	2017	2016	As Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Commissions and fees	$ 179	$ 163	10%	—%	10%	—%	10%
Interest and other income	—	—					
Total segment revenues	$ 179	$ 163					

ES total segment revenues for the three months ended March 31, 2017 and 2016 were $179 million and $163 million, respectively. Retiree and Access Exchanges revenues increased by 6% and Active Exchanges revenue growth was 24%, primarily as a result of the 2017 annual enrollment season. Technology and Administration Solutions had strong revenue growth as well, as a result of obtaining new clients and higher levels of project activity.

ES revenue growth is expected to slow to around 10% in 2017 due to the stabilization of the retiree enrollments. We continue to expect the active exchange growth to be strong.

Costs of Providing Services

Total costs of providing services for the three months ended March 31, 2017 were $1.9 billion, compared to $1.9 billion for the three months ended March 31, 2016, a decrease of $52 million, or 3%. This decrease was due primarily to reductions in other operating expenses, amortization and integration costs. See the analysis below for further information.

Salaries and benefits

Salaries and benefits for the three months ended March 31, 2017 were $1.2 billion, compared to $1.2 billion for the three months ended March 31, 2016, a decrease of $5 million. Additionally, salaries and benefits as a percentage of revenue decreased from 54% to 51% since we were able to grow our revenue while maintaining our salaries and benefits costs. Salaries and benefits costs remained stable during the quarter with decreased share-based compensation expense, and additional net pension credits being offset by additional discretionary compensation accruals.

Other operating expenses

Other operating expenses for the three months ended March 31, 2017 were $401 million, compared to $431 million for the three months ended March 31, 2016, a decrease of $30 million, or 7%. This decrease was due primarily to the Stanford litigation provision of $50 million in the first quarter of 2016. This $50 million reduction was partially offset by reserves for CalPERS and other increases in litigation reserves. As result of these cost reductions, other operating expenses as a percentage of revenue decreased from 19% to 17%.

Depreciation

Depreciation for the three months ended March 31, 2017 was $46 million, compared to $43 million for the three months ended March 31, 2016, an increase of $3 million, or 7%. This increase was due primarily to additional assets placed in service during 2016. The depreciation expense for the three months ended March 31, 2017 was consistent with our depreciation expense for the three months ended December 31, 2016.

Amortization

Amortization for the three months ended March 31, 2017 was $151 million, compared to $161 million for the three months ended March 31, 2016, a decrease of $10 million, or 6%. This decrease occurred because the preliminary estimate of the fair value of intangible assets resulting from the Merger and the Gras Savoye acquisition was higher in the first quarter of 2016 than the final values recorded once purchase accounting was finalized in the fourth quarter of 2016. Additionally, our intangible amortization is more heavily weighted to the initial years of the useful lives of the related intangibles, and therefore amortization for these two acquisitions will continue to decrease over time.

Restructuring costs

Restructuring costs for the three months ended March 31, 2017 were $27 million, compared to $25 million for the three months ended March 31, 2016, an increase of $2 million, or 8%. These costs were incurred entirely for the Operational Improvement Program, for which the Company expects to incur $130 million of restructuring costs during fiscal year 2017, the final year of the program, bringing the cumulative restructuring charges for this program to approximately $440 million. Refer to Part 1, Item 1, Note 5 — Restructuring Costs for additional information regarding these costs.

Integration expenses

Integration expenses for the three months ended March 31, 2017 were $40 million, compared to $52 million for the three months ended March 31, 2016, a decrease of $12 million, or 23%. These reductions in expenses were driven by decreased spending on certain consulting, severance and transaction-related costs that were incurred initially as part of the Merger, offset by additional non-capitalizable costs incurred related to the integration of finance, information technology and human resources systems and processes.

Income from Operations

Income from operations for the three months ended March 31, 2017 was $463 million, compared to $326 million for the three months ended March 31, 2016, an increase of $137 million, or 42%. This increase resulted from increased revenue of $85 million coupled with reductions to total costs of providing services of $52 million.

Interest Expense

Interest expense for the three months ended March 31, 2017 was $46 million, which was flat compared to the prior year period.

Other Expense, Net

Other expense, net for the three months ended March 31, 2017 was $20 million, compared to $18 million for the three months ended March 31, 2016, an increase of $2 million, or 11%. This increase was due primarily to the impact of foreign exchange hedging contracts.

Provision for Income Taxes

Provision for income taxes for the three months ended March 31, 2017 was $46 million, compared to $18 million for the three months ended March 31, 2016. The effective tax rate was 11.6% for the three months ended March 31, 2017, and 6.9% for the three months ended March 31, 2016. Our effective tax rate is low as compared to the U.S. statutory rate of 35%. This is primarily due to our global mix of income, which creates deductions in jurisdictions with high statutory income tax rates. The effective tax rate for the three months ended March 31, 2017 was higher than the rate for the three months ended March 31, 2016, primarily due to the U.S. tax expense resulting from an internal reorganization of certain legacy Towers Watson businesses.

Net Income Attributable to Willis Towers Watson

Net income attributable to Willis Towers Watson for the three months ended March 31, 2017 was $344 million, compared to $238 million for the three months ended March 31, 2016, an increase of $106 million, or 45%. This increase resulted from additional income from operations of $137 million partially offset by additional tax expense resulting from an internal reorganization of certain legacy Towers Watson businesses.

Liquidity and Capital Resources

Executive Summary

Our principal sources of liquidity are funds generated by operating activities, available cash and cash equivalents and amounts available under our revolving credit facilities or new debt offerings.

Based on our balance sheets, combined cash flows, current market conditions and information available to us at this time, we believe that Willis Towers Watson has sufficient liquidity, which includes our undrawn revolving credit facilities, to meet our cash needs for the next twelve months, including investing in the business for growth, creating value through the integration of Willis, Towers Watson and Gras Savoye, scheduled debt repayments, dividend payments, and contemplated share repurchases, subject to market conditions and other factors.

Historically, we have not provided deferred taxes on cumulative earnings of our subsidiaries that have been reinvested indefinitely. As a result of our plan to restructure or distribute accumulated earnings of certain acquired Towers Watson foreign operations, we continue to accrue deferred taxes on current year earnings of those subsidiaries. However, we assert that the historical cumulative earnings of our other subsidiaries are reinvested indefinitely, and therefore do not provide deferred tax liabilities on these amounts. If future events, including material changes in estimates of cash, working capital, long-term investment requirements or U.S. tax reform necessitate that additional earnings be distributed, an incremental provision for income and foreign withholding taxes, net of credits, may be necessary. Other potential sources of cash may be through settlement of intercompany loans or return of capital distributions in a tax-efficient manner.

Events that could change the historical cash flow dynamics discussed above include significant changes in operating results, potential future acquisitions or divestitures, material changes in geographic sources of cash, unexpected adverse impacts from litigation or regulatory matters, or future pension funding during periods of severe downturn in the capital markets.

In March 2017, we entered into a $1.25 billion revolving credit facility replacing our previous $800 million revolving credit facility. Borrowings against the $1.25 billion facility of $409 million and €45 million were used to repay all outstanding borrowings against the $800 million facility and the 7-year term loan due July 23, 2018.

Also in March 2017, the Company repaid the 6.200% senior notes due 2017 totaling $407 million, including accrued interest.

The Company is considering a long-term debt financing in the near term to refinance certain items, including amounts currently drawn on the revolving credit facility. We anticipate this refinancing will include raising funds of up to $700 million. Any such refinancing is dependent on the market and other conditions at the time.

Assets and liabilities associated with non-U.S. entities have been translated into U.S. dollars as of March 31, 2017 at U.S. dollar rates that fluctuate compared to historical periods. As a result, cash flows derived from changes in the condensed consolidated balance sheets include the impact of the change in foreign exchange translation rates.

Cash and Short-term Investments

Our cash and cash equivalents at March 31, 2017 totaled $901 million, compared to $870 million at December 31, 2016. The increase in cash from December 31, 2016 to March 31, 2017 was due primarily to cash flows from operations offset by fixed asset and software additions.

Additionally, $182 million was available to draw against our $1.25 billion revolving credit facility as compared to $557 million, which was available to draw against our previous $800 million revolving credit facility at December 31, 2016.

Included within cash and cash equivalents at March 31, 2017 are amounts held for regulatory capital adequacy requirements, including $88 million held within our regulated U.K. entities for regulatory capital adequacy requirements.

Summarized Condensed Consolidated Cash Flows

The following table presents the summarized consolidated cash flow information for the three months ended March 31, 2017 and 2016:

	Three Months Ended March 31,	
	2017	2016
	(in millions)	
Net cash from/(used in):		
Operating activities	$ 95	$ 119
Investing activities	(82)	417
Financing activities	14	(116)
INCREASE IN CASH AND CASH EQUIVALENTS	27	420
Effect of exchange rate changes on cash and cash equivalents	4	2
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	870	532
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 901	$ 954

Cash Flows From Operating Activities

Cash flows from operating activities were $95 million for the three months ended March 31, 2017, compared to cash flows from operating activities of $119 million for the three months ended March 31, 2016. The $95 million net cash from operating activities for the three months ended March 31, 2017 included net income of $352 million, adjusted for $119 million of non-cash adjustments, partially offset by changes in operating assets and liabilities of $376 million. The decrease in cash flows from operations in 2017 primarily resulted from increased revenues that have not yet been collected.

The $119 million of cash flows from operating activities for the three months ended March 31, 2016 included net income of $245 million and $164 million of non-cash adjustments to reconcile net income to cash provided by operating activities, partially offset by changes in operating assets and liabilities of $290 million.

Cash Flows (Used In)/From Investing Activities

Cash flows used in investing activities for the three months ended March 31, 2017 were $82 million, driven primarily by capital expenditures and capitalized software costs.

Cash flows from investing activities for the three months ended March 31, 2016 were $417 million, driven primarily by $476 million of cash acquired as a result of the Merger, which was a non-cash transaction as it was consummated through the issuance of shares. We also redeemed certain investments resulting in cash inflows of $20 million, which were offset by fixed asset purchases and capitalized costs of developing internal and external software totaling $66 million.

Cash Flows From/(Used In) Financing Activities

Cash flows from financing activities for the three months ended March 31, 2017 were $14 million. The significant financing activities included net borrowings of $219 million, which were offset by share repurchases of $156 million and dividend payments of $65 million.

Cash flows used in financing activities for the three months ended March 31, 2016 were $116 million, driven primarily by debt repayments of $1.5 billion, partially offset by debt issuances of $1.4 billion. No dividend was paid during the three months ended March 31, 2016, as the fourth quarter 2015 dividend was accelerated and paid during December 2015, prior to completion of the Merger.

Indebtedness

Total debt, total equity, and the capitalization ratio at March 31, 2017 and December 31, 2016 were as follows:

	March 31, 2017	December 31, 2016
	($ in millions)	
Long-term debt	$ 3,975	$ 3,357
Short-term debt and current portion of long-term debt	120	508
Total debt	$ 4,095	$ 3,865
Total Willis Towers Watson shareholders' equity	$ 10,278	$ 10,065
Capitalization ratio	28.5%	27.7%

At March 31, 2017, our material mandatory debt repayments over the next twelve months include scheduled repayments of $85 million on our term loan maturing in 2019 and $35 million on other debt.

At March 31, 2017 and December 31, 2016, we were in compliance with all financial covenants.

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 Fiduciary assets and Fiduciary liabilities on our balance sheets.

Fiduciary funds are generally required to be kept in 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 March 31, 2017 and December 31, 2016, we had fiduciary funds of $2.9 billion and $2.5 billion, respectively.

Share Repurchase Program

The Company is authorized to repurchase shares, by way of redemption, and will consider whether to do so from time to time, based on many factors, including market conditions. At March 31, 2017, approximately $978 million remained on the current open-ended repurchase authority. The maximum number of shares that could be repurchased based on the closing price of our Ordinary Shares on March 31, 2017 of $130.89 was 7,464,222. The Company intends to repurchase up to $978 million in Company shares during the remainder of 2017 and 2018.

During the three months ended March 31, 2017, the Company had the following share repurchase activity:

	Three Months Ended March 31, 2017
Shares repurchased	1,236,589
Average price per share	$126.24
Aggregate repurchase cost (excluding broker costs)	$156 million

Capital Commitments

Capital expenditures for fixed assets and software for internal use were $62 million during the three months ended March 31, 2017. The Company estimates that such expenditures will be approximately $188 million during the remainder of 2017. We expect cash from operations to adequately provide for these cash needs. There have been no material changes to our capital commitments since December 31, 2016.

Dividends

Total cash dividends of $65 million were paid during the three months ended March 31, 2017. In February 2017, the board of directors approved a quarterly cash dividend of $0.53 per share ($2.12 per share annualized rate), which was paid on April 17, 2017.

Off-Balance Sheet Arrangements and Contractual Obligations

Off-Balance Sheet Transactions

See Part II, Item 7. 'Off-Balance Sheet Arrangements and Contractual Obligations' in our Annual Report on Form 10-K, filed with the SEC on March 1, 2017, for a discussion pertaining to off-balance sheet transactions.

Contractual Obligations

Operating Leases. We lease office space and furniture under operating lease agreements with terms typically ranging from three to twenty years. We have determined that there is not a large concentration of leases that will expire in any one fiscal year. Consequently, management anticipates that any increase in future rent expense on leases will be mainly market-driven. We also lease cars and selected computer equipment under operating lease agreements. For acquired operating leases, intangible assets or liabilities have been recognized for the differences between the contractual cash obligations and the estimated market rates at the time of acquisition. These intangibles are amortized to rent expense but do not affect our contractual cash obligations. There have been no material changes to our operating lease obligations since we filed our Annual Report on Form 10-K with the SEC on March 1, 2017.

Material changes to our other contractual obligations since we filed our Annual Report on Form 10-K with the SEC on March 1, 2017, are discussed in Note 9 — Debt and Note 11 — Retirement Benefits.

Non-GAAP Financial Measures

In order to assist readers of our condensed consolidated financial statements in understanding the core operating results that Willis Towers Watson's management uses to evaluate the business and for financial planning purposes, we present the following non-GAAP measures and their most directly comparable U.S. GAAP measure:

Most Directly Comparable U.S. GAAP Measure	**Non-GAAP Measure**
Total revenues	Adjusted revenues
As reported change	Constant currency change
As reported change	Organic change
Income from operations	Adjusted operating income
Net income	Adjusted EBITDA
Net income attributable to Willis Towers Watson	Adjusted net income
Diluted earnings per share	Adjusted diluted earnings per share
Income from operations before income taxes and interest in earnings of associates	Adjusted income before taxes
Provision for income taxes/U.S. GAAP tax rate	Adjusted income taxes/tax rate
Net cash from operating activities	Free cash flow

The Company believes that these measures are relevant and provide useful information widely used by analysts, investors and other interested parties in our industry to provide a baseline for evaluating and comparing our operating performance, and in the case of free cash flow, our liquidity results.

Within these measures, we have adjusted for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. These items include the following:

- Restructuring costs and integration expenses - Management believes it is appropriate to adjust for restructuring costs and integration expenses when they relate to a specific significant program with a defined set of activities and costs that are not expected to continue beyond a defined period of time. We believe the adjustment is necessary to present how the Company is performing, both now and in the future when these programs will have concluded.

- Fair value adjustment to deferred revenue - Adjustment in 2016 to normalize for the deferred revenue written down as part of the purchase accounting for the Merger.
- Gains and losses on disposals of operations - Adjustment to remove the results of disposed operations.
- Provision for Stanford litigation - The 2016 provision for the Stanford litigation matter, which we consider to be a non-ordinary course litigation matter.
- Tax effects of internal reorganization - Relates to the U.S. income tax expense resulting from the completion of an internal reorganization of the ownership of certain businesses that reduced the investments held by our U.S.-controlled subsidiaries.

These non-GAAP measures are not defined in the same manner by all companies and may not be comparable to other similarly titled measures of other companies. Non-GAAP measures should be considered in addition to, and not as a substitute for, the information contained within our condensed consolidated financial statements.

Adjusted Revenues

We consider adjusted revenues to be an important financial measure, which is used to internally evaluate and assess our core operations and to benchmark our operating results against our competitors.

Adjusted revenues is defined as total revenues adjusted for the fair value adjustment for deferred revenues that would otherwise have been recognized but for the purchase accounting treatment of these transactions. U.S. GAAP accounting requires the elimination of this revenue.

We have included the reconciliation of total revenues to adjusted revenues in the table below, together with our reconciliation of the revenues change to the constant currency and organic changes.

Constant Currency Change and Organic Change

We evaluate our revenues on an as reported (U.S. GAAP), constant currency and organic basis. We believe providing constant currency and organic information provides valuable supplemental information regarding our comparable results, consistent with how we evaluate our performance internally.

- *Constant currency change* - Represents the year over year change in revenues excluding the impact of foreign currency fluctuations. To calculate this impact, the prior year local currency results are first translated using the current year monthly average exchange rates. The change is calculated by comparing the prior year revenues, translated at the current year monthly average exchange rates, to the current year as reported revenues, for the same period. We believe constant currency measures provide useful information to investors because they provide transparency to performance by excluding the effect that foreign currency exchange rate fluctuations have on period-over-period comparability given volatility in foreign currency exchange markets.
- *Organic change* - The organic presentation excludes both the impact of fluctuations in foreign currency exchange rates, as described above, as well as the period-over-period impact of acquisitions and divestitures. We believe that excluding transaction-related items from our U.S. GAAP financial measures provides useful supplemental information to our investors, and it is important in illustrating what our core operating results would have been had we not incurred these transaction-related items, since the nature, size and number of these transaction-related items can vary from period to period.

The constant currency and organic change results, and a reconciliation from the reported results for consolidated revenues are included in the Financial Statement Overview section within this Form 10-Q. These measures are also reported by segment in the Segment Revenues section within this Form 10-Q.

A reconciliation of total revenues to adjusted revenues for the three months ended March 31, 2017 and 2016, and a reconciliation of the reported change to the constant currency and organic changes for the three months ended March 31, 2017 is as follows:

	Three Months Ended March 31,			Components of Revenue Change[i]			
	2017	2016	Reported Change	Currency Impact	Constant Currency Change	Acquisitions/Divestitures	Organic Change
	($ in millions)						
Total revenues	$ 2,319	$ 2,234	4%	(2)%	6%	—%	6%
Fair value adjustment for deferred revenue	—	32					
Adjusted revenues	$ 2,319	$ 2,266	2%	(2)%	5%	—%	5%

i. Components of the adjusted revenue change may not recalculate to the constant currency change presented due to rounding.

Adjusted Operating Income

We consider adjusted operating income to be an important financial measure, which is used to internally evaluate and assess our core operations and to benchmark our operating results against our competitors.

Adjusted operating income is defined as income from operations adjusted for amortization, restructuring costs, integration expenses, the fair value adjustment for deferred revenue and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results.

A reconciliation of income from operations to adjusted operating income for the three months ended March 31, 2017 and 2016, respectively, is as follows:

	Three Months Ended March 31,	
	2017	2016
	(in millions)	
Income from operations	$ 463	$ 326
Adjusted for certain items:		
Amortization	151	161
Restructuring costs	27	25
Integration expenses	40	52
Provision for the Stanford litigation	—	50
Fair value adjustment for deferred revenue	—	32
Adjusted operating income	$ 681	$ 646

Adjusted operating income for the three months ended March 31, 2017 was $681 million, compared to $646 million for the three months ended March 31, 2016. While our income from operations increased by $137 million, certain increases in revenue or cost reductions in 2017 were as a result of non-core adjustments during the three months ended March 31, 2016. Adjusting for these items, our adjusted operating income increased by $35 million, largely due to additional client demand partially offset by increases in normal litigation reserves.

Adjusted EBITDA

We consider adjusted EBITDA to be an important financial measure, which is used internally to evaluate and assess our core operations, to benchmark our operating results against our competitors, and to evaluate and measure our performance-based compensation plans.

Adjusted EBITDA is defined as net income adjusted for provision for income taxes, interest expense, depreciation and amortization, restructuring costs, integration expenses, the fair value adjustment for deferred revenue, gain on disposal of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results.

A reconciliation of net income to adjusted EBITDA for the three months ended March 31, 2017 and 2016 is as follows:

	Three Months Ended March 31,	
	2017	2016
	(in millions)	
NET INCOME	$ 352	$ 245
Provision for income taxes	46	18
Interest expense	46	46
Depreciation	46	43
Amortization	151	161
Restructuring costs	27	25
Integration expenses	40	52
Provision for the Stanford litigation	—	50
Fair value adjustment for deferred revenue	—	32
Gain on disposal of operations	—	(1)
Adjusted EBITDA	$ 708	$ 671

Adjusted EBITDA for the three months ended March 31, 2017 was $708 million, compared to $671 million for the three months ended March 31, 2016. As noted above, while our income from operations increased by $137 million, certain increases in revenue or reductions to costs in 2017 were as a result of non-core adjustments during the three months ended March 31, 2016. Adjusting for these items, our adjusted EBITDA increased by $37 million, largely due to additional client demand partially offset by increases in normal litigation reserves.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is defined as net income attributable to Willis Towers Watson adjusted for amortization, restructuring costs, integration expenses, the fair value adjustment for deferred revenue, gain on disposal of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results and the related tax effect of those adjustments. This measure is used solely for the purpose of calculating adjusted diluted earnings per share.

Adjusted diluted earnings per share is defined as adjusted net income divided by the weighted average number of shares of common stock, diluted. Adjusted diluted earnings per share is used to internally evaluate and assess our core operations and to benchmark our operating results against our competitors.

A reconciliation of net income attributable to Willis Towers Watson to adjusted diluted earnings per share for the three months ended March 31, 2017 and 2016 is as follows:

	Three Months Ended March 31,	
	2017	2016
	($ in millions)	
NET INCOME ATTRIBUTABLE TO WILLIS TOWERS WATSON	$ 344	$ 238
Adjusted for certain items [(i)]:		
Amortization	151	161
Restructuring costs	27	25
Integration expenses	40	52
Provision for the Stanford litigation	—	50
Fair value adjustment for deferred revenue	—	32
Gain on disposal of operations	—	(1)
Tax effect on certain items listed above[(ii)]	(69)	(93)
Tax effects of internal reorganization	19	—
Adjusted net income	$ 512	$ 464
Weighted average shares of common stock — diluted	138	136
Diluted earnings per share	$ 2.50	$ 1.75
Adjusted for certain items[(i)]:		
Amortization	1.09	1.18
Restructuring costs	0.19	0.18
Integration expenses	0.29	0.38
Provision for the Stanford litigation	—	0.37
Fair value adjustment for deferred revenue	—	0.24
Gain on disposal of operations	—	(0.01)
Tax effect on certain items listed above[(ii)]	(0.50)	(0.68)
Tax effects of internal reorganization	0.14	—
Adjusted diluted earnings per share	$ 3.71	$ 3.41

i. In the second quarter of 2016, Willis Towers Watson changed the manner in which adjusted items are presented in the reconciliation of adjusted net income. This change resulted in adjusted items being presented on a pretax basis and the related tax impacts on adjusted items being aggregated into a separate line item. The adjusted items for the prior period presented were conformed to the current period presentation.

ii. The tax effect was calculated using an effective tax rate for each item.

As noted above, in analyzing both our adjusted operating income and adjusted EBITDA, the Company experienced additional client demand during the quarter, partially offset by increases in normal litigation reserves. Our adjusted diluted earnings per share benefited from this growth.

Adjusted Income Before Taxes and Adjusted Income Taxes/Tax Rate

Adjusted income before taxes is defined as income from operations before income taxes and interest in earnings of associates adjusted for amortization, restructuring costs, integration expenses, the fair value adjustment for deferred revenue, gain on disposal of operations and non-recurring items that, in management’s judgment, significantly affect the period-over-period assessment of operating results. Adjusted income before taxes is used solely for the purpose of calculating the adjusted income tax rate.

Adjusted income taxes/tax rate is defined as the provision for income taxes adjusted for taxes on certain items of amortization, restructuring costs, integration expenses, the fair value adjustment for deferred revenue, gain on disposal of operations, tax effects of internal reorganization and non-recurring items that, in management’s judgment, significantly affect the period-over-period assessment of operating results, divided by adjusted income before taxes. Adjusted income taxes is used solely for the purpose of calculating the adjusted income tax rate.

Management believes that the adjusted income tax rate presents a rate that is more closely aligned to the rate that we would incur if not for the reduction of pre-tax income for the adjusted items and the tax effects of our internal reorganization, which are not core to our current and future operations.

A reconciliation of income from operations before income taxes and interest in earnings of associates to adjusted income and provision for income taxes to adjusted income taxes for the three months ended March 31, 2017 and 2016 is as follows:

	Three Months Ended March 31,	
	2017	2016
	($ in millions)	
INCOME FROM OPERATIONS BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	$ 397	$ 262
Adjusted for certain items:		
Amortization	151	161
Restructuring costs	27	25
Integration expenses	40	52
Provision for the Stanford litigation	—	50
Fair value adjustment for deferred revenue	—	32
Gain on disposal of operations	—	(1)
Adjusted income before taxes	$ 615	$ 581
Provision for income taxes	$ 46	$ 18
Tax effect on certain items listed above	69	94
Tax effects of internal reorganization	(19)	—
Adjusted income taxes	$ 96	$ 112
U.S. GAAP tax rate	11.6%	6.9%
Adjusted income tax rate	15.6%	19.3%

During the quarter ended March 31, 2017, we recorded certain tax adjustments of $19 million which relate to U.S. income tax expense resulting from an internal reorganization of certain legacy Towers Watson businesses that reduced the investments held by our U.S.-controlled non-U.S. subsidiaries. The $19 million tax expense was recorded in the provision for income taxes in the condensed consolidated statement of comprehensive income for March 31, 2017.

Our U.S. GAAP tax rate is lower (11.6% and 6.9% at March 31, 2017 and 2016, respectively) as compared to the U.S. statutory tax rate of 35%. This is primarily due to our global mix of income which creates deductions in jurisdictions with high statutory income tax rates. After adjusting for the impact of non-core 2016 adjustments, intangible amortization and tax resulting from an internal reorganization in 2017, our adjusted income tax rates were 15.6% and 19.3% at March 31, 2017 and 2016, respectively. The adjusted tax rate for the three months ended March 31, 2017 is lower than that for the three months ended March 31, 2016, primarily due to the additional realization of deferred tax benefits.

Free Cash Flow

Free cash flow is defined as cash flows from operating activities less cash used to purchase fixed assets and software for internal use and is used to evaluate our liquidity.

A reconciliation of cash flows from operating activities to free cash flow for the three months ended March 31, 2017 and 2016 is as follows:

	Three Months Ended March 31,	
	2017	2016[i]
	(in millions)	
Cash flows from operating activities	$ 95	$ 119
Less: Additions to fixed assets and software for internal use	(62)	(48)
Free cash flow	$ 33	$ 71

i. As a result of the adoption of ASU 2016-09, cash flows from operating activities for the three months ended March 31, 2016 increased by $1 million, increasing free cash flow by the same amount. See Part I, Item 1. Note 2 - Basis of Presentation and Recent Accounting Pronouncements of this Form 10-Q report for a further discussion of this change

The decrease in both cash flows from operations and free cash flows in 2017 primarily resulted from increased revenues that have not yet been collected.

Critical Accounting Policies and Estimates

There were no material changes from the Critical Accounting Policies and Estimates disclosed in our 2016 Annual Report on Form 10-K, filed with the SEC on March 1, 2017.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have considered changes in our exposure to market risks during the three months ended March 31, 2017, including additional exposures to market risks as a consequence of the Merger, and have determined that there have been no material changes to our exposure to market risks from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2016, filed with the SEC on March 1, 2017.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of March 31, 2017, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer ('CEO') and the Chief Financial Officer ('CFO'), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined by Exchange Act

Rule 13a-15(e). Based upon that evaluation, the CEO and the CFO 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 management, including the CEO and the CFO, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting during the quarter ended March 31, 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on the Effectiveness of Controls

Management, including the CEO and CFO, does not expect that our disclosure controls and procedures will necessarily prevent all errors and all fraud. However, management does expect that the control system provides reasonable assurance that its objectives will be met. A control system, no matter how well designed and operated, cannot provide absolute assurance that the control system’s objectives will be met. In addition, the design of such internal controls must take into account the costs of designing and maintaining such a control system. Certain inherent limitations exist in control systems to make absolute assurances difficult, including the realities that judgments in decision-making can be faulty, that breakdowns can occur because of a simple error or mistake, and that individuals can circumvent controls. The design of any control system is based in part upon existing business conditions and risk assessments. There can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in business conditions or deterioration in the degree of compliance with policies or procedures. As a result, they may require change or revision. Because of the inherent limitations in a control system, misstatements due to error or fraud may occur and may not be detected. Nevertheless, the disclosure controls and procedures are designed to provide reasonable assurance of achieving their stated objectives, and the CEO and CFO have concluded that the disclosure controls and procedures are effective at a reasonable assurance level.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to various lawsuits, arbitrations or mediations that arise in the ordinary course of business. The disclosure called for by Part II, Item 1, regarding our legal proceedings is incorporated by reference herein from Part I, Item 1, Note 12 — Commitments and Contingencies - Legal Proceedings of the notes to the condensed consolidated financial statements in this Form 10-Q for the quarter ended March 31, 2017.

ITEM 1A. RISK FACTORS

There are no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K filed with the SEC on March 1, 2017. We urge you to read the risk factors contained in our Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

During the three months ended March 31, 2017, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

(c) Issuer Purchases of Equity Securities

The Company is authorized to repurchase shares, by way of redemption, and will consider whether to do so from time to time, based on many factors, including market conditions.

The following table presents specified information about the Company's repurchases of ordinary shares in the first quarter of 2017 and the Company's repurchase authority.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
January 1, 2017 through January 31, 2017	478,696	$ 125.30	478,696	8,222,115
February 1, 2017 through February 28, 2017	401,438	$ 124.86	401,438	7,820,677
March 1, 2017 through March 31, 2017	356,455	$ 129.04	356,455	7,464,222
	1,236,589	$ 126.24	1,236,589	

The maximum number of shares that may yet be purchased under the existing stock repurchase plan is 7,464,222. At March 31, 2017, approximately $978 million remained on the current open-ended repurchase authorities granted by the board. An estimate of the maximum number of shares under the existing authority was determined using the closing price of our Ordinary Shares on March 31, 2017 of $130.89.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Set forth below is a description of a matter reported pursuant to Section 219 of the Iran Threat Reduction and Syria Human Rights Act of 2012 ('ITRA') and Section 13(r) of the Exchange Act. Concurrently with this quarterly report, we are filing a notice pursuant to Section 13(r) of the Exchange Act that the matter has been disclosed in this quarterly report.

Gras Savoye, a non-U.S. affiliate of Willis Towers Watson, acts as a broker for the Iranian Embassy in Paris, placing health insurance for the diplomatic staff and handling the related claims administration. The policy was placed with GBG Insurance Limited on December 27, 2016 for the 2017 policy year. Premium payments are made quarterly, and a premium payment of €64,344 was received by Gras Savoye on April 10, 2017 for the policy. Gras Savoye will retain a commission of €7,721 from this payment. Health benefits of approximately €12,926 were paid to beneficiaries during the first quarter of 2017. Gras Savoye will not renew this policy at the end of 2017.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	Amended and Restated Credit Agreement, dated as of March 7, 2017, among Trinity Acquisition plc, Willis Towers Watson Public Limited Company, the lenders party thereto and Barclays Bank PLC., as Administrative Agent (incorporated by reference to Exhibit 10.1 to the Form 8-K filed by the Company on March 9, 2017)
10.2	Amended and Restated Guaranty Agreement, dated as of March 7, 2017, among Trinity Acquisition plc, Willis Towers Watson Public Limited Company, the other guarantors party thereto and Barclays Bank PLC, as Administrative Agent (incorporated by reference to Exhibit 10.2 to the Form 8-K filed by the Company on March 9, 2017)
10.3	Amendment No. 2, dated as of March 31, 2017, to the Term Loan Credit Agreement dated as of November 20, 2015, among Towers Watson Delaware Inc., as borrower, each lender from time to time party thereto, and Bank of America, N.A., as administrative agent*
10.4	Amendment No. 3, dated as of April 28, 2017, to the Term Loan Credit Agreement dated as of November 20, 2015, among Towers Watson Delaware Inc., as borrower, each lender from time to time party thereto, and Bank of America, N.A., as administrative agent*
10.5	Settlement Agreement, dated as of February 17, 2017, between Willis Limited, Willis Group Holdings Public Limited Company and Timothy D. Wright†*
31.1	Certification of the Registrant’s Chief Executive Officer, John J. Haley, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.*
31.2	Certification of the Registrant’s Chief Financial Officer, Roger F. Millay, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.*
32.1	Certification of the Registrant’s Chief Executive Officer, John J. Haley, and Chief Financial Officer, Roger F. Millay, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	XBRL Instance Document*
101.SCH	XBRL Taxonomy Extension Schema Document*
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document*

* Filed or furnished herewith.

† Management contract or compensatory plan or arrangement.

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 Towers Watson Public Limited Company

(Registrant)

/s/ John J. Haley		May 9, 2017
Name:	John J. Haley	Date
Title:	Chief Executive Officer	
/s/ Roger F. Millay		May 9, 2017
Name:	Roger F. Millay	Date
Title:	Chief Financial Officer	
/s/ Susan D. Davies		May 9, 2017
Name:	Susan D. Davies	Date
Title:	Principal Accounting Officer and Controller	

Exhibit 10.3

AMENDMENT NO. 2 TO TERM LOAN CREDIT AGREEMENT

This **AMENDMENT NO. 2 TO TERM LOAN CREDIT AGREEMENT** (this "***Agreement***") dated as of March 31, 2017, is among **TOWERS WATSON DELAWARE INC.**, a Delaware corporation (the "***Company***"), **BANK OF AMERICA, N.A.**, in its capacity as administrative agent for the Lenders (as defined in the Term Loan Credit Agreement described below) (in such capacity, the "***Administrative Agent***"), and each of the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, the Company, the Administrative Agent and the Lenders have entered into that certain Term Loan Credit Agreement dated as of November 20, 2015 (as amended by that certain Amendment No. 1 to Term Loan Credit Agreement dated as of December 23, 2015, as amended hereby and as from time to time further amended, supplemented, restated, amended and restated or otherwise modified, the "***Term Loan Credit Agreement***"; capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Term Loan Credit Agreement), pursuant to which the Lenders are providing a term loan facility to the Company;

WHEREAS, each of the Subsidiary Guarantors has entered into the Subsidiary Guaranty pursuant to which it has guaranteed the obligations of the Company under the Term Loan Credit Agreement and the other Loan Documents;

WHEREAS, the Company has requested that the Administrative Agent and the Lenders agree to an amendment to the Term Loan Credit Agreement as set forth herein, and the Administrative Agent and the Lenders signatory hereto are willing to effect such amendment on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendment**. In reliance upon the representations, warranties and covenants of the Company contained in this Agreement, and subject to the effectiveness and the terms and conditions of this Agreement, including, without limitation, those set forth in Section 2 hereof, as of the date on which this Agreement becomes effective (the "Agreement Effective Date"), each of the undersigned Lenders, hereby agrees to amend the Term Loan Credit Agreement as follows:

(a) Section 1.01 of the Term Loan Credit Agreement is hereby amended by adding the following defined term "Willis Towers Watson" in alphabetical order therein:

"Willis Towers Watson" means Willis Towers Watson Public Limited Company, a company organized under the laws of Ireland.

(b) Section 6.01(a) of the Term Loan Credit Agreement is hereby amended by deleting such section in its entirety and replacing it with the following in lieu thereof:

(a) as soon as available, but in any event no later than 90 days (or, in the case of the fiscal year ending December 31, 2016, 97 days) after the end of each fiscal year of the Company (commencing with the fiscal year ending December 31, 2016), (i) a consolidated balance sheet of Willis Towers Watson and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with U.S. GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, (ii) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with U.S. GAAP, and (iii) a letter (upon which the Administrative Agent and the Lenders are entitled to rely) from the independent certified public accountant referred to in clause (i) above stating in its opinion, the unaudited consolidated balance sheet and related financial statements referred to in clause (ii) above, as supplemental consolidating information to the audited consolidated audited balance sheet and related financial statements referred to in clause (i) above, are fairly stated, in all material respects, in relation to the consolidated financial statements of Willis Towers Watson as a whole; and

2. **<u>Effectiveness; Conditions Precedent</u>**. The effectiveness of this Agreement and the amendments to the Term Loan Credit Agreement herein provided are subject to the satisfaction of the following conditions precedent:

(a) the Administrative Agent shall have received counterparts of this Agreement duly executed by the Company, the Required Lenders and the Administrative Agent;

(b) [reserved];

(c) no Event of Default or Default having occurred and being continuing; and

(d) all fees and expenses payable to the Administrative Agent (including the reasonable fees and expenses of counsel to the Administrative Agent to the extent invoiced prior to the date hereof) shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

3. **<u>Representations and Warranties</u>**. In order to induce the Administrative Agent and the Lenders to enter into this Agreement, the Company represents and warrants to the Administrative Agent and the Lenders as follows:

(a) At the time of and immediately after giving effect to this Agreement, the representations and warranties of the Company set forth in <u>Article V</u> of the Term Loan Credit Agreement shall be true and correct in all material respects on and as of the date hereof except that (i) if a qualifier relating to materiality, Material Adverse Effect or a similar concept applies, such representation shall be true and correct in all respects, (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date, and (iii) for the purposes of this Agreement, the representations and warranties contained in Sections 5.05(a) and (b) of the Term Loan Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Term Loan Credit Agreement.

(b) This Agreement has been duly executed and delivered by the Company. This Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, Debtor Relief Laws or similar Laws affecting the enforcement of creditors' rights generally and by general principles of equity.

4. **Entire Agreement**. This Agreement, the Term Loan Credit Agreement (including giving effect to the amendment set forth in Section 1 above), and the other Loan Documents (collectively, the "***Relevant Documents***"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to any other party in relation to the subject matter hereof or thereof. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except in writing and in accordance with Section 10.01 of the Term Loan Credit Agreement.

5. **Full Force and Effect of Term Loan Credit Agreement**. After giving effect to this Agreement, the Term Loan Credit Agreement is hereby confirmed and ratified in all respects and shall be and remain in full force and effect according to its terms.

6. **Counterparts and Effectiveness**. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic delivery (including by .pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

7. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSES SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

8. **Severability**. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition of invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9. **References**. All references to the "Credit Agreement" (or the defined term "Agreement" meaning the Term Loan Credit Agreement) in the Loan Documents shall mean the Term Loan Credit Agreement giving effect to the amendment contained in this Agreement.

10. **Successors and Assigns**. This Agreement shall be binding upon the Company, the Lenders and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Company, the Lenders and the Administrative Agent and the respective successors and assigns of the Company, the Lenders and the Administrative Agent.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

COMPANY:

TOWERS WATSON DELAWARE INC.
By: /s/ William M. Rigger
Name: William M. Rigger
Title: Treasurer

BANK OF AMERICA, N.A., as Administrative Agent
By: /s/ Liliana Claar
Name: Liliana Claar
Title: Vice President

BANK OF AMERICA, N.A., as a Lender
By: /s/ Christopher Fallone
Name: Christopher Fallone
Title: Associate

JPMORGAN CHASE BANK, N.A., as a Lender
By: /s/ James S. Mintzer
Name: James S. Mintzer
Title: Executive Director

HSBC BANK USA, N.A., as a Lender
By: /s/ Jeff Huening
Name: Jeff Huening
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender
By: /s/ Zach Lieberthal
Name: Zach Lieberthal
Title: AVP

TD BANK, N.A., as a Lender
By: /s/ Mark Hogan
Name: Mark Hogan
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender
By: /s/ Allison Burgun
Name: Allison Burgun
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender
By: /s/ Michelle S. Dagenhart
Name: Michelle S. Dagenhart
Title: Director

AMENDMENT NO. 3 TO TERM LOAN CREDIT AGREEMENT

This **AMENDMENT NO. 3 TO TERM LOAN CREDIT AGREEMENT** (this "***Agreement***") dated as of April 28, 2017, is among **TOWERS WATSON DELAWARE INC.**, a Delaware corporation (the "***Company***"), **BANK OF AMERICA, N.A.**, in its capacity as administrative agent for the Lenders (as defined in the Term Loan Credit Agreement described below) (in such capacity, the "***Administrative Agent***"), and each of the Lenders party hereto.

W I T N E S S E T H:

WHEREAS, the Company, the Administrative Agent and the Lenders have entered into that certain Term Loan Credit Agreement dated as of November 20, 2015 (as amended by that certain Amendment No. 1 to Term Loan Credit Agreement dated as of December 23, 2015 and that certain Amendment No. 2 to Term Loan Credit Agreement dated as of March 31, 2017, as amended hereby and as from time to time further amended, supplemented, restated, amended and restated or otherwise modified, the "***Term Loan Credit Agreement***"; capitalized terms used in this Agreement not otherwise defined herein shall have the respective meanings given thereto in the Term Loan Credit Agreement), pursuant to which the Lenders are providing a term loan facility to the Company;

WHEREAS, each of the Subsidiary Guarantors has entered into the Subsidiary Guaranty pursuant to which it has guaranteed the obligations of the Company under the Term Loan Credit Agreement and the other Loan Documents;

WHEREAS, the Company has requested that the Administrative Agent and the Lenders agree to an amendment to the Term Loan Credit Agreement as set forth herein, and the Administrative Agent and the Lenders signatory hereto are willing to effect such amendment on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of the premises and further valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. **Amendment**. In reliance upon the representations, warranties and covenants of the Company contained in this Agreement, and subject to the effectiveness and the terms and conditions of this Agreement, including, without limitation, those set forth in Section 2 hereof, as of the date on which this Agreement becomes effective (the "Agreement Effective Date"), each of the undersigned Lenders, hereby agrees to amend the Term Loan Credit Agreement as follows:

(a) Section 6.01(a) of the Term Loan Credit Agreement is hereby amended by deleting such section in its entirety and replacing it with the following in lieu thereof:

"(a) as soon as available, but in any event no later than 90 days (or, in the case of the fiscal year ending December 31, 2016, no later than May 5, 2017) after the end of each fiscal year of the Company (commencing with the fiscal year ending December 31, 2016), (i) a consolidated balance sheet of Willis Towers Watson and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with U.S. GAAP, audited and accompanied by a report and opinion of an independent certified public accountant of nationally recognized standing reasonably acceptable to the Required Lenders, which report and opinion shall be prepared in accordance with generally accepted auditing standards and shall not be subject to any "going concern" or like qualification or exception or any qualification or exception as to the scope of such audit, (ii) an unaudited consolidated balance sheet of the Company and its Subsidiaries as at the end of such fiscal year, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail and prepared in accordance with U.S. GAAP, and (iii) a letter from the independent certified public accountant referred to in clause (i) above stating that the unaudited consolidated balance sheet and related financial statements referred to in clause (ii) above, as supplemental consolidating information to the audited consolidated audited balance sheet and related financial statements referred to in clause (i) above, are consistent with, and reconcile to, the audited annual consolidated financial statements of Willis Towers Watson and its Subsidiaries (the letter referred to in this Section 6.01(a)(iii), the "Report"); provided that the parties hereto agree that (A) the Administrative Agent and the Lenders are receiving the Report solely for the purpose of reviewing the financial information related to the Borrower in accordance with the requirements of Section 6.01(a)(ii) above, (B) neither the Administrative Agent, any Lender nor any of their respective Related Parties is entitled to rely on the Report and (C) the receipt and further distribution of the Report shall be subject to the provisions of Section 10.07; and"

2. **Effectiveness; Conditions Precedent**. The effectiveness of this Agreement and the amendments to the Term Loan Credit Agreement herein provided are subject to the satisfaction of the following conditions precedent:

(a) the Administrative Agent shall have received counterparts of this Agreement duly executed by the Company, the Required Lenders and the Administrative Agent;

(b) no Event of Default or Default having occurred and being continuing; and

(c) all fees and expenses payable to the Administrative Agent (including the reasonable fees and expenses of counsel to the Administrative Agent to the extent invoiced prior to the date hereof) shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

3. **Representations and Warranties**. In order to induce the Administrative Agent and the Lenders to enter into this Agreement, the Company represents and warrants to the Administrative Agent and the Lenders as follows:

(a) At the time of and immediately after giving effect to this Agreement, the representations and warranties of the Company set forth in Article V of the Term Loan Credit Agreement shall be true and correct in all material respects on and as of the date hereof except that (i) if a qualifier relating to materiality, Material Adverse Effect or a similar concept applies, such representation shall be true and correct in all respects, (ii) to the extent that such representations and warranties specifically refer to an earlier date, in which case they were true and correct as of such earlier date, and (iii) for the purposes of this Agreement, the representations and warranties contained in Sections 5.05(a) and (b) of the Term Loan Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to clauses (a) and (b), respectively, of Section 6.01 of the Term Loan Credit Agreement.

(b) This Agreement has been duly executed and delivered by the Company. This Agreement constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, Debtor Relief Laws or similar Laws affecting the enforcement of creditors' rights generally and by general principles of equity.

4. **Entire Agreement**. This Agreement, the Term Loan Credit Agreement (including giving effect to the amendment set forth in Section 1 above), and the other Loan Documents (collectively, the "***Relevant Documents***"), sets forth the entire understanding and agreement of the parties hereto in relation to the subject matter hereof and supersedes any prior negotiations and agreements among the parties relating to such subject matter. No promise, condition, representation or warranty, express or implied, not set forth in the Relevant Documents shall bind any party hereto, and no such party has relied on any such promise, condition, representation or warranty. Each of the parties hereto acknowledges that, except as otherwise expressly stated in the Relevant Documents, no representations, warranties or commitments, express or implied, have been made by any party to any other party in relation to the subject matter hereof or thereof. None of the terms or conditions of this Agreement may be changed, modified, waived or canceled orally or otherwise, except in writing and in accordance with Section 10.01 of the Term Loan Credit Agreement.

5. **Full Force and Effect of Term Loan Credit Agreement**. After giving effect to this Agreement, the Term Loan Credit Agreement is hereby confirmed and ratified in all respects and shall be and remain in full force and effect according to its terms.

6. **Counterparts and Effectiveness**. This Agreement may be executed in any number of counterparts and by the different parties on separate counterparts and each such counterpart shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Agreement. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or electronic delivery (including by .pdf) shall be effective as delivery of a manually executed counterpart of this Agreement.

7. **Governing Law**. THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK. THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER AND GOVERNED BY THE LAWS OF THE STATE OF NEW YORK (INCLUDING FOR SUCH PURPOSES SECTIONS 5-1401 AND 5-1402 OF THE GENERAL OBLIGATIONS LAW OF THE STATE OF NEW YORK).

8. **Severability**. Whenever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition of invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

9. **References**. All references to the "Credit Agreement" (or the defined term "Agreement" meaning the Term Loan Credit Agreement) in the Loan Documents shall mean the Term Loan Credit Agreement giving effect to the amendment contained in this Agreement.

10. **Successors and Assigns**. This Agreement shall be binding upon the Company, the Lenders and the Administrative Agent and their respective successors and assigns, and shall inure to the benefit of the Company, the Lenders and the Administrative Agent and the respective successors and assigns of the Company, the Lenders and the Administrative Agent.

[Signature pages follow.]

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be made, executed and delivered by their duly authorized officers as of the day and year first above written.

COMPANY:

TOWERS WATSON DELAWARE INC.

By: /s/ William M. Rigger
Name: William M. Rigger
Title: Treasurer

BANK OF AMERICA, N.A., as Administrative Agent

By: /s/ Liliana Claar
Name: Liliana Claar
Title: Vice President

BANK OF AMERICA, N.A., as a Lender

By: /s/ Christopher G. Fallone
Name: Christopher G. Fallone
Title: Associate

JPMORGAN CHASE BANK, N.A., as a Lender

By: /s/ James S. Mintzer
Name: James S. Mintzer
Title: Executive Director

HSBC BANK USA, N.A., as a Lender

By: /s/ Jeffrey P. Huening
Name: Jeffrey P. Huening
Title: Vice President

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Nicole Limberg
Name: Nicole Limberg
Title: Managing Director

TD BANK, N.A., as a Lender

By: /s/ Mark Hogan
Name: Mark Hogan
Title: Senior Vice President

U.S. BANK NATIONAL ASSOCIATION, as a Lender

By: /s/ Allison Burgun
Name: Allison Burgun
Title: Vice President

WELLS FARGO BANK, NATIONAL ASSOCIATION, as a Lender
By: /s/ Michelle S. Dagenhart
Name: Michelle S. Dagenhart
Title: Director

Exhibit 10.5

<u>Without Prejudice and Subject to Contract</u>

SETTLEMENT AGREEMENT

between

WILLIS LIMITED

and

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

and

TIMOTHY D WRIGHT

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THIS AGREEMENT is made on 17 February 2017 between the following parties:

(1) **WILLIS LIMITED** incorporated and registered in England and Wales with registered number 00181116 whose registered office is at 51 Lime Street, London EC3M 7DQ (the "**Company**");

(2) **WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY** incorporated and registered in Ireland whose registered office is at Grand Mill Quay, Barrow Street, Dublin 4, Ireland (the "**Parent Company**"); and

(3) **TIMOTHY D WRIGHT** of 5 Nassington Road, London, NW3 2TX (the "**Employee**").

WHEREAS

(A) The Employee has been employed by the Company since 1 September 2008, most recently as Head of Corporate Risk and Broking, under an employment contract dated 17 December 2007 as amended by letters from the Company to the Employee dated 19 July 2012 and 30 April 2014 and by an amendment agreement dated 29 June 2015 (together, the "**Employment Agreement**"), copies of which are attached at Schedule 3 to this Agreement.

(B) On 27 October 2016, the Employee was served by the Company with notice of the termination of his employment (the "**Notice of Termination**") and placed on garden leave in accordance with the Employment Agreement and, but for this settlement agreement, the Employee's employment with the Company (and any other Group Companies) would terminate on 26 April 2017. Notwithstanding this, the parties have agreed that the Employee's employment will terminate on the Termination Date (as defined below).

(C) The parties have entered into this Agreement to record and implement the terms on which they have agreed to settle any claims which the Employee has or may have in connection with his employment or its termination against the Company or any Group Company (as defined below) or any of their directors, officers and/or employees whether or not those claims are, or could be, in the contemplation of the parties at the time of signing this Agreement, and including, in particular, any statutory complaints which the Employee has raised or raises in this Agreement.

(D) The parties intend this Agreement to be an effective waiver of any such claims and to satisfy the conditions in relation to settlement and compromise agreements in the relevant legislation.

(E) The Company enters into this Agreement for itself and as agent and trustee for all Group Companies and it is authorised to do so. It is the parties' intention that each Group Company and each of their directors, officers and/or employees should be able to enforce any rights it has under this Agreement, subject to and in accordance with the Contracts (Rights of Third Parties) Act 1999.

AGREED TERMS

1 **INTERPRETATION**

1.1 The definitions in this clause apply in this agreement.

"**Adviser**" means Mark Watson of Fox Williams LLP, 10 Finsbury Square, London EC2A 1AF.

"**AIP**" means the annual incentive plan of the Parent Company in which the Employee participates.

"**Board**" means the board of directors of the Parent Company (including any committee of the board duly appointed by it).

"**Confidential Information**" means all information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) relating to the business, products, affairs and finances of the Company and/or any Group Company for the time being confidential to the Company and/or any Group Company and trade secrets including, without limitation, technical data and know-how relating to the business of the Company and/or any Group Company or any of their suppliers, clients, customers, agents, distributors, shareholders or management, whether or not such information (if in anything other than oral form) is marked confidential.

"**Copies**" means copies or records of any Confidential Information in whatever form (including, without limitation, in written, oral, visual or electronic form or on any magnetic or optical disk or memory and wherever located) including, without limitation, extracts, analysis, studies, plans, compilations or any other way of representing or recording and recalling information which contains, reflects or is derived or generated from Confidential Information.

"**Group Company**" means the Company, the Parent Company, any company of which the Company or the Parent Company is a Subsidiary (its holding company) and any Subsidiaries of the Company or the Parent Company or of any such holding company and "**Group**" shall be construed accordingly.

"**HMRC**" means Her Majesty's Revenue & Customs and, where relevant, any predecessor body which carried out part of its functions.

"**Payment Date**" means the first business day on or after the 60th day following the Termination Date.

"**Pre-Contractual Statement**" means any undertaking, promise, assurance, statement, representation, warranty or understanding (whether in writing or not) of any person (whether party to this Agreement or not) relating to the Employee's employment or its termination under this Agreement other than as expressly set out in this Agreement or any documents referred to in it.

"**Subsidiary**" means in relation to a company (a holding company) a subsidiary as defined in section 1159 of the Companies Act 2006 and a company shall be treated, for the purposes only of the membership requirement contained in subsections 1159(1)(b) and (c), as a member of another company even if its shares in that other company are registered in the name of (a) another person (or its nominee), whether by way of security or in connection with the taking of security, or (b) its nominee and any other company which is a subsidiary (as so defined) of a company which itself is a subsidiary of such a holding company.

"**Target AIP**" means the Employee's target award under the AIP.

"**Termination Date**" means date of this agreement.

1.2 The headings in this Agreement are inserted for convenience only and shall not affect its construction.

1.3 A reference to a particular law is a reference to it as it is in force for the time being taking account of any amendment, extension, or re-enactment and includes any subordinate legislation for the time being in force made under it.

1.4 A reference to one gender includes a reference to the other gender.

1.5 The schedules to this Agreement form part of (and are incorporated into) this Agreement.

2 **TERMINATION AND ARRANGEMENTS PRIOR TO TERMINATION**

2.1 The Employee accepts and confirms that, on 27 October 2016, he was served by the Company with notice of the termination of his employment and placed on garden leave in accordance with the Employment Agreement and that his employment with the Company (and any other Group Companies) would, but for this Agreement, terminate on 26 April 2017. Notwithstanding this, the parties have agreed that the Employee's employment will terminate on the Termination Date in accordance with the provisions of this Agreement.

2.2 It is acknowledged that the Employee has resigned from all directorships, offices, trusteeships and/or other positions that he holds in or on behalf of any Group Company. The Employee shall promptly (and at the Company's cost) do all such further acts and things as the Company may require to effect his resignation from all such directorships, offices, trusteeships and/or other positions and the Employee irrevocably appoints the Company to be his attorney in his name and on his behalf to sign, executive or do any such instrument or thing and generally to use his name in order to give the Company (or its nominee) the full benefit of the provisions of this clause 2.2. Having resigned as a director, officer and/or trustee (if applicable) of any Group Company, the Employee will not conduct himself in any way which is inconsistent with having surrendered any such authority, whether in matters of the internal administration of any Group Company or externally and will not represent himself as being a director, officer and/or trustee of any Group Company or, from the Termination Date, from being employed by or connected with any Group Company.

3 **OBLIGATIONS OF THE COMPANY AND THE PARENT COMPANY**

3.1 The Company shall:

(a) pay the Employee his base salary up to the Termination Date in the usual way; and

(b) provide to the Employee his contractual employment benefits (other than any bonuses or other incentive awards or payments save as provided in this Agreement) in the usual way up to the Termination Date.

3.2 Provided that the Company has received a copy of each of this Agreement signed by the Employee and a signed letter from the Adviser in the form set out in Schedule 2 (the "**Adviser's Certificate**") and provided that the Employee complies in full with the terms of this Agreement and subject in each case to clause 4.1:

(a) the Company shall, on or by the Payment Date, make to the Employee a payment of £2,750,000 (calculated as an amount equal to two times the Employee's annual base salary and the Employee's Target AIP) LESS the gross amount of any salary paid to the Employee in respect of the period from the date of the Notice of Termination to the Termination Date (inclusive);

(b) the Company shall make to the Employee a payment of £115,068 (representing a pro-rated award under the AIP for the fiscal year commencing 1 January 2017 determined based upon the Employee's Target AIP), such payment to be made on or by the Payment Date;

(c) the Employee shall remain eligible to receive a discretionary bonus payment under the AIP for the fiscal year ended 31 December 2016 subject to and conditional upon the achievement (as assessed by the Company) of the applicable AIP objectives for 2016, such bonus (if any) to be payable to the Employee on/around the time that such bonus is paid to other employees of the Company participating in the 2016 AIP and, for the avoidance of doubt and notwithstanding any rule to the contrary, the Employee shall remain eligible to receive such a bonus even if he is not employed by the Company on the date when such bonus is paid or payable;

(d) the Company shall continue to pay premiums to a private medical scheme nominated by the Company for the benefit of the Executive (and his spouse and now covered dependents) until the earlier of (i) 25 April 2018 and (ii) the date on which the Employee (or any eligible spouse of dependent but only as to the eligibility of such spouse or dependent) obtains new employment that offers or provides private medical insurance cover (the "**Cover Period**") provided that, if the continuation of such private medical cover is no longer permissible under applicable law or results in any penalty or additional tax liability (other than any liability for income tax and/or National Insurance contributions or other taxes that would be applicable to the payment of wages or remuneration) for either the Employee or the Company, then in lieu of such continued private medical insurance cover and solely to avoid such penalty or additional tax liability, the Company shall make to the Employee for the Cover Period (or remainder thereof) monthly payments equal to the excess of the full premium rate (or equivalent rate) under such private medical insurance plan over the amount payable generally by officers of the Company;

(e) the Company will maintain in force on a continuing basis for six years from the Termination Date directors' and officers' liability insurance providing the Employee with not less than the level of cover maintained in force for the other directors of the Company in order to protect the Employee from claims in respect of the period during which the Employee was a director of the Company or any Group Company; and

(f) the provisions of clause 3.3 shall apply.

3.3 The Employee shall, up to the Termination Date, remain entitled to participate in such share incentive plans as he currently participates in subject to and in accordance with the rules of such plans and any relevant grant documentation (in each case as amended from time to time), it being acknowledged and agreed that no new grants or awards will be made to the Employee under any such plans following the Notice of Termination, and it being acknowledged that:

(a) all service-based vesting requirements in respect of all unvested and outstanding stock options, restricted stock units, performance share, and other equity incentive awards as of the Termination Date shall be waived as of the Termination Date. The award granted pursuant to the Employee's Performance Based Restricted Share Unit Award dated as of 19 November 2015 and the Employee's Performance Based Restricted Share Unit Award dated as of 20 July 2016 shall continue to remain outstanding and be subject to the applicable performance goals for the applicable performance periods thereunder); and

(b) each share option granted to the Employee which is vested (or deemed vested) in accordance with clause 3.3(a) as of the Termination Date will remain exercisable until the earlier of (i) one year following the Termination Date (or, if later, the post-termination expiration date specified in the applicable award agreement) and (ii) the normal expiration date of such share option that would have applied if the Employee's employment with the Company had continued.

3.4 All options, restricted stock units, shares and other awards and their vesting (or deemed vesting) and exercise dates referred to in clause 3.3 above are set out or referred to at Schedule 4.

3.5 The Company will also pay direct to his solicitors, Fox Williams LLP the Employee's legal fees incurred in obtaining advice in respect of the termination of his employment in the sum of £23,973 (including VAT) on or by the Payment Date and following receipt by the Company of the Employee's solicitors' invoice addressed to the Employee, but marked payable by the Company.

3.6 The Employee confirms that he has submitted all his business expenses claims prepared in the usual way prior to the date of this Agreement and the Company shall reimburse the Employee for any such expenses properly incurred by the Employee in the usual way. Any expenditure incurred by the Employee on his Company credit card or otherwise incurred by the Employee for which the Company or any Group Company is otherwise liable and, in each case, which was not properly incurred by him on the Group's business or for which he cannot produce appropriate receipts will be deducted from the Employee's final salary payment and/or from any of the payments due to the Employee from the Company.

3.7 The Company shall reimburse any reasonable expenses incurred by the Employee after the Termination Date as a consequence of complying with his obligations under clause 5.7, provided that such expenses are approved in advance by the Company and provided that the Employee provides such evidence of such expenses as the Company may reasonably require.

4 **TAX**

4.1 The payments and benefits referred to in clause 3 shall be subject to any tax and National Insurance contributions that the Company and/or any relevant Group Company are obliged by law to pay or deduct. These deductions shall be in accordance with the Company's understanding of the tax regime applicable at the time of the relevant payment or provision of the relevant benefit (as applicable). The Employee hereby agrees to be responsible for the payment of any tax, employee National Insurance contributions and other statutory deductions as required by law (whether the same are payable in the United Kingdom or elsewhere) in respect of all and any part of the payments and/or benefits referred to in clause 3 and to indemnify each and every Group Company (and to keep each and every Group Company indemnified on a continuing basis) against all such liabilities to taxation, employee National Insurance contributions or statutory deductions including any interest, fines, penalties, surcharges, costs and expenses (the "**Excess Tax**") which they may incur in respect thereof save:

(a) to the extent that any such interest, fines, penalties, surcharges, costs or expenses arises out of the failure of the Company or any other Group Company to respond promptly to any relevant HMRC demand for allegedly unpaid tax and/or other statutory deductions or arise out of its or their failure to account to HMRC for deductions which have been made by them; and/or

(b) for the avoidance of doubt, that the indemnity in this clause 4.1 shall not apply to sums already deducted by the Company in respect of tax, employee National Insurance contributions and/or other statutory deductions from any of the payments referred to in clause 3 nor to any interest, fines, penalties, surcharges, costs or expenses in respect thereof.

4.2 Before making any payment of Excess Tax in relation to payments and/or benefits referred to in clause 3 (in addition to the deductions already envisaged to be made by the Company from such payments pursuant to the terms of this Agreement), the Company will inform the Employee as soon as reasonably possible of the body claiming that the payment is due, provide the Employee with all documentation relating to the claim as soon as is reasonably practicable and consult with the Employee regarding any response to such claim.

5 **EMPLOYEE'S FURTHER OBLIGATIONS**

5.1 The Employee acknowledges that notwithstanding the termination of his employment with the Company on the Termination Date, the provisions contained in:

(a) the Employment Agreement concerning confidentiality, the post-termination restrictive covenants set out in the paragraph in the Employment Agreement entitled "Other Obligations" and intellectual property rights; and

(b) any restrictions which are stated to apply after the termination of the Employee's employment with the Group and which are set out in any share option, bonus, long-term incentive, other equity-based incentive or profit sharing scheme operated by the Company or any Group Company in which the Employee has participated,

shall in each case continue to apply after the Termination Date subject to and in accordance with their terms (but subject to clause 5.2).

5.2 Notwithstanding clause 5.1 above, the Company hereby confirms that the Employee shall be free from any post-termination restrictive covenants (but not, for the avoidance of doubt, any confidentiality obligations) contained in the Employment Agreement and the rules of any share option, bonus, long-term incentive, other equity-based incentive or profit sharing scheme operated by the Company or any Group Company in which the Employee has participated, (including without limitation the schemes underlying the share awards set out in Schedule 4) from 27 October 2017 and for the avoidance of doubt, the following clauses shall no longer apply from this date:

(a)The section entitled “Other Obligations” as set out in the Employee’s contract of employment dated 17 December 2007;

(b) Section 10(a) of the 2012 Equity Incentive Plan (as Amended and Restated on 23 July 2014) and the respective Award Agreements granted as follows;

(i) Section 2.6, 6 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Time-Based Restricted Share Unit Award Agreement (Former 2014 Performance-Based Restricted Share Unit Agreement);

(ii) Section 2.6, 6 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Time-Based Restricted Share Unit Award Agreement (2014 LTIP);

(iii) Section 2.5, 7.1 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Time-Based Share Option Award Agreement (2014 LTIP);

(iv) Section 2.5, 7.1 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Time-Based Share Option Award Agreement (2015 LTIP);

(v) Section 2.6, 6 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Performance Based Restricted Share Unit Award Agreement (with TSR Enhancement Multiplier Right) (2015 LTIP); and

(vi) Section 2.7, 6 and clauses 3.5 and 3.6 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Time-Based Restricted Share Unit Award Agreement (2015 LTIP).

(c) Section 10(a) of the 2012 Equity Incentive Plan (as Amended and Restated on 10 June 2016) and the respective Award Agreement granted as follows;

(i) Section 2.7, 6.1 and clauses 3.4 and 3.5 of the Agreement of Restrictive Covenants and Other Obligations for Employees Outside of the United States under Schedule B of the Performance-Based Restricted Share Unit Award Agreement.

5.3 The Employee shall (if he has not done so already) on or as soon as practicable after the date of this Agreement, return to the Company:

(a) all Confidential Information and Copies;

(b) all property belonging to the Company and/or any Group Company including (but not limited to) any, computer, laptop, mobile phone, security pass, keys; and

(c) all documents and copies (whether written, printed, electronic, recorded or otherwise and wherever located) made, compiled or acquired by him during his employment with the Company or relating to the business or affairs of the Company or any Group Company or their business contacts,

in the Employee’s possession or under his control to an officer or employee of the Group as specified by the Board and the Employee shall promptly notify an employee or officer specified by the Board of any passwords or codes used by the Employee in relation to any Group computers, laptops, phones, other electronic devices or similar.

5.4 The Employee shall, as soon as practicable after the date of this Agreement, and in consultation with an officer or employee of the Group as specified by the Board delete irretrievably and/or transfer any information relating to the business of the Company or any Group Company that he has stored on any magnetic or optical disk or memory and all matter derived from such sources which is in his possession or under his control outside the premises of the Company or any Group Company.

5.5 The Employee shall, if requested to do so by the Board, provide a signed statement that he has complied fully with his obligations under clauses 5.2 and 5.4 and shall provide the Board with such reasonable evidence of compliance as the Board may request.

5.6 The Employee warrants and represents to the Company that:

(a) so far as he is aware, he has not at any time done or failed to do anything which amounts or amounted to; and

(b) there are no circumstances of which he is aware or ought reasonably to be aware which amount to,

a repudiatory breach of any express or implied term of his employment which would (or would have) entitled the Company to terminate his employment without notice or payment in lieu of notice.

5.7 The Employee agrees to make himself reasonably available to, and to provide such reasonable cooperation to, the Group and/or its advisers in any internal investigation or administrative, regulatory, judicial or quasi-judicial proceedings in respect of which the Company reasonably believes he may have relevant knowledge or information at any time within 12 months after the Termination Date as may reasonably be required by the Group provided that, if the Employee would, by providing such assistance, forego any employment income or other similar income (other than where the Employee is required by law, by a relevant court order or by a relevant regulatory authority to provide such assistance), the Company and the Employee shall (at the relevant time) use their reasonable endeavours to agree a daily fee rate to be paid to the Employee for any assistance he provides under this clause 5.7 (to the extent that he would forego such employment or other income as a result) and, if such daily fee rate cannot be agreed, then the Employee shall not be obliged, solely pursuant to this clause (other than, for the avoidance of doubt, where the Employee is required by law, by a relevant court order or by a relevant regulatory authority to provide such assistance), to provide such assistance to the Company. The Employee acknowledges that this assistance could involve, but is not limited to, responding to or defending any regulatory or legal process, providing information in relation to any such process, preparing witness statements and giving evidence in person on behalf of the Group.

5.8 The Employee acknowledges that, save as provided in this Agreement, he is not entitled to any compensation for the loss of any rights or benefits under any share option, bonus, long-term incentive plan, other equity-based incentive scheme or profit sharing scheme operated by the Company or any Group Company in which he may have participated.

5.9 If the Employee commits a material breach of any provision of this Agreement or pursues a claim against the Company or any Group Company arising out of his employment or its termination in breach of the terms of this Agreement or breaches any of his obligations under clause 5.10, notwithstanding the other provisions of this Agreement and without prejudice to any other remedies the Company and/or relevant Group Company may have, the Employee acknowledges and agrees that the Company shall be under no further obligation under clause 3 and that, in that event, the Company shall be released from any continuing obligations under this Agreement.

5.10 The Employee will not submit any grievances to the Group in relation to his employment or its termination or otherwise and the Employee confirms that he has not and will not make a subject access request to the Company and/or any Group Company and/or any of its or their directors, officers and/or employees and that he has not and will not make any claims or complaints about the Company and/or any Group Company and/or any of its or their directors, officers and/or employees under the Data Protection Act 1998. The Employee further relinquishes and agrees not to pursue either any grievance which may have been raised by him and/or any subject access request outstanding as at the date of this Agreement and/or any claims or complaints about the Company and/or any Group Company and/or any of its or their directors, officers and/or employees and that all such grievances and/or requests and/or claims or complaints shall be deemed to have been withdrawn by the Employee as at the date of this Agreement. Notwithstanding the foregoing, the Employee understands that if he makes a confidential disclosure of a trade secret of the Company or other Confidential Information to a government official or an attorney for the sole purpose of reporting a suspected violation of US law, or in a US court filing under seal, or otherwise engages in activities protected under US whistleblower statutes, he shall not be held liable under this Agreement or under any US federal or state trade secret law for such a disclosure or engaging in such activity and shall also not be required to notify the Company of any such disclosure or engaging of any such activity.

6 WAIVER OF CLAIMS

6.1 The Employee agrees that the terms of this Agreement are offered by the Group without any admission of liability on the part of the Company and are in full and final settlement of all and any claims or rights of action that the Employee has or may have against the Company or any Group Company or its officers or employees arising out of his employment with the Company or its termination, whether under common law, contract, statute or otherwise, whether such claims are, or could be, known to the parties or in the contemplation at the date of this Agreement in any jurisdiction and including but not limited to the claims specified in Part A of Schedule 1 and Part B of Schedule 1 (each of which are hereby intimated and waived) but excluding:

(a) any personal injury claims of which the Employee is not aware at the date of this Agreement and could not reasonably be expected to be aware (other than any claim for personal injury under discrimination legislation);

(b) any claim in respect of accrued pension rights;

(c) any claim for payments and/or benefits, including without limitation the options, restricted stock units, shares and other awards set out in Schedule 4, due to him under this Agreement and/or to enforce the terms of this Agreement; and

(d) any claim under or in respect of any express or implied indemnity that has been granted to the Employee during the course of his employment or which he is entitled to benefit (whether under the Articles of Association, By-Laws or other constitutional documents of the Company or any Group Company or otherwise).

6.2 The Employee warrants that:

(a) before entering into this Agreement he received independent advice from the Adviser as to the terms and effect of this Agreement and, in particular, on its effect on his ability to pursue any complaint before an employment tribunal or other court;

(b) the Adviser has confirmed to the Employee that he/she is a solicitor of the Senior Courts of England and Wales who holds a current practising certificate and that his/her firm has a policy of insurance in force covering the risk of a claim by the Employee in respect of any loss arising in consequence of his advice;

(c)the Adviser shall sign and deliver to the Company a letter in the form attached as Schedule 2 to this Agreement;

(d) before receiving the advice in relation to the claims he has against the Company and any Group Company relating to his employment with the Company or its termination, he disclosed to the Adviser all facts or circumstances of which he was aware that may give rise to a claim against the Company or any Group Company or its officers or employees and that he is not aware of any other facts or circumstances that may give rise to any claim against the Company or any Group Company or its officers or employees other than those claims specified in clause 6.1 and Schedule 1;

(e) the only claims that he has or may have against the Company or any Group Company or their officers or employees (whether at the time of entering into this Agreement or in the future) relating to his employment with the Company or its termination are specified in clause 6.1 and Schedule 1; and

(f) he is not aware of any personal injury claim or claim in respect of accrued pension rights that he has or may have against any Group Company.

The Employee acknowledges that the Company acted in reliance on these warranties when entering into this Agreement.

6.3 The Employee acknowledges that the conditions relating to compromise agreements, compromise contracts and/or settlement agreements (as applicable) contained in section 77(4A) of the Sex Discrimination Act 1975 (in relation to claims under that Act and the Equal Pay Act 1970), section 147 of the Equality Act 2010, section 72(4A) of the Race Relations Act 1976, section 288(2B) of the Trade Union and Labour Relations (Consolidation) Act 1992, paragraph 2 of schedule 3A of the Disability Discrimination Act 1995, section 203(3) of the Employment Rights Act 1996, Regulations 35(2) and 35(3) of the Working Time Regulations 1998, paragraph 2(2) of schedule 4 of the Employment Equality (Religion or Belief) Regulations 2003, paragraph 2(2) of schedule 4 of the Employment Equality (Sexual Orientation) Regulations 2003, paragraph 12 of the schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006, section 49(4) National Minimum Wage Act 1998, section 14 Employment Relations Act 1999; Regulation 41(4) of the Transnational Consultation and Information of Employees Regulations 1999, Regulation 9 of the Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000, Regulation 10 of the Fixed-Term Employees (Prevention of Less Favourable Treatment) Regulations 2002, Regulation 40(4) of the Information and Consultation of Employees Regulations 2004, Regulation 52 o f the European Public Limited-Liability Company Regulations 2004, Regulation 18 of the Transfer of Undertakings (Protection of Employment) Regulations 2006, and paragraph 2(2) of schedule 5 of the Employment Equality (Age) Regulations 2006 have been satisfied and that the conditions set out in paragraphs 147(3)(c) and 147(3)(d) of the Equality Act 2010 are met.

6.4 The waiver in clause 6.1 shall have effect irrespective of whether or not, at the date of this Agreement, the Employee is or could be aware of such claims or have such claims in his express contemplation (including such claims of which the Employee becomes aware after the date of this Agreement in whole or in part as a result of new legislation or the development of common law or equity).

6.5 The Employee agrees that, except for the payments and benefits provided for in clause 3, he shall not be eligible for any further payment from the Company or from any Group Company relating to his employment or its termination, save for any expenses and payments under clauses 3.6, 3.7 and 5.7,and without limitation to the generality of the foregoing, he expressly waives any right or claim that he has or may have to payment of bonuses, any benefit or award programme or grant of equity interest, or to any other benefit, payment or award he may have received had his employment not terminated.

7 **CONFIDENTIALITY**

7.1 The Employee acknowledges that, as a result of his employment with the Company, he has had access to Confidential Information. Without prejudice to his common law duties and any other contractual duties, the Employee shall not (except as authorised or required by law or as authorised by the Company or Board) at any time after the Termination Date:

(a) use any Confidential Information; or

(b) make or use any Copies; or

(c) disclose any Confidential Information to any person, company or other organisation whatsoever,

provided that the restriction in this clause 7.1 shall not apply to any Confidential Information which is in or comes into the public domain other than through the Employee’s unauthorised disclosure.

7.2 The Employee shall not, and the Company shall use its reasonable endeavours to ensure that its directors shall not, make any adverse or derogatory comment about the Employee or (as the case may be) the Group and its directors, officers and/or employees or do anything which shall, or may, bring the Group, its directors, officers and/or employees, or the Employee into disrepute.

7.3 Nothing in this clause 7 shall prevent the Employee from disclosing information which he is entitled to disclose under the sections 43A and 43B of the Employment Rights Act 1996, provided that the disclosure is made in accordance with the provisions of that Act and the Employee has complied with the Company’s policy (if any) from time to time in force regarding such disclosures. Notwithstanding the foregoing provisions of this clause 7, the Employee understands that if he makes a confidential disclosure of a trade secret of the Company or other Confidential Information to a government official or an attorney for the sole purpose of reporting a suspected violation of US law, or in a US court filing under seal, or otherwise engages in activities protected under US whistleblower statutes, he shall not be held liable under this Agreement or under any US federal or state trade secret law for such a disclosure or engaging in such activity and shall also not be required to notify the Company of any such disclosure or engaging of any such activity.

8 **SUBJECT TO CONTRACT AND WITHOUT PREJUDICE**

Notwithstanding that this Agreement is marked “without prejudice and subject to contract”, it will, when dated and signed by all parties and accompanied by the duly executed Adviser’s Certificate in Schedule 2 become and open and binding agreement.

9 **ENTIRE AGREEMENT AND PREVIOUS CONTRACTS**

9.1 Each party on behalf of itself and (in the case of the Company, as agent for any Group Companies) acknowledges and agrees with the other party (the Company acting on behalf of itself and as agent for each Group Company) that:

(a) this Agreement together with any documents referred to in it constitutes the entire agreement and understanding between the Employee and the Company and any Group Company and supersedes any previous agreement between them relating to his employment by the Company or its termination (each of which shall be deemed to have been terminated by mutual consent with effect from the date of this Agreement);

(b) in entering into this Agreement neither he nor the Company nor any Group Company has relied on any Pre-Contractual Statement; and

(c) the only remedy available to it for breach of this Agreement shall be for breach of contract under the terms of this Agreement and it shall have no right of action against any other party in respect of any Pre-Contractual Statement.

9.2 Nothing in this Agreement shall, however, operate to limit or exclude any liability for fraud.

10 **VARIATION**

No variation of this Agreement or of any of the documents referred to in it shall be valid unless it is in writing and signed by or on behalf of each of the parties.

11 **COUNTERPARTS**

This Agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.

12 **THIRD PARTY RIGHTS**

No person or company (other than any Group Company and any directors, officers and/or employees of any Group Company) shall have any rights under the Contracts (Rights of Third Parties) Act 1999. The terms of this Agreement may be varied, amended or modified or this Agreement may be suspended, cancelled or terminated by agreement in writing between the parties or this Agreement may be rescinded (in each case), without the consent of any third party.

13 **GOVERNING LAW AND JURISDICTION**

13.1 This Agreement and any dispute or claims arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) shall be governed by and construed in accordance with the law of England and Wales.

13.2 Each party irrevocably agrees to submit to the exclusive jurisdiction of the courts of England and Wales over any claim or matter arising under or in connection with this Agreement.

SCHEDULE 1

CLAIMS

Part A

1 Any claim for wrongful dismissal or any other claim for breach of contract;

2 any claim for a statutory redundancy payment pursuant to sections 135 and/or 163 of the Employment Rights Act 1996;

3 any claim for unfair dismissal under Part X of the Employment Rights Act 1996;

4 any claim arising out of a contravention or an alleged contravention of Part II of the Employment Rights Act 1996 (protection of wages including any claim for unlawful deduction from wages pursuant to sections 13 and/or 23 Employment Rights Act 1996);

5 any claim in relation to the right for written statement of reasons for dismissal pursuant to sections 92 and/or 93 of the Employment Rights Act 1996;

Part B

6 any claim pursuant to section 2 of the Equal Pay Act 1970 and/or sections 120 and 127 of the Equality Act 2010;

7 any claim under or related to the Statutory Maternity Pay (General) Regulations 1986;

8 any claim in relation to the right to employment particulars and/or an itemised pay statement pursuant to sections 1, 8 and/or 11 of the Employment Rights Act 1996;

9 any claim in relation to Sunday working for shop and betting workers pursuant to Part IV of the Employment Rights Act 1996;

10 any claim arising out of a contravention of or an alleged contravention of Part III of the Employment Rights Act 1996 (Guarantee Payments), including any claim pursuant to sections 28 and/or 34 of the Employment Rights Act 1996;

11 any claim in relation to protection from suffering detriment in employment pursuant to Part V of the Employment Rights Act 1996 or under section 55 of the Pensions Act 2008;

12 any claim in relation to exercising the right to time off work pursuant to Part VI and Part VIA of the Employment Rights Act 1996;

13 any claim in relation to suspension from work pursuant to Part VII of the Employment Rights Act 1996;

14 any claim in relation to parental leave rights pursuant to the Employment Rights Act 1996;

15 any claim in relation to the right to request contract variation for flexible working pursuant to sections 80 and/or 80H of the Employment Rights Act 1996;

16 any claim arising out of a contravention or alleged contravention of the Trade Union and Labour Relations (Consolidation) Act 1992 as specified in section 18(1)(b) of the Employment Tribunals Act 1996 (excluding a claim for non-compliance of section 188);

17 any claim relating to pregnancy or maternity discrimination, direct or indirect discrimination, harassment or victimisation related to sex, marital or civil partnership status, pregnancy or maternity or gender reassignment under section 120 of the Equality Act 2010 and/or any claim pursuant to section 63 of the Sex Discrimination Act 1975 (discrimination, harassment and victimisation on the grounds of sex, marital status, gender re-assignment or civil partnership status);

18 any claim relating to direct or indirect discrimination, harassment or victimisation related to race under section 120 of the Equality Act 2010 and/or any claim pursuant to section 54 of the Race Relations Act 1976 (discrimination, harassment and victimisation on the grounds of colour, race, nationality or ethnic or national origin);

19 any claim for direct or indirect discrimination, harassment or victimisation related to disability, discrimination arising from disability, or failure to make adjustments under section 120 of the Equality Act 2010 and/or direct discrimination, harassment or victimisation related to disability, disability-related discrimination or failure to make adjustments under section 17A of the Disability Discrimination Act 1995;

20 any claim under the articles in Schedule 1 of the Human Rights Act 1998;

21 any claim pursuant to Regulation 30 Working Time Regulations 1998 (working time or holiday pay);

22 any claim under the National Minimum Wage Act 1998;

23 any claim under section 11 of the Employment Relations Act 1999;

24 any claim pursuant to Regulation 27 and Regulation 32 of the Transnational Information and Consultation of Employees Regulations 1999;

25 any claim under or related to the Maternity and Parental Leave, etc. Regulations 1999;

26 any claim pursuant to Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 (discrimination on the grounds of part time status);

27 any claim pursuant to the Fixed-term Employees (Prevention of Less Favourable Treatment) Regulations 2002 (discrimination on the grounds of fixed term status);

28 any claim relating to direct or indirect discrimination, harassment or victimisation related to sexual orientation, under section 120 of the Equality Act 2010 and/or any claim pursuant to Regulation 28 of the Employment Equality (Sexual Orientation) Regulations 2003 (discrimination, harassment on grounds of sexual orientation);

29 any claim relating to direct or indirect discrimination, harassment or victimisation related to religion or belief, under section 120 of the Equality Act 2010 and/or any claim pursuant to Regulation 28 of the Employment Equality (Religion or Belief) Regulations 2003 (discrimination and harassment on grounds of religion or belief);

30 any claim under the Employment Act (Dispute Resolution) Regulations 2004;

31 any claim pursuant to Regulation 29 or Regulation 33 of the Information and Consultation of Employees Regulations 2004;

32 any claim under section 47B of the Employment Rights Act 1996;

33 any claim relating to direct or indirect discrimination, harassment or victimisation related to age, under section 120 of the Equality Act 2010 and/or any claim pursuant to Regulation 36 or paragraphs 11 and 12 of Schedule 6 of the Employment Equality (Age) Regulations 2006;

34 any claim in relation to failure to elect appropriate representatives or inform or consult or any entitlement to compensation under the Transfer of Undertaking (Protection of Employment) Regulations 2006;

35 any claim under any provision of directly applicable European law or arising as a consequence of the United Kingdom’s membership of the European Union;

36 any claim in respect of harassment under the Protection from Harassment Act 1997;

37 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of direct discrimination as described at section 13 of the Equality Act 2010 because of a protected characteristic listed at section 4 of the Equality Act 2010;

38 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of combined discrimination as described at section 14 of the Equality Act 2010;

39 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of indirect discrimination as described at section 19 of the Equality Act 2010;

40 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of harassment as described at section 26 of the Equality Act 2010;

41 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of victimisation as described at section 27 of the Equality Act 2010;

42 any claim pursuant to section 120 of the Equality Act 2010 arising from any act of discrimination as described at sections 16, 17 and 18 of the Equality Act 2010;

43 any claim in respect of the right to equal treatment, access to collective facilities and amenities, access to employment vacancies and the right not to be subjected to detriment under regulations 5, 12, 13 and 17(2) of the Agency Workings Regulations 2010;

44 any claim under regulations 45 and 51 of the Companies (Cross-Border Mergers) Regulations 2007;

45 any claim under paragraphs 4 and 8 of the Schedule to the Occupational and Personal Pension Schemes (Consultation by Employers and Miscellaneous Amendment) Regulations 2006;

46 any claim relating to refusal of employment, refusal of employment agency services and detriment under regulations 5, 6 and 9 of the Employment Relations Act 1999 (Blacklists) Regulations 2010;

47 any claim for personal injury or illness, including psychiatric illness and occupational stress, of which the Employee is aware or could reasonably be expected to be aware as at the date of this Agreement and any claim for personal injury under discrimination legislation whether or not the Employee is aware of any such claim;

48 any claim for failure to comply with obligations under the Data Protection Act 1998; and

49 any claim for failure to comply with obligations under the Freedom of Information Act 2000.

SCHEDULE 2

ADVISER'S CERTIFICATE

[*ON HEADED NOTEPAPER OF ADVISER*]

Strictly Private & Confidential - Addressee Only **[*Date*]** 2017

For the attention of the board of directors of
Willis Limited and Willis Group Holdings plc
C/O Ivor Gwilliams
Weil Gotshal and Manges
110 Fetter Lane
London EC4A 1AY

Dear Sirs

I am writing in connection with the settlement agreement between my client, Timothy D Wright (the "**Employee**"), Willis Limited (the "**Company**") and Willis Group Holdings plc (the "**Parent Company**") of **[*date*]** 2017 (the "**Agreement**") to confirm that:

1. I, Mark Watson of Fox Williams LLP, am a Solicitor of the Senior Courts of England and Wales who holds a current practising certificate issued by the Solicitors Regulation Authority.

2. I have given the Employee legal advice on the terms and effect of the Agreement and, in particular, its effect upon his ability to pursue his rights before an employment tribunal.

3. I gave the advice to the Employee as a relevant independent adviser within the meaning of the acts and regulations referred to in clause 6.3 of the Agreement.

4. There is now in force (and was in force at the time I gave the advice referred to above), a policy of insurance or an indemnity provided for members of a profession or professional body covering the risk of claim by in respect of loss arising in consequence of the advice I have given the Employee.

5. Neither myself nor Fox Williams LLP acted for the Company or the Parent Company in relation to the termination of the Employee's employment with the Company or the Agreement.

Yours faithfully

Mark Williams
Fox Williams LLP

SCHEDULE 3

EMPLOYMENT AGREEMENT

Employment documents incorporated herein by reference as follows:

1. Contract of Employment, dated as of December 17, 2007, by and between Willis Limited, a subsidiary of the Company, and Tim Wright (incorporated by reference to Exhibit 10.55 to the Form 10-K filed by the Company on February 28, 2013)
2. Amendment, dated July 19, 2012, to the Contract of Employment, dated as of December 17, 2007, by and between Willis Limited, a subsidiary of the Company, and Tim Wright (incorporated by reference to Exhibit 10.56 to the Form 10-K filed by the Company on February 28, 2013)
3. Amendment, dated April 30, 2014, to the Contract of Employment dated December 17, 2007, by and between Willis Limited, a subsidiary of the Company, and Tim Wright (incorporated by reference to Exhibit 10.7 to the Form 10-Q filed by the Company on May 9, 2014)
4. Amendment to Employment Agreement, dated as of June 29, 2015, by and between Willis Limited and Timothy Wright (incorporated by reference to Exhibit 10.3 to the Form 8-K filed by the Company on June 30, 2015)

SCHEDULE 4

SHARE AWARDS

Plan Type	Scheme Description	Award/Grant Code	Award/Grant Description	Award/Grant Date	Vest Date*	Expiry Date	Award/Grant Price	Award/Grant Units	Total Awarded/Granted Units	Outstanding Units	Vested Exercisable	Unvested
Executive - Options	LTIP - NQ	12A	2012 AWARD	December 26, 2012	December 26, 2015	December 27, 2020	88.84	19,286.00	19,286.00	19,286.00	19,286	—
Executive - Options	LTIP - NQ	13B	2013 AWARD	December 16, 2013	December 16, 2016	December 17, 2021	117.40	12,913.00	12,913.00	12,913.00	12,913	—
Executive - Options	LTIP - NQ	14I	2014 AWARD	December 16, 2014	December 16, 2017	December 17, 2022	114.99	19,627.00	19,627.00	19,627.00	12,952	6,675
Executive - Options	LTIP - NQ	15H	2015 AWARD	November 9, 2015	November 9, 2018	November 10, 2023	116.68	20,115.00	20,115.00	20,115.00	6,637	13,478
Executive - Options	LTIP 2001 PSO	11D	2011 AWARD	May 2, 2011	May 2, 2015	May 3, 2019	109.95	8,171.00	8,171.00	8,171.00	8,171	—
										Total:	59,959	20,153

* Refers to originally scheduled vesting date.

**All of the above options shown as unvested will vest on the Termination Date pursuant to and in accordance with clause 3.3 and the Employment Agreement.

Scheme Description	Award/Grant Description	Award/Grant Date	Vest Date*	Award/Grant Units	Dividend Units	Total Awarded/Granted Units	Outstanding Units
LTIP - PSU	2015 AWARD	November 9, 2015	March 2, 2018	5,151.00	—	5,151.00	5,151
LTIP - PSU	2016 AWARD	July 20, 2016	March 15, 2019	8,544.00	32.269415	8,576.269415	8,576
LTIP - RSU	2014 AWARD PSU CONVERSION	December 16, 2014	March 3, 2017	5,217.00	—	5,217.00	5,217
LTIP - RSU	2014 AWARD	December 16, 2014	December 16, 2017	1,747.00	—	1,747.00	887
LTIP - RSU	2015 AWARD	November 9, 2015	November 9, 2018	2,570.00	—	2,570.00	1,722

* Refers to originally scheduled vesting date.

**All of the above LTIP- RSUs shown as outstanding units will vest on the Termination Date pursuant to and in accordance with clause 3.3 and the Employment Agreement.

***The above schedule does not include the following securities held on Computershare under the titles:

EIS 10B5 1 - which comprises earned, vested and taxed shares from 2009 grant

Vested securities - which comprises earned, vested and taxed shares from 2012-15 grants

****All of the LTIP-PSUs shown above are subject to the treatment set out in clause 3.3 and the Employment Agreement.

IN WITNESS whereof this Agreement has been executed and delivered as a deed on the date first above written.

Signed as a deed by)
WILLIS LIMITED)
acting by Oliver Goodinge) /s/ Oliver Goodinge
in the presence of:)

Name of witness: Michael Williamson

Signature of witness: /s/ Michael Williamson

Address of witness: 55 Queensberry Avenue

Copford

CO6 1YS

Occupation of witness: Solicitor

Signed as a deed by)
WILLIS GROUP HOLDINGS PLC)
acting by Anne Donovan Bodnar) /s/ Anne Donovan Bodnar
in the presence of:)

Name of witness: Nadine St Fort

Signature of witness: /s/ Nadine St Fort

Address of witness: 255 Alhambra Circle

Suite 950

Coral Gables, FL 33134

Occupation of witness: Office Services Assistant

Signed as a deed by)
TIMOTHY D WRIGHT) /s/ Timothy D. Wright
in the presence of:)

Name of witness: Parissa Torabi

Signature of witness: /s/ Parissa Torabi

Address of witness: Fox Williams LLP

10 Finsbury Square

London, EC2A 1AF

Occupation of witness: Solicitor

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECURITIES EXCHANGE ACT RULES 13a-14 AND 15d-14 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, John J. Haley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;
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 Rules13a-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 to the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (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: May 9, 2017

/s/ John J. Haley

John J. Haley
Chief Executive Officer

Exhibit 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO
SECURITIES EXCHANGE ACT RULES 13a-14 AND 15d-14
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Roger F. Millay, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;
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 Rules13a-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 to the audit committee of the registrant's board of directors (or persons performing the equivalent function):
   (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: May 9, 2017

/s/ Roger F. Millay

Roger F. Millay
Chief Financial Officer

Exhibit 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned hereby certifies, in his capacity as an officer of Willis Towers Watson Public Limited Company (the “Company”), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of his knowledge:

- The Quarterly Report of the Company on Form 10-Q for the period ended March 31, 2017, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 9, 2017

/s/ John J. Haley

John J. Haley
Chief Executive Officer

/s/ Roger F. Millay

Roger F. Millay
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Willis Towers Watson Public Limited Company and will be retained by Willis Towers Watson Public Limited Company and furnished to the Securities and Exchange Commission or its staff upon request.