

REGISTRATION NO. 333-

## SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM S-8  
 REGISTRATION STATEMENT  
 UNDER  
 THE SECURITIES ACT OF 1933

WILLIS GROUP HOLDINGS LIMITED

(Exact name of Registrant as specified in its charter)

BERMUDA  
 (State or other jurisdiction of incorporation or  
 organization)

NONE  
 (I.R.S. Employer Identification Number)

TEN TRINITY SQUARE  
 LONDON EC3P 3AX  
 ENGLAND

(011) 44-20-7488-8111

(Address, including zip code, of Registrant's principal executive office)

WILLIS GROUP HOLDINGS LIMITED NON-EMPLOYEE DIRECTORS' DEFERRED COMPENSATION PLAN

THE WILLIS GROUP HOLDINGS LIMITED NON-EMPLOYEE DIRECTORS SHARE OPTION SCHEME

AMENDED AND RESTATED 1998 SHARE PURCHASE AND OPTION PLAN FOR KEY EMPLOYEES OF  
 WILLIS GROUP HOLDINGS LIMITED

AMENDED AND RESTATED WILLIS AWARD PLAN FOR KEY EMPLOYEES OF WILLIS GROUP  
 HOLDINGS LIMITED

WILLIS GROUP HOLDINGS LIMITED 2001 SHARE PURCHASE AND OPTION PLAN

(Full title of the Plan)

MARY E. CAIAZZO

WILLIS NORTH AMERICA INC.

P.O. BOX 305026

NASHVILLE, TN 37230-5026

USA

(615) 872-3006

(Name, address, including zip code, and telephone number, including area code,  
 of Registrant's agent for service)

COPIES TO:

EDWARD P. TOLLEY III

SIMPSON THACHER &amp; BARTLETT

425 LEXINGTON AVENUE

NEW YORK, NEW YORK 10017-3954

(212) 455-2000

CALCULATION OF REGISTRATION FEE

TITLE OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(4)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE	AMOUNT OF REGISTRATION FEE
Stock Options and Common Stock, \$0.000115 par value per share.....	29,613,807(1)	\$3.19	\$94,468,044.33	\$23,617
Stock Options and Common Stock, \$0.000115 par value per share.....	15,228,693(2)	\$16.25	\$247,466,261.25	\$61,866.57
Common Stock, \$0.000115 par value per share.....	500,000 shares(3)	\$16.25	\$8,125,000	\$2,031.25

- (1) Represents all shares reserved for issuance upon the exercise of options under the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited, the Amended and Restated Willis Award Plan for Key Employees of Willis Group Holdings Limited and the Willis Group Holdings Limited 2001 Share Purchase and Option Plan, which are currently outstanding.
- (2) Represents all shares reserved for issuance under or issuance upon the exercise of options reserved for grant under the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited, the Amended and Restated Willis Award Plan for Key Employees of Willis Group Holdings Limited, The Willis Group Holdings Limited Non-Employee Directors Share Option Scheme and the Willis Group Holdings Limited 2001 Share Purchase and Option Plan.
- (3) Represents all shares reserved for issuance under the Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan.
- (4) Pursuant to Rule 457(h)(1) and Rule 457(c) under the Securities Act of 1933, as amended, the proposed maximum offering price per share, the proposed maximum aggregate offering price and the amount of registration fee have been computed as follows: (a) with respect to 29,613,807 shares of common stock as to which outstanding options were granted prior to the date of this Registration Statement, the registration fee is based on the weighted average exercise price per share of \$3.19 (based on the exchange rate as of June 15, 2001 of \$1.40=L1.00) and (b) with respect to the balance of 15,728,693 shares being registered, the registration fee is based on a price of \$16.25 per share, which is the average of the high and low prices of the common stock on the New York Stock Exchange on June 14, 2001 (within 5 business days before the filing date of this Registration Statement).

In addition, pursuant to Rule 416(c) under the Securities Act of 1933, this registration statement also covers an indeterminate amount of interests to be offered or sold pursuant to the Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan, the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited and the Willis Group Holdings Limited 2001 Share Purchase and Option Plan.

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PART II  
INFORMATION REQUIRED IN THE REGISTRATION STATEMENT

ITEM 3. INCORPORATION OF DOCUMENTS BY REFERENCE.

The following documents filed by Willis Group Holdings Limited (the "Company" or "Registrant") with the Securities and Exchange Commission (the "Commission") are hereby incorporated by reference in this Registration Statement.

- (a) The Registrant's Prospectus filed on June 12, 2001 pursuant to Rule 424(b) of the Securities Act of 1933, as amended (the "Securities Act"), which contains audited financial statements for the Registrant's latest fiscal year for which such statements have been filed. (File No. 333-60982)
- (b) None.
- (c) The description of the Registrant's capital stock contained in the Registrant's Registration Statement on Form 8-A filed with the Commission under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), on May 21, 2001, including any amendment or report filed for the purpose of updating such description.

All documents filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this Registration Statement and prior to the filing of a post-effective amendment to this Registration Statement indicating that all securities offered have been sold or which deregisters all securities then remaining unsold, shall be deemed to be incorporated by reference into this Registration Statement and to be a part hereof from the date of filing of such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Registration Statement to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Registration Statement.

ITEM 4. DESCRIPTION OF SECURITIES.

See Item 3(c) above.

ITEM 5. INTERESTS OF NAMED EXPERTS AND COUNSEL.

Not applicable.

ITEM 6. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

The Bye-laws of the Registrant provide for indemnification of the Registrant's officers and directors against all liabilities, loss, damage or expense incurred or suffered by such party as an officer or director of the Registrant; provided that such indemnification shall not extend to any matter which would render it void pursuant to the Companies Act of 1981 as in effect from time to time in Bermuda.

The Companies Act provides that a Bermuda company may indemnify its directors in respect of any loss arising or liability attaching to them as a result of any negligence, default, breach of duty or breach of trust of which they may be guilty. However, the Companies Act also provides that any provision, whether contained in the company's bye-laws or in a contract or arrangement between the company and the director, indemnifying a director against any liability which would attach to him in

respect of his fraud or dishonesty will be void. The directors and officers of the Registrant are covered by directors' and officers' insurance policies maintained by the Registrant.

Under the Amended and Restated Limited Partnership Agreement of Profit Sharing (Overseas), Limited Partnership, directors of the Registrant who are officers, directors, employees, partners, stockholders, members or agents of KKR 1996 Fund (Overseas), Limited Partnership or its affiliates are indemnified by Profit Sharing (Overseas), Limited Partnership to the fullest extent permitted by law from and against all liabilities, loss, damage or expense relating to the performance as a director of the Registrant during the period of time in which Profit Sharing (Overseas), Limited Partnership holds an interest in the Registrant; provided that such indemnification shall not cover acts not made in good faith and not in the best interest of the Profit Sharing (Overseas), Limited Partnership or constitute malfeasance.

ITEM 7. EXEMPTION FROM REGISTRATION CLAIMED.

None.

ITEM 8. EXHIBITS.

- 4.1 Memorandum of Association of the Company (incorporated herein by reference to Exhibit 3.1 to Registration Statement No. 333-60982)
- 4.2 Form of Bye-Laws of the Company (incorporated herein by reference to Exhibit 3.2 to Registration Statement No. 333-60982)
- 4.3 The Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan (filed herewith)
- 4.4 The Willis Group Holdings Limited Non-Employee Directors Share Option Scheme (filed herewith)
- 4.5 Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited (filed herewith)
- 4.6 Amended and Restated Willis Award Plan for Key Employees of Willis Group Holdings Limited (filed herewith)
- 4.7 Willis Group Holdings Limited 2001 Share Purchase and Option Plan (incorporated herein by reference to Exhibit 10.8 to Registration Statement No. 333-60982)
- 5 Opinion of Appleby Spurling & Kempe (filed herewith)
- 23.1 Consent of Deloitte & Touche (filed herewith)
- 23.2 Consent of Appleby Spurling & Kempe (Reference is made to Exhibit 5 filed herewith)
- 24.1 Power of Attorney (included on signature page to this Registration Statement)

ITEM 9. UNDERTAKINGS.

The Company hereby undertakes:

(a) (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this Registration Statement:

(i) to include any prospectus required by Section 10(a)(3) of the Securities Act of 1933 (the "Act");

(ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement; provided, however, that paragraphs (a)(1)(i) and (a)(1)(ii) above do not apply if the registration statement is on Form S-3, Form S-8 or Form F-3, and the information required to be included in a post-effective amendment by those paragraphs is contained in periodic reports filed by the Company pursuant to Section 13 or Section 15(d) of the Exchange Act that are incorporated by reference in this post-effective amendment.

(2) That, for the purpose of determining any liability under the Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered hereby which remain unsold at the termination of the offering.

(b) The undersigned registrant hereby undertakes that, for purposes of determining any liability under the Act, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Exchange Act that is incorporated by reference in this registration statement shall be deemed to be a new registration statement relating to the securities offered herein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(c) Insofar as indemnification for liabilities arising under the Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the provisions of the Certificate of Amendment Certificate of Incorporation of the registrant and the provisions of Delaware law described under Item 6 above, the registrant has been advised that in the opinion of the Commission such indemnification is against public policy as expressed in the Act, and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

# SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-8 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of London, Country of England on the 15th day of June, 2001.

## WILLIS GROUP HOLDINGS LIMITED

By: /s/ JOSEPH J. PLUMERI

-----  
Joseph J. Plumeri  
EXECUTIVE CHAIRMAN AND DIRECTOR

## POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Thomas Colraine, Mary E. Caiazzo and Michael Chitty and each of them, as his true and lawful attorneys-in-fact and agents, with full power of substitution and re-substitution, for him in his name, place and stead, in any and all capacity, in connection with this Registration Statement, including to sign and file in the name and on behalf of the undersigned as director or officer of the Registrant any and all amendments or supplements (including any and all stickers and post-effective amendments) to this Registration Statement, with all exhibits thereto, and other documents in connection therewith with the Securities and Exchange Commission and any applicable securities exchange or securities self-regulatory body, granting unto said attorney-in-fact and agents, and each of them full power and authority to do and perform each and every act and things requisite or necessary to be done in and about the premises, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the date indicated.

NAME ----	TITLE -----	DATE ----
/s/ JOSEPH J. PLUMERI ----- Joseph J. Plumeri	Executive Chairman and Director (principal executive officer)	June 15, 2001
/s/ THOMAS COLRAINE ----- Thomas Colraine	Chief Financial Officer (principal accounting officer)	June 15, 2001
/s/ HENRY R. KRAVIS ----- Henry R. Kravis	Director	June 15, 2001
/s/ GEORGE R. ROBERTS ----- George R. Roberts	Director	June 15, 2001
/s/ PERRY GOLKIN ----- Perry Golkin	Director	June 15, 2001

NAME ----	TITLE -----	DATE -----
/s/ TODD A. FISHER ----- Todd A. Fisher	Director	June 15, 2001
/s/ SCOTT C. NUTTALL ----- Scott C. Nuttall	Director	June 15, 2001
/s/ JAMES R. FISHER ----- James R. Fisher	Director	June 15, 2001
/s/ PAUL M. HAZEN ----- Paul M. Hazen	Director	June 15, 2001
/s/ MARY E. CAIAZZO ----- Mary E. Caiazzo	Authorized U.S. Representative	June 15, 2001

THE PLANS. Pursuant to the requirements of the Securities Act of 1933, as amended, the administrators of the Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan, the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited and the Willis Group Holdings Limited 2001 Share Purchase and Option Plan have duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, New York, as of the 15th day of June, 2001.

WILLIS GROUP HOLDINGS LIMITED NON-EMPLOYEE  
DIRECTORS' DEFERRED COMPENSATION PLAN

By: /s/ PERRY GOLKIN  
-----  
Perry Golkin, Administrator

By: /s/ TODD A. FISHER  
-----  
Todd A. Fisher, Administrator

By: /s/ SCOTT C. NUTTALL  
-----  
Scott C. Nuttall, Administrator

By: /s/ PAUL M. HAZEN  
-----  
Paul M. Hazen, Administrator

AMENDED AND RESTATED 1998 SHARE PURCHASE AND OPTION  
PLAN FOR KEY EMPLOYEES OF WILLIS GROUP HOLDINGS LIMITED

By: /s/ PERRY GOLKIN  
-----  
Perry Golkin, Administrator

By: /s/ TODD A. FISHER  
-----  
Todd A. Fisher, Administrator

By: /s/ SCOTT C. NUTTALL  
-----  
Scott C. Nuttall, Administrator

By: /s/ PAUL M. HAZEN  
-----  
Paul M. Hazen, Administrator

WILLIS GROUP HOLDINGS LIMITED 2001  
SHARE PURCHASE AND OPTION PLAN

By: /s/ PERRY GOLKIN  
-----  
Perry Golkin, Administrator

By: /s/ TODD A. FISHER  
-----  
Todd A. Fisher, Administrator

By: /s/ SCOTT C. NUTTALL  
-----  
Scott C. Nuttall, Administrator

By: /s/ PAUL M. HAZEN  
-----  
Paul M. Hazen, Administrator



# INDEX TO EXHIBITS

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WILLIS GROUP HOLDINGS LIMITED  
NON-EMPLOYEE DIRECTORS' DEFERRED COMPENSATION PLAN

## ARTICLE I

### DEFINITIONS

- 1.1 "Affiliate" means with respect to any Person (as defined herein), any entity directly or indirectly controlling, controlled by or under common control with such Person.
- 1.2 "Board" means the board of directors of the Company.
- 1.3 "Cash Account" shall mean the account created by the Company pursuant to Article III of this Plan in accordance with an election by a Director to receive deferred cash compensation under Article II hereof.
- 1.4 "Change of Control" means (a)(i) a sale of all or substantially all of the assets of the Company to a Person who is not KKR or any Affiliate of KKR (ii) a sale by KKR or any of its Affiliates resulting in more than 50% of the Shares of the Company being held by a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) or (iii) a takeover, reconstruction or winding-up involving the Company or KKR or any of its respective Affiliates resulting in a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) holding more than 50% of the Shares of the Company (or the resulting controlling entity) immediately after any such business combinations; if and only if (b) any such event results in the inability of the KKR Partnership (as defined herein) to elect a majority of the Board (or the resulting entity).
- 1.5 "Committee" means a committee of the Board.
- 1.6 "Company" means Willis Group Holdings Limited, a company incorporated in Bermuda.
- 1.7 "Director" means a member of the Board who is not an employee of the Company or any of its subsidiaries.
- 1.8 "Fees" means amounts earned for serving as a member of the Board or any Committee.
- 1.9 "Group" means two or more Persons acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring holding or disposing of securities of the Company.
- 1.10 "KKR" means Kohlberg, Kravis, Roberts & Co., L.P.
- 1.11 "KKR Partnership" shall mean Profit-Sharing (Overseas) Limited Partnership, an Affiliate of KKR.
- 1.12 "Listed" means the listing of the Shares on the New York Share Exchange or any other major stock exchange and the sale of the Shares (or American Depository Shares representing such Shares) to the public pursuant to an

effective registration statement (other than a registration statement on Form F-4 or S-8 or any similar or successor forms) filed under the Securities Act of 1933 (USA).

- 1.13 "Shares" means the common shares of the Company, par value \$0.000115 per share.
- 1.14 "Person" means an individual, partnership, corporation, limited liability company business trust, joint share company, trust, unincorporated association, joint venture governmental authority or other entity of whatever nature.
- 1.15 "Plan" means this Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan as it may be amended from time to time.
- 1.16 "Share Account" means the account created by the Company pursuant to Article III of this Plan in accordance with an election by a Director to defer Fees and receive share-related compensation under Article II hereof.
- 1.17 "Share Value" shall mean, on a per share basis, for any given day, (i) if the Shares are not Listed, the fair market value per Share, as determined by the Board on the relevant calculation date, and (ii) if the Shares are Listed, the price per Share equal to the average of the last sale price of the Shares on each of the ten trading days prior to the relevant calculation date on the New York Stock Exchange or, if there shall have been no sales on such exchange on any such trading day, the average of the closing bid and asked prices on such exchange at the end of such trading day or if there is no such bid and asked price on the next preceding date when such bid and asked price occurred or, if the Shares shall not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of the relevant calculation date in the over-the-counter market.
- 1.18 "Year" shall mean calendar year.
- 1.19 "He", "Him" or "His" shall apply equally to male and female members of the Board.

## ARTICLE II

### ELECTION TO DEFER

- 2.1 A Director may elect, on or before December 31 of any Year, to irrevocably defer payment of all or a specified part of all Fees earned during the Year following such election and succeeding Years (until the Director ceases to be a Director or elects (in writing) to change such election); PROVIDED, HOWEVER, that with respect to Year 2001 a Director may elect, on or before the thirtieth day following the effective date of this Plan, to defer all or a specified part of all Fees earned on or after the date of adoption of this Plan (and which have not been paid to him). Any person who shall become a Director during any

Year, and who was not a Director of the Company on the preceding December 31, may elect, before the Director's term begins, to defer payment of all or a specified part of such Fees earned during the remainder of such Year and for succeeding Years. Any Fees deferred pursuant to this Section 2.1 shall be paid to the Director at the time(s) and in the manner specified in Article IV hereof, as designated by the Director.

- 2.2 The election to participate in the Plan and manner of payment shall be designated by submitting a letter in the form attached hereto as Appendix A to the Secretary of the Company.
- 2.3 The election shall continue from Year to Year unless the Director changes such election by written request delivered to the Secretary of the Company at least six months prior to the commencement of the Year for such the changed election shall be effective.

### ARTICLE III

#### DEFERRED COMPENSATION ACCOUNTS

- 3.1 The Company shall maintain separate accounts for the Fees deferred by each Director, based on the elections each Director has made.
- 3.2 If a Director has elected to defer a portion of his or her Fees into a cash account, on the first day of each quarter, the Company shall credit such cash account of each Director with interest calculated on the basis of the balance in such account on the first day of each month of the preceding quarter at the interest rate the Company does or could earn on a bank account of similar size with its principal lender as in effect from time to time (the "CASH ACCOUNT").
- 3.3 Fees deferred into the Cash Account shall be held in the general assets of the Company and no separate fund or trust shall be created or moneys set aside on account of the Cash Account. Further, the Company shall not be required to acquire, reserve, segregate, or otherwise set aside shares of its Shares for the payment of its obligations, if any, with respect to the Share Account, but shall make available as and when required a sufficient number of shares of its Shares to meet the needs of the Plan.
- 3.4 If a Director has elected to defer a portion of his or her Fees into a stock account, the Company shall credit, on the tenth day after the Company announces its quarterly results (which shall from time to time either follow or precede each corresponding quarterly date on which the Fees would otherwise become payable to the Director if the Director had elected to defer the Fees into a Cash Account), the Share Account of each Director with the number of Shares, which is equal to the deferred Fees otherwise payable to the Director as to which an election to receive share-related compensation has been made, divided by the Share Value (the "SHARE ACCOUNT"). For the purposes of this Section 3.2, the Share Value shall be determined on the date the Fees are actually credited to the Director's Share Account pursuant to this Section 3.4.

- 3.5 The Company shall credit, on the date that any dividends are paid with respect to the Shares, the Share Account of each Director who has elected to defer Fees with the number of Shares equivalent to the product of (x) the amount of any dividend paid, multiplied by (y) the quotient of (a) the number of Shares represented in the relevant Director's Share Account, divided by (b) the Share Value on the dividend payment date.
- 3.6 If adjustments are made to the authorized or issued share capital of the Company as a result of split-ups, recapitalizations, mergers, consolidations and the like, an appropriate adjustment shall also be made in the number of Shares credited to the Directors' Share Account.
- 3.7 The value of the Shares shall be computed to two decimal places.
- 3.8 Nothing contained herein shall be deemed to create a trust of any kind or any fiduciary relationship. To the extent that any Person acquires a right to receive payments from the Company under the Plan, such right shall be no greater than the right of any unsecured general creditor of the Company.

#### ARTICLE IV

##### PAYMENT OF DEFERRED COMPENSATION

- 4.1 Subject to the second succeeding sentence of this Section 4.1 and to Section 4.4, amounts contained in a Director's Cash Account and/or Share Account shall be distributed as the Director's election (made pursuant to Section 2.2 of Article II hereof) shall provide. Distributions shall begin upon the earlier of the first day of the Year following the Director's retirement (other than retirement by rotation), resignation, removal or separation from the Board, or the termination of this Plan. The total amounts credited to a Director's Cash Account shall be paid in cash (equal to the amount of the Fees and interest that have accumulated in the Director's Cash Account pursuant to Article III); the total amounts credited to a Director's Share Account shall be paid in Shares (equal to the number of Shares that have accumulated in the Director's Share Account pursuant to Article III).
- 4.2 Each Director shall have the right to designate a beneficiary who is to succeed to his right to receive payments hereunder in the event of his death. Any designated beneficiary shall receive payments in the same manner as the Director would have received payments if he had lived. In case of a failure of designation or the death of a designated beneficiary without a designated successor, the balance of the amounts contained in the Director's Cash Account and/or Share Account shall be payable in accordance with Section 4.1 to the Director's or former Director's estate in full on the first day of the Year following the Year in which he dies. No designation of beneficiary or change in beneficiary shall be valid unless in writing signed by the Director and filed with the Secretary of the Company.
- 4.3 The Company shall not, and no Director or his beneficiary shall have the right to require the Company to, allot and issue any Shares (or other securities of

the Company) as payment in respect of any amounts due and payable to him pursuant to this Plan in lieu of the payment in cash in respect of the Director's Cash Account, as provided in Section 4.1 above.

- 4.4 Notwithstanding anything set forth in this Article IV, no distributions shall be made until the shareholders of the Company approve the establishment of this Plan; PROVIDED, HOWEVER, that this Plan shall terminate and be of no further force and effect in the event such shareholder approval is not obtained prior to December 31, 2001.

#### ARTICLE V

##### ADMINISTRATION; INTERPRETATION; SHARES

##### AVAILABLE FOR DISTRIBUTION

- 5.1 The Committee shall administer and interpret the Plan in its sole discretion, and the Company shall maintain the Plan at its expense. All decisions made by the Committee with respect to issues hereunder shall be final and binding on all parties.
- 5.2 Except to the extent required by law, the right of any Director or any beneficiary to any benefit or to any payment hereunder shall not be subject in any manner to attachment or other legal process for the debts of such Director or beneficiary; and any such benefit or payment shall not be subject to alienation, sale, transfer assignment or encumbrance.
- 5.3 The number of Shares available for distribution in respect of the payment of Share Accounts shall be 500,000 authorized Shares as of the effective date of this plan.

#### ARTICLE VI

##### AMENDMENT OF PLAN; GOVERNING LAW; CHANGE OF CONTROL

- 6.1 The Plan may be amended, suspended or terminated in whole or in part from time to time by the Board except that no amendment, suspension, or termination shall apply to the payment to any Director or beneficiary of a deceased Director of any amounts previously credited to a Director's Cash Account and/or Share Account.
- 6.2 This Plan shall be governed by and construed and enforced in accordance with the laws of Bermuda.
- 6.3 In the event of a Change of Control, all amounts contained in each Director's Cash Account and/or Share Account shall be distributed (in a lump sum or in equal annual installments) as the Director's election shall provide within thirty (30) days after the occurrence of a Change of Control.

Effective the 3rd day of May, 2001.

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THE WILLIS GROUP HOLDINGS LIMITED NON-EMPLOYEE  
DIRECTORS SHARE OPTION SCHEME  
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## 1. DEFINITIONS AND INTERPRETATION

### 1.1 In this Scheme, unless the context otherwise requires:-

"THE BOARD" means the board of directors of the Company or a committee appointed by them;

"THE COMPANY" means Willis Group Holdings Limited (registered in Bermuda);

"THE GRANT DATE" in relation to an option means the date on which the option was granted;

"GROUP MEMBER" means:

1.1.1 a Participating Company or a body corporate which is the Company's holding company or a subsidiary of the Company's holding company; or

1.1.2 a body corporate which is a subsidiary undertaking of a body corporate within paragraph 1.1.1 above and has been designated by the Board for this purpose;

"NON-EMPLOYEE DIRECTOR" means a member of the Board who is not an employee of the Company or any of its Subsidiaries;

"PARTICIPANT" means a person who holds an option granted under this Scheme;

"PARTICIPATING COMPANY" means the Company or any Subsidiary or any company which is not under the control of any single person, but is under the control of two persons, one of them being the Company;

"SUBSIDIARY" means a body corporate which is a subsidiary of the Company.

## 2. GRANT OF OPTIONS

2.1 Subject to Rule 3, the Board may by deed grant to any Non-Employee Director in any calendar year an option to subscribe for shares in the Company with a market value of \$40,000 or such other amount as the Board shall determine from time to time, upon the terms set out in this Scheme and upon such other objective terms as the Board may specify. The terms of grant may include a term that the Participant enter into an agreement or election under which the Participant agrees to pay his employer's social security or National Insurance liability (or reimburse the employer for such liability) in any jurisdiction arising on exercise of the option. A Non-Employee Director may only be granted one option under this Scheme in each calendar year.

2.2 For the purposes of Rule 2.1, the market value of shares shall be on a per share basis for any given day, (i) if the Shares are not listed on any stock exchange, the fair market value per share, as determined by the Board on the relevant calculation date, and (ii) if the shares are listed on a stock exchange, the price per share equal to the average of the last sale price of the shares on each of the ten trading days prior to the relevant calculation date on the New York Stock Exchange or, if there shall have been no sales on such exchange on any such trading day, the average of the closing bid and asked prices on such exchange at the end of such trading day or if there is no such bid and asked price on the next preceding date when such bid and asked price occurred or, if the shares shall

not be so listed, the average of the closing sales prices as reported by NASDAQ at the end of the relevant calculation date in the over-the-counter market.

2.3 The price at which shares may be acquired by the exercise of an option granted under this Scheme shall be the nominal value of those shares.

2.4 An option may only be granted:

2.4.1 within the period of 6 weeks beginning with:

- (a) the date on which this Scheme is approved and adopted by the Company; or
- (b) the tenth day after the Company announces its results for any period; or

2.4.2 at any other time when the circumstances are considered by the Board to be sufficiently exceptional to justify its grant; and

2.4.3 within the period of 10 years beginning with the date on which this Scheme is adopted by the Company.

2.5 An option granted to any person:

2.5.1 shall not, except as provided in Rule 4.4, be capable of being transferred by him; and

2.5.2 shall lapse forthwith if he is adjudged bankrupt.

### 3. LIMITS

3.1 No options shall be granted in any year which would, at the time they are granted, cause the number of shares in the Company allocated under this Scheme to exceed 100,000 shares.

3.2 Any option granted under this Scheme shall be limited and take effect so that the above limits are complied with.

### 4. EXERCISE OF OPTIONS

4.1 The exercise of any option shall be effected in the form and manner prescribed by the Board and, unless the Board determines otherwise, any notice of exercise shall take effect only when received by the Company together with the relevant exercise monies or an agreement to provide such monies pursuant to arrangements acceptable to the Company.

4.2 An option granted under this Scheme may be exercised at any time after the Grant Date.

4.3 If any Participant dies at a time when he is a Non-Employee Director, any option may (and must, if at all) be exercised by his personal representatives within 12 months after the date of his death.

4.4 If any Participant ceases to be a Non-Employee Director (otherwise than by reason of his death), he may exercise any option within 12 months after the date he so ceased.

- 4.5 A Participant shall not be treated for the purposes of Rule 4.4 as ceasing to be a Non-Employee Director until such time as he is no longer a Non-Employee Director of any Group Member.
- 4.6 Notwithstanding any other provision of this Scheme, an option may not be exercised after the expiration of the period of 10 years (or such shorter period as the Board may have determined before its grant) beginning with the Grant Date.
- 4.7 An option may not be exercised unless:
- 4.7.1 the Board considers that the issue or transfer of shares pursuant to such exercise would be lawful in all relevant jurisdictions; and
- 4.7.2 in a case where, if the option were exercised, a Group Member would be obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question would be liable by virtue of the exercise of the option and/or for any social security contributions that would be recoverable from the person in question (together, the "Tax Liability"), that person has either:
- (a) made a payment to the Group Member of an amount at least equal to the Company's estimate of the Tax Liability; or
- (b) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorising the sale of some or all of the shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise)
- 4.8 Within 30 days after an option has been exercised by any person, the Board shall allot to him (or a nominee for him) the number of shares in respect of which the option has been exercised.
- 4.9 All shares allotted under this Scheme shall rank equally in all respects with the shares of the same class then in issue except for any rights attaching to such shares by reference to a record date prior to the date of the allotment.
5. CASH EQUIVALENT
- 5.1 Where an option has been exercised by any person in respect of any number of shares, and those shares have not yet been allotted to him in accordance with Rule 4.8, the Board may determine that, in substitution for his right to acquire such number of those shares as the Board may decide (but in full and final satisfaction of his said right), he shall be paid by way of additional emoluments a sum equal to the cash equivalent of that number of shares.
- 5.2 The CASH EQUIVALENT of any shares is the amount by which the Board's opinion of the market value of those shares on the day immediately preceding the date on which the option was exercised (or, if at the relevant time shares of the same class as those shares were listed on the New York Stock Exchange, the closing price per share on the dealing

day immediately preceding that date) exceeds the price at which those shares may be acquired by the exercise of the option.

- 5.3 Subject to Rule 5.4, as soon as reasonably practicable after a determination has been made under Rule 5.1 that a person shall be paid a sum in substitution for his right to acquire any number of shares:

5.3.1 the Company shall pay to him or procure the payment to him of that sum in cash; and

5.3.2 if he has already paid the Company for those shares, the Company shall return to him the amount so paid by him.

- 5.4 If the Board in its discretion so decides:

5.4.1 the whole or part of the sum payable under Rule 5.3.1 shall, instead of being paid to the person in question in cash, be applied on his behalf in subscribing for shares in the Company at a price equal to the market value (or, as the case may be, the closing price) by reference to which the cash equivalent is calculated, or in purchasing such shares, or partly in one way and partly in the other, and

5.4.2 the Company shall allot to him (or his nominee) or procure the transfer to him (or his nominee) of the shares so subscribed for or purchased.

- 5.5 There shall be made from any payment under this Rule 5 such deductions (on account of tax or similar liabilities) as may be required by law or as the Board may reasonably consider to be necessary or desirable.

## 6. MERGER, CONSOLIDATION, EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

- 6.1 In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any option, the Board may provide that such option cannot be exercised after the merger, amalgamation pursuant to Bermuda law, or other consolidation of the Company into another company, the exchange of all or substantially all of the assets of the Company for the securities of another company, the acquisition by another company of 80% or more of the Company's then outstanding shares of voting stock or the recapitalization, reclassification, liquidation or dissolution of the Company, and if the Board so provides, it shall, on such terms and conditions as it deems appropriate in its absolute discretion, also provide, either by the terms of such option or by a resolution adopted prior to the occurrence of such merger, consolidation, exchange, acquisition, recapitalization, reclassification, liquidation or dissolution, that, for some period of time prior to such event, such option shall be exercisable as to all shares subject thereto, notwithstanding anything to the contrary herein and that, upon the occurrence of such event, such option shall terminate and be of no further force or effect; provided, however, that the Board may also provide, in its absolute discretion, that even if the option shall remain exercisable after any such event, from and after such event, any option shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder

of a number of shares for which such option could have been exercised immediately prior to such event.

## 7. ADJUSTMENT OF OPTIONS

7.1 In the event of any variation of the share capital of the Company including a demerger, special dividend or other event which, in the opinion of the Board would affect the share price to a material extent, then the Board may make such adjustments as it considers appropriate under Rule 7.2.

7.2 An adjustment made under this Rule shall be to one or more of the following:

7.2.1 the number of shares in respect of which any option may be exercised;

7.2.2 where any such option has been exercised but no shares have been allotted pursuant to such exercise, the number of shares which may be so allotted.

## 8. ALTERATIONS

8.1 Subject to Rules 8.2, the Board may at any time alter this Scheme, or the terms of any option granted under it.

8.2 No alteration to the disadvantage of any Participant shall be made under Rule 8.1 unless:

8.2.1 the Board shall have invited every such Participant to give an indication as to whether or not he approves the alteration; and

8.2.2 the alteration is approved by a majority of those Participants who have given such an indication.

## 9. MISCELLANEOUS

9.1 The rights and obligations of any individual under the terms of his office or employment with any Group Member shall not be affected by his participation in this Scheme or any right which he may have to participate in it, and an individual who participates in it shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any option under this Scheme as a result of such termination.

9.2 In the event of any dispute or disagreement as to the interpretation of this Scheme, or as to any question or right arising from or related to this Scheme, the decision of the Board shall be final and binding upon all persons.

9.3 Any notice or other communication under or in connection with this Scheme may be given either:

9.3.1 by personal delivery or by sending the same by post, in the case of a company to its registered office, and in the case of an individual to his last known address, or, where he is a director or employee of a Group Member, either to his last known address or to the address of the place of business at which he

performs the whole or substantially the whole of the duties of his office or employment; or

9.3.2 in an electronic communication to an address for the time being notified for that purpose to the person giving the notice.

9.4 This Scheme and all options granted under it shall be governed by and construed in accordance with Bermudan law.

CLIFFORD CHANCE  
LIMITED LIABILITY PARTNERSHIP  
200 Aldersgate Street  
London EC1A 4JJ

AMENDED AND RESTATED  
1998 SHARE PURCHASE AND OPTION PLAN  
FOR KEY EMPLOYEES OF  
WILLIS GROUP HOLDINGS LIMITED

1. PURPOSE OF PLAN

The 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited (the "Plan") is designed:

(a) to promote the long term financial interests and growth of Willis Group Holdings Limited (the "Company") and its subsidiaries by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;

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

(c) to further the alignment of interests of participants with those of the shareholders of the Company through opportunities for increased share ownership in the Company.

2. DEFINITIONS

As used in the Plan, the following words shall have the following meanings:

(a) "Affiliate" shall mean with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.

(b) "Board of Directors" means the Board of Directors of the Company.

(c) "Change of Control" means (i) a sale of all or substantially all of the assets of the Company to a Person who is not Kohlberg Kravis Roberts & Co., L.P. ("KKR") or an Affiliate of KKR, (ii) a sale by KKR or any of its Affiliates resulting in more than 50% of the voting shares of the Company being held by a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) or (iii) a takeover, reconstruction or winding-up involving the Company or KKR or any of its respective Affiliates resulting in a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) holding more than 50% of the voting ordinary shares of the Company (or the resulting controlling entity) immediately after any such business combinations; if and only if any such event results in the inability of the KKR Partnership (as defined herein) to elect a majority of the Board of Directors of the Company (or the resulting entity).

(d) "Committee" means the Compensation Committee of the Board of Directors.

(e) "Employee" means a person, including an officer, in the regular employment of the Company or one of its Subsidiaries who, in the opinion of the Committee, is, or is expected to be, primarily responsible for the management, growth or protection of some part or all of the business of the Company.

(f) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.



(g) "Fair Market Value" means such value of a Share as determined no less than annually (or more frequently if the Board of Directors so determines is required), in good faith by the Board of Directors, after it has taken into consideration certain factors (including, without limitation, the general condition of the Company's industry, the historical performance of the Company, and the Company's financial prospects) and after it has consulted with an independent investment banking firm selected with the consent of the Group Executive Committee. In addition, after determining the Fair Market Value, the value of an individual Participant's shares, on a per share basis, shall not be reduced to reflect the illiquidity or minority nature associated with such Participant's shares.

(h) "Grant" means an award made to a Participant pursuant to the Plan and described in Paragraph 5, including, without limitation, an award of an U.S. Incentive Stock Option U.S. Non-Qualified Stock Option, Share Appreciation Right, Dividend Equivalent Right, Restricted Share, Purchase Share, Performance Unit, Performance Share or any Other Share-Based Grant or any combination of the foregoing.

(i) "Grant Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.

(j) "Group" means two or more Persons acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company.

(k) "KKR Partnership" means Profit-Sharing (Overseas) Limited Partnership, an affiliate of KKR.

(l) "Options" means the collective reference to "U.S. Incentive Stock Options" and "U.S. Non-Qualified Stock Options".

(m) "Option Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to an Option.

(n) "Ordinary Shares" or "Share" means management common shares in the Company, except that for Directors reference to "Ordinary Shares" or "Share" means common shares in the Company, par value \$0.000115.

(o) "Participant" means an Employee or Director to whom one or more Options have been granted and such Options have not all been forfeited or terminated under the Plan.

(p) "Person" means an individual, partnership, corporation, limited liability company business trust, joint share company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.

(q) "Share-Based Grants" means the collective reference to the grant of Share Appreciation Rights, Dividend Equivalent Rights, Restricted Shares, Performance Units, Performance Shares, and Other Share-Based Grants.

(r) "Subsidiary" shall mean a body corporate which is a subsidiary of the Company (within the meaning of Section 86 of the Companies Act 1981 of Bermuda).

(s) "Director" shall mean any member of the Board of Directors, whether or not an Employee of the Company or any Subsidiary.

### 3. ADMINISTRATION OF PLAN

(a) The Plan shall be administered by the Committee. All of the members of the Committee shall be eligible to be selected for Grants under the Plan, or have been so eligible for selection within one year prior thereto; PROVIDED, HOWEVER, that the members of the Committee shall qualify to administer the Plan for purposes of Rule 16b-3 (and any other applicable rule) promulgated under Section 16(b) of the Exchange Act to the extent that the Company is subject to such rule. The Committee may adopt its own rules of procedure, and action of a majority of the members of the Committee taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Committee. The Committee shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan.

(b) The Committee may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan subject to such conditions and limitations as the Committee shall prescribe except that only the Committee may designate and make Grants to Participants who are subject to Section 16 of the Exchange Act.

(c) The Committee may employ lawyers, consultants, accountants, appraisers, brokers or other persons. The Committee, the Company, and the officers and Directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Committee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Grants, and all members of the Committee shall be fully protected by the Company with respect to any such action, determination or interpretation.

### 4. ELIGIBILITY

The Committee may from time to time make Grants under the Plan, to such Directors and Employees, and in such form, and having such terms, conditions and limitations as the Committee may determine. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Grant Agreement, in a form approved by the Committee, consistent, however, with the terms of the Plan; PROVIDED, HOWEVER, that such Grant Agreement shall contain provisions dealing with the treatment of Grants in the event of the termination, death or disability of a Participant, and may also include provisions concerning the treatment of Grants in the event of a change of control of the Company.

### 5. GRANTS

From time to time, the Committee will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Committee's sole discretion:

(a) U.S. INCENTIVE STOCK OPTIONS - These are stock options within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended ("Code"), to purchase Ordinary Shares. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(a), (i) may not be exercised more than 10 years after the date it is granted, (ii) may not have an option price less than the Fair Market Value of Ordinary Shares on the date the option is granted, (iii) must otherwise comply with Code Section 422, and (iv) must be designated as an "Incentive Stock Option" by the Committee. The maximum aggregate Fair Market Value of Ordinary Shares (determined at the time of grant) with respect to which Incentive Stock Options are first exercisable with respect to any Employee under this Plan and any Incentive Stock Options granted to the Employee for such year under any plans of the Company or any Subsidiary in any calendar year is \$100,000. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement, and of any applicable guidelines of the Committee in effect at the time.

(b) U.S. NON-QUALIFIED STOCK OPTIONS - These are options to purchase Ordinary Shares which are not designated by the Committee as "U.S. Incentive Stock Options". At the time of grant the Committee shall determine, and shall include in the Option Agreement or other Plan rules, the option exercise period, the option price, and such other conditions or restrictions on the grant or exercise of the option as the Committee deems appropriate. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(b) may not be exercised more than 10 years after the date it is granted. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement and of any applicable guidelines of the Committee in effect at the time.

(c) SHARE APPRECIATION RIGHTS - These are rights that on exercise entitle the holder to receive the excess of (i) the Fair Market Value of a share of Ordinary Shares on the date of exercise over (ii) the Fair Market Value on the date of Grant (the "base value") multiplied by (iii) the number of rights exercised as determined by the Committee. Share Appreciation Rights granted under the Plan may, but need not be, granted in conjunction with an Option under Paragraph 5(a) or 5(b). The Committee, in the Grant Agreement or by other Plan rules, may impose such conditions or restrictions on the exercise of Share Appreciation Rights as it deems appropriate, and may terminate, amend, or suspend such Share Appreciation Rights at any time. No Share Appreciation Right granted under this Plan may be exercised less than 6 months or more than 10 years after the date it is granted except in the event of death or disability of a Participant. To the extent that any Share Appreciation Right that shall have become exercisable but shall not have been exercised or cancelled or by reason of any termination of employment, shall have become non-exercisable, it shall be deemed to have been exercised automatically, without any notice of exercise, on the last day of which it is exercisable, provided that any conditions or limitations on its exercise are satisfied (other than (i) notice of exercise and (ii) exercise or election to exercise during the period prescribed) and the Share Appreciation Right shall then have value. Such exercise shall be deemed to specify that the holder elects to receive cash and that such exercise of a Share Appreciation Right shall be effective as of the time of automatic exercise.

(d) RESTRICTED SHARES - Restricted Shares are Ordinary Shares delivered to a Participant with or without payment of consideration with restrictions or conditions on the Participant's right to transfer or sell such shares. If a Participant irrevocably elects in writing in the calendar year preceding a Grant of Restricted Shares, dividends paid on the Restricted Shares

granted may be paid in Shares of Restricted Shares equal to the cash dividend paid on Ordinary Shares. The number of Shares of Restricted Shares and the restrictions or conditions on such Shares shall be as the Committee determines, in the Grant Agreement or by other Plan rules, and the certificate for the Restricted Shares shall bear evidence of the restrictions or conditions. No Restricted Shares may have a restriction period of less than 6 months, other than in the case of death or disability.

(e) PURCHASE SHARES - Purchase Shares are shares of Ordinary Shares offered to a Participant at such price as determined by the Committee, the acquisition of which will make him eligible to receive under the Plan, including, but not limited to, U.S. Non-Qualified Stock Options.

(f) DIVIDEND EQUIVALENT RIGHTS - These are rights to receive cash payments from the Company at the same time and in the same amount as any cash dividends paid on an equal number of Ordinary Shares to shareholders of record during the period such rights are effective. The Committee, in the Grant Agreement or by other Plan rules, may impose such restrictions and conditions on the Dividend Equivalent Rights, including the date such rights will terminate, as it deems appropriate, and may terminate, amend, or suspend such Dividend Equivalent Rights at any time.

(g) PERFORMANCE UNITS - These are rights to receive at a specified future date, payment in cash of an amount equal to all or a portion of the value of a unit granted by the Committee. At the time of the Grant, in the Grant Agreement or by other Plan rules, the Committee must determine the base value of the unit, the performance factors applicable to the determination of the ultimate payment value of the unit and the period over which Company performance will be measured. These factors must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months.

(h) PERFORMANCE SHARES - These are rights to receive at a specified future date, payment in cash or Ordinary Shares, as determined by the Committee, of an amount equal to all or a portion of the Fair Market Value for all days that the Ordinary Shares are traded during the last forty-five (45) days of the specified period of performance of a specified number of shares of Ordinary Shares at the end of a specified period based on Company performance during the period. At the time of the Grant, the Committee, in the Grant Agreement or by Plan rules, will determine the factors which will govern the portion of the rights so payable and the period over which Company performance will be measured. The factors will be based on Company performance and must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months. Performance Shares will be granted for no consideration.

(i) OTHER SHARE-BASED GRANTS - The Committee may make other Grants under the Plan pursuant to which Ordinary Shares (which may, but need not, be Restricted Shares pursuant to Paragraph 5(d)), are or may in the future be acquired, or Grants denominated in Share units, including ones valued using measures other than market value. Other Share-Based Grants may be granted with or without consideration. Such Other Share-Based Grants may be made alone,

in addition to or in tandem with any Grant of any type made under the Plan and must be consistent with the purposes of the Plan.

#### 6. LIMITATIONS AND CONDITIONS

(a) The number of Shares available for Grants under this Plan shall be 30,000,000 Shares. The number of Shares subject to Grants made under this Plan to any one Participant in any given calendar year shall not be more than 10,000,000 Shares. PROVIDED, HOWEVER, that in no event shall the total number of Shares subject to options and other equity for current and future Participants exceed 25% of the equity of the Company on a fully diluted basis. Shares subject to Grants that are forfeited, terminated, cancelled or expire unexercised, shall immediately become available for other Grants.

(b) No Grants shall be made under the Plan beyond ten years after the effective date of the Plan, but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed, the Committee may provide for limitations or conditions on such Grant.

(c) Nothing contained herein shall affect the right of the Company to terminate any Participant's employment at any time or for any reason. The rights and obligations of any individual under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it, and an individual who participates in it shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Grant as a result of such termination.

(d) Other than as specifically provided in the Management and Employee Shareholders' and Subscription Agreement attached hereto as Exhibit A with regard to the death of a Participant, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.

(e) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of the Company in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by the Company to such Participants.

(f) No Grant may be exercised during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.

(g) Absent express provisions to the contrary, any Grant made under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or its Subsidiaries and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the U.S. Employee Retirement Income Security Act of 1974, as amended.

(h) Unless the Committee determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under the Plan.

#### 7. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Committee determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment, and (b) a Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of the Company during such leave of absence.

#### 8. ADJUSTMENTS

(a) In the event of any increase or variation of the share capital of the Company, the Committee may make such adjustments as it considers appropriate under Paragraph 8(b) below.

(b) An adjustment made under this Paragraph 8(b) shall be to one or more of the following:

- (i) the number of Shares in respect of which any Option or Other Share-Based Grant may be exercised;
- (ii) the price at which Shares may be acquired by the exercise of any Option or Other Share-Based Grant;
- (iii) where any Option or Other Share-Based Grant has been exercised but no Shares have been allotted or transferred pursuant to the exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired.

(c) An adjustment under Paragraph 8(b) above may have the effect of reducing the price at which Shares may be acquired by the exercise of an Option or Other Share-Based Grant to less than their nominal value, but only if and to the extent that the Board of Directors shall be authorized to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option or Other Share-Based Grant is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply that sum in paying up that amount on the Shares; and so that on exercise of any Option or Other Share-Based Grant in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply it in paying up such amount as aforesaid.

#### 9. EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

(a) In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Option or Other Share-Based Grant, the Committee may provide that such Option or Other Share-Based Grant cannot be exercised after the exchange of all or substantially all of the assets of the Company for the securities of another corporation, the acquisition by another corporation of 80% or more of the Company's then

outstanding voting Shares, liquidation or dissolution of the Company, any variation of the share capital of the Company, and if the Committee so provides, it may, in its absolute discretion and on such terms and conditions as it deems appropriate, also provide, either by the terms of such Option or Other Share-Based Grant or by a resolution adopted prior to the occurrence of such exchange, acquisition, any variation of the share capital of the Company, liquidation or dissolution, that, for some period of time prior to such event, such Option or Other Share-Based Grant shall be exercisable as to all Shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Paragraph 6(b)) and that, upon the occurrence of such event, such Option or Other Share-Based Grant shall terminate and be of no further force or effect; PROVIDED, HOWEVER, that the Committee may also provide, in its absolute discretion, that even if the Option or Other Share-Based Grant shall remain exercisable after any such event, from and after such event, any such Option or Other Share-Based Grant shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder of a number of Shares for which such Option or Other Share-Based Grant could have been exercised immediately prior to such event.

(b) If any person becomes bound or entitled to acquire shares in the Company under sections 428 of 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Committee shall forthwith notify every Participant thereof and any Option or Other Share-Based Grant may be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of this Plan) lapse on the expiration thereof.

#### 10. AMENDMENT AND TERMINATION

The Committee shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan provided that, except for adjustments under Paragraph 8 or 9 hereof, no amendment to the disadvantage of any Participant shall be made unless:

(a) the Committee shall have invited every such Participant to give an indication as to whether or not he approves the amendment, and

(b) the amendment is approved by a majority of those Participants who have given such an indication.

The Board of Directors may amend, suspend or terminate the Plan except that no such action, other than an action under Paragraph 8 or 9 hereof, may be taken which would, without shareholder approval, increase the aggregate number of Shares available for Grants under the Plan, decrease the price of outstanding Grants, change the requirements relating to the Committee or extend the term of the Plan.

#### 11. INTERNATIONAL OPTIONS AND RIGHTS

The Committee may make Grants to Employees who are subject to the laws of countries other than the United States or the United Kingdom, which Grants may have terms and

conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with foreign laws.

#### 12. WITHHOLDING TAXES, ALLOTMENT AND TRANSFER

(a) The Company shall have the right to deduct from any cash payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment.

(b) Within 30 days after an Option has been exercised by any person, before delivery of Restricted Shares or payment of Performance Shares (if paid in Ordinary Shares) or before exercise, settlement or payment (if paid in Ordinary Shares) of any Other Share-Based Grant, the Board of Directors shall allot to such person (or a nominee for him) or, as appropriate, procure the transfer to him (or a nominee for him) of the number of Shares in respect of which the option has been exercised, provided that:

- (i) the Board of Directors considers that the issue or transfer thereof would be lawful in all relevant jurisdictions; and
- (ii) in a case where the Company or any Subsidiary ("Group Member") is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question is liable by virtue of the exercise of the option and/or for any social security, contributions recoverable from the person in question (together, the "Tax Liability"), that person has either:
  - (A) made a payment to the Group Member of an amount equal to the Tax Liability; or
  - (B) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorizing the sale of some or all of the Shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise).

(c) All Shares allotted under this Plan shall rank equally in all respects with Shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of the allotment.

#### 13. EFFECTIVE DATE AND TERMINATION DATES

The Plan shall be effective on and as of the date of its approval by the Board of Directors and shall terminate ten years later, subject to earlier termination by the Board of Directors pursuant to Paragraph 10.

#### 14. FINANCIAL ASSISTANCE

The Company and any Subsidiary may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or



enter into any guarantee or indemnity for these purposes or provide financial assistance of any other kind, to the extent permitted by section 39 of the Companies Act 1981 of Bermuda.

15. MISCELLANEOUS

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

AMENDED AND RESTATED  
WILLIS AWARD PLAN  
FOR KEY EMPLOYEES OF  
WILLIS GROUP HOLDINGS LIMITED

1. PURPOSE OF PLAN

The Willis Award Plan for Key Employees of Willis Group Holdings Limited (the "Plan") is designed:

- (a) to promote the long term financial interests and growth of Willis Group Holdings Limited (the "Company") and its subsidiaries by attracting and retaining management personnel with the training, experience and ability to enable them to make a substantial contribution to the success of the Company's business;
- (b) to motivate management personnel by means of growth-related incentives to achieve long range goals; and
- (c) to further the alignment of interests of participants with those of the shareholders of the Company through opportunities for increased share ownership in the Company.

2. DEFINITIONS

As used in the Plan, the following words shall have the following meanings:

- (a) "Affiliate" shall mean with respect to any Person, any entity directly or indirectly controlling, controlled by or under common control with such Person.
- (b) "Board" means the board of directors of the Company, or a duly authorised committee thereof.
- (c) "Change of Control" means (i) a sale of all or substantially all of the assets of the Company to a Person who is not Kohlberg Kravis Roberts & Co., L.P. ("KKR") or an Affiliate of KKR, (ii) a sale by KKR or any of its Affiliates resulting in more than 50% of the voting shares of the Company being held by a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) or (iii) a takeover, reconstruction or winding-up involving the Company or KKR or any of its respective Affiliates resulting in a Person or Group (other than a Person or Group in which KKR or any of its respective Affiliates has a material interest) holding more than 50% of the voting ordinary shares of the Company (or the resulting controlling entity) immediately after any such business combinations; if and only if any such event results in the inability of the KKR Partnership (as defined herein) to elect a majority of the Board of Directors of the Company (or the resulting entity).

- (d) "Employee" means a person, including an officer, in the regular employment of the Company or one of its Subsidiaries who, in the opinion of the Board, is, or is expected to be, primarily responsible for the management, growth or protection of some part or all of the business of the Company.
- (e) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended.
- (f) "Fair Market Value" means such value of a Share as determined no less than annually (or more frequently if the Board of Directors so determines is required), in good faith by the Board of Directors, after it has taken into consideration certain factors (including, without limitation, the general condition of the Company's industry, the historical performance of the Company, and the Company's financial prospects) and after it has consulted with an independent investment banking firm selected with the consent of the GEC. In addition, after determining the Fair Market Value, the value of an individual Participant's shares, on a per share basis, shall not be reduced to reflect the illiquidity or minority nature associated with such Participant's shares.
- (g) "GEC" shall mean the Group Executive Committee of Willis Group Limited, or its successor body, or if none, the Board.
- (h) "Grant" means an award made to a Participant pursuant to the Plan and described in Paragraph 5, including, without limitation, an award of an U.S. Incentive Stock Option U.S. Non-Qualified Stock Option, Share Appreciation Right, Performance Unit, Performance Share or any Other Share-Based Grant or any combination of the foregoing.
- (i) "Grant Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Grant.
- (j) "Group" means two or more Persons acting together as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of the Company.
- (k) "KKR Partnership" means Profit Sharing (Overseas) Limited, Partnership, an affiliate of KKR.
- (l) "Options" means the collective reference to "U.S. Incentive Stock Options" and "U.S. Non-Qualified Stock Options."
- (m) "Option Agreement" means an agreement between the Company and a Participant that sets forth the terms, conditions and limitations applicable to a Option.
- (n) "Ordinary Shares" or "Share" means management common shares in the Company.
- (o) "Participant" means an Employee to whom one or more Options have been granted and such Options have not all been forfeited or terminated under the Plan.

- (p) "Person" means an individual, partnership, corporation, limited liability company business trust, joint share company, trust, unincorporated association, joint venture, governmental authority or other entity of whatever nature.
- (q) "Share-Based Grants" means the collective reference to the grant of Share Appreciation Rights, Performance Units, Performance Shares, and Other Share-Based Grants.
- (r) "Subsidiary" shall mean a body corporate which is a subsidiary of the Company (within the meaning of Section 736 of the Companies Act 1985).

### 3. ADMINISTRATION OF PLAN

- (a) The Plan shall be administered by the Board. None of the members of the Board shall be eligible to be selected for Grants under the Plan, or have been so eligible for selection within one year prior thereto; PROVIDED, HOWEVER, that the members of the Board shall qualify to administer the Plan for purposes of Rule 16b-3 (and any other applicable rule) promulgated under Section 16(b) of the Exchange Act to the extent that the Company is subject to such rule. The Board may adopt its own rules of procedure, and action of a majority of the members of the Board taken at a meeting, or action taken without a meeting by unanimous written consent, shall constitute action by the Board. The Board shall have the power and authority to administer, construe and interpret the Plan, to make rules for carrying it out and to make changes in such rules. Any such interpretations, rules, and administration shall be consistent with the basic purposes of the Plan.
- (b) The Board may delegate to the Chief Executive Officer and to other senior officers of the Company its duties under the Plan subject to such conditions and limitations as the Board shall prescribe except that only the Board may designate and make Grants to Participants who are subject to Section 16 of the Exchange Act.
- (c) The Board may employ lawyers, consultants, accountants, appraisers, brokers or other persons. The Board, the Company, and the officers and directors of the Company shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Board in good faith shall be final and binding upon all Participants, the Company and all other interested persons. No member of the Board shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Grants, and all members of the Board shall be fully protected by the Company with respect to any such action, determination or interpretation.

### 4. ELIGIBILITY

- (a) The Board may from time to time make Grants under the Plan to such Employees and in such form and having such terms, conditions and limitations as the Board may determine. No Grants may be made under this Plan to non-employee directors of Company or any of its Subsidiaries. The terms, conditions and limitations of each Grant under the Plan shall be set forth in a Grant Agreement, in a form approved by the Board, consistent, however, with the terms of the Plan; PROVIDED, HOWEVER, that such Grant Agreement shall contain provisions dealing with the treatment of Grants

in the event of the termination, death or disability of a Participant, and may also include provisions concerning the treatment of Grants in the event of a change of control of the Company.

## 5. GRANTS

From time to time, the Board will determine the forms and amounts of Grants for Participants. Such Grants may take the following forms in the Board's sole discretion:

- (a) U.S. INCENTIVE STOCK OPTIONS - These are stock options within the meaning of Section 422 of the U.S. Internal Revenue Code of 1986, as amended ("Code"), to purchase Ordinary Shares. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(a), (i) may not be exercised more than 10 years after the date it is granted, (ii) may not have an option price less than the Fair Market Value of Ordinary Shares on the date the option is granted, (iii) must otherwise comply with Code Section 422, and (iv) must be designated as an "Incentive Stock Option" by the Board. The maximum aggregate Fair Market Value of Ordinary Shares (determined at the time of grant) with respect to which Incentive Stock Options are first exercisable with respect to any participant under this Plan and any Incentive Stock Options granted to the Participant for such year under any plans of the Company or any Subsidiary in any calendar year is \$100,000. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement, and of any applicable guidelines of the Board in effect at the time.
- (b) U.S. NON-QUALIFIED STOCK OPTIONS - These are options to purchase Ordinary Shares which are not designated by the Board as "U.S. Incentive Stock Options". At the time of grant the Board shall determine, and shall include in the Option Agreement or other Plan rules, the option exercise period, the option price, and such other conditions or restrictions on the grant or exercise of the option as the Board deems appropriate. In addition to other restrictions contained in the Plan, an option granted under this Paragraph 5(b) may not be exercised more than 10 years after the date it is granted. Payment of the option price shall be made in cash in accordance with the terms of the Plan, the Option Agreement and of any applicable guidelines of the Board in effect at the time.
- (c) SHARE APPRECIATION RIGHTS - These are rights that on exercise entitle the holder to receive the excess of (i) the Fair Market Value of a share of Ordinary Shares on the date of exercise over (ii) the Fair Market Value on the date of Grant (the "base value") multiplied by (iii) the number of rights exercised as determined by the Board. Share Appreciation Rights granted under the Plan may, but need not be, granted in conjunction with an Option under Paragraph 5(a) or 5(b). The Board, in the Grant Agreement or by other Plan rules, may impose such conditions or restrictions on the exercise of Share Appreciation Rights as it deems appropriate, and may terminate, amend, or suspend such Share Appreciation Rights at any time. No Share Appreciation Right granted under this Plan may be exercised less than 6 months or more than 10 years after the date it is granted except in the event of death or disability of a Participant. To the extent that any Share Appreciation Right that shall have become exercisable but shall not have been exercised or cancelled or by reason of any termination of employment, shall have become non-exercisable, it shall be deemed to have been exercised automatically, without any notice of exercise, on the last day of

which it is exercisable, provided that any conditions or limitations on its exercise are satisfied (other than (i) notice of exercise and (ii) exercise or election to exercise during the period prescribed) and the Share Appreciation Right shall then have value. Such exercise shall be deemed to specify that the holder elects to receive cash and that such exercise of a Share Appreciation Right shall be effective as of the time of automatic exercise.

- (d) **PERFORMANCE UNITS** - These are rights to receive at a specified future date, payment in cash of an amount equal to all or a portion of the value of a unit granted by the Board. At the time of the Grant, in the Grant Agreement or by other Plan rules, the Board must determine the base value of the unit, the performance factors applicable to the determination of the ultimate payment value of the unit and the period over which Company performance will be measured. These factors must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months.
- (e) **PERFORMANCE SHARES** - These are rights to receive at a specified future date, payment in cash or Ordinary Shares, as determined by the Board, of an amount equal to all or a portion of the Fair Market Value for all days that the Ordinary Shares are traded during the last forty-five (45) days of the specified period of performance of a specified number of shares of Ordinary Shares at the end of a specified period based on Company performance during the period. At the time of the Grant, the Board, in the Grant Agreement or by Plan rules, will determine the factors which will govern the portion of the rights so payable and the period over which Company performance will be measured. The factors will be based on Company performance and must include a minimum performance standard for the Company below which no payment will be made and a maximum performance level above which no increased payment will be made. The term over which Company performance will be measured shall be not less than six months. Performance Shares will be granted for no consideration.
- (f) **OTHER SHARE-BASED GRANTS** - The Board may make other Grants under the Plan pursuant to which Ordinary Shares, are or may in the future be acquired, or Grants denominated in Share units, including ones valued using measures other than market value. Other Share-Based Grants may be granted with or without consideration. Such Other Share-Based Grants may be made alone, in addition to or in tandem with any Grant of any type made under the Plan and must be consistent with the purposes of the Plan.

## 6. LIMITATIONS AND CONDITIONS

- (a) The number of Shares available for Grants under this Plan shall be 5,000,000 Shares; PROVIDED, HOWEVER, that in no event shall the total number of Shares subject to options and other equity for current and future Participants exceed 25% of the equity of the Company on a fully diluted basis. Shares subject to Grants that are forfeited, terminated, canceled or expire unexercised, shall immediately become available for other Grants.

- (b) No Grants shall be made under the Plan beyond ten years after the effective date of the Plan, but the terms of Grants made on or before the expiration of the Plan may extend beyond such expiration. At the time a Grant is made or amended or the terms or conditions of a Grant are changed, the Board may provide for limitations or conditions on such Grant.
- (c) Nothing contained herein shall affect the right of the Company to terminate any Participant's employment at any time or for any reason. The rights and obligations of any individual under the terms of his office or employment with the Company or any Subsidiary shall not be affected by his participation in this Plan or any right which he may have to participate in it, and an individual who participates in it shall waive any and all rights to compensation or damages in consequence of the termination of his office or employment for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to exercise any Grant as a result of such termination.
- (d) Other than as specifically provided in the Management and Employee Shareholders' and Subscription Agreement attached hereto as Exhibit A with regard to the death of a Participant, no benefit under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, or charge, and any attempt to do so shall be void. No such benefit shall, prior to receipt thereof by the Participant, be in any manner liable for or subject to the debts, contracts, liabilities, engagements, or torts of the Participant.
- (e) Participants shall not be, and shall not have any of the rights or privileges of, shareholders of the Company in respect of any Shares purchasable in connection with any Grant unless and until certificates representing any such Shares have been issued by the Company to such Participants.
- (f) No Grant may be exercised during a Participant's lifetime by anyone other than the Participant except by a legal representative appointed for or by the Participant.
- (g) Absent express provisions to the contrary, any Grant made under this Plan shall not be deemed compensation for purposes of computing benefits or contributions under any retirement plan of the Company or its Subsidiaries and shall not affect any benefits under any other benefit plan of any kind now or subsequently in effect under which the availability or amount of benefits is related to level of compensation. This Plan is not a "Retirement Plan" or "Welfare Plan" under the U.S. Employee
- (h) Unless the Board determines otherwise, no benefit or promise under the Plan shall be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company's obligations under the Plan.

## 7. TRANSFERS AND LEAVES OF ABSENCE

For purposes of the Plan, unless the Board determines otherwise: (a) a transfer of a Participant's employment without an intervening period of separation among the Company and any Subsidiary shall not be deemed a termination of employment, and (b) a

Participant who is granted in writing a leave of absence shall be deemed to have remained in the employ of the Company during such leave of absence.

#### 8. ADJUSTMENTS

- (a) In the event of any increase or variation of the share capital of the Company, the Board may make such adjustments as it considers appropriate under Paragraph 8(b) below.
- (b) An adjustment made under this Paragraph 8(b) shall be to one or more of the following:
  - (i) the number of Shares in respect of which any Option or Other Share-Based Grant may be exercised;
  - (ii) the price at which Shares may be acquired by the exercise of any Option or Other Share-Based Grant;
  - (iii) where any Option or Other Share-Based Grant has been exercised but no Shares have been allotted or transferred pursuant to the exercise, the number of Shares which may be so allotted or transferred and the price at which they may be acquired.
- (c) An adjustment under Paragraph 8(b) above may have the effect of reducing the price at which Shares may be acquired by the exercise of an Option or Other Share-Based Grant to less than their nominal value, but only if and to the extent that the Board of Directors shall be authorized to capitalise from the reserves of the Company a sum equal to the amount by which the nominal value of the Shares in respect of which the Option or Other Share-Based Grant is exercised and which are to be allotted pursuant to such exercise exceeds the price at which the same may be subscribed for and to apply that sum in paying up that amount on the Shares; and so that on exercise of any Option or Other Share-based Grant in respect of which such a reduction shall have been made the Board shall capitalise such sum (if any) and apply it in paying up such amount as aforesaid.

#### 9. EXCHANGE, ACQUISITION, LIQUIDATION OR DISSOLUTION

- (a) In its absolute discretion, and on such terms and conditions as it deems appropriate, coincident with or after the grant of any Option or Other Share-Based Grant, the Board may provide that such Option or Other Share-Based Grant cannot be exercised after the exchange of all or substantially all of the assets of the Company for the securities of another corporation, the acquisition by another corporation of 80% or more of the Company's then outstanding voting Shares, liquidation or dissolution of the Company, any variation of the share capital of the Company, and if the Board so provides, it may, in its absolute discretion and on such terms and conditions as it deems appropriate, also provide, either by the terms of such Option or Other Share-Based Grant or by a resolution adopted prior to the occurrence of such exchange, acquisition, any variation of the share capital of the Company, liquidation or dissolution, that, for some period of time prior to such event, such Option or Other Share-Based Grant shall be exercisable as to all Shares subject thereto, notwithstanding anything to the contrary herein (but subject to the provisions of Paragraph 6(b)) and that, upon the occurrence of



such event, such Option or Other Share-Based Grant shall terminate and be of no further force or effect; provided, HOWEVER, that the Board may also provide, in its absolute discretion, that even if the Option or Other Share-Based Grant shall remain exercisable after any such event, from and after such event, any such Option or Other Share-Based Grant shall be exercisable only for the kind and amount of securities and/or other property, or the cash equivalent thereof, receivable as a result of such event by the holder of a number of Shares for which such Option or Other Share-Based Grant could have been exercised immediately prior to such event.

- (b) If any person becomes bound or entitled to acquire shares in the Company under sections 428 of 430F of the Companies Act 1985, or if under section 425 of that Act the Court sanctions a compromise or arrangement proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, or if the Company passes a resolution for voluntary winding up, or if an order is made for the compulsory winding up of the Company, the Board shall forthwith notify every Participant thereof and any Option or Other Share-Based Grant may be exercised within one month of such notification, but to the extent that it is not exercised within that period shall (notwithstanding any other provision of this Plan) lapse on the expiration thereof.

#### 10. AMENDMENT AND TERMINATION

The Board shall have the authority to make such amendments to any terms and conditions applicable to outstanding Grants as are consistent with this Plan provided that, except for adjustments under Paragraph 8 or 9 hereof, no amendment to the disadvantage of any Participant shall be made unless:

- (a) the Board shall have invited every such Participant to give an indication as to whether or not he approves the amendment, and
- (b) the amendment is approved by a majority of those Participants who have given such an indication.

The Board of Directors may amend, suspend or terminate the Plan except that no such action, other than an action under Paragraph 8 or 9 hereof, may be taken which would, without shareholder approval, increase the aggregate number of Shares available for Grants under the Plan, decrease the price of outstanding Grants, change the requirements relating to the Board or extend the term of the Plan.

#### 11. INTERNATIONAL OPTIONS AND RIGHTS

The Board may make Grants to Employees who are subject to the laws of countries other than the United States or the United Kingdom, which Grants may have terms and conditions that differ from the terms thereof as provided elsewhere in the Plan for the purpose of complying with foreign laws.

## 12. WITHHOLDING TAXES, ALLOTMENT AND TRANSFER

- (a) The Company shall have the right to deduct from any cash payment made under the Plan any federal, state or local income or other taxes required by law to be withheld with respect to such payment.
- (b) Within 30 days after an Option has been exercised by any person, before payment of Performance Shares (if paid in Ordinary Shares) or before exercise, settlement or payment (if paid in Ordinary Shares) of any Other Share-Based Grant, the Board of Directors shall allot to such person (or a nominee for him) or, as appropriate, procure the transfer to him (or a nominee for him) of the number of Shares in respect of which the option has been exercised, provided that:
  - (i) the Board of Directors considers that the issue or transfer thereof would be lawful in all relevant jurisdictions; and
  - (ii) in a case where the Company or any Subsidiary ("Group Member") is obliged to (or would suffer a disadvantage if it were not to) account for any tax (in any jurisdiction) for which the person in question is liable by virtue of the exercise of the option and/or for any social security, contributions recoverable from the person in question (together, the "Tax Liability"), that person has either:
    - (A) made a payment to the Group Member of an amount equal to the Tax Liability; or
    - (B) entered into arrangements acceptable to that or another Group Member to secure that such a payment is made (whether by authorizing the sale of some or all of the Shares on his behalf and the payment to the Group Member of the relevant amount out of the proceeds of sale or otherwise).
- (c) All Shares allotted under this Plan shall rank equally in all respects with Shares of the same class then in issue except for any rights attaching to such Shares by reference to a record date prior to the date of the allotment.

## 13. EFFECTIVE DATE AND TERMINATION DATES

The Plan shall be effective on and as of the date of its approval by the Board and shall terminate ten years later, subject to earlier termination by the Board pursuant to Paragraph 10.

14. FINANCIAL ASSISTANCE

The Company and any Subsidiary may provide money to the trustees of any trust or any other person to enable them or him to acquire Shares to be held for the purposes of the Plan, or enter into any guarantee or indemnity for these purposes or provide financial assistance of any other kind, to the extent permitted by section 153 of the Companies Act 1985.

15. MISCELLANEOUS

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

TFC

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[ ] 2001

Willis Group Holdings Limited

Dear Sirs

RE: WILLIS GROUP HOLDINGS LIMITED (THE "COMPANY") - SEC REGISTRATION STATEMENT

You have asked us to render this opinion in our capacity as your counsel as to Bermuda law in connection with the registration under the Securities Act of 1933, as amended, of the United States of America (the "Securities Act"), by Willis Group Holdings Limited, a company organised under the laws of Bermuda (the "Company") of a Registration Statement on Form S-8 and related documents (the "Registration Statement") in relation to 45,342,500 common shares, par value \$0.000115 per share (the "Shares") reserved for issuance by the Company pursuant the following employee share plans:

- (a) Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan,
- (b) The Willis Group Holdings Limited Non-Employee Directors Share Option Scheme,
- (c) Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited,
- (d) Amended and Restated Willis Award Plan for Key Employees of Willis Group Holdings Limited, and
- (e) Willis Group Holdings Limited 2001 Share Purchase and Option Plan

together with an indeterminate amount of interests to be offered and sold pursuant to the share plans identified in (a), (c) and (e) above.

The share plans listed in (a) through (e) above are hereinafter collectively referred to as the "Plans".

For the purposes of this opinion we have examined and relied upon the documents listed in the Schedule to this opinion (the "Documents").

#### ASSUMPTIONS

In stating our opinion we have assumed:

- (a) The authenticity, accuracy and completeness of all Documents submitted to us as originals and the conformity to authentic original Documents of all Documents submitted to us as certified, conformed, notarised, faxed or photostatic copies.
- (b) The genuineness of all signatures on the Documents.
- (c) The authority, capacity and power of each of the persons signing the Documents which we have reviewed (other than the Directors or Officers of the Company).
- (d) That any factual statements made in any of the Documents are true, accurate and complete.
- (e) That the records which were the subject of the Company Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Company Search been materially altered.
- (f) That the records which were the subject of the Litigation Search were complete and accurate at the time of such search and disclosed all information which is material for the purposes of this opinion and such information has not since the date of the Litigation Search been materially altered.

#### OPINION

Based upon and subject to the foregoing and subject to the reservations set out below and to any matters not disclosed to us, we are of the opinion that:

- (1) The Company is an exempted company validly organised and existing and in good standing under the laws of Bermuda.
- (2) All necessary corporate action required to be taken by the Company in connection with the issue by the Company of the Shares pursuant to Bermuda law has been taken by or on behalf of the Company, and all necessary approvals of Governmental authorities in Bermuda have been duly obtained for the issue by the Company of the Shares.
- (3) When issued pursuant to the Resolutions and delivered against payment therefor in the circumstances referred to or summarised in the Registration Statement, the Shares will be validly issued, fully paid and non-assessable shares in the capital of the Company.
- (4) There are no taxes, duties or other charges payable to or chargeable by the Government of Bermuda, or any authority or agency thereof in respect of the issue of the Shares.

## RESERVATIONS

We have the following reservations:

- (a) We express no opinion as to any law other than Bermuda law and none of the opinions expressed herein relates to compliance with or matters governed by the laws of any jurisdiction except Bermuda. This opinion is limited to Bermuda law as applied by the courts of Bermuda at the date hereof.
- (b) In paragraph (1) above, the term "good standing" means only that the Company has received a Certificate of Compliance from the Registrar of Companies in Hamilton Bermuda which confirms that the Company has neither failed to make any filing with any Bermuda governmental authority nor to pay any Bermuda government fee or tax, which might make it liable to be struck off the Registrar of Companies and thereby cease to exist under the laws of Bermuda.
- (c) Any reference in this opinion to shares being "non-assessable" shall mean, in relation to fully paid shares of the Company and subject to any contrary provision in any agreement in writing between such company and the holder of such shares, that no shareholder shall be bound by an alteration to the Memorandum of Association or Bye-laws of the Company after the date on which he became a shareholder, if and so far as the alteration requires him to take, or subscribe for additional shares, or in any way increases his liability to contribute to the share capital of, or otherwise to pay money to, the Company.
- (d) Searches of the Register of Companies at the office of the Registrar of Companies and of the Supreme Court Causes Book at the Registry of the Supreme Court are not conclusive and it should be noted that the Register of Companies and the Supreme Court Causes Book do not reveal:
  - (i) details of matters which have been lodged for filing or registration which as a matter of general practice of the Registrar of Companies would have or should have been disclosed on the public file but have not actually been registered or to the extent that they have been registered have not been disclosed or do not appear in the public records at the date and time the search is concluded; or
  - (ii) details of matters which should have been lodged for registration but have not been lodged for registration at the date the search is concluded.
- (e) In order to issue this opinion we have carried out the Company Search as referred to in the Schedule to this opinion and have not enquired as to whether there has been any change since the date of such search.

- (f) In order to issue this opinion we have carried out the Litigation Search as referred to in the Schedule to this opinion and have not enquired as to whether there has been any change since the date of such search.
- (g) Where an obligation is to be performed in a jurisdiction other than Bermuda, the courts of Bermuda may refuse to enforce it to the extent that such performance would be illegal under the laws of, or contrary to public policy of, such other jurisdiction.

#### DISCLOSURE

This opinion is addressed to you in connection with the filing by the Company of the Registration Statement with the United States Securities and Exchange Commission. We consent to the inclusion of this opinion as an exhibit to the Registration Statement.

This opinion speaks as of its date and is strictly limited to the matters stated herein and we assume no obligation to review or update this opinion if applicable law or the existing facts or circumstances should change.

This opinion is governed by and is to be construed in accordance with Bermuda law. It is given on the basis that it will not give rise to any legal proceedings with respect thereto in any jurisdiction other than Bermuda.

Yours faithfully

/s/ Appleby Spurling & Kempe

#### SCHEDULE

1. Certified copy of the Minutes of the Meeting of the Directors of the Company held on 29 March 2001 (the "Resolutions").
2. Certified copies of the Memorandum of Association and Bye-Laws of the Company (collectively referred to as the "Constitutional Documents").
3. A copy of the registration statement on Form S-8 of the Company relating to the Shares to be filed with the SEC (the "Registration Statement").
4. A copy of the Willis Group Holdings Limited Non-Employee Directors' Deferred Compensation Plan.
5. A copy of The Willis Group Holdings Limited Non-Employee Directors Share Option Scheme.
6. A copy of the Amended and Restated 1998 Share Purchase and Option Plan for Key Employees of Willis Group Holdings Limited.
7. A copy of the Amended and Restated Willis Award Plan for Key Employees of Willis Group Holdings Limited.
8. A copy of the Willis Group Holdings Limited 2001 Share Purchase and Option Plan.
9. A copy of the permission dated 1 May 2001 given by the Bermuda Monetary Authority under the Exchange Control Act 1972 and related regulations for the issue of the Shares.
10. The entries and filings shown in respect of the Company on the file of the Company maintained in the Registrar of Companies at office of the Registrar of Companies in Hamilton, Bermuda, as revealed by a search on [ ] 2001 (the "Company Search").
11. The entries and filings shown in respect of the Company in the Supreme Court Causes Book maintained at the Registry of the Supreme Court in Hamilton, Bermuda, as revealed by a search on [ ] 2001 in respect of the Company (the "Litigation Search").
12. A Certificate of Compliance dated 12 June 2001 issued by the Ministry of Finance in respect of the Company.



[DELOITTE & TOUCHE LETTERHEAD]

INDEPENDENT AUDITORS' CONSENT

We consent to the incorporation by reference in this Registration Statement of Willis Group Holdings Limited on Form S-8 of our report on TA I Limited dated February 13, 2001, included in Amendment No. 1 to Registration No. 333-60982 of Willis Group Holdings Limited on Form F-1 dated May 31, 2001.

/s/ Deloitte & Touche

DELOITTE & TOUCHE

June 15, 2001