UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022
OR

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

For the transition period from __________ to ___________
Commission File Number: 001-16503

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland *(Jurisdiction of incorporation or organization)*	**98-0352587** *(I.R.S. Employer Identification No.)*
c/o Willis Group Limited **51 Lime Street, London EC3M 7DQ, England** *(Address of principal executive offices)*	**(011) 44-20-3124-6000** *(Registrant's telephone number, including area code)*

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Ordinary Shares, nominal value $0.000304635 per share	**WTW**	**NASDAQ Global Select Market**

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of 'large accelerated filer', 'accelerated filer', 'smaller reporting company', and 'emerging growth company' in Rule 12b-2 of the Exchange Act.

Large accelerated filer		Accelerated filer	.	Non-accelerated filer	.	Smaller reporting company	☐
Emerging growth company	☐						

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

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

As of July 25, 2022, there were outstanding 109,965,562 ordinary shares, nominal value $0.000304635 per share, of the registrant.

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY

INDEX TO FORM 10-Q

For the Three and Six Months Ended June 30, 2022

Certain Definitions

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

'We', 'Us', 'Company', 'Willis Towers Watson', 'Our', 'Willis Towers Watson plc' or 'WTW'	Willis Towers Watson Public Limited Company, a company organized under the laws of Ireland, and its subsidiaries
'shares'	The ordinary shares of Willis Towers Watson Public Limited Company, nominal value $0.000304635 per share
'Miller'	Miller Insurance Services LLP and its subsidiaries
'U.S.'	United States
'U.K.'	United Kingdom
'Brexit'	The United Kingdom's exit from the European Union, which occurred on January 31, 2020.
'E.U.'	European Union or European Union 27 (the number of member countries following the United Kingdom's exit)
'U.S. GAAP'	United States Generally Accepted Accounting Principles
'FASB'	Financial Accounting Standards Board
'ASC'	Accounting Standards Codification
'ASU'	Accounting Standards Update
'SEC'	United States Securities and Exchange Commission

Disclaimer Regarding Forward-looking Statements

We have included in this document ‘forward-looking statements’ within the meaning of Section 27A of the Securities Act of 1933, and Section 21E of the Securities Exchange Act of 1934, which are intended to be covered by the safe harbors created by those laws. These forward-looking statements include information about possible or assumed future results of our operations. All statements, other than statements of historical facts, that address activities, events or developments that we expect or anticipate may occur in the future, including such things as our outlook, the impact of the global pandemic on our business, future capital expenditures, ongoing working capital efforts, future share repurchases, financial results (including our revenue, costs or margins), the impact of changes to tax laws on our financial results, existing and evolving business strategies and acquisitions and dispositions, including the sale of Willis Re to Arthur J. Gallagher & Co. (‘Gallagher’), demand for our services and competitive strengths, goals, the benefits of new initiatives, growth of our business and operations, our ability to successfully manage ongoing leadership, organizational and technology changes, including investments in improving systems and processes, our ability to implement and realize anticipated benefits of any cost-savings initiatives including the multi-year operational Transformation program, and plans and references to future successes, including our future financial and operating results, plans, objectives, expectations and intentions are forward-looking statements. Also, when we use words such as ‘may,’ ‘will,’ ‘would,’ ‘anticipate,’ ‘believe,’ ‘estimate,’ ‘expect,’ ‘intend,’ ‘plan,’ ‘continues,’ ‘seek,’ ‘target,’ ‘focus,’ ‘probably,’ or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company’s management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

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

- our ability to successfully establish, execute and achieve our global business strategy as it evolves;
- our ability to fully realize anticipated benefits of our growth strategy;
- our ability to successfully deploy cost-mitigation measures and achieve longer-term offsets;
- the risks related to changes in general economic (including a possible recession), business and political conditions, including changes in the financial markets and inflation;
- the risks to our business, financial condition and results of operations that may be materially adversely affected by any negative impact on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions and the intended withdrawal from our businesses in Russia;
- the risks relating to the adverse impacts of the ongoing COVID-19 pandemic, including supply chain, workforce availability, vaccination rates, new or emerging variants and further social-distancing orders in jurisdictions where we do business, on the demand for our products and services, our cash flows and our business operations, including increased demand on our information technology resources and systems and related risks of cybersecurity breaches or incidents;
- the risks relating to the sale of Willis Re to Gallagher, including incremental business, operational and regulatory risks created by transitional arrangements and pending transactions;
- significant competition that we face and the potential for loss of market share and/or profitability;
- the impact of seasonality and differences in timing of renewals and non-recurring revenue increases from disposals and book-of-business sales;
- the failure to protect client data or breaches of information systems or insufficient safeguards against cybersecurity breaches or incidents;
- the risk of increased liability or new legal claims arising from our new and existing products and services, and expectations, intentions and outcomes relating to outstanding litigation;
- the risk of substantial negative outcomes on existing litigation or investigation matters;
- changes in the regulatory environment in which we operate, including, among other risks, the impacts of pending competition law and regulatory investigations;
- various claims, government inquiries or investigations or the potential for regulatory action;
- our ability to make divestitures or acquisitions and our ability to integrate or manage such acquired businesses;
- our ability to successfully hedge against fluctuations in foreign currency rates;
- our ability to integrate direct-to-consumer sales and marketing solutions with our existing offerings and solutions;

- our ability to comply with complex and evolving regulations related to data privacy and cyber security;
- our ability to successfully manage ongoing organizational changes, including investments in improving systems and processes;
- disasters or business continuity problems;
- the impact of Brexit;
- our ability to successfully enhance our billing, collection and other working capital efforts, and thereby increase our free cash flow;
- the impact of the anticipated replacement of the London Interbank Offered Rate (‘LIBOR’);
- our ability to properly identify and manage conflicts of interest;
- reputational damage, including from association with third parties;
- reliance on third-party services;
- risks relating to changes in our management structures and in senior leadership;
- the loss of key employees or a large number of employees and any rehiring;
- doing business internationally, including the impact of exchange rates;
- compliance with extensive government regulation;
- the risk of sanctions imposed by governments, or changes to associated sanction regulations (such as sanctions imposed on Russia) and related counter-sanctions;
- our ability to effectively apply technology, data and analytics changes for internal operations, maintaining industry standards and meeting client preferences;
- changes and developments in the insurance industry or the U.S. healthcare system, including those related to Medicare and any legislative actions from the current U.S. Congress;
- the inability to protect the Company’s intellectual property rights, or the potential infringement upon the intellectual property rights of others;
- fluctuations in our pension assets and liabilities;
- our capital structure, including indebtedness amounts, the limitations imposed by the covenants in the documents governing such indebtedness and the maintenance of the financial and disclosure controls and procedures of each;
- our ability to obtain financing on favorable terms or at all;
- adverse changes in our credit ratings;
- the impact of recent or potential changes to U.S. or foreign laws and the enactment of additional, or the revision of existing, state, federal, and/or foreign laws and regulations, recent judicial decisions and the development of case law, other regulations and any policy changes and legislative actions, including the impact of such changes on our effective tax rate;
- U.S. federal income tax consequences to U.S. persons owning at least 10% of our shares;
- changes in accounting principles, estimates or assumptions;
- risks relating to or arising from environmental, social and governance (‘ESG’) practices;
- fluctuation in revenue against our relatively fixed or higher than expected expenses;
- the laws of Ireland being different from the laws of the U.S. and potentially affording less protections to the holders of our securities; and
- our holding company structure potentially preventing us from being able to receive dividends or other distributions in needed amounts from our subsidiaries.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information, please see Part I, Item 1A in our Annual Report on Form 10-K, and our subsequent filings with the SEC. Copies are available online at http://www.sec.gov or www.wtwco.com.

Although we believe that the assumptions underlying our forward-looking statements are reasonable, any of these assumptions, and therefore also the forward-looking statements based on these assumptions, could themselves prove to be inaccurate. Given the significant uncertainties inherent in the forward-looking statements included in this Quarterly Report on Form 10-Q, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

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

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

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	**2021**	**2022**	**2021**
Revenue	$ 2,031	$ 2,091	$ 4,191	$ 4,319
Costs of providing services				
Salaries and benefits	1,259	1,317	2,577	2,736
Other operating expenses	393	384	879	784
Depreciation	65	72	131	143
Amortization	83	97	168	200
Restructuring costs	56	—	62	—
Transaction and transformation, net	38	51	58	75
Total costs of providing services	1,894	1,921	3,875	3,938
Income from operations	137	170	316	381
Interest expense	(51)	(52)	(100)	(111)
Other income, net	93	74	120	512
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	179	192	336	782
Provision for income taxes	(19)	(75)	(62)	(119)
INCOME FROM CONTINUING OPERATIONS	160	117	274	663
(LOSS)/INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	(46)	69	(35)	259
NET INCOME	114	186	239	922
Income attributable to non-controlling interests	(5)	(2)	(8)	(5)
NET INCOME ATTRIBUTABLE TO WTW	$ 109	$ 184	$ 231	$ 917
EARNINGS PER SHARE				
Basic earnings per share:				
Income from continuing operations per share	$ 1.38	$ 0.89	$ 2.31	$ 5.07
(Loss)/income from discontinued operations per share	(0.41)	0.53	(0.30)	1.99
Basic earnings per share	$ 0.97	$ 1.42	$ 2.01	$ 7.06
Diluted earnings per share:				
Income from continuing operations per share	$ 1.38	$ 0.88	$ 2.31	$ 5.05
(Loss)/income from discontinued operations per share	(0.41)	0.53	(0.30)	1.99
Diluted earnings per share	$ 0.97	$ 1.41	$ 2.01	$ 7.04
Comprehensive (loss)/income before non-controlling interests	$ (130)	$ 219	$ (61)	$ 1,005
Comprehensive income attributable to non-controlling interests	(5)	(2)	(8)	(7)
Comprehensive (loss)/income attributable to WTW	$ (135)	$ 217	$ (69)	$ 998

See accompanying notes to the condensed consolidated financial statements

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

	June 30, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	$ 1,920	$ 4,486
Fiduciary assets	11,988	11,014
Accounts receivable, net	2,025	2,370
Prepaid and other current assets	432	612
Current assets held for sale	5	6
Total current assets	16,370	18,488
Fixed assets, net	744	851
Goodwill	10,158	10,183
Other intangible assets, net	2,408	2,555
Right-of-use assets	621	720
Pension benefits assets	1,002	971
Other non-current assets	1,206	1,202
Total non-current assets	16,139	16,482
TOTAL ASSETS	$ 32,509	$ 34,970
LIABILITIES AND EQUITY		
Fiduciary liabilities	$ 11,988	$ 11,014
Deferred revenue and accrued expenses	1,534	1,926
Current debt	—	613
Current lease liabilities	137	150
Other current liabilities	969	1,015
Current liabilities held for sale	64	6
Total current liabilities	14,692	14,724
Long-term debt	4,720	3,974
Liability for pension benefits	638	757
Deferred tax liabilities	804	845
Provision for liabilities	378	375
Long-term lease liabilities	645	734
Other non-current liabilities	215	253
Total non-current liabilities	7,400	6,938
TOTAL LIABILITIES	22,092	21,662
COMMITMENTS AND CONTINGENCIES		
EQUITY (i)		
Additional paid-in capital	10,855	10,804
Retained earnings	1,971	4,645
Accumulated other comprehensive loss, net of tax	(2,486)	(2,186)
Treasury shares, at cost, 128,391 shares in 2022 and 17,519 in 2021	(3)	(3)
Total WTW shareholders' equity	10,337	13,260
Non-controlling interests	80	48
Total equity	10,417	13,308
TOTAL LIABILITIES AND EQUITY	$ 32,509	$ 34,970

(i) Equity includes (a) Ordinary shares $0.000304635 nominal value; Authorized 1,510,003,775; Issued 110,207,079 (2022) and 122,055,815 (2021); Outstanding 110,096,207 (2022) and 122,055,815 (2021) and (b) Preference shares, $0.000115 nominal value; Authorized 1,000,000,000 and Issued none in 2022 and 2021.

See accompanying notes to the condensed consolidated financial statements

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

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
CASH FLOWS FROM OPERATING ACTIVITIES		
NET INCOME	$ 239	$ 922
Adjustments to reconcile net income to total net cash from operating activities:		
Depreciation	131	143
Amortization	168	201
Impairment	81	—
Non-cash restructuring charges	49	—
Non-cash lease expense	64	73
Net periodic benefit of defined benefit pension plans	(80)	(81)
Provision for doubtful receivables from clients	12	8
(Benefit from)/provision for deferred income taxes	(45)	56
Share-based compensation	47	52
Net loss/(gain) on disposal of operations	96	(357)
Non-cash foreign exchange gain	(1)	(4)
Other, net	(12)	(12)
Changes in operating assets and liabilities, net of effects from purchase of subsidiaries:		
Accounts receivable	180	(39)
Other assets	(111)	(91)
Other liabilities	(573)	(506)
Provisions	13	1
Net cash from operating activities	258	366
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to fixed assets and software for internal use	(60)	(79)
Capitalized software costs	(33)	(27)
Acquisitions of operations, net of cash acquired	(76)	—
Proceeds from sale of operations	—	696
Cash and fiduciary funds transferred in sale of operations	(12)	(216)
Sale of investments	200	—
Net cash from investing activities	19	374
CASH FLOWS USED IN FINANCING ACTIVITIES		
Senior notes issued	750	—
Debt issuance costs	(5)	—
Repayments of debt	(583)	(515)
Repurchase of shares	(2,721)	—
Proceeds from issuance of shares	1	2
Net proceeds/(payments) from fiduciary funds held for clients	85	(246)
Payments of deferred and contingent consideration related to acquisitions	(20)	(17)
Cash paid for employee taxes on withholding shares	(5)	(1)
Dividends paid	(189)	(269)
Acquisitions of and dividends paid to non-controlling interests	(3)	(21)
Net cash used in financing activities	(2,690)	(1,067)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (i)	(2,413)	(327)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(170)	(50)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD (i)	7,691	6,301
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD (i)	$ 5,108	$ 5,924

(i) The amounts of cash, cash equivalents and restricted cash, their respective classification on the condensed consolidated balance sheets, as well as their respective portions of the increase or decrease in cash, cash equivalents and restricted cash for each of the periods presented have been included in Note 19 — Supplemental Disclosures of Cash Flow Information.

See accompanying notes to the condensed consolidated financial statements

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY

Condensed Consolidated Statements of Changes in Equity

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

(Unaudited)

	Six Months Ended June 30, 2022							
	Shares outstanding	Additional paid-in capital	Retained earnings	Treasury shares	AOCL (i)	Total WTW shareholders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2021	122,056	$ 10,804	$ 4,645	$ (3)	$ (2,186)	$ 13,260	$ 48	$ 13,308
Shares repurchased	(9,860)	—	(2,250)	—	—	(2,250)	—	(2,250)
Net income	—	—	122	—	—	122	3	125
Dividends declared ($0.82 per share)	—	—	(94)	—	—	(94)	—	(94)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(1)	(1)
Other comprehensive loss	—	—	—	—	(56)	(56)	—	(56)
Issuance of shares under employee stock compensation plans	17	1	—	—	—	1	—	1
Share-based compensation and net settlements	—	20	—	—	—	20	—	20
Acquisition of non-controlling interests	—	—	—	—	—	—	21	21
Foreign currency translation	—	1	—	—	—	1	—	1
Balance as of March 31, 2022	112,213	$ 10,826	$ 2,423	$ (3)	$ (2,242)	$ 11,004	$ 71	$ 11,075
Shares repurchased	(2,144)	—	(471)	—	—	(471)	—	(471)
Net income	—	—	109	—	—	109	5	114
Dividends declared ($0.82 per share)	—	—	(90)	—	—	(90)	—	(90)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(2)	(2)
Other comprehensive loss	—	—	—	—	(244)	(244)	—	(244)
Issuance of shares under employee stock compensation plans	27	—	—	—	—	—	—	—
Share-based compensation and net settlements	—	22	—	—	—	22	—	22
Sale of non-controlling interests	—	—	—	—	—	—	6	6
Foreign currency translation	—	7	—	—	—	7	—	7
Balance as of June 30, 2022	110,096	$ 10,855	$ 1,971	$ (3)	$ (2,486)	$ 10,337	$ 80	$ 10,417

(i) Accumulated other comprehensive loss, net of tax ('AOCL').

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
Condensed Consolidated Statements of Changes in Equity
(In millions of U.S. dollars and number of shares in thousands)
(Unaudited)

	Six Months Ended June 30, 2021							
	Shares outstanding	Additional paid-in capital	Retained earnings	Treasury shares	AOCL (i)	Total WTW shareholders' equity	Non-controlling interests	Total equity
Balance as of December 31, 2020	128,965	$ 10,748	$ 2,434	$ (3)	$ (2,359)	$ 10,820	$ 112	$ 10,932
Net income	—	—	733	—	—	733	3	736
Dividends declared ($0.71 per share)	—	—	(92)	—	—	(92)	—	(92)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(17)	(17)
Other comprehensive income	—	—	—	—	48	48	2	50
Issuance of shares under employee stock compensation plans	9	1	—	—	—	1	—	1
Share-based compensation and net settlements	—	12	—	—	—	12	—	12
Reduction of non-controlling interests (ii)	—	—	—	—	—	—	(52)	(52)
Foreign currency translation	—	4	—	—	—	4	—	4
Balance as of March 31, 2021	128,974	$ 10,765	$ 3,075	$ (3)	$ (2,311)	$ 11,526	$ 48	$ 11,574
Net income	—	—	184	—	—	184	2	186
Dividends declared ($0.71 per share)	—	—	(93)	—	—	(93)	—	(93)
Dividends attributable to non-controlling interests	—	—	—	—	—	—	(4)	(4)
Other comprehensive income	—	—	—	—	33	33	—	33
Issuance of shares under employee stock compensation plans	14	1	—	—	—	1	—	1
Share-based compensation and net settlements	—	20	—	—	—	20	—	20
Reduction of non-controlling interests (ii)	—	—	—	—	—	—	(1)	(1)
Foreign currency translation	—	(1)	—	—	—	(1)	—	(1)
Balance as of June 30, 2021	128,988	$ 10,785	$ 3,166	$ (3)	$ (2,278)	$ 11,670	$ 45	$ 11,715

(i) Accumulated other comprehensive loss, net of tax ('AOCL').

(ii) Attributable to the divestiture of our less than wholly-owned Miller subsidiary.

See accompanying notes to the condensed consolidated financial statements

Note 1 — Nature of Operations

Willis Towers Watson public limited company is a leading global advisory, broking and solutions company that provides data-driven, insight-led solutions in the areas of people, risk and capital. The Company has more than 44,000 colleagues serving more than 140 countries and markets.

We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals.

Our risk management services include strategic risk consulting (including providing actuarial analysis), a variety of due diligence services, the provision of practical on-site risk control services (such as health and safety and property loss control consulting), advisory services, leading-edge technology solutions, and unparalleled analytical and modeling capabilities (such as hazard modeling). We also assist our clients with planning for addressing incidents or crises when they occur. These services include contingency planning, security audits and product tampering plans.

We help our clients enhance business performance by delivering consulting services, technology and solutions that effectively deliver valuable benefits and create an engaging employee experience. Our services and solutions encompass such areas as employee benefits, total rewards, talent, wellbeing and benefits outsourcing. In addition, we provide investment advice to help our clients develop disciplined and efficient strategies to meet their investment goals and expand the power of capital.

As an insurance broker, we act as an intermediary between our clients and insurance carriers by advising on their risk management requirements, helping them to determine the best means of managing risk and negotiating and placing insurance with insurance carriers through our unrestricted access to the global insurance market.

We operate a private Medicare marketplace in the U.S. through which, along with our active employee marketplace, we help our clients move to a more sustainable economic model by capping and controlling the costs associated with healthcare benefits. We also provide direct-to-consumer sales of Medicare coverage.

We are not an insurance company, and therefore we do not underwrite insurable risks for our own account. We help sharpen strategies, enhance organizational resilience, motivate workforces and maximize performance to uncover opportunities for sustainable success.

Segment Reorganization

On January 1, 2022, WTW realigned to provide its comprehensive offering of services and solutions to clients across two business segments: Health, Wealth & Career (‘HWC’), and Risk & Broking (‘R&B’). These changes were made in conjunction with changes in the WTW leadership team, including the appointment of a new chief executive officer who succeeded the prior CEO as the chief operating decision maker on that date. Prior to January 1, 2022, we operated across four segments: Human Capital and Benefits; Corporate Risk and Broking; Investment, Risk and Reinsurance; and Benefits Delivery and Administration. Following the realignment, the two new segments consist of the following businesses:

- The HWC segment includes businesses previously aligned under the Human Capital and Benefits segment, the Benefits Delivery and Administration segment, and the Investment business, which was previously under the Investment, Risk and Reinsurance segment.
- The R&B segment includes businesses previously aligned under the Corporate Risk and Broking segment, as well as the Insurance Consulting and Technology business, which was previously under the Investment, Risk and Reinsurance segment.

In addition, effective January 1, 2022, the Company manages its businesses across three geographical areas: North America, Europe (including Great Britain) and International.

Certain Investment, Risk and Reinsurance businesses that were part of the results from continuing operations in the prior-year period presented were divested during 2021. The revenue and income from operations for these businesses have been included as ‘divested businesses’ in the reconciliations between the total segment results and the consolidated results of the Company. However, the results of the divested Willis Re treaty-reinsurance business is presented as discontinued operations and is therefore excluded from the divested businesses presented in the segment reconciliations.

Segment results herein are presented on a retrospective basis to reflect the reorganization. See Note 4 — Revenue, Note 5 — Segment Information, Note 6 — Restructuring Costs and Note 8 — Goodwill and Other Intangible Assets for the Company's segment-based presentations.

Note 2 — Basis of Presentation and Recent Accounting Pronouncements

Basis of Presentation

The accompanying unaudited quarterly condensed consolidated financial statements of WTW and our subsidiaries are presented in accordance with the rules and regulations of the SEC for quarterly reports on Form 10-Q and therefore certain footnote disclosures have been condensed or omitted from these financial statements as they are not required for interim reporting under U.S. GAAP. We have reclassified certain prior period amounts to conform to the current period presentation due to the recognition of discontinued operations and assets and liabilities as held-for-sale (see below for further discussion). Additionally, certain amounts on the condensed consolidated statements of cash flows have been revised from their prior period classifications. See Note 19 - Supplemental Disclosures of Cash Flow Information for more information as to the nature of the revision and the amounts. In the opinion of management, these condensed consolidated financial statements reflect all adjustments, consisting of normal recurring adjustments, which are necessary for a fair presentation of the condensed consolidated financial statements and results for the interim periods. All intercompany accounts and transactions have been eliminated in consolidation. The condensed consolidated financial statements should be read together with the Company's Annual Report on Form 10-K, filed with the SEC on February 24, 2022, and may be accessed via EDGAR on the SEC's web site at www.sec.gov.

The results of operations for the three and six months ended June 30, 2022 are not necessarily indicative of the results that can be expected for the entire year. The Company experiences seasonal fluctuations of its revenue. Revenue is typically higher during the Company's first and fourth quarters due primarily to the timing of broking-related activities. The results reflect certain estimates and assumptions made by management, including those estimates used in calculating acquisition consideration and fair value of tangible and intangible assets and liabilities, professional liability claims, estimated bonuses, valuation of billed and unbilled receivables, and anticipated tax liabilities that affect the amounts reported in the condensed consolidated financial statements and related notes.

Risks and Uncertainties of the Economic Environment Caused by the Pandemic

The COVID-19 pandemic has had an adverse impact on global commercial activity, particularly on the global supply chain and workforce availability, and has contributed to significant volatility in the global financial markets including, among other effects, occasional declines in the equity markets, changes in interest rates and reduced liquidity on a global basis.

Supply and labor market disruptions caused by COVID-19 as well as other factors, such as accommodative monetary and fiscal policy and the Russian invasion of Ukraine, have contributed to significant inflation in many of the markets in which we operate. This impacts not only the costs to attract and retain employees but also other costs to run and invest in our business. If our costs grow significantly in excess of our ability to raise revenue, our margins and results of operations may be materially and adversely impacted and we may not be able to achieve our strategic and financial objectives.

Although we believe we have adapted to the unique challenges posed by the pandemic surrounding how and where we do our work, we are also impacted by the negative effect on workforce availability, which could hamper our ability to grow our capacity on pace with increasing demand for our services. We expect the market for talent to remain highly competitive for at least the next several months. We will continue to monitor the situation and assess any implications to our business and our stakeholders.

Note 3 — Acquisitions and Divestitures

Acquisitions

The Company completed acquisitions during the six months ended June 30, 2022 for cash payments of $106 million and contingent considerations with estimated fair values totaling $22 million.

Divestment of Russian Business

During the first quarter of 2022, WTW announced its intention to transfer ownership of its Russian subsidiaries to local management who will operate independently in the Russian market. Due to the sanctions and prohibitions on certain types of business and activities, WTW deconsolidated its Russian entities on March 14, 2022. The transfer of its Russian subsidiaries to local management was completed on the agreed-upon terms on July 18, 2022, and the transfer was registered in Russia on July 25, 2022. The deconsolidation in the first quarter of 2022 resulted in a loss of $57 million, which includes an allocation of Risk & Broking goodwill, and was recognized as a loss on disposal of a business within other income, net on our condensed consolidated statement of comprehensive income. Further, certain Russian insurance contracts were placed historically by our U.K. brokers into the London market, the majority of which were under multi-year terms resulting in both current and non-current accounts receivables. Total net assets impaired, including accounts receivable balances related to our Russian business that are held outside of our Russian entities, were $81 million during the three months ended March 31, 2022. This impairment charge was recorded in other operating expenses on our condensed consolidated statement of comprehensive income.

Willis Re Divestiture

On August 13, 2021, the Company entered into a definitive agreement to sell its treaty-reinsurance business ('Willis Re') to Arthur J. Gallagher & Co. ('Gallagher'), a leading global provider of insurance, risk management and consulting services, for total upfront cash consideration of $3.25 billion plus an earnout payable in 2025 of up to $750 million in cash, subject to certain adjustments. The deal was subject to required regulatory approvals and clearances, as well as other customary closing conditions, and was completed on December 1, 2021 ('Principal Closing'). Although the majority of the Willis Re businesses transferred to Gallagher at Principal Closing, the assets and liabilities of certain Willis Re businesses were not transferred to Gallagher at the time due to local territory restrictions ('Deferred Closing'). The Deferred Closing for all but one business was completed during the second quarter of 2022, and all net earnings of the Deferred Closing businesses accumulated between the Principal Closing and Deferred Closing remain payable to Gallagher at June 30, 2022. The Company recognized a preliminary pre-tax gain of $2.3 billion upon completion of the sale in 2021, and during the second quarter of 2022, WTW recognized a $60 million reduction to the pre-tax gain related to an updated estimate of the working capital transferred upon disposal. The final purchase price adjustment is still pending commercial settlement with Gallagher, and further adjustments to the gain may be recognized. The gain is subject to tax in certain jurisdictions, mainly in the U.S., and is predominantly tax-exempt in the U.K.

In connection with the transaction, the Company reclassified the results of its Willis Re operations as discontinued operations on its condensed consolidated statements of comprehensive income and reclassified Willis Re assets and liabilities as held for sale on its condensed consolidated balance sheets. The condensed consolidated cash flow statements were not adjusted for the divestiture. Willis Re was previously included in the Company's former Investment, Risk and Reinsurance segment. The amounts owed as part of the Deferred Closing continue to be presented as held for sale on the condensed consolidated balance sheets at June 30, 2022 and December 31, 2021, and the results of these businesses following the Principal Closing until their respective Deferred Closing dates have been included in income from discontinued operations on the condensed consolidated statements of comprehensive income.

The Company will account for the earnout as a gain contingency and therefore did not record any receivables upon close. Rather, the earnout will be recognized in the Company's condensed consolidated financial statements, if it is received, in 2025.

A number of services are continuing under a cost reimbursement Transition Services Agreement ('TSA') in which WTW is providing Gallagher support including real estate leases, information technology, payroll, human resources and accounting. These services are expected to be provided for a period not to exceed two years from the Principal Closing. Fees earned under the TSA were $11 million and $23 million during the three and six months ended June 30, 2022 and have been recognized as a reduction to the costs incurred to service the TSA and are included in continuing operations within other operating expenses on the condensed consolidated statements of comprehensive income. Costs incurred to service the TSA are expected to be reduced as part of the Company's Transformation program (see Note 6 — Restructuring Costs for a description of the program) as quickly as possible when the services are no longer required by Gallagher.

The following selected financial information relates to the operations of Willis Re for the periods presented:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue from discontinued operations	$ 12	$ 195	$ 40	$ 557
Costs of providing services				
Salaries and benefits	2	90	8	194
Other operating expenses	1	14	1	31
Amortization	—	1	—	1
Total costs of providing services	3	105	9	226
Other income, net	—	—	—	1
Income from discontinued operations before income taxes	9	90	31	332
Adjustment to gain on disposal of Willis Re	(61)	—	(63)	—
Benefit from/(provision for) income taxes	5	(21)	2	(73)
Net income receivable/(payable) to Gallagher on Deferred Closing	1	—	(5)	—
(Loss)/income from discontinued operations, net of tax	$ (46)	$ 69	$ (35)	$ 259

The expense amounts reflected above represent only the direct costs attributable to the Willis Re business and exclude allocations of corporate costs that will be retained following the sale. Neither the discontinued operations presented above, nor the unallocated corporate costs, reflect the impact of any cost reimbursement that will be received under the TSA.

Amounts classified as held for sale within our condensed consolidated balance sheets at both June 30, 2022 and December 31, 2021 are related to amounts payable as part of the Deferred Closing as well as the estimated purchase price adjustment at June 30, 2022. Certain amounts included in the condensed consolidated balance sheets have been excluded from the held-for-sale balances disclosed since the assets are not transferring under the terms of the sale agreement, and instead will be settled by the Company. At June 30, 2022 and December 31, 2021, the amounts of significant assets and liabilities related to the Willis Re businesses which were not transferred in the sale and are therefore not classified as held for sale on the condensed consolidated balance sheets are $3.9 billion and $2.6 billion of fiduciary assets and liabilities, $66 million and $71 million of accounts receivable and $127 million and $91 million of other current liabilities, respectively.

Miller Divestiture

On March 1, 2021, the Company completed the transaction to sell its U.K.-based, majority-owned wholesale subsidiary Miller for final total consideration of GBP 623 million ($818 million), which includes amounts paid to the minority shareholder. The $356 million net tax-exempt gain on the sale was included in Other income, net in the condensed consolidated statement of comprehensive income during the six months ended June 30, 2021. Prior to disposal, Miller was included within the Company's former Investment, Risk and Reinsurance segment.

Note 4 — Revenue

The prior-year period presented has been recast to exclude the revenue of Willis Re, which has been reclassified as discontinued operations on the Company's condensed consolidated financial statements (see Note 3 – Acquisitions and Divestitures).

Disaggregation of Revenue

The Company reports revenue by segment in Note 5 — Segment Information. The following tables present revenue by service offering and segment, as well as reconciliations to total revenue for the three and six months ended June 30, 2022 and 2021. Along with reimbursable expenses and other, total revenue by service offering represents our revenue from customer contracts. The prior year segment information has been retrospectively adjusted to conform to the current year presentation.

	Three Months Ended June 30,									
	HWC		R&B		Divested Businesses		Corporate (i)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Broking	$ 236	$ 206	$ 661	$ 688	$ —	$ 9	$ 3	$ —	$ 900	$ 903
Consulting	617	637	91	99	—	—	3	2	711	738
Outsourced administration	224	245	16	19	—	—	—	—	240	264
Other	62	87	48	45	—	—	—	1	110	133
Total revenue by service offering	1,139	1,175	816	851	—	9	6	3	1,961	2,038
Reimbursable expenses and other (i)	14	14	2	2	—	—	(3)	(2)	13	14
Total revenue from customer contracts	$ 1,153	$ 1,189	$ 818	$ 853	$ —	$ 9	$ 3	$ 1	$ 1,974	$ 2,052
Interest and other income (ii)	20	4	36	34	—	—	1	1	57	39
Total revenue	$ 1,173	$ 1,193	$ 854	$ 887	$ —	$ 9	$ 4	$ 2	$ 2,031	$ 2,091

	Six Months Ended June 30,									
	HWC		R&B		Divested Businesses		Corporate (i)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Broking	$ 507	$ 456	$ 1,357	$ 1,405	$ —	$ 54	$ 7	$ —	$ 1,871	$ 1,915
Consulting	1,270	1,289	195	200	—	6	5	4	1,470	1,499
Outsourced administration	474	509	43	48	—	—	—	—	517	557
Other	126	148	109	102	—	—	—	2	235	252
Total revenue by service offering	2,377	2,402	1,704	1,755	—	60	12	6	4,093	4,223
Reimbursable expenses and other (i)	27	27	5	3	—	—	(1)	—	31	30
Total revenue from customer contracts	$ 2,404	$ 2,429	$ 1,709	$ 1,758	$ —	$ 60	$ 11	$ 6	$ 4,124	$ 4,253
Interest and other income (ii)	26	10	39	54	—	—	2	2	67	66
Total revenue	$ 2,430	$ 2,439	$ 1,748	$ 1,812	$ —	$ 60	$ 13	$ 8	$ 4,191	$ 4,319

(i) Reimbursable expenses and other, as well as Corporate revenue, are excluded from segment revenue, but included in total revenue on the condensed consolidated statements of comprehensive income. Amounts included in Corporate revenue may include eliminations and impacts from hedged revenue transactions.

(ii) Interest and other income is included in segment revenue and total revenue, however it has been presented separately in the above tables because it does not arise directly from contracts with customers. In 2022, both HWC and R&B's interest and other income resulted primarily from book-of-business settlements. For HWC, these amounts totaled $15 million and $18 million, respectively, for three and six months ended June 30, 2022. For R&B, these amounts totaled $30 million for both the three and six months ended June 30, 2022. In the three and six months ended 2021, HWC had no significant settlements, and R&B had settlements totaling $31 million and $47 million, respectively.

The following tables present revenue by the geography where our work is performed for the three and six months ended June 30, 2022 and 2021. Reconciliations to total revenue on our condensed consolidated statements of comprehensive income and to segment revenue are shown in the table above. The prior year geographic information has been retrospectively adjusted to conform to the current year presentation.

	Three Months Ended June 30,									
	HWC		R&B		Divested Businesses		Corporate		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
North America	$ 756	$ 738	$ 333	$ 327	$ —	$ 5	$ 2	$ 2	$ 1,091	$ 1,072
Europe	293	348	351	383	—	4	3	1	647	736
International	90	89	132	141	—	—	1	—	223	230
Total revenue by geography	$ 1,139	$ 1,175	$ 816	$ 851	$ —	$ 9	$ 6	$ 3	$ 1,961	$ 2,038

	Six Months Ended June 30,									
	HWC		R&B		Divested Businesses		Corporate		Total	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
North America	$ 1,535	$ 1,510	$ 610	$ 593	$ —	$ 10	$ 4	$ 4	$ 2,149	$ 2,117
Europe	646	706	831	882	—	50	7	2	1,484	1,640
International	196	186	263	280	—	—	1	—	460	466
Total revenue by geography	$ 2,377	$ 2,402	$ 1,704	$ 1,755	$ —	$ 60	$ 12	$ 6	$ 4,093	$ 4,223

Contract Balances

The Company reports accounts receivable, net on the condensed consolidated balance sheet, which includes billed and unbilled receivables and current contract assets. In addition to accounts receivable, net, the Company had the following non-current contract assets and deferred revenue balances at June 30, 2022 and December 31, 2021:

	June 30, 2022	December 31, 2021
Billed receivables, net of allowance for doubtful accounts of $46 million and $45 million	$ 1,325	$ 1,504
Unbilled receivables	439	431
Current contract assets	261	435
Accounts receivable, net	$ 2,025	$ 2,370
Non-current accounts receivable, net	$ 13	$ 23
Non-current contract assets	$ 599	$ 532
Deferred revenue	$ 622	$ 576

During the three and six months ended June 30, 2022, revenue of $59 million and $310 million, respectively, was recognized that was reflected as deferred revenue at December 31, 2021. During the three months ended June 30, 2022, revenue of $222 million was recognized that was reflected as deferred revenue at March 31, 2022.

During the three and six months ended June 30, 2022, the Company recognized revenue of $2 million and $5 million, respectively, related to performance obligations satisfied prior to 2022.

Performance Obligations

The Company has contracts for which performance obligations have not been satisfied as of June 30, 2022 or have been partially satisfied as of this date. The following table shows the expected timing for the satisfaction of the remaining performance obligations. This table does not include contract renewals or variable consideration, which was excluded from the transaction prices in accordance with the guidance on constraining estimates of variable consideration.

In addition, in accordance with ASC 606, *Revenue From Contracts With Customers* ('ASC 606'), the Company has elected not to disclose the remaining performance obligations when one or both of the following circumstances apply:

- Performance obligations which are part of a contract that has an original expected duration of less than one year, and
- Performance obligations satisfied in accordance with ASC 606-10-55-18 ('right to invoice').

	Remainder of 2022	2023	2024 onward	Total
Revenue expected to be recognized on contracts as of June 30, 2022	$ 331	$ 642	$ 746	$ 1,719

Since most of the Company's contracts are cancellable with less than one year's notice, and have no substantive penalty for cancellation, the majority of the Company's remaining performance obligations as of June 30, 2022 have been excluded from the table above.

Note 5 — Segment Information

WTW has two reportable operating segments or business areas:

- Health, Wealth & Career ('HWC')
- Risk & Broking ('R&B')

WTW's chief operating decision maker is its chief executive officer. We determined that the operational data used by the chief operating decision maker is at the segment level. Management bases strategic goals and decisions on these segments and the data presented below is used to assess the adequacy of strategic decisions and the methods of achieving these strategies and related financial results. Management evaluates the performance of its segments and allocates resources to them based on net operating income on a pre-tax basis.

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

For the disclosures below, the prior-year periods presented have been recast to exclude the results of Willis Re, which has been reclassified as discontinued operations on the Company's condensed consolidated financial statements (see Note 3 – Acquisitions and Divestitures).

The following table presents segment revenue and segment operating income for our reportable segments for the three months ended June 30, 2022 and 2021. The prior year information has been retrospectively adjusted to conform to the current year presentation.

	Three Months Ended June 30,					
	HWC		R&B		Total	
	2022	2021	2022	2021	2022	2021
Segment revenue	$ 1,159	$ 1,179	$ 852	$ 885	$ 2,011	$ 2,064
Segment operating income	$ 217	$ 218	$ 168	$ 204	$ 385	$ 422

The following table presents segment revenue and segment operating income for our reportable segments for the six months ended June 30, 2022 and 2021. The prior year information has been retrospectively adjusted to conform to the current year presentation.

	Six Months Ended June 30,					
	HWC		R&B		Total	
	2022	2021	2022	2021	2022	2021
Segment revenue	$ 2,403	$ 2,412	$ 1,743	$ 1,809	$ 4,146	$ 4,221
Segment operating income	$ 474	$ 460	$ 360	$ 407	$ 834	$ 867

The following table presents reconciliations of the information reported by segment to the Company's condensed consolidated statements of comprehensive income amounts reported for the three and six months ended June 30, 2022 and 2021.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue:				
Total segment revenue	$ 2,011	$ 2,064	$ 4,146	$ 4,221
Divested businesses	—	9	—	60
Reimbursable expenses and other	20	18	45	38
Revenue	$ 2,031	$ 2,091	$ 4,191	$ 4,319
Total segment operating income	$ 385	$ 422	$ 834	$ 867
Divested businesses	—	(19)	—	(29)
Impairment (i)	—	—	(81)	—
Amortization	(83)	(97)	(168)	(200)
Restructuring costs	(56)	—	(62)	—
Transaction and transformation, net (ii)	(38)	(51)	(58)	(75)
Unallocated, net (iii)	(71)	(85)	(149)	(182)
Income from operations	137	170	316	381
Interest expense	(51)	(52)	(100)	(111)
Other income, net	93	74	120	512
Income from continuing operations before income taxes	$ 179	$ 192	$ 336	$ 782

(i) Represents the impairment related to the net assets of our Russian business that are held outside of our Russian entities (see Note 3 — Acquisitions and Divestitures for further information).

(ii) In 2022, in addition to legal fees and other transaction costs, includes primarily consulting fees related to the Transformation program (see Note 6 — Restructuring Costs). In 2021, includes fees related to our then-proposed Aon combination.

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

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

Note 6 — Restructuring Costs

In the fourth quarter of 2021, the Company initiated a three-year 'Transformation program' designed to enhance operations, optimize technology and align its real estate footprint to its new ways of working. The program is expected to generate annual cost savings of approximately $300 million by the end of 2024. The program is expected to include cumulative costs of approximately $490 million and capital expenditures of approximately $260 million, for a total investment of $750 million. The main categories of charges will be in the following four areas:

- Real estate rationalization — includes costs to align the real estate footprint to the new ways of working (hybrid work) and includes breakage fees and the impairment of right-of-use assets and other related leasehold assets.
- Technology modernization — these charges are incurred in moving to common platforms and technologies, including migrating certain platforms and applications to the cloud. This category will include the impairment of technology assets that are duplicative or no longer revenue-producing, as well as costs for technology investments that do not qualify for capitalization.
- Process optimization — these costs will be incurred in the right-shoring strategy and automation of our operations, which will include optimizing resource deployment and appropriate colleague alignment. These costs will include process and organizational design costs, severance and separation-related costs and temporary retention costs.
- Other — other costs not included above including fees for professional services, other contract terminations not related to the above categories and supplier migration costs.

Certain costs under the Transformation program are accounted for under ASC 420, *Exit or Disposal Cost Obligation,* and are included as restructuring costs in the condensed consolidated statements of comprehensive income. Other costs incurred under the Transformation program are included in transaction and transformation, net and were $26 million and $31 million for the three and six months ended June 30, 2022, respectively. An analysis of total restructuring costs incurred under the Transformation program by category and by segment and corporate functions, from commencement to June 30, 2022, is as follows:

	HWC	R&B	Corporate	Total
2021				
Real estate rationalization	$ —	$ —	$ 19	$ 19
Technology modernization	—	5	—	5
Process optimization	—	—	—	—
Other	—	—	2	2
2022				
Real estate rationalization	—	—	49	49
Technology modernization	—	—	12	12
Process optimization	1	—	—	1
Other	—	—	—	—
Total				
Real estate rationalization	—	—	68	68
Technology modernization	—	5	12	17
Process optimization	1	—	—	1
Other	—	—	2	2
Total	$ 1	$ 5	$ 82	$ 88

A rollforward of the liability associated with cash-based charges related to restructuring costs associated with the Transformation program is as follows:

	Real estate rationalization	Technology modernization	Process optimization	Other	Total
Balance at October 1, 2021	$ —	$ —	$ —	$ —	$ —
Charges incurred	—	—	—	2	2
Cash payments	—	—	—	(1)	(1)
Balance at December 31, 2021	—	—	—	1	1
Charges incurred	12	—	1	—	13
Cash payments	(8)	—	(1)	(1)	(10)
Balance at June 30, 2022	$ 4	$ —	$ —	$ —	$ 4

Note 7 — Income Taxes

Provision for income taxes for the three and six months ended June 30, 2022 was $19 million and $62 million, respectively, compared to $75 million and $119 million for the three and six months ended June 30, 2021, respectively. The effective tax rates were 10.5% and 18.4% for the three and six months ended June 30, 2022, respectively, and 38.9% and 15.2% for the three and six months ended June 30, 2021, respectively. These effective tax rates are calculated using extended values from the Company’s condensed consolidated statements of comprehensive income and are, therefore, more precise tax rates than can be calculated from rounded values. The prior-year quarter effective tax rate was higher due to the discrete tax effect of the U.K. tax-rate increase enacted in the second quarter of 2021. Accordingly, the Company remeasured its U.K. deferred tax assets and liabilities, which resulted in a $40 million deferred tax expense in the prior-year period. Additionally, the current quarter effective tax rate includes certain discrete tax benefits primarily related to return-to-provision true ups.

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when it expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments. Historically, the Company has not provided taxes on cumulative earnings of its subsidiaries that have been reinvested indefinitely. As a result of its plans to restructure or distribute accumulated earnings of certain foreign operations, the Company has recorded an estimate of non-US withholding and state income taxes. However, the Company asserts that the historical cumulative earnings of its other subsidiaries are reinvested indefinitely and therefore does not provide deferred tax liabilities on these amounts.

The Company records valuation allowances against net deferred tax assets based on whether it is more likely than not that the deferred tax assets will be realized. It has liabilities for uncertain tax positions under ASC 740, *Income Taxes,* of $37 million, excluding interest and penalties. The Company believes the outcomes that are reasonably possible within the next 12 months may result in a reduction in the liability for uncertain tax positions of approximately $3 million to $6 million, excluding interest and penalties.

Note 8 — Goodwill and Other Intangible Assets

The components of goodwill are outlined below for the six months ended June 30, 2022. The prior year segment information has been retrospectively adjusted to conform to the current year presentation.

	HWC	R&B	Total
Balance at December 31, 2021:			
Goodwill, gross	$ 7,904	$ 2,771	$ 10,675
Accumulated impairment losses	(130)	(362)	(492)
Goodwill, net - December 31, 2021	7,774	2,409	10,183
Goodwill acquired	—	97	97
Goodwill disposals	—	(18)	(18)
Foreign exchange	(35)	(69)	(104)
Balance at June 30, 2022:			
Goodwill, gross	7,869	2,781	10,650
Accumulated impairment losses	(130)	(362)	(492)
Goodwill, net - June 30, 2022	$ 7,739	$ 2,419	$ 10,158

Other Intangible Assets

The following table reflects changes in the net carrying amounts of the components of finite-lived intangible assets for the six months ended June 30, 2022:

	Client relationships	Software	Trademark and trade name	Other	Total
Balance at December 31, 2021:					
Intangible assets, gross	$ 3,794	$ 742	$ 1,039	$ 102	$ 5,677
Accumulated amortization	(2,118)	(701)	(257)	(46)	(3,122)
Intangible assets, net - December 31, 2021	1,676	41	782	56	2,555
Intangible assets acquired	60	—	1	—	61
Intangible asset disposals	(1)	—	—	(5)	(6)
Amortization	(118)	(23)	(21)	(6)	(168)
Foreign exchange	(33)	—	(1)	—	(34)
Balance at June 30, 2022:					
Intangible assets, gross	3,760	723	1,038	96	5,617
Accumulated amortization	(2,176)	(705)	(277)	(51)	(3,209)
Intangible assets, net - June 30, 2022	$ 1,584	$ 18	$ 761	$ 45	$ 2,408

The weighted-average remaining life of amortizable intangible assets at June 30, 2022 was 12.7 years.

The table below reflects the future estimated amortization expense for amortizable intangible assets for the remainder of 2022 and for subsequent years:

	Amortization
Remainder of 2022	$ 143
2023	261
2024	229
2025	208
2026	202
Thereafter	1,365
Total	$ 2,408

Note 9 — Derivative Financial Instruments

We are exposed to certain foreign currency risks. Where possible, we identify exposures in our business that can be offset internally. Where no natural offset is identified, we may choose to enter into various derivative transactions. These instruments have the effect of reducing our exposure to unfavorable changes in foreign currency rates. The Company's board of directors reviews and approves policies for managing this risk as summarized below. Additional information regarding our derivative financial instruments can be found in Note 11 — Fair Value Measurements and Note 17 — Accumulated Other Comprehensive Loss.

Foreign Currency Risk

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

These derivatives were designated as hedging instruments and at June 30, 2022 and December 31, 2021 had total notional amounts of $134 million and $155 million, respectively, and had a net liability fair value of $5 million and a net asset fair value of $3 million, respectively.

At June 30, 2022, the Company estimates, based on current exchange rates, there will be $4 million of net derivative losses on forward exchange rates reclassified from accumulated other comprehensive loss into earnings within the next twelve months as the forecast transactions affect earnings. At June 30, 2022, our longest outstanding maturity was 1.7 years.

The effects of the material derivative instruments that are designated as hedging instruments on the condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2022 and 2021 are below. Amounts pertaining to the ineffective portion of hedging instruments and those excluded from effectiveness testing were immaterial for the three and six months ended June 30, 2022 and 2021.

	(Loss)/gain recognized in OCI (effective element)			
	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Forward exchange contracts	$ (5)	$ 1	$ (6)	$ 5

Location of gain/(loss) reclassified from Accumulated OCL into income (effective element)	Gain/(loss) reclassified from Accumulated OCL into income (effective element)			
	Three months ended June 30,		Six months ended June 30,	
	2022	2021	2022	2021
Revenue	$ 1	$ (1)	$ 1	$ (2)
Salaries and benefits	(1)	2	1	3
Discontinued operations	—	2	—	3
	$ —	$ 3	$ 2	$ 4

We also enter into foreign currency transactions, primarily to hedge certain intercompany loans and other balance sheet exposures in currencies other than the functional currency of a given entity. These derivatives are not generally designated as hedging instruments, and at June 30, 2022 and December 31, 2021, we had notional amounts of $2.0 billion and $2.9 billion, respectively. At June 30, 2022 and December 31, 2021, we had a net liability fair value of $11 million and a net asset fair value of $15 million, respectively.

The effects of derivatives that have not been designated as hedging instruments on the condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2022 and 2021 are as follows:

		Loss recognized in income			
		Three Months Ended June 30,		Six Months Ended June 30,	
Derivatives not designated as hedging instruments:	Location of loss recognized in income	2022	2021	2022	2021
Forward exchange contracts	Other income, net	$ (20)	$ (13)	$ (26)	$ (29)

Note 10 — Debt

Current debt consists of the following:

	June 30, 2022	December 31, 2021
2.125% senior notes due 2022 [(i)]	$ —	$ 613
	$ —	$ 613

Long-term debt consists of the following:

	June 30, 2022	December 31, 2021
Revolving $1.5 billion credit facility	$ —	$ —
4.625% senior notes due 2023	250	249
3.600% senior notes due 2024	648	648
4.400% senior notes due 2026	547	546
4.650% senior notes due 2027	744	—
4.500% senior notes due 2028	597	597
2.950% senior notes due 2029	726	726
6.125% senior notes due 2043	271	271
5.050% senior notes due 2048	395	395
3.875% senior notes due 2049	542	542
	$ 4,720	$ 3,974

(i) Notes issued in Euro (€540 million).

Senior Notes

On May 19, 2022, the Company, together with its wholly-owned subsidiary, Willis North America Inc. as issuer, completed an offering of $750 million aggregate principal amount of 4.650% senior notes due 2027 (‘2027 senior notes’). The effective interest rate of the 2027 senior notes is 4.79%, which includes the impact of the discount upon issuance. The 2027 senior notes will mature on June 15, 2027. Interest on the 2027 senior notes accrues from May 19, 2022 and will be paid in cash on June 15 and December 15 of each year, commencing on December 15, 2022. The net proceeds from this offering, after deducting the underwriting discount and estimated offering expenses, were approximately $744 million and were used to fully repay the €540 million ($582 million on the date of repayment) aggregate principal amount of the 2.125% Senior Notes due 2022 and related accrued interest, and for general corporate purposes.

At June 30, 2022 and December 31, 2021, we were in compliance with all financial covenants.

Note 11 — Fair Value Measurements

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

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

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

- Available-for-sale securities are classified as Level 1 because we use quoted market prices in determining the fair value of these securities.
- Market values for our derivative instruments have been used to determine the fair value of forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account observable information about the current foreign currency forward rates. Such financial instruments are classified as Level 2 in the fair value hierarchy.
- Contingent consideration payable is classified as Level 3, and we estimate fair value based on the likelihood and timing of achieving the relevant milestones of each arrangement, applying a probability assessment to each of the potential outcomes, which at times includes the use of a Monte Carlo simulation, and discounting the probability-weighted payout. Typically, milestones are based on revenue or earnings growth for the acquired business.

The following tables present our assets and liabilities measured at fair value on a recurring basis at June 30, 2022 and December 31, 2021:

	Balance Sheet Location	Fair Value Measurements on a Recurring Basis at June 30, 2022 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities:					
Mutual funds / exchange traded funds	Prepaid and other current assets and other non-current assets	$ 7	$ —	$ —	$ 7
	Fiduciary assets	131	—	—	131
Derivatives:					
Derivative financial instruments (i)	Prepaid and other current assets and other non-current assets	$ —	$ 2	$ —	$ 2
Liabilities:					
Contingent consideration:					
Contingent consideration (ii)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 56	$ 56
Derivatives:					
Derivative financial instruments (i)	Other current liabilities and other non-current liabilities	$ —	$ 18	$ —	$ 18

	Balance Sheet Location	Fair Value Measurements on a Recurring Basis at December 31, 2021 Level 1	Level 2	Level 3	Total
Assets:					
Available-for-sale securities:					
Mutual funds / exchange traded funds	Prepaid and other current assets and other non-current assets	$ 9	$ —	$ —	$ 9
	Fiduciary assets	152	—	—	152
Certificates of deposit/term deposits	Prepaid and other current assets and other non-current assets	200	—	—	200
Derivatives:					
Derivative financial instruments (i)	Prepaid and other current assets and other non-current assets	$ —	$ 18	$ —	$ 18
Liabilities:					
Contingent consideration:					
Contingent consideration (ii)	Other current liabilities and other non-current liabilities	$ —	$ —	$ 51	$ 51
Derivatives:					
Derivative financial instruments (i)	Other current liabilities and other non-current liabilities	$ —	$ —	$ —	$ —

(i) See Note 9 — Derivative Financial Instruments for further information on our derivative investments.

(ii) Probability weightings are based on our knowledge of the past and planned performance of the acquired entity to which the contingent consideration applies. The fair value weighted-average discount rates used in our material contingent consideration calculations were 12.00% and 11.92% at June 30, 2022 and December 31, 2021, respectively. The range of these discount rates was 3.53% - 13.80% at June 30, 2022. Using different probability weightings and discount rates could result in an increase or decrease of the contingent consideration payable.

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

Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	**June 30, 2022**
Balance at December 31, 2021	$ 51
Obligations assumed	22
Payments	(20)
Realized and unrealized losses (i)	5
Foreign exchange	(2)
Balance at June 30, 2022	$ 56

(i) Realized and unrealized losses include accretion and adjustments to contingent consideration liabilities, which are included within Interest expense and Other operating expenses, respectively, on the condensed consolidated statements of comprehensive income.

There were no significant transfers to or from Level 3 in the six months ended June 30, 2022.

Fair value information about financial instruments not measured at fair value

The following tables present our liabilities not measured at fair value on a recurring basis at June 30, 2022 and December 31, 2021:

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets:				
Long-term note receivable	$ 65	$ 63	$ 69	$ 70
Liabilities:				
Current debt	$ —	$ —	$ 613	$ 616
Long-term debt	$ 4,720	$ 4,465	$ 3,974	$ 4,453

The carrying value of our revolving credit facility approximates its fair value. The fair values above, which exclude accrued interest, are not necessarily indicative of the amounts that the Company would realize upon disposition, nor do they indicate the Company's intent or ability to dispose of the financial instruments. The fair values of our respective senior notes and long-term note receivable are considered Level 2 financial instruments as they are corroborated by observable market data.

Note 12 — Retirement Benefits

Defined Benefit Plans and Post-retirement Welfare Plans

WTW sponsors both qualified and non-qualified defined benefit pension plans and other post-retirement welfare ('PRW') plans throughout the world. The majority of our plan assets and obligations are in the U.S. and the U.K. We have also included disclosures related to defined benefit plans in certain other countries, including Canada, France, Germany, Switzerland and Ireland. Together, these disclosed funded and unfunded plans represent 99% of WTW's pension and PRW obligations and are disclosed herein.

Components of Net Periodic Benefit (Income)/Cost for Defined Benefit Pension and Post-retirement Welfare Plans

The following tables set forth the components of net periodic benefit (income)/cost for the Company's defined benefit pension and PRW plans for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,							
	2022				2021			
	U.S.	U.K.	Other	PRW	U.S.	U.K.	Other	PRW
Service cost	$ 19	$ 4	$ 5	$ —	$ 20	$ 5	$ 6	$ —
Interest cost	30	17	4	—	24	14	3	1
Expected return on plan assets	(82)	(37)	(9)	—	(77)	(43)	(10)	—
Settlement	—	—	—	—	—	1	—	—
Amortization of net loss	3	7	1	1	11	7	2	1
Amortization of prior service credit	—	(3)	—	(1)	—	(5)	—	(1)
Net periodic benefit (income)/cost	$ (30)	$ (12)	$ 1	$ —	$ (22)	$ (21)	$ 1	$ 1

	Six Months Ended June 30,							
	2022				2021			
	U.S.	U.K.	Other	PRW	U.S.	U.K.	Other	PRW
Service cost	$ 38	$ 7	$ 11	$ —	$ 40	$ 9	$ 12	$ —
Interest cost	59	36	8	1	47	28	6	1
Expected return on plan assets	(165)	(76)	(19)	—	(154)	(86)	(19)	—
Settlement	—	—	—	—	1	1	—	—
Amortization of net loss	7	15	2	1	22	14	3	1
Amortization of prior service credit	—	(6)	—	(2)	—	(9)	—	(2)
Net periodic benefit (income)/cost	$ (61)	$ (24)	$ 2	$ —	$ (44)	$ (43)	$ 2	$ —

Employer Contributions to Defined Benefit Pension Plans

The Company did not make any contributions to its U.S. plans during the six months ended June 30, 2022 and currently does not anticipate making contributions over the remainder of the fiscal year. The Company made contributions of $16 million to its U.K. plans for the six months ended June 30, 2022 and anticipates making additional contributions of $23 million for the remainder of the fiscal year. The Company made contributions of $18 million to its other plans for the six months ended June 30, 2022 and anticipates making additional contributions of $6 million for the remainder of the fiscal year.

Defined Contribution Plans

The Company made contributions to its defined contribution plans of $38 million and $80 million during the three and six months ended June 30, 2022, respectively, and $39 million and $82 million during the three and six months ended June 30, 2021, respectively.

Note 13 — Leases

The following tables present lease costs recorded on our condensed consolidated statements of comprehensive income for the three and six months ended June 30, 2022 and 2021:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Finance lease cost:				
Amortization of right-of-use assets	$ 1	$ 1	$ 1	$ 1
Interest on lease liabilities	—	—	1	1
Operating lease cost	56	45	95	91
Short-term lease cost	—	1	—	1
Variable lease cost	16	13	34	26
Sublease income	(5)	(5)	(9)	(10)
Total lease cost, net	$ 68	$ 55	$ 122	$ 110

The total lease cost is recognized in different locations in our condensed consolidated statements of comprehensive income. Amortization of the finance lease right-of-use assets is included in depreciation, while the interest cost component of these finance leases is included in interest expense. All other costs are included in other operating expenses, with the exception of $26 million and $31 million, respectively, incurred during the three and six months ended June 30, 2022 that was included in restructuring costs (see Note 6 — Restructuring Costs) that primarily related to the acceleration of amortization of certain abandoned right-of-use assets and the payment of early termination fees. There are no significant lease costs that have been included as discontinued operations in the condensed consolidated statements of comprehensive income during the three and six months ended June 30, 2022 and 2021.

Note 14 — Commitments and Contingencies

Indemnification Agreements

WTW has various agreements which provide that it may be obligated to indemnify the other party to the agreement with respect to certain matters. Generally, these indemnification provisions are included in contracts arising in the normal course of business and in connection with the purchase and sale of certain businesses, including the disposal of Willis Re. It is not possible to predict the maximum potential amount of future payments that may become due under these indemnification agreements because of the conditional nature of the Company’s obligations and the unique facts of each particular agreement. However, we do not believe that any potential liability that may arise from such indemnity provisions is probable or material.

Legal Proceedings

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

Errors and omissions claims, lawsuits, and other proceedings arising in the ordinary course of business are covered in part by professional indemnity or other appropriate insurance. The terms of this insurance vary by policy year. Regarding self-insured risks, the Company has established provisions which are believed to be adequate in light of current information and legal advice, or, in certain cases, where a range of loss exists, the Company accrues the minimum amount in the range if no amount within the range is a better estimate than any other amount. The Company adjusts such provisions from time to time according to developments. See Note 15 — Supplementary Information for Certain Balance Sheet Accounts for the amounts accrued at June 30, 2022 and December 31, 2021 in the condensed consolidated balance sheets.

On the basis of current information, the Company does not expect that the actual claims, lawsuits and other proceedings to which it is subject, or potential claims, lawsuits, and other proceedings relating to matters of which it is aware, will ultimately have a material adverse effect on its financial condition, results of operations or liquidity. Nonetheless, given the large or indeterminate amounts sought in certain of these actions, and the inherent unpredictability of litigation and disputes with insurance companies, it is possible that an adverse outcome or settlement in certain matters could, from time to time, have a material adverse effect on the Company’s results of operations or cash flows in particular quarterly or annual periods. In addition, given the early stages of some litigation or regulatory proceedings described below, it may not be possible to predict their outcomes or resolutions, and it is possible that any one or more of these events may have a material adverse effect on the Company.

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

Note 15 — Supplementary Information for Certain Balance Sheet Accounts

Additional details of specific balance sheet accounts are detailed below.

Prepaid and other current assets consist of the following:

	June 30, 2022	December 31, 2021
Prepayments and accrued income	$ 103	$ 137
Short-term investments	—	200
Deferred contract costs	64	74
Derivatives and investments	19	35
Deferred compensation plan assets	13	19
Corporate income and other taxes	176	82
Acquired renewal commissions receivable	8	11
Other current assets	49	54
Total prepaid and other current assets	$ 432	$ 612

Deferred revenue and accrued expenses consist of the following:

	June 30, 2022	December 31, 2021
Accounts payable, accrued liabilities and deferred income	$ 900	$ 898
Accrued discretionary and incentive compensation	384	811
Accrued vacation	185	145
Other employee-related liabilities	65	72
Total deferred revenue and accrued expenses	$ 1,534	$ 1,926

Provision for liabilities consists of the following:

	June 30, 2022	December 31, 2021
Claims, lawsuits and other proceedings	$ 314	$ 311
Other provisions	64	64
Total provision for liabilities	$ 378	$ 375

Other non-current liabilities consists of the following:

	June 30, 2022	December 31, 2021
Deferred compensation plan liability	$ 80	$ 109
Contingent and deferred consideration on acquisitions	41	27
Liabilities for uncertain tax positions	37	43
Finance leases	14	15
Other non-current liabilities	43	59
Total other non-current liabilities	$ 215	$ 253

Note 16 — Other Income, Net

Other income, net consists of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Gain/(loss) on disposal of operations (i)	$ 22	$ (2)	$ (32)	$ 357
Net periodic pension and postretirement benefit credits	69	72	140	148
Interest in earnings of associates and other investments	2	2	4	4
Foreign exchange (loss)/gain	(1)	2	5	3
Other	1	—	3	—
Other income, net	$ 93	$ 74	$ 120	$ 512

(i) For both the three and six months ended June 30, 2022, includes a $24 million non-cash revaluation gain related to an acquisition completed in stages.

Certain prior-year period amounts within the table above have been reclassified to discontinued operations within the condensed consolidated statements of comprehensive income.

Note 17 — Accumulated Other Comprehensive Loss

Changes in accumulated other comprehensive loss, net of non-controlling interests, and net of tax are provided in the following tables for the three and six months ended June 30, 2022 and 2021. These tables exclude amounts attributable to non-controlling interests, which are not material for further disclosure.

	Foreign currency translation (i)		Derivative instruments (i)		Defined pension and post-retirement benefit costs (ii)		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
Quarter-to-date activity:								
Balance at March 31, 2022 and 2021, respectively	$ (548)	$ (398)	$ 8	$ 15	$ (1,702)	$ (1,928)	$ (2,242)	$ (2,311)
Other comprehensive (loss)/income before reclassifications	(246)	22	(2)	1	(4)	(1)	(252)	22
(Gain)/loss reclassified from accumulated other comprehensive loss (net of income tax benefit of $1 and $1, respectively)	—	—	—	(3)	8	14	8	11
Net current-period other comprehensive (loss)/income	(246)	22	(2)	(2)	4	13	(244)	33
Balance at June 30, 2022 and 2021, respectively	$ (794)	$ (376)	$ 6	$ 13	$ (1,698)	$ (1,915)	$ (2,486)	$ (2,278)
Year-to-date activity:								
Balance at December 31, 2021 and 2020, respectively	$ (489)	$ (400)	$ 11	$ 9	$ (1,708)	$ (1,968)	$ (2,186)	$ (2,359)
Other comprehensive (loss)/income before reclassifications	(305)	(20)	(3)	8	(2)	—	(310)	(12)
Loss/(gain) reclassified from accumulated other comprehensive loss (net of income tax benefit of $4 and $7, respectively) (iii)	—	44	(2)	(4)	12	53	10	93
Net current-period other comprehensive (loss)/income	(305)	24	(5)	4	10	53	(300)	81
Balance at June 30, 2022 and 2021, respectively	$ (794)	$ (376)	$ 6	$ 13	$ (1,698)	$ (1,915)	$ (2,486)	$ (2,278)

(i) Reclassification adjustments from accumulated other comprehensive loss related to derivative instruments are included in Revenue and Salaries and benefits in the accompanying condensed consolidated statements of comprehensive income. See Note 9 — Derivative Financial Instruments for additional details regarding the reclassification adjustments for the derivative settlements.

(ii) Reclassification adjustments from accumulated other comprehensive loss are included in the computation of net periodic pension cost (see Note 12 — Retirement Benefits). These components are included in Other income, net in the accompanying condensed consolidated statements of comprehensive income.

(iii) Includes reclassifications in 2021 of $44 million and $31 million of foreign currency translation and defined pension and post-retirement benefit costs, respectively, attributable to the gain on disposal of our Miller business (see Note 3 — Acquisitions and Divestitures). The net gain on disposal is included in Other income, net in the accompanying condensed consolidated statements of comprehensive income.

Note 18 — Earnings Per Share

Basic and diluted earnings per share from continuing operations attributable to WTW and discontinued operations, net of tax are calculated by dividing net income from continuing operations attributable to WTW and discontinued operations, net of tax, respectively, by the average number of ordinary shares outstanding during each period. The computation of diluted earnings per share reflects the potential dilution that could occur if dilutive securities and other contracts to issue shares were exercised or converted into shares or resulted in the issuance of shares that then shared in the net income of the Company.

At June 30, 2022 and 2021, there were 0.1 million and 0.3 million performance-based options outstanding, respectively, and 0.7 million and 0.6 million restricted performance-based stock units outstanding, respectively. At June 30, 2022, there were 0.4 million restricted time-based stock units outstanding; restricted time-based stock units were immaterial at June 30, 2021. The Company's time-based share options were immaterial at June 30, 2022; there were 0.1 million time-based share options outstanding at June 30, 2021.

Basic and diluted earnings per share are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Income from continuing operations	$ 160	$ 117	$ 274	$ 663
Less: income attributable to non-controllable interests	(5)	(2)	(8)	(5)
Income from continuing operations attributable to WTW	$ 155	$ 115	$ 266	$ 658
(Loss)/income from discontinued operations, net of tax	$ (46)	$ 69	$ (35)	$ 259
Basic average number of shares outstanding	112	130	115	130
Dilutive effect of potentially issuable shares	—	—	—	—
Diluted average number of shares outstanding	112	130	115	130
Basic earnings per share from continuing operations attributable to WTW	$ 1.38	$ 0.89	$ 2.31	$ 5.07
Dilutive effect of potentially issuable shares	—	(0.01)	—	(0.02)
Diluted earnings per share from continuing operations attributable to WTW	$ 1.38	$ 0.88	$ 2.31	$ 5.05
Basic (loss)/earnings per share from discontinued operations, net of tax	$ (0.41)	$ 0.53	$ (0.30)	$ 1.99
Dilutive effect of potentially issuable shares	—	—	—	—
Diluted (loss)/earnings per share from discontinued operations, net of tax	$ (0.41)	$ 0.53	$ (0.30)	$ 1.99

For the three and six months ended June 30, 2022, 0.3 million and 0.2 million restricted stock units, respectively, were not included in the computation of the dilutive effect of potentially issuable shares because their effect was anti-dilutive. For both the three and six months ended June 30, 2021, 0.2 million restricted stock units were not included in the computation of the dilutive effect of potentially issuable shares because their effect was anti-dilutive. There were no anti-dilutive options for the three and six months ended June 30, 2022 and 2021.

Note 19 — Supplemental Disclosures of Cash Flow Information

Supplemental disclosures regarding cash flow information are as follows:

	Six months ended June 30,	
	2022	2021
Supplemental disclosures of cash flow information:		
Cash and cash equivalents	$ 1,920	$ 2,217
Fiduciary funds (included in fiduciary assets)	3,183	3,703
Cash and cash equivalents and fiduciary funds (included in current assets held for sale)	5	—
Other restricted cash (included in prepaids and other current assets)	—	4
Total cash, cash equivalents and restricted cash	$ 5,108	$ 5,924
(Decrease)/increase in cash, cash equivalents and other restricted cash	$ (2,515)	$ 135
Increase/(decrease) in fiduciary funds	102	(462)
Total	$ (2,413)	$ (327)

Revision of previously issued financial statements - During the six months ended June 30, 2022, to reflect the guidance on restricted cash presentation in FASB ASC 230, *Statement of Cash Flows*, WTW corrected the classification of its fiduciary funds balances, in the amounts shown in the table above, on our condensed consolidated statements of cash flows, by including these amounts in the total cash, cash equivalents and restricted cash amounts held at each balance sheet date. As a result, cash, cash equivalents and restricted cash balances of $2.2 billion and $2.1 billion at June 30, 2021 and December 31, 2020, respectively, have been revised to $5.9 billion and $6.3 billion, respectively. Additionally, the effect of exchange rate changes on cash, cash equivalents and restricted cash has been updated to include the effect of exchange rate changes on the fiduciary funds balances.

Prior to this correction, the changes in fiduciary funds were presented in fiduciary assets and liabilities on a gross basis in the cash flows from operating activities, where the amounts fully offset each period. In the current presentation, an additional line item, net (payments)/proceeds from fiduciary funds held for clients, has been included within cash flows from financing activities to represent the change in fiduciary funds balances during the periods. The remaining fiduciary assets and fiduciary liabilities, in equal and offsetting amounts, are no longer presented in the cash flows from operating activities. There was no impact to the total cash flows from operating activities as a result of these changes.

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

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

This discussion includes references to non-GAAP financial measures as defined in the rules of the SEC. We present such non-GAAP financial measures, specifically, adjusted, constant currency and organic non-GAAP financial measures, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent under U.S. GAAP, and these provide a measure against which our businesses may be assessed in the future.

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

Executive Overview

Market Conditions

Typically, our business benefits from regulatory change, political risk or economic uncertainty. Insurance broking generally tracks the economy, but demand for both insurance broking and consulting services usually remains steady during times of uncertainty. We have some businesses, such as our health and benefits and administration businesses, which can be counter cyclical during the early period of a significant economic change.

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

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

The markets for our consulting, technology and solutions, and marketplace services are affected by economic, regulatory and legislative changes, technological developments, and increased competition from established and new competitors. We believe that the primary factors in selecting a human resources or risk management consulting firm include reputation, the ability to provide measurable increases to shareholder value and return on investment, global scale, quality of service and the ability to tailor services to clients' unique needs. In that regard, we are focused on developing and implementing technology, data and analytic solutions for both internal operations and for maintaining industry standards and meeting client preferences. We have made such investments from time to time and may decide, based on perceived business needs, to make investments in the future that may be different from past practice or what we currently anticipate.

With regard to the market for exchanges, we believe that clients base their decisions on a variety of factors that include the ability of the provider to deliver measurable cost savings for clients, a strong reputation for efficient execution and an innovative service delivery model and platform. Part of the employer-sponsored insurance market has matured and become more fragmented while other segments remain in the entry phase. As these market segments continue to evolve, we may experience growth in intervals, with periods of accelerated expansion balanced by periods of modest growth. In recent years, growth in the market for exchanges has slowed, and we expect this trend may continue.

From time to time, including but not limited to the period after the announcement of the proposed Aon combination through the period that has followed the termination of the proposed combination, we have lost (and may in the future continue to lose) colleagues who manage substantial client relationships or possess substantial experience or expertise; when we lose colleagues such as those, it often results in such colleagues competing against us. Further, the full impact of this competition may be delayed due to the timing of restrictive covenants or client renewals. We believe that this dynamic, which was most pronounced in our Risk & Broking segment during 2021, has caused the segment's recent near-term and expected growth rates for the remainder of 2022 to be meaningfully slower than other competitors. This dynamic may be difficult to predict, given that the adverse impact in future periods is more significant than in the periods in which employees departed. Growth has been and will be adversely affected by the fact that 2021 performance in a number of businesses, particularly commercial risk broking and health & benefits broking, benefited from revenue from book sales, which is non-repeatable revenue. It is possible that growth could be different than expected and our results of operations could be significantly and adversely impacted. See Part I, Item 1A 'Risk Factors' in our Annual Report on Form 10-K, filed with the SEC on February 24, 2022, for a discussion of risks that may affect our ability to compete.

We have transferred ownership of our Russian subsidiaries to our local management team on the agreed-upon terms. The Russian entities comprised approximately 1% of consolidated WTW revenue for 2021, primarily within our Risk & Broking segment. The lost profits from our Russia operations will, overall, create a modest margin headwind for the Company in 2022 and beyond. However, with the goal of offsetting this, we have taken action to deploy near-term cost-mitigation measures and to identify longer-term offsets. See 'Disclaimer Regarding Forward-looking Statements' and Part II, Item 1A 'Risk Factors' of this Quarterly Report on Form 10-Q for a discussion of the risks associated with expense actions.

Risks and Uncertainties of the Economic Environment Caused by the Pandemic

The COVID-19 pandemic has had an adverse impact on global commercial activity, particularly on the global supply chain and workforce availability, and has contributed to significant volatility in the global financial markets including, among other effects, occasional declines in the equity markets, changes in interest rates and reduced liquidity on a global basis.

Supply and labor market disruptions caused by COVID-19 as well as other factors, such as accommodative monetary and fiscal policy and the Russian invasion of Ukraine, have contributed to significant inflation in many of the markets in which we operate. This impacts not only the costs to attract and retain employees but also other costs to run and invest in our business. If our costs grow significantly in excess of our ability to raise revenue, our margins and results of operations may be materially and adversely impacted, and we may not be able to achieve our strategic and financial objectives.

Although we believe we have adapted to the unique challenges posed by the pandemic surrounding how and where we do our work, we are also impacted by the negative effect on workforce availability, which could hamper our ability to grow our capacity on pace with increasing demand for our services. We expect the market for talent to remain highly competitive for at least the next several months. We will continue to monitor the situation and assess any implications to our business and our stakeholders.

Segment Reorganization

On January 1, 2022, WTW realigned to provide its comprehensive offering of services and solutions to clients across two business segments: Health, Wealth & Career and Risk & Broking. These changes were made in conjunction with changes in the WTW leadership team, including the appointment of a new chief executive officer who succeeded the prior CEO as the chief operating decision maker on that date. Prior to January 1, 2022, we operated across four segments: Human Capital and Benefits; Corporate Risk and Broking; Investment, Risk and Reinsurance; and Benefits Delivery and Administration. Following the realignment, the two new segments consist of the following businesses:

- The Health, Wealth & Career segment includes businesses previously aligned under the Human Capital and Benefits segment, the Benefits Delivery and Administration segment, and the Investment business, which was previously under the Investment, Risk and Reinsurance segment.
- The Risk & Broking segment includes businesses previously aligned under the Corporate Risk and Broking segment, as well as the Insurance Consulting and Technology business, which was previously under the Investment, Risk and Reinsurance segment.

The following presents descriptions of our reorganized segments:

Health, Wealth & Career

The Health, Wealth & Career ('HWC') segment provides an array of advice, broking, solutions and technology for employee benefit plans, institutional investors, compensation and career programs, and the employee experience overall. Our portfolio of services support the interrelated challenges that the management teams of our clients face across human resources ('HR') and finance.

HWC is the larger of the two segments of the Company. Addressing four key areas, Health, Wealth, Career and Benefits Delivery & Outsourcing, the segment is focused on addressing our clients' people and risk needs to help them succeed in a global marketplace.

Health

The Health & Benefits ('H&B') business provides strategy and design consulting, plan management service and support, broking and administration across the full spectrum of health, wellbeing and other group benefit programs, including medical, dental, disability, life, voluntary benefits and other coverage. Our reach extends from small/mid-market clients to large-market and multinational clients, across the full geographic footprint of the Company, and to most industries. We can address our clients' needs in more than 140 countries.

Our consultants help clients make strategic decisions on topics such as optimizing program spend; evaluating emerging vendors, point solutions and coverage options (including publicly-subsidized health insurance exchanges and private exchanges in the U.S.); and dealing with above-inflation-rate increases in healthcare costs. We also assist clients in selecting the appropriate insurance carriers to cover benefit risks and administer the programs. In addition to our consulting and broking services, we manage a number of collective purchasing initiatives, such as pharmacy and stop-loss, that allow employers to realize greater value from third-party service providers than they can achieve on their own.

With Global Benefits Management, our suite of global services supporting medical, dental and risk (e.g., life, disability) programs, we have a tailored offering for multinationals. This offering includes a flexible set of ready-made solutions, proven technology and an integrated approach to service delivery that translates to a globally consistent, high-quality experience for our clients.

A meaningful portion of revenue in this business is from recurring work, though contracts may be annual or multi-year. Given the balance of revenue across consulting, broking and solutions, our revenue is somewhat weighted to the first quarter.

W*ealth*

Our wealth-related businesses include Retirement and Investment.

The Retirement business provides actuarial support, plan design, and administrative services for all forms of pension and retirement savings plans. Our colleagues help our clients assess the costs and risks of retirement plans on cash flow, earnings and the balance sheet, the effects of changing workforce demographics on their retirement plans, and retiree benefit adequacy and security. We offer clients a full range of integrated retirement consulting services and solutions to meet the needs of all types of employers, including those that continue to offer defined benefit plans and those that are reexamining their retirement benefit strategies. We help multinationals coordinate plan design and actuarial services across their complex global plans. We bring in-depth data analysis and perspective to their decision process, because we have tracked the retirement designs and financing strategies of companies around the world over many decades.

For clients that want to outsource some or all of their pension plan management, we offer broking services, as well as integrated solutions that can combine investment discretionary management, pension administration, core actuarial services, and communication and change management assistance.

Retirement relationships are generally long-term in nature, and client retention rates for this business are high. A significant portion of the revenue in this business is from recurring work, with multi-year contracts that are driven by the heavily regulated nature of pension plans and our clients' annual needs for these services. Revenue for the Retirement business in some geographies is somewhat seasonal, as much of our work pertains to calendar-year plan administration, financing, reporting and compliance; thus, revenue is typically more weighted to the first and fourth quarters of the fiscal year.

Our Investment business provides advice and discretionary investment management solutions to defined benefit and defined contribution pension plans as well as to a range of other client types including insurers, endowments and foundations, and private wealth investors. We provide a solution to a significant business problem faced by our clients, namely sustaining the resources and skills required to deliver a financial services product in highly competitive capital markets. We offer a flexible approach that adapts to a wide range of client needs and circumstances, with the objective of higher returns, lower risk and lower costs within each client's unique situation.

Our solutions range from single asset class activity, through complete management of entire pension plan assets including sophisticated liability hedging programs.

We bring together a broad array of specialist investment knowledge and skills across all asset classes, a high-quality execution platform, a cost advantage through our scale, and expert advisors with experience across all client types from the largest plans in the world to small corporate pension plans.

We have long-term relationships with our Investment clients, with the majority of our revenue driven by retainer contracts.

Career

Our career-related offerings include advice, data, software and products to address clients' total rewards and talent issues across the globe delivered through our *Work & Rewards* and *Employee Experience* businesses.

Within our Work & Rewards business, we help clients determine the best ways to get work done, the skills needed for jobs, and how to reward it. We address executive compensation and broad-based rewards. We advise our clients' management and boards of directors on all aspects of executive pay programs, including base pay, annual bonuses, long-term incentives, perquisites and other benefits. Our focus is on aligning pay plans with an organization's business strategy and driving desired performance. Our solutions incorporate proprietary market benchmarking data and software to support compensation administration.

Our Employee Experience business focuses on the provision of solutions including employee insight and listening tools, talent assessment tools and services, communication and change management services.

Revenue for our career-related businesses is partly seasonal in nature, with heightened activity in the second half of the calendar year during the annual compensation, benefits, and survey cycles. While these businesses enjoy long-term relationships with many clients, work in several practices is often project-based and can be sensitive to economic changes. The businesses benefit from regulatory changes affecting our clients that require strategic advice, program changes and communication, as well as the focus on ESG as a component of executive and board pay, the redefinition of jobs, work location and career paths as technology disaggregates work, and the recalibration of pay and the employee experience amidst shifting labor markets.

Benefits Delivery & Outsourcing

Our Benefits Delivery & Outsourcing businesses include Benefits Delivery & Administration ('BDA') and Technology and Administration Solutions ('TAS').

The BDA business provides primary medical and ancillary benefit exchange and outsourcing services to active employees and retirees across both the group and individual markets, primarily in the U.S.

A significant portion of the revenue in this business is recurring in nature, driven by either the commissions from the policies we sell, or from long-term service contracts with our clients that typically range from three to five years. Revenue across this business is seasonal and is generally higher in the fourth quarter as it is driven when typical annual enrollment activity occurs.

BDA provides services via two related offerings:

Benefits Outsourcing is focused on serving active employee groups for clients across the U.S. Working closely with other HWC businesses, we use our proprietary technology to provide a suite of health and welfare and pension administration outsourcing services, including tools to enable benefit modeling, decision support, enrollment and benefit choice. Drawing on expertise in H&B and Retirement to create high-performing benefit plan designs, we believe we are well-positioned to help clients of all sizes simplify their benefits delivery, while lowering the total costs of benefits and related administration.

Individual Marketplace offers decision support processes and tools to connect consumers with insurance carriers in private individual and Medicare markets. Individual Marketplace serves both employer-based and direct-to-consumer populations through its end-to-end consumer acquisition and engagement platforms, which tightly integrate call routing technology, an efficient quoting and enrollment engine, a customer relations management system and deep links with insurance carriers. By leveraging its multiple distribution channels and diverse product portfolio, Individual Marketplace offers solutions to a broad consumer base, helping individuals compare, purchase and use health insurance products, tools and information for life.

Our TAS business provides pension outsourcing services to hundreds of clients across multiple industries. Our TAS team focuses on clients outside of the U.S. where our services are supported by high quality administration teams using robust technology platforms. Given the nature of the work, our revenue is distributed generally evenly across the year.

With ongoing servicing requirements and multi-year contracts in place, we have high client retention rates. We are the leading administrator among the 200 largest pension plans in the U.K., as well as a leader in Germany.

For both our defined benefit and defined contribution administration services, we use highly-automated processes and technology to enable benefit plan members to access and manage their records, perform self-service functions and improve their understanding of their benefits. Our technology also provides trustees and HR teams with timely management information to monitor activity and service levels and reduce administration costs.

Risk & Broking

The Risk & Broking ('R&B') segment provides a broad range of risk advice, insurance brokerage and consulting services to clients worldwide ranging from small businesses to multinational corporations.

The segment comprises two primary businesses:

Corporate Risk & Broking ('CRB')

The 'CRB' business places more than $25 billion of premiums into the insurance markets on an annual basis, and delivers integrated global solutions tailored to client needs, underpinned by data and analytics through a balanced matrix of global lines of business across all of the Company's three geographical areas: North America, Europe (including Great Britain) and International.

The global lines of business include:

Property and Casualty — Property and Casualty provides property and liability insurance brokerage services across a wide range of industries and segments including real estate, healthcare and retail. We also arrange insurance products and services for our affinity client partners to offer to their customers, employees, or members alongside, or in addition to, their principal business offerings.

Aerospace — Aerospace provides specialist expertise to the aerospace and space industries. Our aerospace business provides insurance broking, risk management services, contractual and technical advisory expertise to aerospace clients worldwide, including the world's leading airlines, aircraft manufacturers, air cargo handlers and other airport and general aviation companies. The specialist InSpace team is also prominent in providing insurance and risk management services to the space industry.

Construction — Our Construction business provides services that include insurance broking, claims, loss control and specialized risk advice for a wide range of construction projects and activities. Clients include contractors, project owners, public entities, project managers, consultants and financiers, among others.

Global Markets Direct & Facultative — Operating in the major wholesale reinsurance hubs across the world, including London, Bermuda, Singapore, Hong Kong and Shanghai, solutions are delivered both directly to clients for the most complex property and casualty risks and as facultative reinsurance placements where we serve as an intermediary for insurance companies. Facultative solutions are provided across various classes of risk for our insurer clients, some of which may also be direct clients of WTW. The aim is to deliver optimum results for our clients by getting the right risk to the right market by the right broker, be it local, wholesale or facultative every time.

Financial, Executive and Professional Risks ('FINEX') — FINEX encompasses all financial and executive risks, delivering client solutions that range from management and professional liability, employment practices liability, crime, cyber and M&A-related insurances to risk consulting and advisory services. Specialist teams provide risk consulting and risk transfer solutions to a broad spectrum of clients across a multitude of industries, as well as the financial and professional service sectors.

Financial Solutions — Financial Solutions provides insurance broking services and specialized risk advice related to credit and political risk and crisis management, including terrorism, kidnap and ransom and contingency risk. Clients include international banks, leasing companies, commodity traders, export credit agencies, multinational corporations and sporting institutions.

Surety — The Global Surety team provides expertise in placing bonds across all industries and around the world. A surety bond is a financial instrument that guarantees contractual performance, statutory compliance, and financial assurance for domestic and international companies.

Marine — Marine provides specialist expertise to the maritime and logistics industries. Our Marine business provides insurance broking services related to hull and machinery, cargo, protection and indemnity, fine art and general marine liabilities, among others. Our Marine clients include, but are not limited to, ship owners and operators, shipbuilders, logistics operations, port authorities, traders, shippers, exhibitors and secure transport companies.

Natural Resources — Our Natural Resources practice encompasses the oil, gas and chemicals, mining and metals, power and utilities and renewable energy sectors. It provides sector-specific risk transfer solutions and insights, which include insurance broking, risk engineering, contractual reviews, wording analysis and claims management.

Insurance Consulting and Technology ('ICT')

ICT is a global business that provides advice and technology solutions to the insurance industry. We leverage our industry experience, strategic perspective and analytical skills to help clients measure and manage risk and capital, improve business performance and create a sustainable competitive advantage. Our services include software and technology, risk and capital management, products and product pricing, financial and regulatory reporting, financial and capital modeling, M&A, outsourcing and business management.

Transformation Program

In the fourth quarter of 2021, we initiated a three-year ‘Transformation program’ designed to enhance operations, optimize technology and align our real estate footprint to our new ways of working. We expect the program to generate annual cost savings in excess of $300 million by the end of 2024. The program is expected to include cumulative costs of approximately $490 million and capital expenditures of approximately $260 million, for a total investment of $750 million. The main categories of charges will be
in the following four areas:

- Real estate rationalization — includes costs to align the real estate footprint to the new ways of working (hybrid work) and includes breakage fees and the impairment of right-of-use assets and other related leasehold assets.
- Technology modernization — these charges are incurred in moving to common platforms and technologies, including migrating certain platforms and applications to the cloud. This category will include the impairment of technology assets that are duplicative or no longer revenue-producing, as well as costs for technology investments that do not qualify for capitalization.
- Process optimization — these costs will be incurred in the right-shoring strategy and automation of our operations, which will include optimizing resource deployment and appropriate colleague alignment. These costs will include process and organizational design costs, severance and separation-related costs and temporary retention costs.
- Other — other costs not included above including fees for professional services, other contract terminations not related to the above categories and supplier migration costs.

Certain costs under the Transformation program are accounted for under ASC 420, *Exit or Disposal Cost Obligation*, and are included as restructuring costs in the condensed consolidated statements of comprehensive income. For the three and six months ended June 30, 2022, restructuring charges under our Transformation program totaled $56 million and $62 million, respectively. Other costs incurred under the Transformation program are included in transaction and transformation, net and were $26 million and $31 million for the three and six months ended June 30, 2022, respectively. From the actions taken through the second quarter of 2022, we have identified an additional $35 million of annualized run-rate savings during the quarter due to newly realized opportunities and incremental sources of value, and $71 million of cumulative annualized run-rate savings identified to date since the inception of the program, which savings overall are primarily attributable to the reduction of real estate and technology costs, as well as process optimization. The benefits from the program began to be recognized during 2022.

For a discussion of some of the risks associated with the Transformation program, see Part I, Item 1A ‘Risk Factors’ in our Annual Report on Form 10-K, filed with the SEC on February 24, 2022.

Financial Statement Overview

For all prior-year period financial information presented herein, the operating results of Willis Re have been reclassified as discontinued operations (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Form 10-Q for additional information).

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

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022		2021		2022		2021	
	($ in millions, except per share data)							
Revenue	$ 2,031	100%	$ 2,091	100%	$ 4,191	100%	$ 4,319	100%
Costs of providing services								
Salaries and benefits	1,259	62%	1,317	63%	2,577	61%	2,736	63%
Other operating expenses	393	19%	384	18%	879	21%	784	18%
Depreciation	65	3%	72	3%	131	3%	143	3%
Amortization	83	4%	97	5%	168	4%	200	5%
Restructuring costs	56	3%	—	—%	62	1%	—	—%
Transaction and transformation, net	38	2%	51	2%	58	1%	75	2%
Total costs of providing services	1,894		1,921		3,875		3,938	
Income from operations	137	7%	170	8%	316	8%	381	9%
Interest expense	(51)	(3)%	(52)	(2)%	(100)	(2)%	(111)	(3)%
Other income, net	93	5%	74	4%	120	3%	512	12%
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	179	9%	192	9%	336	8%	782	18%
Provision for income taxes	(19)	(1)%	(75)	(4)%	(62)	(1)%	(119)	(3)%
INCOME FROM CONTINUING OPERATIONS	160	8%	117	6%	274	7%	663	15%
(LOSS)/INCOME FROM DISCONTINUED OPERATIONS, NET OF TAX	(46)	(2)%	69	3%	(35)	(1)%	259	6%
Income attributable to non-controlling interests	(5)	—%	(2)	—%	(8)	—%	(5)	—%
NET INCOME ATTRIBUTABLE TO WTW	$ 109	5%	$ 184	9%	$ 231	6%	$ 917	21%
Diluted earnings per share from continuing operations	$ 1.38		$ 0.88		$ 2.31		$ 5.05	

Consolidated Revenue (Continuing Operations)

Revenue was $2.0 billion for the three months ended June 30, 2022, compared to $2.1 billion for the three months ended June 30, 2021, a decrease of $60 million, or 3%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 3% for the three months ended June 30, 2022. Revenue for the six months ended June 30, 2022 was $4.2 billion, compared to $4.3 billion for the six months ended June 30, 2021, a decrease of $128 million, or 3%, on an as-reported basis. Adjusting for the impacts of foreign currency and acquisitions and disposals, our organic revenue growth was 2% for the six months ended June 30, 2022. The increases in organic revenue were driven by both segments.

Our revenue can be materially impacted by changes in currency conversions, which can fluctuate significantly over the course of a calendar year. For the three months ended June 30, 2022, currency translation decreased our consolidated revenue by $85 million. For the six months ended June 30, 2022, currency translation decreased our consolidated revenue by $139 million. The primary currencies driving these changes were the Euro and Pound sterling.

The following table details our top five markets based on the percentage of consolidated revenue (in U.S. dollars) from the countries where work was performed for the six months ended June 30, 2022. These figures do not represent the currency of the related revenue, which is presented in the next table.

Geographic Region	% of Revenue
United States	50%
United Kingdom	19%
France	5%
Germany	3%
Canada	3%

The table below details the approximate percentage of our revenue and expenses from continuing operations by transactional currency for the six months ended June 30, 2022.

Transactional Currency	Revenue	Expenses (i)
U.S. dollars	56%	53%
Pounds sterling	12%	17%
Euro	17%	13%
Other currencies	15%	17%

(i) These percentages exclude certain expenses for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. These items include amortization of intangible assets and transaction and transformation, net.

The following tables set forth the total revenue for the three and six months ended June 30, 2022 and 2021 and the components of the changes in total revenue for the three and six months ended June 30, 2022, as compared to the prior year periods. The components of the revenue change may not add due to rounding.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	As Reported Change	Components of Revenue Change: Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 2,031	$ 2,091	(3)%	(4)%	1%	(1)%	3%

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	As Reported Change	Components of Revenue Change: Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 4,191	$ 4,319	(3)%	(3)%	—%	(2)%	2%

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

Segment Revenue

For further information on our segment reorganization and a full description of our businesses, please see *'Segment Reorganization'* elsewhere within Part I, Item 2 of this Quarterly Report on Form 10-Q.

Segment revenue excludes amounts that were directly incurred on behalf of our clients and reimbursed by them (reimbursed expenses); however, these amounts are included in consolidated revenue.

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

Within the tables presented below, the components of revenue change provided may not add due to rounding. The prior-year segment information has been conformed to the current-year presentation.

HWC Revenue

The following table sets forth HWC segment revenue for the three months ended June 30, 2022 and 2021 and the components of the change in revenue for the three months ended June 30, 2022 from the three months ended June 30, 2021.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	As Reported Change	Components of Revenue Change: Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Segment revenue	$ 1,159	$ 1,179	(2)%	(4)%	2%	—%	2%

HWC segment revenue for both the three months ended June 30, 2022 and 2021 was $1.2 billion. Organic growth was led by the Health business, primarily due to gains recorded in connection with book-of-business settlements. Excluding these settlements, Health's revenue increased from additional consulting work in North America as well as continued expansion of our local portfolios and global benefits management appointments outside of North America. Benefits Delivery & Outsourcing revenue also increased, led by Individual Marketplace with growth in Medicare Advantage sales. Career also contributed strong growth, driven by increased project activity. Organic growth was partially offset by a decline in Wealth revenue, principally due to headwinds from performance fees received in the prior year.

The following table sets forth HWC segment revenue for the six months ended June 30, 2022 and 2021, and the components of the change in revenue for the six months ended June 30, 2022 from the six months ended June 30, 2021.

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)			Components of Revenue Change			
Segment revenue	$ 2,403	$ 2,412	—%	(3)%	2%	—%	2%

HWC segment revenue for both the six months ended June 30, 2022 and 2021 was $2.4 billion. Organic growth was led by the Health business primarily due to an increase in consulting assignments in North America and expansion of our local portfolios and global benefits management appointments outside of North America. The Health business' revenue also benefited from gains recorded in connection with book-of-business settlements. Career also contributed strong growth, driven by demand for reward-based advisory services and compensation benchmarking products alongside increased project activity. Benefits Delivery & Outsourcing revenue also increased, led by its expanded client base. Organic growth was partially offset by a decline in Wealth revenue, principally due to headwinds from outsized performance fees earned in the prior year.

R&B Revenue

The following table sets forth R&B segment revenue for the three months ended June 30, 2022 and 2021 and the components of the change in revenue for the three months ended June 30, 2022 from the three months ended June 30, 2021.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)			Components of Revenue Change			
Segment revenue	$ 852	$ 885	(4)%	(5)%	1%	(3)%	3%

R&B segment revenue for the three months ended June 30, 2022 and 2021 was $852 million and $885 million, respectively. On an organic basis, ICT grew primarily as a result of new software sales as well as increased advisory work. CRB generated revenue growth across all regions, primarily driven by our global lines of business, principally from new business, most notably in Aerospace, Natural Resources and FINEX. Book-of-business settlement activity was largely in line with prior year and did not materially affect CRB's organic growth rate.

The following table sets forth R&B segment revenue for the six months ended June 30, 2022 and 2021, and the components of the change in revenue for the six months ended June 30, 2022 from the six months ended June 30, 2021.

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)			Components of Revenue Change			
Segment revenue	$ 1,743	$ 1,809	(4)%	(4)%	—%	(1)%	2%

R&B segment revenue for the six months ended June 30, 2022 and 2021 was $1.7 billion and $1.8 billion, respectively. On an organic basis, ICT grew from both increased advisory work and software sales. CRB also contributed to R&B's revenue growth. Excluding headwinds from book-of-business sales and settlements recorded in the comparable period, revenue increased across all regions, primarily from new business in FINEX, M&A, and Aerospace lines.

Costs of Providing Services (Continuing Operations)

For all prior-year period financial information presented herein, the operating results of Willis Re have been reclassified as discontinued operations (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Form 10-Q for additional information).

Total costs of providing services for both the three months ended June 30, 2022 and 2021 were $1.9 billion, a decrease of $27 million, or 1%. Total costs of providing services for both the six months ended June 30, 2022 and 2021 were $3.9 billion, a decrease of $63 million, or 2%. See the following discussion for further details.

Salaries and Benefits

Salaries and benefits for both the three months ended June 30, 2022 and 2021 were $1.3 billion, a decrease of $58 million, or 4%. The decrease in the current year is primarily due to lower incentive and benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 62% and 63% for the three months ended June 30, 2022 and 2021, respectively.

Salaries and benefits for the six months ended June 30, 2022 were $2.6 billion, compared to $2.7 billion for the six months ended June 30, 2021, a decrease of $159 million, or 6%. The decrease in the current year is primarily due to lower incentive and benefit costs for the period. Salaries and benefits, as a percentage of revenue, represented 61% and 63% for the six months ended June 30, 2022 and 2021, respectively.

Other Operating Expenses

Other operating expenses for the three months ended June 30, 2022 were $393 million, compared to $384 million for the three months ended June 30, 2021, an increase of $9 million, or 2%. The increase was primarily due to higher travel and entertainment costs, local office expenses and bad debt expense, partially offset by decreases in non-income-related tax expense and occupancy costs. Other operating expenses for the six months ended June 30, 2022 were $879 million, compared to $784 million for the six months ended June 30, 2021, an increase of $95 million, or 12%. The increase was primarily due to asset impairments, mostly accounts receivables, related to Russian insurance contracts placed by U.K. brokers in the London market (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Form 10-Q for additional information), higher travel and entertainment costs and business insurance costs, partially offset by lower non-income-related tax expense for the current year as compared to the prior year.

Depreciation

Depreciation for the three months ended June 30, 2022 was $65 million, compared to $72 million for the three months ended June 30, 2021, a decrease of $7 million, or 10%. Depreciation for the six months ended June 30, 2022 was $131 million, compared to $143 million for the six months ended June 30, 2021, a decrease of $12 million, or 8%. The quarter-over-quarter and year-over-year decreases were primarily due to a lower depreciable base of assets resulting from business disposals over the last two years and a lower dollar value of assets placed in service during 2021.

Amortization

Amortization for the three months ended June 30, 2022 was $83 million, compared to $97 million for the three months ended June 30, 2021, a decrease of $14 million, or 14%. Amortization for the six months ended June 30, 2022 was $168 million, compared to $200 million for the six months ended June 30, 2021, a decrease of $32 million, or 16%. Our intangible amortization is generally more heavily weighted to the initial years of the useful lives of the related intangibles, and therefore amortization related to intangible assets will continue to decrease over time.

Restructuring Costs

Restructuring costs for the three and six months ended June 30, 2022 were $56 million and $62 million, respectively. Restructuring costs primarily relate to the real estate rationalization and technology modernization components of the Transformation program (see 'Transformation Program' within this Part I, Item 2 and Note 6 — Restructuring Costs within Part I, Item 1 'Financial Statements' of this Quarterly Report on Form 10-Q).

Transaction and Transformation, Net

Transaction and transformation, net costs for the three months ended June 30, 2022 were $38 million, compared to $51 million for the three months ended June 30, 2021. Transaction and transformation, net costs for the six months ended June 30, 2022 were $58 million, compared to $75 million for the six months ended June 30, 2021. Transaction and transformation expenses for the current year were comprised of compensation costs and consulting fees related to the Transformation program (see 'Transformation Program' within this Part I, Item 2), as well as legal fees and other transaction costs. Transaction and transformation, net costs for the prior-year period were comprised primarily of legal fees and other professional fees related to our then-proposed combination with Aon.

Income from Operations

Income from operations for the three months ended June 30, 2022 was $137 million, compared to $170 million for the three months ended June 30, 2021, a decrease of $33 million. This decrease resulted primarily from lower revenue and current period restructuring costs, partially offset by lower incentive compensation accruals in the current quarter.

Income from operations for the six months ended June 30, 2022 was $316 million, compared to $381 million for the six months ended June 30, 2021, a decrease of $65 million. This decrease resulted primarily from the asset impairment expense discussed above, lower revenue and second-quarter restructuring costs, partially offset by lower incentive compensation accruals in the current-year period.

The lower revenue for both the three and six months ending June 30, 2022 resulted from unfavorable foreign exchange and recent dispositions.

Interest Expense

Interest expense for the three months ended June 30, 2022 was $51 million, compared to $52 million for the three months ended June 30, 2021, a decrease of $1 million, or 2%. Interest expense for the six months ended June 30, 2022 was $100 million as compared to $111 million for the six months ended June 30, 2021, a decrease of $11 million, or 10%. These decreases were primarily the result of lower average levels of indebtedness in the current year.

Other Income, Net

Other income, net for the three months ended June 30, 2022 was $93 million, compared to $74 million for the three months ended June 30, 2021, an increase of $19 million, or 26%, mostly related to a revaluation gain on an acquisition completed in stages in the current quarter.

Other income, net for the six months ended June 30, 2022 was $120 million, compared to $512 million for the six months ended June 30, 2021. Other income, net in the prior-year period consisted primarily of the net gain on disposal of our Miller business (see Note 3 – Acquisitions and Divestitures in Part I, Item 1 'Financial Statements' in this Form 10-Q), which primarily accounted for the decrease in other income, net, in the current year.

Provision for Income Taxes

Provision for income taxes for the three months ended June 30, 2022 was $19 million, compared to $75 million for the three months ended June 30, 2021, a decrease of $56 million. The effective tax rate was 10.5% for the three months ended June 30, 2022, and 38.9% for the three months ended June 30, 2021. Provision for income taxes for the six months ended June 30, 2022 was $62 million, compared to $119 million for the six months ended June 30, 2021, a decrease of $57 million. The effective tax rate was 18.4% for the six months ended June 30, 2022 and 15.2% for the six months ended June 30, 2021. These effective tax rates are calculated using extended values from the Company's condensed consolidated statements of comprehensive income and are therefore more precise tax rates than can be calculated from rounded values. The prior-year quarter effective tax rate was higher due to the discrete tax effect of the U.K. tax-rate increase enacted in the second quarter of 2021. Accordingly, the Company remeasured its U.K. deferred tax assets and liabilities, resulting in a $40 million deferred tax expense in the prior-year period. Additionally, the current quarter effective tax rate includes certain discrete tax benefits primarily related to return-to-provision true ups.

(Loss)/Income from Discontinued Operations, Net of Tax

Loss from discontinued operations, net of tax for the three months ended June 30, 2022 was $46 million, compared to income from discontinued operations, net of tax of $69 million for the three months ended June 30, 2021, a decrease of $115 million. Loss from discontinued operations, net of tax for the six months ended June 30, 2022 was $35 million, compared to income from discontinued operations, net of tax of $259 million for the six months ended June 30, 2021, a decrease of $294 million. The operations of our Willis Re business were reclassified to discontinued operations upon our entering into an agreement to sell the business during the third quarter of 2021 (see Note 3 – Acquisitions and Divestitures in Part I, Item 1 'Financial Statements' in this Form 10-Q). Losses from discontinued operations in the current year are primarily attributable to the reduction to the gain on disposal resulting from of an updated estimate of working capital which decreased the preliminary purchase price by $60 million. This loss was offset by the operations of the deferred closing entities and run-off activity associated with the divestiture.

Net Income Attributable to WTW

Net income attributable to WTW for the three months ended June 30, 2022 was $109 million, compared to $184 million for the three months ended June 30, 2021, a decrease of $75 million, or 41%. This decrease was primarily due to lower net income from the discontinued operations of our Willis Re business, the current quarter's restructuring costs and lower revenue, partially offset by lower incentive compensation accruals this quarter.

Net income attributable to WTW for the six months ended June 30, 2022 was $231 million, compared to $917 million for the six months ended June 30, 2021, a decrease of $686 million, or 75%. This decrease was primarily due to the prior-year gain on the sale of the Miller business, lower net income from the discontinued operations of our Willis Re business, the asset impairment expense discussed above, lower revenue and the current year's restructuring costs, partially offset by lower incentive compensation accruals in the current-year period.

Liquidity and Capital Resources

Executive Summary

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

The COVID-19 pandemic has contributed to significant volatility in financial markets, including occasional declines in equity markets, inflation and changes in interest rates and reduced liquidity on a global basis. Specific to WTW, over the past two years, the COVID-19 pandemic had an initial negative impact on discretionary work we perform for our clients, but we subsequently saw increased demand for these services begin to return in the second quarter of 2021 which continues into 2022. We continue to have decreased spending on travel and associated expenses and third-party contractors, and we have the ability to contain spending on discretionary projects and certain capital expenditures.

Based on our current balance sheet and cash flows, current market conditions and information available to us at this time, we believe that WTW has access to sufficient liquidity, which includes all of the borrowing capacity available to draw against our $1.5 billion revolving credit facility, to meet our cash needs for the next twelve months, including investments in the business for growth, scheduled debt repayments, share repurchases and dividend payments. During the second quarter of 2022, we completed an offering of $750 million aggregate principal amount of 4.650% senior notes due 2027, using the proceeds in part to repay in full our €540 million ($582 million on the date of repayment) aggregate principal amount of 2.125% Senior Notes due 2022 ($594 million including accrued interest), which were to mature during the second quarter of 2022. Additionally, during the second quarter of 2022, our board of directors approved a $1.0 billion increase to the existing share repurchase program, and during the six months ended June 30, 2022 we repurchased $2.7 billion of shares, with remaining authorization to repurchase an additional $2.1 billion.

From time to time, we will consider whether to repurchase shares based on many factors, including market and economic conditions, applicable legal requirements and other business considerations. The share repurchase program has no termination date and may be suspended or discontinued at any time.

During the prior year, the operating results and balance sheets of Willis Re were reclassified to discontinued operations. Willis Re's operating cash flows approximate its pre-tax income and any adjustments for working capital movements (see Note 3 — Acquisitions and Divestitures in Part I, Item 1 'Financial Statements' within this Quarterly Report on Form 10-Q). Certain costs historically allocated to the Willis Re business are included in continuing operations and were retained following the disposal, but are expected to be partially offset by reimbursements through the TSA. Costs incurred to service the TSA are expected to be reduced as part of the Company's Transformation program as quickly as possible when the services are no longer required by Gallagher.

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

Undistributed Earnings of Foreign Subsidiaries

The Company recognizes deferred tax balances related to the undistributed earnings of subsidiaries when it expects that it will recover those undistributed earnings in a taxable manner, such as through receipt of dividends or sale of the investments.

The Company continues to have certain subsidiaries for which the earnings have not been deemed permanently reinvested and for which it has been accruing estimates of the tax effects of such repatriation. Excluding these certain subsidiaries, the Company continues to assert that the historical cumulative earnings for the remainder of its subsidiaries have been reinvested indefinitely, and therefore does not provide deferred taxes on these amounts. If future events, including material changes in estimates of cash, working capital, long-term investment requirements or additional legislation relating to U.S. Tax Reform, necessitate that these earnings be distributed, an additional provision for income and foreign withholding taxes, net of credits, may be necessary. Other potential sources of cash may be obtained through the settlement of intercompany loans or return of capital distributions in a tax-efficient manner.

Cash and Cash Equivalents

Our cash and cash equivalents at June 30, 2022 totaled $1.9 billion, compared to $4.5 billion at December 31, 2021. The decrease in cash from December 31, 2021 to June 30, 2022 was due primarily to $2.7 billion of share repurchases.

Additionally, we had all of the borrowing capacity available to draw against our $1.5 billion revolving credit facility at both June 30, 2022 and December 31, 2021.

Included within cash and cash equivalents at June 30, 2022 and December 31, 2021 are amounts held for regulatory capital adequacy requirements, including $116 million and $120 million, respectively, held within our regulated U.K. entities.

Summarized Condensed Consolidated Cash Flows

The following table presents the summarized condensed consolidated cash flow information for the six months ended June 30, 2022 and 2021:

	Six Months Ended June 30,	
	2022	2021
	(in millions)	
Net cash from/(used in):		
Operating activities	$ 258	$ 366
Investing activities	19	374
Financing activities	(2,690)	(1,067)
DECREASE IN CASH, CASH EQUIVALENTS AND RESTRICTED CASH (i)	(2,413)	(327)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(170)	(50)
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, BEGINNING OF PERIOD (i)	7,691	6,301
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, END OF PERIOD (i)	$ 5,108	$ 5,924

(i) The amounts of cash, cash equivalents and restricted cash, their respective classification on the condensed consolidated balance sheets, as well as their respective portions of the increase or decrease in cash, cash equivalents and restricted cash for each of the periods presented have been included in Note 19 — Supplemental Disclosures of Cash Flow Information within Part I, Item I 'Financial Statements' within this Quarterly Report on Form 10-Q.

Cash Flows From Operating Activities

Cash flows from operating activities were $258 million for the six months ended June 30, 2022, compared to $366 million for the six months ended June 30, 2021. The $258 million of net cash from operating activities for the six months ended June 30, 2022 included net income of $239 million and $510 million of favorable non-cash adjustments, partially offset by unfavorable changes in operating assets and liabilities of $491 million. This decrease in cash flows from operations as compared to the prior year was due primarily to cash disbursements and the elimination of cash generation resulting from the Willis Re divestiture, as well as additional tax payments resulting from both the Willis Re sale and the income receipt related to the termination of the then-proposed Aon transaction.

The $366 million of net cash from operating activities for the six months ended June 30, 2021 included net income of $922 million and $79 million of favorable non-cash adjustments, partially offset by unfavorable changes in operating assets and liabilities of $635 million.

Cash Flows From Investing Activities

Cash flows from investing activities for the six months ended June 30, 2022 were $19 million as compared to $374 million for the six months ended June 30, 2021. The cash flows from investing activities for the six months ended June 30, 2022 primarily include sales of investments of $200 million, partially offset by capital expenditures and capitalized software additions of $93 million and acquisitions of $76 million made during the first half of 2022. The cash flows from investing activities in the prior year period primarily included the net proceeds from the sale of Miller of $696 million, partially offset by cash and fiduciary funds transferred on disposal of $216 million and capital expenditures and capitalized software additions of $106 million.

Cash Flows Used In Financing Activities

Cash flows used in financing activities for the six months ended June 30, 2022 were $2.7 billion. The significant financing activities included share repurchases of $2.7 billion and dividend payments of $189 million, partially offset by $162 million of net proceeds from issuance of debt and $85 million of net proceeds from fiduciary funds held for clients.

Cash flows used in financing activities for the six months ended June 30, 2021 were $1.1 billion. The significant financing activities included debt repayments of $515 million, $246 million of net payments from fiduciary funds held for clients and dividend payments of $269 million.

Indebtedness

Total debt, total equity, and the capitalization ratios at June 30, 2022 and December 31, 2021 were as follows:

	June 30, 2022	December 31, 2021
	($ in millions)	
Long-term debt	$ 4,720	$ 3,974
Current debt	—	613
Total debt	$ 4,720	$ 4,587
Total WTW shareholders’ equity	$ 10,337	$ 13,260
Capitalization ratio	31.3 %	25.7 %

The capitalization ratio increased from December 31, 2021 primarily due to $2.7 billion of share repurchases during the six months ended June 30, 2022.

At June 30, 2022, the Company does not have any mandatory debt repayment due within the next twelve months.

At June 30, 2022 and December 31, 2021, we were in compliance with all financial covenants.

Fiduciary Funds

As an intermediary, we hold funds, generally in a fiduciary capacity, for the account of third parties, typically as the result of premiums received from clients that are in transit to insurers and claims due to clients that are in transit from insurers. We also hold funds for clients of our benefits account businesses. These fiduciary funds are included in fiduciary assets on our condensed consolidated balance sheets. We present the equal and corresponding fiduciary liabilities related to these fiduciary funds representing amounts or claims due to our clients or premiums due on their behalf to insurers on our condensed consolidated balance sheets.

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

At June 30, 2022 and December 31, 2021, we had fiduciary funds of $3.3 billion and $3.4 billion, respectively, of which $788 million and $719 million, respectively, are attributable to our Willis Re business.

Share Repurchase Program

The Company is authorized to repurchase shares, by way of redemption or otherwise, and will consider whether to do so from time to time, based on many factors, including market conditions. There are no expiration dates for our repurchase plans or programs.

On July 26, 2021, the board of directors approved a $1.0 billion increase to the existing share repurchase program, which was previously at $500 million. Additionally, on September 16, 2021, the board of directors approved a $4.0 billion increase to the existing share repurchase program, and on May 25, 2022, approved a $1.0 billion increase to the existing share repurchase program. These increases brought the total approved authorization to $6.5 billion.

At June 30, 2022, approximately $2.1 billion remained on the current repurchase authority. The maximum number of shares that could be repurchased based on the closing price of our ordinary shares on June 30, 2022 of $197.39 was 10,902,395.

During the three and six months ended June 30, 2022, the Company had the following share repurchase activity:

	Three Months Ended June 30, 2022	Six Months Ended June 30, 2022
Shares repurchased	2,143,914	12,004,328
Average price per share	$219.52	$226.64
Aggregate repurchase cost (excluding broker costs)	$471 million	$2.7 billion

Capital Commitments

Capital expenditures for fixed assets and software for internal use were $60 million during the six months ended June 30, 2022. The Company estimates that there will be additional such expenditures, which includes those incurred under its Transformation program, in the range of $130 million to $180 million during the remainder of 2022. We currently expect cash from operations to adequately provide for these cash needs. There have been no material changes to our capital commitments since December 31, 2021.

Dividends

Total cash dividends of $189 million were paid during the six months ended June 30, 2022. In May 2022, the board of directors approved a quarterly cash dividend of $0.82 per share ($3.28 per share annualized rate), which was paid on July 15, 2022 to shareholders of record as of June 30, 2022.

Supplemental Guarantor Financial Information

As of June 30, 2022, WTW has issued the following debt securities (the 'notes'):

a) Willis North America Inc. ('Willis North America') has approximately $3.7 billion senior notes outstanding, of which $650 million were issued on May 16, 2017, $1.0 billion were issued on September 10, 2018, $1.0 billion were issued on September 10, 2019, $275 million were issued on May 29, 2020, and $750 million were issued on May 19, 2022; and

b) Trinity Acquisition plc has approximately $1.1 billion senior notes outstanding, of which $525 million were issued on August 15, 2013 and $550 million were issued on March 22, 2016, and a $1.5 billion revolving credit facility, on which no balance was outstanding at June 30, 2022.

The following table presents a summary of the entities that issue each note and those wholly-owned subsidiaries of the Company that guarantee each respective note on a joint and several basis as of June 30, 2022. These subsidiaries are all consolidated by Willis Towers Watson plc (the 'parent company') and together with the parent company comprise the 'Obligor group'.

Entity	Trinity Acquisition plc Notes	Willis North America Inc. Notes
Willis Towers Watson plc	Guarantor	Guarantor
Trinity Acquisition plc	Issuer	Guarantor
Willis North America Inc.	Guarantor	Issuer
Willis Netherlands Holdings B.V.	Guarantor	Guarantor
Willis Investment UK Holdings Limited	Guarantor	Guarantor
TA I Limited	Guarantor	Guarantor
Willis Group Limited	Guarantor	Guarantor
Willis Towers Watson Sub Holdings Unlimited Company	Guarantor	Guarantor
Willis Towers Watson UK Holdings Limited	Guarantor	Guarantor

The notes issued by Willis North America and Trinity Acquisition plc:

- rank equally with all of the issuer's existing and future unsubordinated and unsecured debt;
- rank equally with the issuer's guarantee of all of the existing senior debt of the Company and the other guarantors, including any debt under the Revolving Credit Facility;
- are senior in right of payment to all of the issuer's future subordinated debt; and
- are effectively subordinated to all of the issuer's secured debt to the extent of the value of the assets securing such debt.

All other subsidiaries of the parent company are non-guarantor subsidiaries ('the non-guarantor subsidiaries').

Each member of the Obligor group has only a stockholder's claim on the assets of the non-guarantor subsidiaries. This stockholder's claim is junior to the claims that creditors have against those non-guarantor subsidiaries. Holders of the notes will only be creditors of the Obligor group and not creditors of the non-guarantor subsidiaries. As a result, all of the existing and future liabilities of the non-guarantor subsidiaries, including any claims of trade creditors and preferred stockholders, will be structurally senior to the notes. As of and for the periods ended June 30, 2022 and December 31, 2021, the non-guarantor subsidiaries represented substantially all of the total assets and accounted for substantially all of the total revenue of the Company prior to consolidating adjustments. The non-guarantor subsidiaries have other liabilities, including contingent liabilities that may be significant. Each indenture does not contain any limitations on the amount of additional debt that the Obligor group and the non-guarantor subsidiaries may incur. The amounts of this debt could be substantial, and this debt may be debt of the non-guarantor subsidiaries, in which case this debt would be effectively senior in right of payment to the notes.

The notes are obligations exclusively of the Obligor group. Substantially all of the Obligor group's operations are conducted through its non-guarantor subsidiaries. Therefore, the Obligor group's ability to service its debt, including the notes, is dependent upon the net cash flows of its non-guarantor subsidiaries and their ability to distribute those net cash flows as dividends, loans or other payments to the Obligor group. Certain laws restrict the ability of these non-guarantor subsidiaries to pay dividends and make loans and advances to the Obligor group. In addition, such non-guarantor subsidiaries may enter into contractual arrangements that limit their ability to pay dividends and make loans and advances to the Obligor group.

Intercompany balances and transactions between members of the Obligor group have been eliminated. All intercompany balances and transactions between the Obligor group and the non-guarantor subsidiaries have been presented in the disclosures below on a net presentation basis, rather than a gross basis, as this better reflects the nature of the intercompany positions and presents the funding or funded position that is to be received or owed. The intercompany balances and transactions between the Obligor group and non-guarantor subsidiaries, presented below, relate to a number of items including loan funding for acquisitions and other purposes, transfers of surplus cash between subsidiary companies, funding provided for working capital purposes, settlement of expense accounts, transactions related to share-based payment arrangements and share issuances, intercompany royalty arrangements, intercompany dividends and intercompany interest. At June 30, 2022 and December 31, 2021, the intercompany balances of the Obligor group with non-guarantor subsidiaries were net receivables of $600 million and $700 million, respectively, and net payables of $10.9 billion and $8.1 billion, respectively.

No balances or transactions of non-guarantor subsidiaries are presented in the disclosures other than the intercompany items noted above.

Presented below is certain summarized financial information for the Obligor group.

`	As of June 30, 2022	As of December 31, 2021
	(in millions)	
Total current assets	$ 156	$ 243
Total non-current assets	787	862
Total current liabilities	8,299	7,747
Total non-current liabilities	7,628	5,298

	Six months ended June 30, 2022
	(in millions)
Revenue	$ 266
Loss from operations	(73)
Loss from operations before income taxes (i)	(315)
Net loss	(197)
Net loss attributable to WTW	(197)

(i) Includes intercompany expense, net of the Obligor group from non-guarantor subsidiaries of $81 million for the six months ended June 30, 2022.

Non-GAAP Financial Measures

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

Most Directly Comparable U.S. GAAP Measure	Non-GAAP Measure
As reported change	Constant currency change
As reported change	Organic change
Income from operations/margin	Adjusted operating income/margin
Net income/margin	Adjusted EBITDA/margin
Net income attributable to WTW	Adjusted net income
Diluted earnings per share	Adjusted diluted earnings per share
Income from continuing operations before income taxes	Adjusted income before taxes
Provision for income taxes/U.S. GAAP tax rate	Adjusted income taxes/tax rate
Net cash from operating activities	Free cash flow

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

Within the measures referred to as 'adjusted', we adjust for significant items which will not be settled in cash, or which we believe to be items that are not core to our current or future operations. Some of these items may not be applicable for the current quarter, however they may be part of our full-year results. These items include the following:

- Income from discontinued operations, net of tax – Adjustment to remove the after-tax income from discontinued operations and the after-tax gain attributable to the divestiture of our Willis Re business.
- Restructuring costs and transaction and transformation, net – Management believes it is appropriate to adjust for restructuring costs and transaction and transformation, net when they relate to a specific significant program with a defined set of activities and costs that are not expected to continue beyond a defined period of time, or significant acquisition-related transaction expenses. We believe the adjustment is necessary to present how the Company is performing, both now and in the future when the incurrence of these costs will have concluded.
- Impairment – Adjustment to remove the impairment related to the net assets of our Russian business that are held outside of our Russian entities.
- Gains and losses on disposals of operations – Adjustment to remove the gains or losses resulting from disposed operations that have not been classified as discontinued operations.
- Pension settlement and curtailment gains and losses – Adjustment to remove significant pension settlement and curtailment gains and losses to better present how the Company is performing.
- Provisions for significant litigation – We will include provisions for litigation matters which we believe are not representative of our core business operations. These amounts are presented net of insurance and other recovery receivables.
- Tax effect of the Coronavirus Aid, Relief, and Economic Security ('CARES') Act – Relates to the incremental tax expense impact, primarily from the Base Erosion and Anti-Abuse Tax ('BEAT'), generated from electing certain income tax provisions of the CARES Act.
- Tax effects of internal reorganizations – Relates to the U.S. income tax expense resulting from the completion of internal reorganizations of the ownership of certain businesses that reduced the investments held by our U.S.-controlled subsidiaries.

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

For all prior-year period financial information presented herein (with the exception of Free Cash Flow), the operating results of Willis Re have been reclassified as discontinued operations (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Form 10-Q for additional information).

Constant Currency Change and Organic Change

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

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

The constant currency and organic change results, and a reconciliation from the reported results for consolidated revenue are included in the 'Consolidated Revenue (Continuing Operations)' section within this Form 10-Q. These measures are also reported by segment in the 'Segment Revenue' section within this Form 10-Q.

Reconciliations of the reported changes to the constant currency and organic changes for the three and six months ended June 30, 2022 from the three and six months ended June 30, 2021 are as follows. The components of revenue change may not add due to rounding.

	Three Months Ended June 30,			Components of Revenue Change			
	2022	2021	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 2,031	$ 2,091	(3)%	(4)%	1%	(1)%	3%

	Six Months Ended June 30,			Components of Revenue Change			
	2022	2021	As Reported Change	Less: Currency Impact	Constant Currency Change	Less: Acquisitions/ Divestitures	Organic Change
	($ in millions)						
Revenue	$ 4,191	$ 4,319	(3)%	(3)%	—%	(2)%	2%

Adjusting for the impacts of foreign currency and acquisitions and disposals in the calculation of our organic activity, our revenue growth was 3% for the three months ended June 30, 2022 and 2% for the six months ended June 30, 2022. These increases in organic revenue were driven by both segments.

Adjusted Operating Income/Margin

We consider adjusted operating income/margin to be important financial measures, which are used internally to evaluate and assess our core operations and to benchmark our operating results against our competitors.

Adjusted operating income is defined as income from operations adjusted for impairment, amortization, restructuring costs, transaction and transformation, net and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted operating income margin is calculated by dividing adjusted operating income by revenue.

Reconciliations of income from operations to adjusted operating income for the three and six months ended June 30, 2022 and 2021 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	($ in millions)			
Income from operations	$ 137	$ 170	$ 316	$ 381
Adjusted for certain items:				
Impairment	—	—	81	—
Amortization	83	97	168	200
Restructuring costs	56	—	62	—
Transaction and transformation, net	38	51	58	75
Adjusted operating income	$ 314	$ 318	$ 685	$ 656
Income from operations margin	6.7%	8.1%	7.5%	8.8%
Adjusted operating income margin	15.5%	15.2%	16.3%	15.2%

Adjusted operating income decreased for the three months ended June 30, 2022 to $314 million, from $318 million for the three months ended June 30, 2021 and increased for the six months ended June 30, 2022 to $685 million from $656 million for the six months ended June 30, 2021. This decrease in adjusted operating income for the quarter was primarily due to lower revenue from unfavorable foreign exchange, recent business disposals and increased operating expenses, led by travel and entertainment expense, partially offset by lower compensation accruals. The increase in adjusted operating income for the first half of the year was driven by reductions in compensation costs, which more than offset the reduction to revenue resulting from unfavorable foreign exchange and recent business disposals.

Adjusted EBITDA/Margin

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

Adjusted EBITDA is defined as net income adjusted for income from discontinued operations, net of tax, provision for income taxes, interest expense, impairment, depreciation and amortization, restructuring costs, transaction and transformation, net, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted EBITDA margin is calculated by dividing adjusted EBITDA by revenue.

Reconciliations of net income to adjusted EBITDA for the three and six months ended June 30, 2022 and 2021 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	($ in millions)			
NET INCOME	$ 114	$ 186	$ 239	$ 922
Loss/(income) from discontinued operations, net of tax	46	(69)	35	(259)
Provision for income taxes	19	75	62	119
Interest expense	51	52	100	111
Impairment	—	—	81	—
Depreciation	65	72	131	143
Amortization	83	97	168	200
Restructuring costs	56	—	62	—
Transaction and transformation, net	38	51	58	75
(Gain)/loss on disposal of operations	(22)	2	32	(357)
Adjusted EBITDA	$ 450	$ 466	$ 968	$ 954
Net income margin	5.6%	8.9%	5.7%	21.3%
Adjusted EBITDA margin	22.2%	22.3%	23.1%	22.1%

Adjusted EBITDA for the three months ended June 30, 2022 was $450 million, compared to $466 million for the three months ended June 30, 2021, and was $968 million for the six months ended June 30, 2022, compared to $954 million for the six months ended June 30, 2021. This decrease in adjusted EBITDA for the quarter was primarily due to lower revenue from unfavorable foreign exchange, recent business disposals and increased operating expenses, led by travel and entertainment expense, partially offset by lower compensation accruals. The increase in adjusted EBITDA for the first half of the year was driven by reductions in compensation costs, which more than offset the reduction to revenue resulting from unfavorable foreign exchange and recent business disposals.

Adjusted Net Income and Adjusted Diluted Earnings Per Share

Adjusted net income is defined as net income attributable to WTW adjusted for income from discontinued operations, net of tax, impairment, amortization, restructuring costs, transaction and transformation, net, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results and the related tax effect of those adjustments and the tax effects of internal reorganizations. This measure is used solely for the purpose of calculating adjusted diluted earnings per share.

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

Reconciliations of net income attributable to WTW to adjusted diluted earnings per share for the three and six months ended June 30, 2022 and 2021 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	($ in millions)			
NET INCOME ATTRIBUTABLE TO WTW	$ 109	$ 184	$ 231	$ 917
Adjusted for certain items:				
Loss/(income) from discontinued operations, net of tax	46	(69)	35	(259)
Impairment	—	—	81	—
Amortization	83	97	168	200
Restructuring costs	56	—	62	—
Transaction and transformation, net	38	51	58	75
(Gain)/loss on disposal of operations	(22)	2	32	(357)
Tax effect on certain items listed above (i)	(50)	(28)	(92)	(55)
Tax effect on statutory rate change	—	40	—	40
Adjusted net income	$ 260	$ 277	$ 575	$ 561
Weighted-average shares of common stock — diluted	112	130	115	130
Diluted earnings per share	$ 0.97	$ 1.41	$ 2.01	$ 7.04
Adjusted for certain items (ii) :				
Loss/(income) from discontinued operations, net of tax	0.41	(0.53)	0.30	(1.99)
Impairment	—	—	0.70	—
Amortization	0.74	0.74	1.46	1.53
Restructuring costs	0.50	—	0.54	—
Transaction and transformation, net	0.34	0.39	0.50	0.58
(Gain)/loss on disposal of operations	(0.20)	0.02	0.28	(2.74)
Tax effect on certain items listed above (i)	(0.45)	(0.21)	(0.80)	(0.42)
Tax effect on statutory rate change	—	0.31	—	0.31
Adjusted diluted earnings per share (ii)	$ 2.32	$ 2.12	$ 4.99	$ 4.31

(i) The tax effect was calculated using an effective tax rate for each item.

(ii) Per share values and totals may differ due to rounding.

Our adjusted diluted earnings per share increased for both the three and six months ended June 30, 2022 as compared to the prior year due in part to a lower weighted-average outstanding share count attributable to our share repurchase activity in the current year. The decrease to adjusted net income for the quarter was primarily due to lower revenue from unfavorable foreign exchange, recent business disposals and increased operating expenses, led by travel and entertainment expense, partially offset by lower compensation accruals. The increase in adjusted net income for the first half of the year was driven by reductions in compensation costs, which more than offset the reduction to revenue resulting from unfavorable foreign exchange and recent business disposals.

Adjusted Income Before Taxes and Adjusted Income Taxes/Tax Rate

Adjusted income before taxes is defined as income from operations before income taxes adjusted for impairment, amortization, restructuring costs, transaction and transformation, net, gains and losses on disposals of operations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results. Adjusted income before taxes is used solely for the purpose of calculating the adjusted income tax rate.

Adjusted income taxes/tax rate is defined as the provision for income taxes adjusted for taxes on certain items of impairment, amortization, restructuring costs, transaction and transformation, net, gains and losses on disposals of operations, the tax effects of internal reorganizations and non-recurring items that, in management's judgment, significantly affect the period-over-period assessment of operating results, divided by adjusted income before taxes. Adjusted income taxes is used solely for the purpose of calculating the adjusted income tax rate.

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

Reconciliations of income from operations before income taxes to adjusted income before taxes and provision for income taxes to adjusted income taxes for the three and six months ended June 30, 2022 and 2021 are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	($ in millions)			
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	$ 179	$ 192	$ 336	$ 782
Adjusted for certain items:				
Impairment	—	—	81	—
Amortization	83	97	168	200
Restructuring costs	56	—	62	—
Transaction and transformation, net	38	51	58	75
(Gain)/loss on disposal of operations	(22)	2	32	(357)
Adjusted income before taxes	$ 334	$ 342	$ 737	$ 700
Provision for income taxes	$ 19	$ 75	$ 62	$ 119
Tax effect on certain items listed above (i)	50	28	92	55
Tax effect of statutory rate change	—	(40)	—	(40)
Adjusted income taxes	$ 69	$ 63	$ 154	$ 134
U.S. GAAP tax rate	10.5%	38.9%	18.4%	15.2%
Adjusted income tax rate	20.5%	18.3%	20.8%	19.0%

(i) The tax effect was calculated using an effective tax rate for each item.

Our U.S. GAAP tax rates were 10.5% and 38.9% for the three months ended June 30, 2022 and 2021, respectively, and 18.4% and 15.2% for the six months ended June 30, 2022 and 2021, respectively. The prior-year quarter effective tax rate was higher due to the discrete tax effect of the U.K. tax rate increase enacted in the second quarter of 2021. Accordingly, the Company remeasured its U.K. deferred tax assets and liabilities, resulting in a $40 million deferred tax expense. Additionally, the current quarter effective tax rate includes certain discrete tax benefits primarily related to return-to-provision true ups.

Our adjusted income tax rates were 20.5% and 18.3% for the three months ended June 30, 2022 and 2021, respectively, and 20.8% and 19.0% for the six months ended June 30, 2022 and 2021, respectively. The current quarter adjusted tax rate is higher due to the distribution of geographical income.

Free Cash Flow

Free cash flow is defined as cash flows from operating activities less cash used to purchase fixed assets and software for internal use. Free cash flow is a liquidity measure and is not meant to represent residual cash flow available for discretionary expenditures.

Management believes that free cash flow presents the core operating performance and cash generating capabilities of our business operations.

Reconciliations of cash flows from operating activities to free cash flow for the six months ended June 30, 2022 and 2021 are as follows:

	Six Months Ended June 30,	
	2022	2021
	(in millions)	
Cash flows from operating activities	$ 258	$ 366
Less: Additions to fixed assets and software for internal use	(60)	(79)
Free cash flow	$ 198	$ 287

The unfavorable movement in free cash flows in the first half of 2022 was due primarily to cash disbursements and the elimination of cash generation resulting from the Willis Re divestiture, as well as additional tax payments resulting from both the Willis Re sale and the income receipt related to the termination of the then-proposed Aon transaction.

Additionally, the free cash flow for the prior year period presented includes the operating cash flows of Willis Re. Willis Re's operating cash flows approximate its pre-tax income and any adjustments for working capital movements (see Note 3 — Acquisitions and Divestitures within Part I, Item 1 'Financial Statements' in this Form 10-Q for additional information), the absence of which is expected to be partially made up by reimbursements through the TSA.

Critical Accounting Estimates

There were no material changes from the Critical Accounting Estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 24, 2022.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have considered changes in our exposure to market risks during the six months ended June 30, 2022 and have determined that there have been no material changes to our exposure to market risks from those described in the Company's Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on February 24, 2022. However, we have provided the following information to supplement or update our disclosures on our Form 10-K.

Interest Income on Fiduciary Funds

As described in our Form 10-K, we are exposed to interest rate risk. Specifically, as a result of our operating activities, we receive cash for premiums and claims which we deposit in short-term investments denominated in U.S. dollars and other currencies. We earn interest on these funds, which is included in our condensed consolidated financial statements as interest income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity. At June 30, 2022, we held $1.7 billion of fiduciary funds invested in interest-bearing accounts. If short-term interest rates increased or decreased by 25 basis points, interest earned on these invested fiduciary funds, and therefore our interest income recognized, would increase or decrease by approximately $4 million on an annualized basis.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

As of June 30, 2022, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Chief Executive Officer ('CEO') and the Chief Financial Officer ('CFO'), of the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined by Exchange Act Rule 13a-15(e). Based upon that evaluation, the CEO and the CFO concluded that the Company's disclosure controls and procedures are effective in ensuring that the information required to be included in the Company's periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to management, including the CEO and the CFO, as appropriate, to allow for timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the quarter ended June 30, 2022 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Most of our employees who are involved in our financial reporting processes and controls continue to work remotely following the onset of the COVID-19 pandemic and are expected to do so for the foreseeable future. COVID-19 has not had any specific impact to the design or operating effectiveness of our internal controls over financial reporting.

Limitations on the Effectiveness of Controls

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

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we are a party to various lawsuits, arbitrations or mediations that arise in the ordinary course of business. The disclosure called for by Part II, Item 1 regarding our legal proceedings is incorporated by reference herein from Part I, Item 1 Note 14 — Commitments and Contingencies - Legal Proceedings of the notes to the condensed consolidated financial statements in this Form 10-Q for the quarter ended June 30, 2022.

ITEM 1A. RISK FACTORS

Except as described below, there are no material changes from risk factors as previously disclosed in our Annual Report on Form 10-K, filed with the SEC on February 24, 2022. We urge you to read the risk factors contained therein.

Our business, financial condition and results of operations may continue to be adversely affected, possibly materially, by negative impacts on the global economy and capital markets resulting from the conflict in Ukraine or any other geopolitical tensions.

U.S. and global markets are experiencing volatility and disruption following the escalation of geopolitical tensions and the crisis in Ukraine. Although the length and impact of the ongoing situation is highly unpredictable, the crisis in Ukraine could lead to further market disruptions.

Additionally, during the first quarter of 2022, WTW announced its intention to transfer ownership of its Russian subsidiaries to local management who will operate independently in the Russian market. Due to the sanctions and prohibitions on certain types of business and activities, WTW deconsolidated its Russian entities on March 14, 2022. The transfer of its Russian subsidiaries to local management was completed on the agreed-upon terms on July 18, 2022, and the transfer was registered in Russia on July 25, 2022. The deconsolidation in the first quarter of 2022 resulted in a loss of $57 million. Further, total net assets impaired, including accounts receivable balances related to our Russian business that are held outside of our Russian entities, were $81 million during the six months ended June 30, 2022. We are continuing to monitor the situation in Ukraine and globally and will continue to assess the potential impacts to our businesses.

Sanctions imposed by the U.S., the E.U., the U.K. and other countries, as well as Russian counter-sanctions, are extensive. Additional sanctions and penalties have also been enacted, proposed and/or threatened. Russian actions and the resulting sanctions could adversely affect the global economy and financial markets and lead to instability and lack of liquidity in capital markets. The ramifications of the hostilities and sanctions, however, may not be limited to Russia and Russian companies but may spill over to and negatively impact other regional and global economic markets (including Europe and the United States), companies in other countries (particularly those that have done business with Russia) and various sectors, industries and markets for securities and commodities globally, such as oil and natural gas. Accordingly, the actions discussed above and the potential for a wider conflict could increase financial market volatility, cause severe negative effects on regional and global economic markets, industries, and companies. In addition, Russia may take retaliatory actions and other countermeasures, including cyberattacks and espionage against other countries and companies around the world, which may negatively impact such countries and companies. The extent and duration of the Russian actions or future escalation of such hostilities, the extent and impact of existing and future sanctions, market disruptions and volatility, and the result of any diplomatic negotiations cannot be predicted.

Any of the above-mentioned factors could adversely affect our business, prospects, financial condition and operating results. The extent and duration of the crisis, sanctions and resulting market disruptions are impossible to predict, but could be substantial.

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

During the six months ended June 30, 2022, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

(c) Issuer Purchases of Equity Securities

The Company is authorized to repurchase shares, by way of redemption or otherwise, and will consider whether to do so from time to time, based on many factors, including market conditions. There are no expiration dates for these repurchase plans or programs.

On July 26, 2021, the board of directors approved a $1.0 billion increase to the existing share repurchase program, which was previously at $500 million. Additionally, on September 16, 2021, the board of directors approved a $4.0 billion increase to the existing share repurchase program, and on May 25, 2022, approved a $1.0 billion increase to the existing share repurchase program. These increases brought the total approved authorization to $6.5 billion.

The following table presents specified information about the Company's repurchases of its ordinary shares in the second quarter of 2022 and the Company's remaining repurchase authority.

Period	Total number of shares purchased		Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Maximum number of shares that may yet be purchased under the plans or programs
April 1, 2022 through April 30, 2022	913,804	$	237.90	913,804	12,132,505
May 1, 2022 through May 31, 2022	641,834	$	209.17	641,834	11,490,671
June 1, 2022 through June 30, 2022	588,276	$	202.25	588,276	10,902,395
	2,143,914	$	219.52	2,143,914	

At June 30, 2022 the maximum number of shares that may yet be purchased under the existing stock repurchase plan is 10,902,395, with approximately $2.1 billion remaining on the current open-ended repurchase authority granted by the board. An estimate of the maximum number of shares under the existing authorities was determined using the closing price of our ordinary shares on June 30, 2022 of $197.39.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
4.1	Fifth Supplemental Indenture, dated as of May 19, 2022, among Willis North America Inc., as issuer, Willis Towers Watson Public Limited Company, Willis Towers Watson Sub Holdings Unlimited Company, Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Willis Towers Watson UK Holdings Limited, Trinity Acquisition plc and Willis Group Limited, as guarantors, and Computershare Trust Company, National Association, as trustee (incorporated by reference to Exhibit 4.1 to the Form 8-K filed by the Company on May 19, 2022).
4.2	Willis Towers Watson Public Limited Company 2012 Equity Incentive Plan (incorporated by reference to Exhibit A to the Definitive Proxy Statement on Schedule 14A filed by the Company on April 28, 2022).
10.1	Willis Towers Watson Public Limited Company Compensation Policy and Share Ownership Guidelines for Non-Employee Directors (as amended May 2022).*†
22.1	List of Issuers and Guarantor Subsidiaries.*
31.1	Certification of the Registrant's Chief Executive Officer, Carl A. Hess, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.*
31.2	Certification of the Registrant's Chief Financial Officer, Andrew J. Krasner, pursuant to Rule 13a-14 of the Securities Exchange Act of 1934.*
32.1	Certification of the Registrant's Chief Executive Officer, Carl A. Hess, and Chief Financial Officer, Andrew J. Krasner, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*
101.INS	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document*
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document*
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document*
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document*
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document*
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)*

* Filed or furnished herewith.
† Management contract or compensatory plan or arrangement.

SIGNATURES

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

Willis Towers Watson Public Limited Company
(Registrant)

/s/ Carl A. Hess		July 28, 2022
Name:	Carl A. Hess	Date
Title:	Chief Executive Officer	
/s/ Andrew J. Krasner		July 28, 2022
Name:	Andrew J. Krasner	Date
Title:	Chief Financial Officer	
/s/ Joseph S. Kurpis		July 28, 2022
Name:	Joseph S. Kurpis	Date
Title:	Principal Accounting Officer and Controller	

Exhibit 10.1

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
COMPENSATION POLICY AND SHARE OWNERSHIP GUIDELINES
FOR NON-EMPLOYEE DIRECTORS

May 25, 2022

The Board of Directors (the "**Board**") of Willis Towers Watson Public Limited Company, a company organized under the laws of Ireland (the "**Company**"), has deemed it advisable and in the best interests of the Company to formalize the current Non-Employee Director compensation package and share ownership guidelines through the adoption of this Compensation and Ownership Policy (the "**Policy**").

1. **Definitions**.

   a. "**Non-Employee Director**" means a member of the Board who is not an employee of the Company or any of its subsidiaries or affiliates.

   b. "**Specified Currency**" means United States Dollars ("**USD**"), Euros ("**EUR**"), Great British Pounds ("**GBP**"), or the Non-Employee Director's Primary Currency (as defined in Section 6(a) below).

   c. "**Term of Service**" **or** "**Term**" with Respect to Non-Employee Directors means the period of time from his or her annual election at the Annual General Meeting of Shareholders ("**AGM**") (or such later date if the Non-Employee Director is appointed following the date of an AGM) until the next AGM.

   d. **"Term of Service" or "Term"** with Respect to the Board and Committee Chairs means the period commencing on his or her appointment by the Board to such position and ending on the date of reappointment if the Non-Employee Director is reappointed (or ending on the date of the next AGM if the Non-Employee Director is not reappointed).

2. **Term Cash Fees**.

   a. **Non-Employee Director Base Fee**. For each term of service as a Non-Employee Director, a cash fee of $125,000 shall be paid to each Non-Employee Director. *Each Non-Employee Director may elect to receive such fee 100% in equity on the same terms and conditions as the equity granted under Section 3 below.*

   b. **Chair Committee Premium Fees**. The additional fees set forth below shall be paid to a Non-Employee Director for each term of service that he or she serves as the Board Chair or chair of a Board committee, as set forth below. For the avoidance of any doubt, no additional or separate fees or other compensation shall be paid to a Non-Employee Director for services provided as a member of a Board committee.

i.	Chair of the Board: *provided, however, that the Chair may elect to receive such fee 100% in equity on the same terms and conditions as the equity granted under Section 3 below.*	$100,000
ii.	Chair of the Audit & Risk Committee:	$25,000
iii.	Chair of the Operational Transformation Committee:	$25,000
iv.	Chair of the Compensation Committee:	$15,000
v.	Chair of the Corporate Governance & Nominating Committee:	$12,500

c. If, for an upcoming term, a Non-Employee Director elects to receive his/her:

i. Base Fee, set forth under Section 2(a), 100% in equity; and/or

ii. Board Chair Premium Fee, if applicable, set forth under Section 2(b)(i), 100% in equity,

then such election(s) shall be made in writing, substantially in the form attached hereto as Exhibit A, and sent to the Company Secretary during an "open window" (as defined by the Company's Insider Trading Policy), when the Non-Employee Director does not possess any material, non-public information, and by December 31st of the calendar year immediately preceding the calendar year in which the upcoming term is scheduled to commence. If no election is made by the Non-Employee Director, he/she will receive the applicable fee(s) in cash.

d. **Vesting; Accelerated Vesting**. Cash fees shall vest and be payable in four equal quarterly installments at the end of each calendar quarter; *provided*, *however*, if any Non-Employee Director is appointed, in accordance with applicable law and the Company's Memorandum and Articles of Association and other corporate governance documents, to fill a vacancy after an AGM or if the Chair of the Board, Chair of a Committee or Member of any Board Committee is appointed in the middle of a term, then, in the discretion of the Compensation Committee, such Non-Employee Director may be entitled to a prorated portion of the cash fees based on the portion of a calendar quarter during which the Non-Employee Director served in the relevant position. Notwithstanding the foregoing, if a Non-Employee Director ceases to serve through one or more quarterly vesting dates due to death, disability, removal, resignation or retirement, the Compensation Committee shall have the discretion to accelerate the vesting of all or a portion of the cash fees as of the date of such cessation of service. Otherwise, the unvested cash fees in respect of the remainder of the relevant term shall be forfeited.

e. **Multiple Roles**. If a Non-Employee Director serves in more than one of the roles noted in Section 2(b), he/she shall be entitled to receive compensation for each role, provided that no additional compensation shall be payable to a Non-Employee Director serving as the Board Chair for services performed as a Board committee chair.

3. **Annual Equity Grant**.

a. **Non-Employee Directors**. Each Non-Employee Director who is elected at the Company's AGM shall, in addition to the cash fees referred to in Section 2, be granted a time-based equity award covering a number of ordinary shares having an approximate aggregate value of $200,000, *provided*, *however*, that if any Non-Employee Director is appointed, in accordance with applicable law and the Company's Memorandum and Articles of Association and other corporate governance documents, to fill a vacancy after an AGM, then, in the discretion of the Compensation Committee, such Non-Employee Director may be entitled to receive a prorated equity award on such terms and conditions, including a grant date, approved by the Compensation Committee. The equity award shall be calculated based on the closing price of the Company's ordinary shares on the date of the grant as reported on NASDAQ and rounded down to the nearest whole ordinary share. The terms of the equity grant shall be as set forth in this Section 3.

b. **Board Chair**. In addition to the equity award set forth in Section 3(a), in consideration for the services performed in his/her capacity as the Board Chair, the Board Chair shall be granted, at the same time and on the same terms and conditions as the equity granted under Section 3(a) above, an equity award covering a number of ordinary shares having an approximate aggregate value of $100,000, *provided*, *however*, that if any Chair is appointed in the middle of the term, then, in the discretion of the Compensation Committee, such Board Chair may be entitled to receive a prorated equity award on such terms and conditions, including a grant date, approved by the Compensation Committee.

c. **Form of Equity Award**. The equity award shall be made in the form of restricted share units ("**RSUs**").

d. **Grant Date**. The equity award granted pursuant to Sections 3(a) and 3(b) shall be granted on the date of the AGM.

e. **Vesting; Accelerated Vesting**. The equity award granted under this Section 3 shall vest 100% in full on the one-year anniversary of the grant date unless the next subsequent AGM following the grant date occurs prior to the one-year anniversary of the grant date, in which case the equity award will vest 100% in full on the date of the AGM; *provided*, *however*, that equity granted by the Compensation Committee to a Non-Employee Director appointed to the Company after an AGM or to a Chair appointed in the middle of the term, may vest at such time as determined by the Compensation Committee as long as that Non-Employee Director or the Board Chair continues to serve in such capacity through the vesting date. Notwithstanding the foregoing, if a Non-Employee Director ceases to serve through the vesting date due to death, disability, removal, resignation or retirement, the Compensation Committee shall have the discretion to accelerate the vesting of the equity as of the date of such Non-Employee Director's cessation of service. Otherwise, such equity award shall be forfeited.

f. **Change in Control**. The Compensation Committee shall have the discretion to accelerate the vesting of the equity granted under this Section 3 or take other steps specified in the 2012 Plan in the event of a change of control (as defined in the 2012 Plan).

g. **Dividend Equivalents**. There will be no dividend equivalents on the RSUs granted under Section 3.

h. **Tax-Related Items**. Each Non-Employee Director must make full payment to the Company of all Tax-Related Items (as defined in the 2012 Plan), which under federal, state, local or foreign law, the Company or any subsidiary is required to withhold upon vesting, settlement or other taxable event applicable to the equity awards granted to the Non-Employee Director. In this regard, the Non-Employee Director authorizes the Company or its respective agents, to satisfy the obligations for all Tax-Related Items by withholding in shares to be issued at settlement of the equity awards. In the alternative, the Non-Employee Director may satisfy the obligations for the Tax-Related Items by payment of cash or check by notifying the Company of such election at least fourteen (14) days (or such other notice period as is determined by the Company and communicated to the Non-Employee Director) in advance of, and making arrangements for such alternative payment to be effective as of, the date of the taxable event.

i. **The Plan**. The equity granted under this Policy shall be made in accordance with the Willis Towers Watson Public Limited Company 2012 Equity Incentive Plan or any successor plan thereto (the "**2012 Plan**"). All applicable terms of the 2012 Plan apply to this Policy as if fully set forth herein except to the extent such other provisions are inconsistent with this Policy, and all grants of equity hereby are subject in all respect to the terms of the 2012 Plan.

j. **Nominal Value**. The ordinary shares to be issued upon vesting of the equity granted under this Section 3 must be fully paid up in accordance with the requirements of applicable law and the Company's Memorandum and Articles of Association and other corporate governance documents by payment of the nominal value per ordinary share. The Compensation Committee shall ensure that payment of the nominal value for any such ordinary shares is received by the Company on behalf of the Non-Employee Director in accordance with the foregoing requirements.

k. **Written Grant Agreement**. The award of equity under this Policy shall be made solely by and subject to the terms set forth in a written agreement in a form duly executed by an executive officer of the Company, provided, however, that to the extent that the terms of this Policy are inconsistent with any such written agreement, the terms of this Policy shall prevail.

4. Share Ownership Guidelines.

a. Non-Employee Directors are required to accumulate shares at least equal to five times the annual cash retainer (*i.e.*, $625,000), valued based on the average daily share price over the last 30 business days of the Company's fiscal year. Each Non-Employee Director has eight years from the date of appointment to the legacy Willis Group Holdings Public Limited Company Board, the legacy Towers Watson & Co. Board or the Willis Towers Watson Public Limited Company Board, as applicable, to achieve compliance with such share ownership requirements. Until the ownership level is reached, Non-Employee Directors should not sell shares in excess of the amount needed to pay applicable taxes associated with the equity granted. Once a Non-Employee Director accumulates sufficient shares to meet the $625,000 requirement, he/she is not required to retain shares above the threshold. If as a result of a share price decline subsequent to a Non-Employee Director meeting the ownership requirements the Non-Employee Director does not satisfy the requirements as of the Company's fiscal year-end, he/she is not required to "buy up" to a new number of shares needed to meet the ownership requirements. However, he/she is required to retain the number of shares that originally were acquired to reach the share ownership threshold until such time as he/she is once again above the threshold.

b. In case of financial hardship, the ownership requirements may be waived until the hardship no longer applies or such appropriate time as the Compensation Committee shall determine.

c. Ordinary shares, deferred shares, share equivalents, restricted share units and restricted shares all count toward satisfying the requirements. Stock options do not count toward satisfying the requirements.

d. Non-Employee Directors are required to hold the number of shares needed to meet the ownership requirements until six months after Non-Employee Directors leave Board service (other than to satisfy tax obligations on the vesting/distribution of existing equity awards). In the event a Non-Employee Director has not acquired this threshold of shares, he or she shall be prohibited from transferring any shares (other than to satisfy any tax obligations on the vesting/distribution of existing equity awards).

e. Non-Employee Directors are permitted to sell or otherwise transfer any shares in excess of the ownership requirement subject to compliance with the Company's Insider Trading Policy.

5. **Expenses Reimbursements**. A Non-Employee Director shall be entitled to reimbursement in cash for any reasonable and necessary business expenses incurred in the exercise of such Non-Employee Director's duties during a given term, subject to the timely submission of proper receipt(s) for such expenses in accordance with the Company's policies (the "**Expense Reimbursements**").

6. **Currency Election - Cash Fees and Expense Reimbursements**.

a. **General**. All cash fees described in the Policy are denominated in USD. Unless the Non-Employee Director has made a valid and timely Currency Election in accordance with Section 6(b), all cash fees and Expense Reimbursements shall be paid in the local currency of the country in which the Non-Employee Director maintains his/her primary residence, as reflected in the D&O Questionnaire completed by the Non-Employee Director for the applicable term ("**Primary Currency**"). The Non-Employee Director's "Primary Currency" shall be deemed to be USD if the Non-Employee Director has not communicated to the Corporate Secretary prior to the payment of the cash fees that his or her primary residence is located in a country other than the United States.

b. **Currency Election**. Except as otherwise provided by the Compensation Committee, for an upcoming term, a Non-Employee Director may make an irrevocable election to receive 100% of his/her cash fees and Expense Reimbursements in a single Specified Currency ("**Currency Election**"). For the avoidance of any uncertainty, no more than one Specified Currency may be elected pursuant to this Section 6(b). Except as otherwise provided by the Compensation Committee, such Currency Election shall be made in writing, substantially in the form attached hereto as <u>Exhibit A</u>, and sent to the Company Secretary, and such election shall apply to all cash fees and Expense Reimbursements paid during the entire term and all subsequent terms, until a new election has been made by the Non-Employee Director in accordance with Section 6(c). Except as otherwise provided by the Compensation Committee, a Currency Election must be made at the same time as an election that is made pursuant to Section 2(c) without regard to whether the Non-Employee Director makes an election under Section 2(c).

c. **Change to Currency Election**. If a Non-Employee Director wishes to make a new Currency Election, he/she may do so only with respect to the next subsequent upcoming term in accordance with the procedures set forth in Section 6(b). For the avoidance of any doubt, a Non-Employee Director may not make any new Currency Election with respect to a current term.

d. **Currency Conversion**. With respect to any cash fees and/or Expense Reimbursements to be paid in a Specified Currency pursuant to a Currency Election, such cash fees and/or Expense Reimbursements shall be converted, to the extent required, to the applicable Specified Currency for a given term using the exchange rate at the time of payment determined by the Company.

e. **Foreign Exchange Rate Fluctuation and Tax Considerations; Tax Reporting Requirements**. For the avoidance of any doubt, neither the Company nor any of its subsidiaries or affiliates shall be liable for or provide any gross-up or similar payment to a Non-Employee Director on account of any foreign exchange rate fluctuation that may affect the value of any cash fees and/or Expense Reimbursements payable to such Non-Employee Director. Neither the Company nor any of its subsidiaries or affiliates shall be liable to a Non-Employee Director (or any individual claiming a benefit through a Non-Employee Director) for any tax, interest, or penalties the Non-Employee Director may owe as a result of any Currency Election or change thereto, and the Company and its subsidiaries and affiliates shall have no obligation to indemnify or otherwise hold harmless any Non-Employee Director from the obligation to pay any taxes in connection with any such Currency Election, change thereto or otherwise. Non-Employee Directors may be subject to tax reporting requirements as a result of receiving cash fees and/or Expense Reimbursement payments in a brokerage/bank account or legal entity located outside of the Non-Employee Director's country or in connection with receiving cash fees and/or Expense Reimbursements in a currency other than their Primary Currency. The applicable laws of the Non-Employee Director's country may require that the Non-Employee Director report such accounts, assets, the balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. Non-Employee Directors are solely responsible for ensuring compliance with any applicable tax reporting requirements and neither the Company nor any of its subsidiaries or affiliates shall have any liability with respect thereto. Notwithstanding the foregoing, the Company shall not be obligated to pay any cash fees or Expense Reimbursements to a Non-Employee Director in a Specified Currency, to the extent such payment would otherwise violate any applicable law, rule or regulation or the Non-Employee Director has not timely provided the Company Secretary with a valid brokerage or bank account that will accept the applicable Specified Currency.

7. Policy Subject to Amendment, Modification and Termination. This Policy may be amended, modified or terminated by the Compensation Committee in the future at its sole discretion subject to compliance with applicable law and the Company's Memorandum and Articles of Association and other corporate governance documents, *provided, however*, that any amendment or modification to Sections 2(a), 2(b), 3(a), 3(b) and 4 shall require full Board approval. No Non-Employee Director shall have any rights under any equity granted under this Policy unless and until the equity is actually granted. Without limiting the generality of the foregoing, the Compensation Committee and the Board hereby expressly reserve the authority to terminate this Policy during any year.

8. Effectiveness. This Policy shall become effective upon adoption by the Board.

WILLIS TOWERS WATSON PUBLIC LIMITED COMPANY
NON-EMPLOYEE DIRECTOR FEE EQUITY & CURRENCY ELECTION

Willis Towers Watson Public Limited Company
Attention: Ms. Nicole Napolitano
Company Secretary & General Counsel, Corporate Governance

Dear Ms. Napolitano:

Please be advised that pursuant to the Willis Towers Watson Public Limited Company ("**WTW**") Compensation Policy and Share Ownership Guidelines for Non-Employee Directors (the "**Policy**"), I hereby make the following elections:

Equity Election

☐ By checking this box, I hereby elect to receive my annual base cash fee, payable under Section 2(a) of the Policy for service as a Non-Employee Director of the Board for the upcoming term, 100% in equity.

☐ [**NOTE**: Applicable only to Board Chair] By checking this box, I hereby elect to receive my annual Board Chair premium cash fee payable under Section 2(b)(i) of the Policy for service as Chair of the Board for the upcoming term, 100% in equity.

Currency Election

I hereby elect to receive any and all cash fees and Expense Reimbursements payable under the Policy for service as a Non-Employee Director of the Board for the upcoming term, in the following Specified Currency (*only one Specified Currency may be selected*):

☐ Euros (EUR) ☐ Great British Pounds (GBP) ☐ United States Dollars (USD)

I acknowledge and agree that (i) if I make no Currency Election, my cash fees and Expense Reimbursements will be paid in my Primary Currency (as defined in Section 6(a) of the Policy); (ii) my Currency Election above is subject to Section 6 of the Policy, is irrevocable for the upcoming term, and will remain in effect for all future terms until I change it in accordance with Section 6(c) of the Policy; and (iii) WTW has no obligation to pay me any cash fees or Expense Reimbursements in the Specified Currency to the extent any such payment would otherwise violate any applicable law, rule or regulation or I have not timely provided a valid brokerage or bank account that will accept the applicable payment in the Specified Currency (in which case the fees and payment of my Expense Reimbursements shall be paid in my Primary Currency).

Sincerely,

[*Signature to be included*]

____
Name of the [Non-Employee Director]
[*Date to be included*]

cc: General Counsel
Head of Executive Compensation

Exhibit 22.1

List of Issuers and Guarantor Subsidiaries

The below table sets forth the respective issuers and guarantors of the notes issued by Willis Towers Watson plc, Trinity Acquisition plc and Willis North American Inc. and the jurisdiction of incorporation or organization for each such entity.

		Trinity Acquisition plc	Willis North America Inc.
Entity	**Jurisdiction of Incorporation or Organization**	**4.625% senior notes due 2023 4.400% senior notes due 2026 6.125% senior notes due 2043**	**3.600% senior notes due 2024 4.650% senior notes due 2027 4.500% senior notes due 2028 2.950% senior notes due 2029 5.050% senior notes due 2048 3.875% senior notes due 2049**
Willis Towers Watson plc [i]	Ireland	Guarantor	Guarantor
Trinity Acquisition plc	United Kingdom	Issuer	Guarantor
Willis North America Inc.	Delaware	Guarantor	Issuer
Willis Netherlands Holdings B.V.	Netherlands	Guarantor	Guarantor
Willis Investment UK Holdings Limited	United Kingdom	Guarantor	Guarantor
TA I Limited	United Kingdom	Guarantor	Guarantor
Willis Group Limited	United Kingdom	Guarantor	Guarantor
Willis Towers Watson Sub Holdings Unlimited Company	Ireland	Guarantor	Guarantor
Willis Towers Watson UK Holdings Limited	United Kingdom	Guarantor	Guarantor

Exhibit 31.1

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

I, Carl A. Hess, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and to the audit committee of the registrant's board of directors (or persons performing the equivalent function):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 28, 2022

/s/ Carl A. Hess

Carl A. Hess
Chief Executive Officer

Exhibit 31.2

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

I, Andrew J. Krasner, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Willis Towers Watson Public Limited Company;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and
5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and to the audit committee of the registrant’s board of directors (or persons performing the equivalent function):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: July 28, 2022

/s/ Andrew J. Krasner
Andrew J. Krasner
Chief Financial Officer

Exhibit 32.1

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

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

- The Quarterly Report of the Company on Form 10-Q for the period ended June 30, 2022, fully complies with the requirements of Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934; and
- The information contained in such report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: July 28, 2022

/s/ Carl A. Hess

Carl A. Hess
Chief Executive Officer

/s/ Andrew J. Krasner

Andrew J. Krasner
Chief Financial Officer

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