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 September 30, 2013

or

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

Commission file number: 001-16503

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

(Exact name of registrant as specified in its charter)

Ireland	**98-0352587**
(Jurisdiction of incorporation or organization)	*(I.R.S. Employer Identification No.)*

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

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

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

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

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

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

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

As of November 1, 2013 there were outstanding 177,768,767 ordinary shares, nominal value $0.000115 per share, of the Registrant.

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Certain Definitions

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

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

FORWARD-LOOKING STATEMENTS

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

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

- the impact of any regional, national or global political, economic, business, competitive, market, environmental or regulatory conditions on our global business operations;
- the impact of current financial market conditions on our results of operations and financial condition, including as a result of those associated with the current Eurozone crisis, any insolvencies of or other difficulties experienced by our clients, insurance companies or financial institutions;
- our ability to implement and realize anticipated benefits of any expense reduction initiative, charge or any revenue generating initiatives;
- our ability to implement and fully realize anticipated benefits of our new growth strategy;
- volatility or declines in insurance markets and premiums on which our commissions are based, but which we do not control;
- our ability to continue to manage our significant indebtedness;
- our ability to compete effectively in our industry, including the impact of our refusal to accept contingent commissions from carriers in the non-Human Capital areas of our retail brokerage business;
- material changes in commercial property and casualty markets generally or the availability of insurance products or changes in premiums resulting from a catastrophic event, such as a hurricane;
- our ability to retain key employees and clients and attract new business;
- the timing or ability to carry out share repurchases and redemptions;
- the timing or ability to carry out refinancing or take other steps to manage our capital and the limitations in our long-term debt agreements that may restrict our ability to take these actions;
- fluctuations in our earnings as a result of potential changes to our valuation allowance(s) on our deferred tax assets;
- any fluctuations in exchange and interest rates that could affect expenses and revenue;
- the potential costs and difficulties in complying with a wide variety of foreign laws and regulations and any related changes, given the global scope of our operations;
- rating agency actions that could inhibit our ability to borrow funds or the pricing thereof;
- a significant decline in the value of investments that fund our pension plans or changes in our pension plan liabilities or funding obligations;
- our ability to achieve the expected strategic benefits of transactions, including any growth from associates;
- further impairment of the goodwill of one of our reporting units, in which case we may be required to record additional significant charges to earnings;
- our ability to receive dividends or other distributions in needed amounts from our subsidiaries;
- changes in the tax or accounting treatment of our operations and fluctuations in our tax rate;
- any potential impact from the US healthcare reform legislation;
- our involvements in and the results of any regulatory investigations, legal proceedings and other contingencies;
- underwriting, advisory or reputational risks associated with non-core operations as well as the potential significant impact our non-core operations (including the Willis Capital Markets & Advisory operations) can have on our financial results;
- our exposure to potential liabilities arising from errors and omissions and other potential claims against us; and
- the interruption or loss of our information processing systems or failure to maintain secure information systems.

The foregoing list of factors is not exhaustive and new factors may emerge from time to time that could also affect actual performance and results. For more information see the section entitled ‘Risk Factors’ included in Willis’ Form 10-K for the year ended December 31, 2012. Copies are available online at http://www.sec.gov or www.willis.com or on request from the Company as set forth in Part I, Item I 'Business — Available Information' in Willis' Form 10-K.

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

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

PART I — FINANCIAL INFORMATION

Item 1 — Financial Statements

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

	Note	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
		(millions, except per share data)			
REVENUES					
Commissions and fees		$ 791	$ 749	$ 2,722	$ 2,591
Investment income		4	4	11	14
Other income		—	1	3	4
Total revenues		795	754	2,736	2,609
EXPENSES					
Salaries and benefits	3	(541)	(502)	(1,638)	(1,508)
Other operating expenses		(144)	(146)	(455)	(431)
Depreciation expense		(21)	(21)	(68)	(59)
Amortization of intangible assets	11	(14)	(14)	(42)	(44)
Net loss on disposal of operations		—	(1)	—	(1)
Total expenses		(720)	(684)	(2,203)	(2,043)
OPERATING INCOME		75	70	533	566
Loss on extinguishment of debt	14	(60)	—	(60)	—
Interest expense		(30)	(32)	(93)	(97)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES		(15)	38	380	469
Income taxes	4	(11)	(10)	(88)	(114)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES		(26)	28	292	355
Interest in earnings of associates, net of tax		(1)	(2)	11	12
(LOSS) INCOME FROM CONTINUING OPERATIONS		(27)	26	303	367
Discontinued operations, net of tax		—	—	—	1
NET (LOSS) INCOME		(27)	26	303	368
Less: net income attributable to noncontrolling interests		—	—	(6)	(9)
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS		$ (27)	$ 26	$ 297	$ 359
AMOUNTS ATTRIBUTABLE TO WILLIS GROUP HOLDINGS SHAREHOLDERS					
(Loss) income from continuing operations, net of tax		$ (27)	$ 26	$ 297	$ 358
Income from discontinued operations, net of tax		—	—	—	1
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS		$ (27)	$ 26	$ 297	$ 359

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (Continued)

		Three months ended September 30,		Nine months ended September 30,	
	Note	2013	2012	2013	2012
		(millions, except per share data)			
EARNINGS PER SHARE — BASIC AND DILUTED					
— Basic earnings per share - continuing operations	5	$ (0.15)	$ 0.15	$ 1.70	$ 2.07
— Diluted earnings per share - continuing operations	5	$ (0.15)	$ 0.15	$ 1.67	$ 2.03
CASH DIVIDENDS DECLARED PER SHARE		$ 0.28	$ 0.27	$ 0.84	$ 0.81

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	Three months ended September 30, 2013	Three months ended September 30, 2012	Nine months ended September 30, 2013	Nine months ended September 30, 2012
		(millions)			
Comprehensive income		$ 46	$ 53	$ 345	$ 395
Less: comprehensive income attributable to noncontrolling interests		(1)	—	(6)	(9)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	17	$ 45	$ 53	$ 339	$ 386

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

UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS

	Note	September 30, 2013	December 31, 2012
		(millions, except share data)	
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents		$ 623	$ 500
Accounts receivable, net		985	933
Fiduciary assets		9,197	9,271
Deferred tax assets		14	13
Other current assets	12	195	181
Total current assets		11,014	10,898
NON-CURRENT ASSETS			
Fixed assets, net		472	468
Goodwill	10	2,846	2,827
Other intangible assets, net	11	361	385
Investments in associates		184	174
Deferred tax assets		6	18
Pension benefits asset		253	136
Other non-current assets	12	187	206
Total non-current assets		4,309	4,214
TOTAL ASSETS		$ 15,323	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Fiduciary liabilities		$ 9,197	$ 9,271
Deferred revenue and accrued expenses		489	541
Income taxes payable		33	19
Short-term debt and current portion of long-term debt	14	17	15
Deferred tax liabilities		18	21
Other current liabilities	13	381	327
Total current liabilities		10,135	10,194
NON-CURRENT LIABILITIES			
Long-term debt	14	2,315	2,338
Liability for pension benefits		229	282
Deferred tax liabilities		36	18
Provisions for liabilities		208	180
Other non-current liabilities	13	353	375
Total non-current liabilities		3,141	3,193
Total liabilities		13,276	13,387

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UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS (Continued)

	Note	September 30, 2013	December 31, 2012
		(millions, except share data)	
COMMITMENTS AND CONTINGENCIES	7		
EQUITY			
Ordinary shares, $0.000115 nominal value; Authorized: 4,000,000,000; Issued 177,299,202 shares in 2013 and 173,178,733 shares in 2012		—	—
Ordinary shares, €1 nominal value; Authorized: 40,000; Issued 40,000 shares in 2013 and 2012		—	—
Preference shares, $0.000115 nominal value; Authorized: 1,000,000,000; Issued nil shares in 2013 and 2012		—	—
Additional paid-in capital		1,258	1,125
Retained earnings		1,577	1,427
Accumulated other comprehensive loss, net of tax	16	(808)	(850)
Treasury shares, at cost, 46,408 shares, $0.000115 nominal value, in 2013 and 2012 and 40,000 shares, €1 nominal value, in 2013 and 2012		(3)	(3)
Total Willis Group Holdings stockholders’ equity	17	2,024	1,699
Noncontrolling interests	17	23	26
Total equity		2,047	1,725
TOTAL LIABILITIES AND EQUITY		$ 15,323	$ 15,112

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

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Note	Nine months ended September 30, 2013	2012
		(millions)	
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income		$ 303	$ 368
Adjustments to reconcile net income to total net cash provided by operating activities:			
Income from discontinued operations		—	(1)
Net gain on disposal of operations and fixed and intangible assets		(3)	(2)
Depreciation expense		68	59
Amortization of intangible assets	11	42	44
Amortization of cash retention awards		5	165
Net periodic (income) cost of defined benefit pension plans	6	(3)	1
Provision for doubtful debts		3	9
Provision for deferred income taxes		18	47
Excess tax benefits from share-based payment arrangements		(1)	(2)
Share-based compensation		31	24
Gain on derivative instruments		20	14
Tender premium included in loss on extinguishment of debt		65	—
Undistributed earnings of associates		(3)	(8)
Effect of exchange rate changes on net income		(6)	(10)
Change in operating assets and liabilities, net of effects from purchase of subsidiaries:			
Accounts receivable		(56)	8
Fiduciary assets		27	(1,009)
Fiduciary liabilities		(27)	1,009
Cash incentives paid		(328)	(304)
Funding of defined benefit pension plans		(125)	(115)
Other assets		14	(37)
Other liabilities		294	68
Movement on provisions		28	(18)
Net cash provided by continuing operating activities		366	310
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds on disposal of fixed and intangible assets		9	8
Additions to fixed assets		(78)	(97)
Additions to intangible assets		(1)	(1)
Acquisitions of subsidiaries, net of cash acquired		(30)	(4)
Payments to acquire other investments		(5)	(5)
Net cash used in continuing investing activities		(105)	(99)

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)

	Note	Nine months ended September 30, 2013	2012
		(millions)	
INCREASE IN CASH AND CASH EQUIVALENTS FROM OPERATING AND INVESTING ACTIVITIES		$ 261	$ 211
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from draw down of revolving credit facilities	14	2	20
Senior notes issued	14	522	—
Debt issuance costs		(8)	—
Repayments of debt	14	(532)	(11)
Tender premium on extinguishment of senior notes	14	(65)	—
Repurchase of shares	17	—	(100)
Proceeds from issue of shares		105	41
Excess tax benefits from share-based payment arrangements		1	2
Dividends paid		(144)	(139)
Proceeds from sale of noncontrolling interests		—	3
Acquisition of noncontrolling interests		(4)	(29)
Dividends paid to noncontrolling interests		(9)	(11)
Net cash used in continuing financing activities		(132)	(224)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		129	(13)
Effect of exchange rate changes on cash and cash equivalents		(6)	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD		500	436
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 623	$ 424

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

1. NATURE OF OPERATIONS

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

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

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

The accompanying condensed consolidated financial statements ('Interim Financial Statements') have been prepared in accordance with accounting principles generally accepted in the United States of America ('US GAAP').

The Interim Financial Statements are unaudited but include all adjustments (consisting of normal recurring adjustments) which the Company's management considers necessary for a fair presentation of the financial position as of such dates and the operating results and cash flows for those periods. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted. However, the Company believes that the disclosures are adequate to make the information presented not misleading. The results of operations for the nine months ended September 30, 2013 may not necessarily be indicative of the operating results for the entire fiscal year.

These Interim Financial Statements should be read in conjunction with the Company's consolidated balance sheets as of December 31, 2012 and 2011, and the related consolidated statements of operations, comprehensive income, cash flows and changes in equity for each of the three years in the period ended December 31, 2012 included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2013 ('2012 10-K') and as amended by Current Report on Form 8-K subsequently filed on August 8, 2013.

In February 2013, the Financial Accounting Standards Board ('FASB') issued Accounting Standards Update ('ASU') No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (ASU 2013-02). This guidance is the culmination of the FASB's deliberation on reporting reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income but do require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2012 and has been applied for this third quarter 2013 - see Note 16 - 'Comprehensive Income'.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists - a consensus of the FASB Emerging Issues Task Force (ASU 2013-11) which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward (NOL), or similar tax loss, or a tax credit carryforward exists. Such unrecognized tax benefits are required to be presented as a reduction of a deferred tax asset for a NOL or other tax credit carryforward whenever the NOL or tax credit carryforward would be available to reduce the additional taxable income or tax due if the tax position is disallowed.

This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2013 although early adoption is permitted. The Company is currently evaluating the impact that adoption of this guidance will have on the consolidated financial statements.

3. SALARIES AND BENEFITS EXPENSE

Severance Costs

Severance costs arise in the normal course of business and these charges amounted to $2 million in the nine months ended September 30, 2013 (nine months ended September 30, 2012: $2 million). Of these costs, $nil was incurred in the three months ended September 30, 2013 (three months ended September 30, 2012: $nil).

During the nine months ended September 30, 2013, the Company incurred additional salaries and benefits costs of $29 million, of which $28 million related to severance costs, in relation to an Expense Reduction Initiative in the first quarter. These costs related to 207 positions that have been eliminated.

4. INCOME TAXES

The tables below reflect the components of the three and nine months ended September 30, 2013 and 2012 tax charge:

	Income before tax	Tax	Effective tax rate
	(millions, except percentages)		
Three months ended September 30, 2013			
Non-US ordinary income taxed at estimated annual effective tax rate	$ 45	$ (9)	20 %
US ordinary income and tax charge	(60)	(4)	(7)%
Items where tax effect is treated discretely:			
Impact of reduction in UK tax rate on deferred tax balances	—	1	— %
Benefit derived from the reduction in estimate of annual effective tax rate applied to ordinary income of the prior two quarters	—	1	— %
As reported	$ (15)	$ (11)	(73)%
Three months ended September 30, 2012			
Ordinary income taxed at estimated annual effective tax rate	$ 39	$ (9)	24 %
Items where tax effect is treated discretely:			
Impact of reduction in UK tax rate on deferred tax balances	—	1	— %
Net adjustment in respect of prior periods	—	(3)	— %
Non-tax deductible loss on disposal of operations	(1)	—	— %
Benefit derived from the reduction in estimate of annual effective tax rate applied to ordinary income of the prior two quarters	—	1	— %
As reported	$ 38	$ (10)	26 %

4. INCOME TAXES (Continued)

	Income before tax	Tax	Effective tax rate
	(millions, except percentages)		
Nine months ended September 30, 2013			
Non-US ordinary income taxed at estimated annual effective tax rate	$ 386	$ (79)	20 %
US ordinary income and tax charge	(6)	(10)	(167)%
Items where tax effect is treated discretely:			
Impact of reduction in UK tax rate on deferred tax balances	$ —	$ 1	— %
As reported	$ 380	$ (88)	23 %
Nine months ended September 30, 2012			
Ordinary income taxed at estimated annual effective tax rate	$ 482	$ (117)	24 %
Items where tax effect is treated discretely:			
Write-off of uncollectible accounts receivable balance in North America	(12)	5	41 %
Net adjustment is respect of prior periods	—	(3)	— %
Non-tax deductible loss on disposal of operations	(1)	—	— %
Impact of reduction in UK tax rate on deferred tax balances	—	1	— %
As reported	$ 469	$ (114)	24 %

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

An $11 million tax expense was recorded on a pre-tax net loss of $15 million which was driven by the charges related to the early extinguishment of debt that was issued by Willis North America. As previously disclosed, the Company has maintained a valuation allowance against net US deferred tax assets. Therefore, no tax benefit was recognized for the debt extinguishment charges recorded during the quarter, resulting in a higher consolidated tax expense. When looking at the quarter’s results excluding the extinguishment charges, the tax rate was approximately 24 percent.

For the nine months ended September 30, 2013, the reported tax rate was approximately 23 percent. The reported tax rate for the three and nine months ended September 30, 2012 was 26 percent and 24 percent, respectively.

The Company's tax rate differs from the US statutory income tax rate of 35 percent primarily due to income being subject to tax in numerous non-US jurisdictions with varying tax rates, as well as the valuation allowance maintained in the US due to losses incurred in recent years.

5. EARNINGS PER SHARE

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

In periods where losses are reported the weighted average shares outstanding excludes the potentially issuable shares described above, because their inclusion would be antidilutive.

At September 30, 2013, time-based and performance-based options to purchase 7.8 million and 5.6 million shares (September 30, 2012: 9.2 million and 7.2 million), respectively, and 1.7 million restricted stock units (September 30, 2012: 1.2 million) were outstanding.

5. EARNINGS PER SHARE (Continued)

Basic and diluted earnings per share are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(millions, except per share data)			
Net (loss) income attributable to Willis Group Holdings	$ (27)	$ 26	$ 297	$ 359
Basic average number of shares outstanding	177	173	175	173
Dilutive effect of potentially issuable shares	—	2	3	3
Diluted average number of shares outstanding	177	175	178	176
Basic earnings per share:				
Continuing operations	$ (0.15)	$ 0.15	$ 1.70	$ 2.07
Discontinued operations	—	—	—	0.01
Net (loss) income attributable to Willis Group Holdings shareholders	$ (0.15)	$ 0.15	$ 1.70	$ 2.08
Dilutive effect of potentially issuable shares	—	—	(0.03)	(0.04)
Diluted earnings per share:				
Continuing operations	$ (0.15)	$ 0.15	$ 1.67	$ 2.03
Discontinued operations	—	—	—	0.01
Net (loss) income attributable to Willis Group Holdings shareholders	$ (0.15)	$ 0.15	$ 1.67	$ 2.04

Options to purchase 15.1 million and 3.8 million shares were not included in the computation of the dilutive effect of stock options for the three and nine months ended September 30, 2013 respectively because the effect was antidilutive (three and nine months ended September 30, 2012: 6.1 million and 6.2 million).

6. PENSION PLANS

The components of the net periodic benefit (income) cost of the UK, US and international and US non-qualified defined benefit plans are as follows:

	Three months ended September 30,					
	UK Pension Benefits		US Pension Benefits		International and US non-qualified Pension Benefits	
	2013	2012	2013	2012	2013	2012
	(millions)					
Components of net periodic benefit (income) cost:						
Service cost	$ 10	$ 9	$ —	$ —	$ —	$ 1
Interest cost	26	27	10	11	2	1
Expected return on plan assets	(47)	(45)	(13)	(12)	(2)	(2)
Amortization of unrecognized prior service gain	(1)	(1)	—	—	—	—
Amortization of unrecognized actuarial loss	11	9	3	2	—	—
Net periodic benefit (income) cost	$ (1)	$ (1)	$ —	$ 1	$ —	$ —

	Nine months ended September 30,					
	UK Pension Benefits		US Pension Benefits		International and US non-qualified Pension Benefits	
	2013	2012	2013	2012	2013	2012
	(millions)					
Components of net periodic benefit (income) cost:						
Service cost	$ 28	$ 26	$ —	$ —	$ 2	$ 3
Interest cost	80	81	29	31	5	4
Expected return on plan assets	(141)	(135)	(38)	(35)	(5)	(5)
Amortization of unrecognized prior service gain	(4)	(4)	—	—	—	—
Amortization of unrecognized actuarial loss	33	29	7	6	1	—
Net periodic benefit (income) cost	$ (4)	$ (3)	$ (2)	$ 2	$ 3	$ 2

During the nine months ended September 30, 2013, the Company made cash contributions of $68 million (2012: $60 million) into the UK defined benefit pension plan. This includes a $10 million payment that arose as a result of the share buyback program discussed below. In addition to this, a further payment of $9 million (2012: $9 million) was made in respect of employees' salary sacrifice contributions. Cash contributions of $40 million and $8 million (2012: $40 million and $6 million) were made to the US plan and international and US non-qualified defined benefit pension plans, respectively.

Contributions to the UK defined benefit pension plan in 2013 are expected to total $88 million, of which approximately $22 million relates to on-going contributions calculated as 15.9 percent of active plan members' pensionable salaries, approximately $56 million relates to contributions towards funding the deficit and $10 million exceptional return payment related to 10 percent of the $100 million share buyback program completed during 2012, as required under the current agreed schedule of contributions.

In addition, for full year 2013, the Company will contribute approximately $12 million to the UK defined benefit pension plan related to employees' salary sacrifice contributions. The Company also expects to contribute approximately $40 million to the US plan and $11 million to the international and US non-qualified plans for the full year 2013 (inclusive of amounts contributed in the year to date).

In addition, under the current schedule of contributions, further contributions will be payable based on a profit share calculation (equal to 20 percent of EBITDA in excess of $900 million per annum as defined by the revised schedule of contributions) and an exceptional return calculation (equal to 10 percent of any exceptional returns made to shareholders, for example, share buybacks and special dividends). Aggregate contributions under the deficit funding contribution and the profit share calculation are capped at £312 million ($505 million) over the six-year period ended December 31, 2017.

The schedule of contributions is automatically renegotiated after three years and at any earlier time jointly agreed by the Company and the Trustee.

7. COMMITMENTS AND CONTINGENCIES

Contractual Obligations

Pensions

The Company's pension funding obligations are set out in Note 6 — 'Pension Plans'.

7. COMMITMENTS AND CONTINGENCIES (Continued)

Other Contractual Obligations

In July 2010, the Company made a capital commitment of $25 million to Trident V Parallel Fund, LP. As of September 30, 2013 there had been approximately $15 million of capital contributions.

In May 2011, the Company made a capital commitment of $10 million to Dowling Capital Partners I, LP. As of September 30, 2013 there had been approximately $2 million of capital contributions.

Claims, Lawsuits and Other Proceedings

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

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

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

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

Stanford Financial Group Litigation

The Company has been named as a defendant in 13 similar lawsuits relating to the collapse of The Stanford Financial Group ('Stanford'), for which Willis of Colorado, Inc. acted as broker of record on certain lines of insurance. The complaints in these actions generally allege that the defendants actively and materially aided Stanford's alleged fraud by providing Stanford with certain letters regarding coverage that they knew would be used to help retain or attract actual or prospective Stanford client investors. The complaints further allege that these letters, which contain statements about Stanford and the insurance policies that the defendants placed for Stanford, contained untruths and omitted material facts and were drafted in this manner to help Stanford promote and sell its allegedly fraudulent certificates of deposit.

The 13 actions are as follows:

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

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

  On October 27, 2011, the court in *Troice* entered an order (i) dismissing with prejudice those claims asserted in the Third Amended Class Action Complaint on a class basis on the grounds set forth in the *Roland* decision discussed above and

7. COMMITMENTS AND CONTINGENCIES (Continued)

(ii) dismissing without prejudice those claims asserted the Third Amended Class Action Complaint on an individual basis. Also on October 27, 2011, the court entered a final judgment in the action.

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

- *Ranni v. Willis of Colorado, Inc., et al.*, C.A. No. 9-22085, was filed on July 17, 2009 against Willis Group Holdings plc and Willis of Colorado, Inc. in the U.S. District Court for the Southern District of Florida. The complaint was filed on behalf of a putative class of Venezuelan and other South American Stanford investors and alleges claims under Section 10(b) of the Securities Exchange Act of 1934 (and Rule 10b-5 thereunder) and Florida statutory and common law and seeks damages in an amount to be determined at trial. On October 6, 2009, *Ranni* was transferred, for consolidation or coordination with other Stanford-related actions (including *Troice*), to the Northern District of Texas by the U.S. Judicial Panel on Multidistrict Litigation (the 'JPML'). The defendants have not yet responded to the complaint in *Ranni*.
- *Canabal, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:9-CV-1474-D, was filed on August 6, 2009 against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate named as a defendant in *Troice*, among others, also in the Northern District of Texas. The complaint was filed individually and on behalf of a putative class of Venezuelan Stanford investors, alleged claims under Texas statutory and common law and sought damages in excess of $1 billion, punitive damages, attorneys' fees and costs. On December 18, 2009, the parties in *Troice* and *Canabal* stipulated to the consolidation of those actions (under the *Troice* civil action number), and, on December 31, 2009, the plaintiffs in *Canabal* filed a notice of dismissal, dismissing the action without prejudice.
- *Rupert, et al. v. Winter, et al.*, Case No. 2009C115137, was filed on September 14, 2009 on behalf of 97 Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under the Securities Act of 1933, Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $300 million, attorneys' fees and costs. On October 20, 2009, certain defendants, including Willis of Colorado, Inc., (i) removed *Rupert* to the U.S. District Court for the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On April 1, 2010, the JPML issued a final transfer order for the transfer of *Rupert* to the Northern District of Texas. On January 24, 2012, the court remanded *Rupert* to Texas State Court (Bexar County), but stayed the action until further order of the court. The defendants have not yet responded to the complaint in *Rupert*.
- *Casanova, et al. v. Willis of Colorado, Inc., et al.*, C.A. No. 3:10-CV-1862-O, was filed on September 16, 2010 on behalf of seven Stanford investors against Willis Group Holdings plc, Willis Limited, Willis of Colorado, Inc. and the same Willis associate, among others, also in the Northern District of Texas. The complaint alleges claims under Texas statutory and common law and seeks actual damages in excess of $5 million, punitive damages, attorneys' fees and costs. The defendants have not yet responded to the complaint in *Casanova*.
- *Rishmague, et ano. v. Winter, et al.*, Case No. 2011CI2585, was filed on March 11, 2011 on behalf of two Stanford investors, individually and as representatives of certain trusts, against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Bexar County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks special, consequential and treble damages of more than $37 million and attorneys' fees and costs. On April 11, 2011, certain defendants, including Willis of Colorado, Inc., (i) removed *Rishmague* to the Western District of Texas, (ii) notified the JPML of the pendency of this related action and (iii) moved to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. On August 8, 2011, the JPML issued a final transfer order for the transfer of *Rishmague* to the Northern District of Texas, where it is currently pending. The defendants have not yet responded to the complaint in *Rishmague*.

7. COMMITMENTS AND CONTINGENCIES (Continued)

- *MacArthur v. Winter, et al.*, Case No. 2013-07840, was filed on February 8, 2013 on behalf of two Stanford investors against Willis Group Holdings plc, Willis of Colorado, Inc., Willis of Texas, Inc. and the same Willis associate, among others, in Texas state court (Harris County). The complaint alleges claims under Texas and Colorado statutory law and Texas common law and seeks actual, special, consequential and treble damages of approximately $4 million and attorneys' fees and costs. On March 29, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. (i) removed *MacArthur* to the U.S. District Court for the Southern District of Texas and (ii) notified the JPML of the pendency of this related action. On April 2, 2013, Willis of Colorado, Inc. and Willis of Texas, Inc. filed a motion in the Southern District of Texas to stay the action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. Also on April 2, 2013, the court presiding over *MacArthur* in the Southern District of Texas transferred the action to the Northern District of Texas for consolidation or coordination with the other Stanford-related actions. The defendants have not yet responded to the complaint in *MacArthur*.
- *Florida suits:* On February 14, 2013, five law suits were filed against Willis Group Holdings plc, Willis Limited and Willis of Colorado, Inc. in Florida state court (Miami-Dade County) alleging violations of Florida common law. The five suits are: (1) *Barbar, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05666CA27, filed on behalf of 35 Stanford investors seeking compensatory damages in excess of $30 million; (2) *de Gadala-Maria, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05669CA30, filed on behalf of 64 Stanford investors seeking compensatory damages in excess of $83.5 million; (3) *Ranni, et ano. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05673CA06, filed on behalf of two Stanford investors seeking compensatory damages in excess of $3 million*; (4) Tisminesky, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05676CA09, filed on behalf of 11 Stanford investors seeking compensatory damages in excess of $6.5 million; and (5) *Zacarias, et al. v. Willis Group Holdings Public Limited Company, et al.*, Case No. 13-05678CA11, filed on behalf of 10 Stanford investors seeking compensatory damages in excess of $12.5 million. On June 3, 2013, Willis of Colorado, Inc. removed all five cases to the Southern District of Florida and, on June 4, 2013, notified the JPML of the pendency of these related actions. On June 10, 2013, the court in *Tisminesky* issued an order *sua sponte* staying and administratively closing that action pending a determination by the JPML as to whether it should be transferred to the Northern District of Texas for consolidation and coordination with the other Stanford-related actions. On June 11, 2013, Willis of Colorado, Inc. moved to stay the other four actions pending the JPML's transfer decision. On June 20, 2013, the JPML issued a conditional transfer order for the transfer of the five actions to the Northern District of Texas, the transmittal of which was stayed for seven days to allow for any opposition to be filed. On June 28, 2013, with no opposition having been filed, the JPML lifted the stay, enabling the transfer to go forward. The defendants have not yet responded to the complaints in these actions.
- *Janvey, et al. v. Willis of Colorado, Inc., et al.*, Case No. 3:13-CV-03980-D, was filed on October 1, 2013 in the U.S. District Court for the Northern District of Texas against Willis Group Holdings plc, Willis Limited, Willis North America Inc., Willis of Colorado, Inc. and the same Willis associate. The complaint was filed (i) by Ralph S. Janvey, in his capacity as Court-Appointed Receiver for the Stanford Receivership Estate, and the Official Stanford Investors Committee (the 'OSIC') against all defendants and (ii) on behalf of a putative, worldwide class of Stanford investors against Willis North America Inc. Plaintiffs Janvey and the OSIC allege claims under Texas common law and the court's Amended Order Appointing Receiver, and the putative class plaintiffs allege claims under Texas statutory and common law. Plaintiffs seek actual damages in excess of $1 billion, punitive damages and costs. The defendants have not yet responded to the complaint in *Janvey*.

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

European Commission Sector Inquiry

In 2006, the European Commission ('EC') issued questionnaires pursuant to its Sector Inquiry (or, in respect of Norway, the European Free Trade Association Surveillance Authority ('EFTAS')), related to insurance business practices, including compensation arrangements for brokers, to at least 150 European brokers including our operations in nine European countries. The Company filed responses to the questionnaires. On September 25, 2007, the EC and EFTAS issued a joint report expressing concerns over potential conflicts of interest in the industry relating to remuneration and binding authorities and also over the nature of the coinsurance market.

7. COMMITMENTS AND CONTINGENCIES (Continued)

The Company cooperated with both the EC and the EFTAS to resolve issues raised in their final joint report regarding coinsurance. In 2012, the EC appointed Ernst & Young to conduct a review of the coinsurance market and Ernst & Young approached one broking firm in each Member State. Three of our European subsidiaries (UK, Spain and the Netherlands) either met with Ernst & Young or received questionnaires from them on this matter in 2012. The EC published Ernst & Young's report on February 11, 2013, which described the nature and benefits of the coinsurance and subscription markets. The EC intends to consult further on these findings during 2013 before determining next steps.

Regulatory Investigation

In 2011, we and the UK Financial Services Authority (the 'FSA') announced a settlement for lapses by Willis Limited, our UK brokerage subsidiary, in its implementation and documentation of its controls to counter the risks of improper payments being made to non-FSA authorized overseas third parties engaged to help win business, particularly in high risk jurisdictions.

As a result of an FSA settlement in 2011, we conducted a further internal review of certain high-risk payments made by our UK subsidiary between 2005 and 2009. We do not believe that this further internal review will result in any material fines or sanctions, but there can be no assurance that any resolution will not have an adverse impact on us or our ability to conduct our business in certain jurisdictions. While we believe that our current systems and controls are adequate and in accordance with all applicable laws and regulations, we cannot assure that such systems and controls will prevent any violations of applicable laws and regulations.

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Fair Value of Derivative Financial Instruments

In addition to the note below, see Note 9 — ‘Fair Value Measurement’ for information about the fair value hierarchy of derivatives.

Primary Risks Managed by Derivative Financial Instruments

The main risks managed by derivative financial instruments are interest rate risk and foreign currency risk. The Company’s Board of Directors reviews and approves policies for managing each of these risks as summarized below.

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

Interest Rate Risk — Investment Income

As a result of the Company’s operating activities, the Company receives cash for premiums and claims which it deposits in short-term investments denominated in US dollars and other currencies. The Company earns interest on these funds, which is included in the Company’s financial statements as investment income. These funds are regulated in terms of access and the instruments in which they may be invested, most of which are short-term in maturity.

In order to manage interest rate risk arising from these financial assets, the Company entered into interest rate swaps to receive a fixed rate of interest and pay a variable rate of interest denominated in the various currencies related to the short-term investments. The use of interest rate contracts essentially converted groups of short-term variable rate investments to fixed rate investments. The fair value of these contracts was recorded in other assets and other liabilities. For contracts that qualified as cash flow hedges for accounting purposes, the effective portions of changes in fair value were recorded as a component of other comprehensive income, to the extent that the hedge relationships were highly effective.

From the fourth quarter of 2011, the Company stopped entering into any new hedging transactions relating to interest rate risk from investments, given the flat yield curve environment at that time. Further to this, during second quarter 2012, the Company closed out its legacy position for these interest rate swap contracts.

The fair value of these swaps at the close out date was $16 million, representing a cash settlement amount on termination. In connection with the terminated swaps, the Company retained a gain of $15 million in other comprehensive income as the

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

forecasted short-term investment transactions in relation to which the swaps qualified as cash flow hedges were still considered probable. These amounts are reclassified into earnings consistent with when the forecasted swap transactions affect earnings. We expect approximately $5 million of the gain to be recognized in the consolidated statement of operations in 2013 including $4 million already recognized in the nine months ended September 30, 2013.

At September 30, 2013, the Company had no derivative financial instruments that were designated as cash flow hedges of interest rate risk on investments.

Interest Rate Risk — Interest Expense

The Company's operations are financed principally by $2,054 million fixed rate senior notes maturing through 2043 and $278 million under a 7-year term loan facility. The Company has access to $800 million under a revolving credit facility expiring July 23, 2018, and $22 million under two further revolving credit facilities.

The 7-year term loan facility bears interest at LIBOR plus 1.50%. As of September 30, 2013, $nil was drawn on the $800 million revolving credit facility. Drawings under that facility bear interest at LIBOR plus 1.50%. These margins apply while the Company’s debt rating remains BBB-/Baa3. Should the Company’s debt rating change, then the margin will change in accordance with the credit facilities agreements. The fixed rate senior notes bear interest at various rates as detailed in Note 14 — ‘Debt’.

During the three months ended March 31, 2010, the Company entered into a series of interest rate swaps for a total notional amount of $350 million to receive a fixed rate and pay a variable rate on a semi-annual basis, with a maturity date of July 15, 2015. The Company had previously designated these instruments as fair value hedges against its $350 million 5.625% senior notes due 2015 and accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting.

During the three months ended September 30, 2013, the Company closed out the above interest rate swaps and received a cash settlement of $13 million on termination.

Following the partial extinguishment of the 5.625% senior notes due 2015 on August 15, 2013, we have recorded a credit of $7 million to remove a corresponding partial amount of the fair value adjustment to the carrying values of the notes originally recognized in connection with the interest rate swaps. The remaining $5 million fair value adjustment will be amortized through interest expense over the period to maturity.

To hedge against the potential variability in benchmark interest rates in advance of the anticipated debt issuance, the Company entered into two short-term treasury locks during the three months ended June 30, 2013. These were closed out during the three months ended September 30, 2013 following the issue of the new senior notes described in Note 14 - 'Debt'. The fair value of these treasury locks at the close out date was $21 million, received as a cash settlement on termination.

The Company had designated the Treasury locks as effective hedges of the anticipated transaction and had recognized a gain of $19 million in other comprehensive income in relation to the effective element that qualified for hedge accounting. This amount will be reclassified into earnings consistent with the recognition of interest expense on the 4.625% senior notes due 2023 and the 6.125% senior notes due 2043. In addition, the Company recognized a $2 million gain in interest expense for the portion of the treasury locks determined as ineffective.

Foreign Currency Risk

The Company’s primary foreign exchange risks arise:

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

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

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

- to the extent that forecast Pounds sterling expenses exceed Pounds sterling revenues, the Company limits its exposure to this exchange rate risk by the use of forward contracts matched to specific, clearly identified cash outflows arising in the ordinary course of business; and
- to the extent the UK operations earn significant revenues in Euros and Japanese yen, the Company limits its exposure to changes in the exchange rate between the US dollar and these currencies by the use of forward contracts matched to a percentage of forecast cash inflows in specific currencies and periods. In addition, we are also exposed to foreign exchange risk on any net sterling asset or liability position in our London market operations.

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

At September 30, 2013 and December 31, 2012, the Company's foreign currency contracts were all designated as hedging instruments except those relating to short-term cash flows and hedges of certain intercompany loans.

The table below summarizes by major currency the contractual amounts of the Company's forward contracts to exchange foreign currencies for Pounds sterling in the case of US dollars and US dollars for Euro and Japanese yen. Foreign currency notional amounts are reported in US dollars translated at contracted exchange rates.

	Sell	Fair value
	(millions)	
US dollar	$ 240	$ 14
Euro	80	(2)
Japanese yen	39	3

In addition to forward exchange contracts we undertake short-term foreign exchange swaps for liquidity purposes. These are not designated as hedges and do not qualify for hedge accounting. The fair values at September 30, 2013 and December 31, 2012 were immaterial.

During the nine months ended September 30, 2013, the Company entered into a number of foreign currency transactions in order to hedge certain intercompany loans. These derivatives were not designated as hedging instruments and were for a total notional amount of $118 million (December 31, 2012: $63 million). In respect of these transactions, an immaterial amount has been recognized as an asset within other current assets and a nominal gain has been recognized in other operating expenses for the period.

Derivative Financial Instruments

The table below presents the fair value of the Company's derivative financial instruments and their balance sheet classification at September 30, 2013 and December 31, 2012:

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Derivative financial instruments designated as hedging instruments:	Balance sheet classification	Fair value September 30, 2013	Fair value December 31, 2012
		(millions)	
Assets:			
Forward exchange contracts	Other assets	$ 17	$ 9
Interest rate swaps (fair value hedges)	Other assets	—	22
Total derivatives designated as hedging instruments		$ 17	$ 31
Liabilities:			
Forward exchange contracts	Other liabilities	$ 2	$ —
Total derivatives designated as hedging instruments		$ 2	$ —

Cash Flow Hedges

The table below presents the effects of derivative financial instruments in cash flow hedging relationships on the consolidated statements of operations and the consolidated statements of equity for the three and nine months ended September 30, 2013 and 2012:

Derivatives in cash flow hedging relationships	Amount of gain (loss) recognized in OCI[i] on derivative (effective element)	Location of gain (loss) reclassified from accumulated OCI[i] into income (effective element)	Amount of gain (loss) reclassified from accumulated OCI[i] into income (effective element)	Location of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges)	Amount of gain (loss) recognized in income on derivative (ineffective hedges and ineffective element of effective hedges)
	(millions)		(millions)		(millions)
Three months ended September 30, 2013					
Interest rate swaps	$ —	Investment income	$ (1)	Other operating expenses	$ —
Treasury locks	3	Interest expense	—	Interest expense	1
Forward exchange contracts	21	Other operating expenses	—	Interest expense	—
Total	$ 24		$ (1)		$ 1
Three months ended September 30, 2012					
Interest rate swaps	$ —	Investment income	$ (2)	Other operating expenses	$ —
Forward exchange contracts	—	Other operating expenses	—	Interest expense	—
Total	$ —		$ (2)		$ —
Nine months ended September 30, 2013					
Interest rate swaps	$ —	Investment income	$ (4)	Other operating expenses	$ —
Treasury locks	19	Interest expense	—	Interest expense	2
Forward exchange contracts	7	Other operating expenses	(1)	Interest expense	—
Total	$ 26		$ (5)		$ 2
Nine months ended September 30, 2012					
Interest rate swaps	$ 3	Investment income	$ (5)	Other operating expenses	$ —
Forward exchange contracts	7	Other operating expenses	—	Interest expense	—
Total	$ 10		$ (5)		$ —

Amounts above shown gross of tax.
[i] Other Comprehensive Income

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

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

At September 30, 2013, the Company estimates there will be $15 million of net derivative gains reclassified from accumulated comprehensive income into earnings within the next twelve months as the forecasted transactions affect earnings.

Fair Value Hedges

The Company had previously designated interest rate swaps as fair value hedges against its $350 million 5.625% senior notes due 2015 and accounted for them accordingly until the first quarter of 2013 at which point these swaps, although remaining as economic hedges, no longer qualified for hedge accounting.

The table below presents the effects of derivative financial instruments in fair value hedging relationships on the consolidated statements of operations for the three and nine months ended September 30, 2013 and 2012.

Derivative in fair value hedging relationships	Hedged item in fair value hedging relationship	(Loss) gain recognized for derivative	Gain (loss) recognized for hedged item	Ineffectiveness recognized in interest expense
			(millions)	
Three months ended September 30, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —
Three months ended September 30, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ (1)	$ —	$ 1
Nine months ended September 30, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —
Nine months ended September 30, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ (1)	$ (1)	$ 2

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

The table below presents the effects of derivative financial instruments no longer in fair value hedging relationships on the consolidated statements of operations for the three and nine months ended September 30, 2013 and 2012.

Derivative no longer in fair value hedging relationships	Hedged item no longer in fair value hedging relationship	(Loss) gain recognized for derivative	Amortization of prior loss recognized on hedged item	Net (loss) gain recognized [i]
			(millions)	
Three months ended September 30, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ (2)	$ (9)	$ (7)
Three months ended September 30, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —
Nine months ended September 30, 2013				
Interest rate swaps	5.625% senior notes due 2015	$ (5)	$ (13)	$ (8)
Nine months ended September 30, 2012				
Interest rate swaps	5.625% senior notes due 2015	$ —	$ —	$ —

[i] the net loss was included entirely in interest expense, except for $7 million in the three and nine months ended September 30, 2013 which formed part of the loss on extinguishment of debt.

8. DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES (Continued)

Credit Risk and Concentrations of Credit Risk

Credit risk represents the loss that would be recognized at the reporting date if counterparties failed to perform as contracted and from movements in interest rates and foreign exchange rates. The Company currently does not anticipate non-performance by its counterparties. The Company generally does not require collateral or other security to support financial instruments with credit risk.

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

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

Concentrations of credit risk with respect to receivables are limited due to the large number of clients and markets in which the Company does business, as well as the dispersion across many geographic areas. Management does not believe significant risk exists in connection with the Company's concentrations of credit as of September 30, 2013.

9. FAIR VALUE MEASUREMENT

The Company has categorized its assets and liabilities that are measured at fair value on a 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:

- Long-term debt excluding the fair value hedge - Fair values are based on quoted market values and so classified as Level 1 measurements.
- Derivative financial instruments - Market values have been used to determine the fair value of interest rate swaps and forward foreign exchange contracts based on estimated amounts the Company would receive or have to pay to terminate the agreements, taking into account the current interest rate environment or current foreign currency forward rates.

Recurring basis

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

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9. FAIR VALUE MEASUREMENT (Continued)

	September 30, 2013			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	$ 623	$ —	$ —	$ 623
Fiduciary funds (included within Fiduciary assets)	2,099	—	—	2,099
Derivative financial instruments	—	17	—	17
Total assets	$ 2,722	$ 17	$ —	$ 2,739
Liabilities at fair value:				
Derivative financial instruments	—	2	—	2
Total liabilities	$ —	$ 2	$ —	$ 2

	December 31, 2012			
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant other unobservable inputs	
	Level 1	Level 2	Level 3	Total
	(millions)			
Assets at fair value:				
Cash and cash equivalents	$ 500	$ —	$ —	$ 500
Fiduciary funds (included within Fiduciary assets)	1,796	—	—	1,796
Derivative financial instruments	—	31	—	31
Total assets	$ 2,296	$ 31	$ —	$ 2,327
Liabilities at fair value:				
Changes in fair value of hedged debt [i]	$ —	$ 18	$ —	$ 18
Total liabilities	$ —	$ 18	$ —	$ 18

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

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

9. FAIR VALUE MEASUREMENT (Continued)

	September 30, 2013		December 31, 2012	
	Carrying amount	Fair value	Carrying amount	Fair value
	(millions)			
Assets:				
Derivative financial instruments	$ 17	$ 17	$ 31	$ 31
Liabilities:				
Short-term debt	$ 17	$ 17	$ 15	$ 15
Long-term debt	2,315	2,440	2,338	2,576
Derivative financial instruments	2	2	—	—

10. GOODWILL

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

The Company has determined that its reporting units are consistent with its operating segments: North America; International and Global. Goodwill is allocated to these reporting units based on the original purchase price allocation for acquisitions within the reporting units. When a business entity is sold, goodwill is allocated to the disposed entity based on the fair value of that entity compared with the fair value of the reporting unit in which it is included.

10. GOODWILL (Continued)

The changes in the carrying amount of goodwill by segment for the nine months ended September 30, 2013 and the year ended December 31, 2012 are as follows:

	Global	North America	International	Total
	(millions)			
Balance at January 1, 2012				
Goodwill, gross	$ 1,122	$ 1,782	$ 391	$ 3,295
Accumulated impairment losses	—	—	—	—
Goodwill, net	$ 1,122	$ 1,782	$ 391	$ 3,295
Purchase price allocation adjustments	—	—	2	2
Goodwill acquired during the year	—	10	2	12
Goodwill disposed of during the year	—	—	(1)	(1)
Goodwill impairment charge	—	(492)	—	(492)
Foreign exchange	5	—	6	11
Balance at December 31, 2012				
Goodwill, gross	$ 1,127	$ 1,792	$ 400	$ 3,319
Accumulated impairment losses	—	(492)	—	(492)
Goodwill, net	$ 1,127	$ 1,300	$ 400	$ 2,827
Goodwill acquired during the period	15	—	1	16
Other movements [(i)]	—	(1)	—	(1)
Foreign exchange	—	—	4	4
Balance at September 30, 2013				
Goodwill, gross	$ 1,142	$ 1,791	$ 405	$ 3,338
Accumulated impairment losses	—	(492)	—	(492)
Goodwill, net	$ 1,142	$ 1,299	$ 405	$ 2,846

(i) North America — $(1) million (2012: $nil) tax benefit arising on the exercise of fully vested HRH stock options which were issued as part of the acquisition of HRH in 2008.

11. OTHER INTANGIBLE ASSETS, NET

Other intangible assets are classified into the following categories:

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

11. OTHER INTANGIBLE ASSETS, NET (Continued)

The major classes of amortizable intangible assets are as follows:

	September 30, 2013			December 31, 2012		
	Gross carrying amount	Accumulated amortization	Net carrying amount	Gross carrying amount	Accumulated amortization	Net carrying amount
	(millions)					
Customer and Marketing Related:						
Client Relationships	$ 696	$ (344)	$ 352	$ 717	$ (340)	$ 377
Client Lists	3	(1)	2	3	(1)	2
Non-compete Agreements	4	—	4	3	—	3
Trade Names	2	(1)	1	11	(10)	1
Total Customer and Marketing Related	705	(346)	359	734	(351)	383
Contract based, Technology and Other	5	(3)	2	4	(2)	2
Total amortizable intangible assets	$ 710	$ (349)	$ 361	$ 738	$ (353)	$ 385

The aggregate amortization of intangible assets for the nine months ended September 30, 2013 was $42 million (nine months ended September 30, 2012: $44 million), of which $14 million was recognized in the three months ended September 30, 2013 (three months ended September 30, 2012: $14 million). The estimated aggregate amortization of intangible assets for each of the next five years ended December 31 is as follows:

	Remainder of 2013	2014	2015	2016	2017	Thereafter	Total
	(millions)						
Amortization of intangible assets	$ 14	$ 49	$ 41	$ 36	$ 32	$ 189	$ 361

12. OTHER ASSETS

An analysis of other assets is as follows:

	September 30, 2013	December 31, 2012
	(millions)	
Other current assets		
Prepayments and accrued income	$ 82	$ 61
Income tax receivable	34	50
Derivatives	9	14
Debt issuance costs	3	3
Deferred compensation plan assets	24	12
Other	43	41
Total other current assets	$ 195	$ 181
Other non-current assets		
Deferred compensation plan assets	$ 80	$ 97
Derivatives	8	17
Prepayments and accrued income	18	24
Debt issuance costs	16	12
Other receivables	65	56
Total other non-current assets	$ 187	$ 206
Total other assets	$ 382	$ 387

13. OTHER LIABILITIES

An analysis of other liabilities is as follows:

	September 30, 2013	December 31, 2012
	(millions)	
Other current liabilities		
Accounts payable	$ 134	$ 88
Accrued dividends payable	50	47
Other taxes payable	51	44
Accrued interest payable	7	34
Derivatives	1	—
Deferred compensation plan liability	24	12
Other payables	114	102
Total other current liabilities	$ 381	$ 327
Other non-current liabilities		
Incentives from lessors	$ 176	$ 173
Deferred compensation plan liability	80	101
Capital lease obligation	24	28
Other payables	73	73
Total other non-current liabilities	$ 353	$ 375
Total other liabilities	$ 734	$ 702

14. DEBT

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

	September 30, 2013	December 31, 2012
	(millions)	
Current portion of 7-year term loan facility expires 2018	$ 15	$ 15
Revolving credit facility	2	—
	$ 17	$ 15

Long-term debt consists of the following:

	September 30, 2013	December 31, 2012
	(millions)	
7-year term loan facility expires 2018	$ 263	$ 274
5.625% senior notes due 2015	148	350
Fair value adjustment on 5.625% senior notes due 2015	5	18
4.125% senior notes due 2016	299	299
6.200% senior notes due 2017	394	600
7.000% senior notes due 2019	187	300
5.750% senior notes due 2021	496	496
4.625% senior notes due 2023	249	—
6.125% senior notes due 2043	273	—
3-year term loan facility expires 2015	1	1
	$ 2,315	$ 2,338

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend both the amount of financing and the maturity date of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. The maturity date on the $300 million term loan was extended to July 23, 2018, from December 16, 2016. There has been no increase to the remaining $278 million outstanding on that loan.

The 7-year term loan facility expiring 2018 bears interest at LIBOR plus 1.50% and is repayable in quarterly installments and a final repayment of $186 million is due in the third quarter of 2018. Drawings under the $800 million revolving credit facility bear interest at LIBOR plus 1.50% and the facility expires on July 23, 2018. These margins apply while the Company's debt rating remains BBB-/Baa3. As of September 30, 2013 $nil was outstanding under this revolving credit facility.

On August 15, 2013 the Company issued $250 million of 4.625% senior notes due 2023 and $275 million of 6.125% senior notes due 2043. The effective interest rates of these senior notes are 4.696% and 6.154%, respectively, which include the impact of the discount upon issuance.

On July 25, 2013 the Company commenced an offer to purchase for cash any and all of its 5.625% senior notes due 2015 and a portion of its 6.200% senior notes due 2017 and its 7.000% senior notes due 2019 for an aggregate purchase price of up to $525 million. On August 22, 2013 the proceeds from the issue of the senior notes due 2023 and 2043 were used to fund the purchase of $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019.

The Company incurred total losses on extinguishment of debt of $60 million during the three months ended September 30, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million and a credit for the reduction of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

15. SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

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

	Nine months ended September 30, 2013	Nine months ended September 30, 2012
	(millions)	
Supplemental disclosures of cash flow information:		
Cash payments for income taxes, net	$ 36	$ 43
Cash payments for interest	115	117
Supplemental disclosures of non-cash investing and financing income (expenses):		
Write-off of unamortized debt issuance costs	(2)	—
Write-back of fair value adjustment on 5.625% senior notes due 2015	7	—
Acquisitions:		
Fair value of assets acquired, net of cash acquired	$ 46	$ —
Less: Fair value of liabilities assumed	(30)	—
Net assets acquired, net of cash acquired	$ 16	$ —

16. COMPREHENSIVE INCOME

The components of comprehensive income are as follows:

	Three months ended September 30,					
	2013			2012		
	Before tax amount	Tax	Net of tax amount	Before tax amount	Tax	Net of tax amount
	(millions)					
Other comprehensive income:						
Foreign currency translation adjustments	$ 82	$ —	$ 82	$ 35	$ —	$ 35
Pension funding adjustments:						
Foreign currency translation on pension funding adjustments	(51)	14	(37)	(19)	5	(14)
Amortization of unrecognized actuarial loss	14	(3)	11	11	(2)	9
Amortization of unrecognized prior service gain	(1)	—	(1)	(1)	—	(1)
	(38)	11	(27)	(9)	3	(6)
Derivative instruments:						
Interest rate swap reclassification adjustment	(1)	—	(1)	(2)	—	(2)
Gain on forward exchange contracts (effective element)	21	(4)	17	—	—	—
Gain on treasury lock (effective element)	3	(1)	2	—	—	—
	23	(5)	18	(2)	—	(2)
Other comprehensive income	67	6	73	24	3	27
Less: Other comprehensive income attributable to noncontrolling interests	(1)	—	(1)	—	—	—
Other comprehensive income attributable to Willis Group Holdings	$ 66	$ 6	$ 72	$ 24	$ 3	$ 27

	Nine months ended September 30,					
	2013			2012		
	Before tax amount	Tax	Net of tax amount	Before tax amount	Tax	Net of tax amount
	(millions)					
Other comprehensive income:						
Foreign currency translation adjustments	$ (7)	$ —	$ (7)	$ 21	$ —	$ 21
Pension funding adjustments:						
Foreign currency translation on pension funding adjustments	3	(1)	2	(27)	7	(20)
Amortization of unrecognized actuarial loss	41	(8)	33	35	(9)	26
Amortization of unrecognized prior service gain	(4)	1	(3)	(4)	1	(3)
	40	(8)	32	4	(1)	3
Derivative instruments:						

Gain on interest rate swaps (effective element)	—	—	—	3	(1)	2
Interest rate swap reclassification adjustment	(4)	1	(3)	(5)	1	(4)
Gain on forward exchange contracts (effective element)	7	(1)	6	7	(2)	5
Forward exchange contracts reclassification adjustment	(1)	—	(1)	—	—	—
Gain on treasury lock (effective element)	19	(4)	15	—	—	—
	21	(4)	17	5	(2)	3
Other comprehensive income (loss)	54	(12)	42	30	(3)	27
Less: Other comprehensive income attributable to noncontrolling interests	—	—	—	—	—	—
Other comprehensive income (loss) attributable to Willis Group Holdings	$ 54	$ (12)	$ 42	$ 30	$ (3)	$ 27

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

	Net foreign currency translation adjustment	Pension funding adjustment	Net unrealized gain on derivative instruments	Total
		(millions)		
Balance at December 31, 2012	$ (34)	$ (831)	$ 15	$ (850)
Other comprehensive income before reclassifications	(7)	2	21	16
Amounts reclassified from accumulated other comprehensive income	—	30	(4)	26
Net current-period other comprehensive income, net of tax and noncontrolling interests	(7)	32	17	42
Balance at September 30, 2013	$ (41)	$ (799)	$ 32	$ (808)

Amounts reclassified out of accumulated other comprehensive income into the statement of operations are as follows:

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income		Affected line item in the statement of operations
	Three months ended September 30,		
	2013	2012	
	(millions)		
Gains and losses on cash flow hedges (Note 8)			
Interest rate swaps	$ (1)	$ (2)	Investment income
Foreign exchange contracts	—	—	Other operating expenses
	(1)	(2)	Total before tax
Tax	—	—	
	$ (1)	$ (2)	Net of tax
Amortization of defined benefit pension items (Note 6)			
Prior service gain	$ (1)	$ (1)	Salaries and benefits
Net actuarial loss	14	11	Salaries and benefits
	13	10	Total before tax
Tax	(3)	(2)	
	$ 10	$ 8	Net of tax
Total reclassifications for the period	$ 9	$ 6	

Details about accumulated other comprehensive income components	Amount reclassified from accumulated other comprehensive income		Affected line item in the statement of operations
	Nine months ended September 30,		
	2013	2012	
	(millions)		
Gains and losses on cash flow hedges (Note 8)			
Interest rate swaps	$ (4)	$ (5)	Investment income
Foreign exchange contracts	(1)	—	Other operating expenses
	(5)	(5)	Total before tax
Tax	1	1	
	$ (4)	$ (4)	Net of tax
Amortization of defined benefit pension items (Note 6)			
Prior service gain	$ (4)	$ (4)	Salaries and benefits
Net actuarial loss	41	35	Salaries and benefits
	37	31	Total before tax
Tax	(7)	(8)	
	$ 30	$ 23	Net of tax
Total reclassifications for the period	$ 26	$ 19	

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17. EQUITY AND NONCONTROLLING INTERESTS

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

	September 30, 2013			September 30, 2012		
	Willis Group Holdings stockholders	Noncontrolling interests	Total equity	Willis Group Holdings stockholders	Noncontrolling interests	Total equity
	(millions)					
Balance at beginning of period	$ 1,699	$ 26	$ 1,725	$ 2,486	$ 31	$ 2,517
Comprehensive income:						
Net income	297	6	303	359	9	368
Other comprehensive income, net of tax	42	—	42	27	—	27
Comprehensive income	339	6	345	386	9	395
Dividends	(147)	(9)	(156)	(141)	(11)	(152)
Additional paid-in capital	137	—	137	64	—	64
Repurchase of shares [(i)]	—	—	—	(100)	—	(100)
Additional noncontrolling interests	—	—	—	2	1	3
Purchase of subsidiary shares from noncontrolling interests	(4)	—	(4)	(23)	(6)	(29)
Balance at end of period	$ 2,024	$ 23	$ 2,047	$ 2,674	$ 24	$ 2,698

(i) Based on settlement date we repurchased 2,796,546 shares at an average price of $35.87 in the nine months ended September 30, 2012.

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

	September 30, 2013	September 30, 2012
	(millions)	
Net income attributable to Willis Group Holdings	$ 297	$ 359
Transfers from noncontrolling interest:		
Decrease in Willis Group Holdings paid-in capital for purchase of noncontrolling interests	(4)	(23)
Increase in Willis Group Holdings paid-in capital for sale of noncontrolling interests	—	2
Net transfers to noncontrolling interests	(4)	(21)
Change from net income attributable to Willis Group Holdings and transfers from noncontrolling interests	$ 293	$ 338

18. SEGMENT INFORMATION

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

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

(i) foreign exchange hedging activities, foreign exchange movements on the UK pension plan asset, foreign exchange gains and losses from currency purchases and sales, and foreign exchange movements on internal exposures;

(ii) amortization of intangible assets;

(iii) gains and losses on the disposal of operations;

(iv) significant legal and regulatory settlements which are managed centrally;

(v) write-off of uncollectible accounts receivable balance and associated legal fees and insurance recoveries arising in Chicago due to fraudulent overstatement of commissions and fees;

(vi) fees related to the extinguishment of debt; and

(vii) costs associated with the Expense Reduction Initiative.

The accounting policies of the segments are consistent with those described in Note 2 — 'Basis of Presentation and Significant Accounting Policies' to the Company's Annual Report on Form 10-K for the year ended December 31, 2012 and as amended by Current Report on Form 8-K subsequently filed on August 8, 2013.

There are no inter-segment revenues, with segments operating on a revenue-sharing basis equivalent to that used when sharing business with other third-party brokers.

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18. SEGMENT INFORMATION (Continued)

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

	Three months ended September 30, 2013						
	Commissions and fees	Investment income	Other income	Total revenues	Depreciation and amortization	Operating income	Interest in earnings of associates, net of tax
				(millions)			
Global	$ 250	$ 1	$ —	$ 251	$ 7	$ 36	$ —
North America	328	1	—	329	9	57	—
International	213	2	—	215	5	(9)	(1)
Total Retail	541	3	—	544	14	48	(1)
Total Segments	791	4	—	795	21	84	(1)
Corporate and Other [i]	—	—	—	—	14	(9)	—
Total Consolidated	$ 791	$ 4	$ —	$ 795	$ 35	$ 75	$ (1)

	Three months ended September 30, 2012						
	Commissions and fees	Investment income	Other income	Total revenues	Depreciation and amortization	Operating income	Interest in earnings of associates, net of tax
				(millions)			
Global	$ 235	$ —	$ —	$ 235	$ 7	$ 52	$ —
North America	315	2	1	318	7	53	—
International	199	2	—	201	7	(9)	(2)
Total Retail	514	4	1	519	14	44	(2)
Total Segments	749	4	1	754	21	96	(2)
Corporate and Other [i]	—	—	—	—	14	(26)	—
Total Consolidated	$ 749	$ 4	$ 1	$ 754	$ 35	$ 70	$ (2)

[i] See the following table for an analysis of the 'Corporate and Other' line.

	Three months ended September 30,	
	2013	2012
	(millions)	
Amortization of intangible assets	$ (14)	$ (14)
Net loss on disposal of operations [a]	—	(1)
India joint venture settlement [a]	—	(11)
Foreign exchange hedging	—	1
Foreign exchange gain on the UK pension plan asset	4	—
Fees related to the extinguishment of debt [b]	(1)	—
Other	2	(1)
Total Corporate and Other	$ (9)	$ (26)

[a] $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, $1 million loss on disposal of operations was recorded related to the termination.
[b] $1 million of fees associated with the extinguishment of debt completed on August 15, 2013.

18. SEGMENT INFORMATION (Continued)

	Nine months ended September 30, 2013						
	Commissions and fees	Investment income	Other income	Total revenues	Depreciation and amortization	Operating income	Interest in earnings of associates, net of tax
	(millions)						
Global	$ 938	$ 3	$ —	$ 941	$ 21	$ 313	$ —
North America	1,024	2	3	1,029	27	203	—
International	760	6	—	766	15	104	11
Total Retail	1,784	8	3	1,795	42	307	11
Total Segments	2,722	11	3	2,736	63	620	11
Corporate and Other (i)	—	—	—	—	47	(87)	—
Total Consolidated	$ 2,722	$ 11	$ 3	$ 2,736	$ 110	$ 533	$ 11

	Nine months ended September 30, 2012						
	Commissions and fees	Investment income	Other income	Total revenues	Depreciation and amortization	Operating income	Interest in earnings of associates, net of tax
	(millions)						
Global	$ 887	$ 3	$ —	$ 890	$ 20	$ 325	$ —
North America	975	3	4	982	23	183	—
International	729	8	—	737	16	112	12
Total Retail	1,704	11	4	1,719	39	295	12
Total Segments	2,591	14	4	2,609	59	620	12
Corporate and Other (i)	—	—	—	—	44	(54)	—
Total Consolidated	$ 2,591	$ 14	$ 4	$ 2,609	$ 103	$ 566	$ 12

(i) See the following table for an analysis of the 'Corporate and Other' line.

	Nine months ended September 30,	
	2013	2012
	(millions)	
Amortization of intangible assets	$ (42)	$ (44)
Net loss on disposal of operations (a)	—	(1)
India joint venture settlement (a)	—	(11)
Foreign exchange hedging	—	3
Foreign exchange gain on the UK pension plan asset	5	(1)
Write-off of uncollectible accounts receivable balance in Chicago and associated legal fees (b)	—	(13)
Expense reduction initiative (c)	(46)	—
Insurance recovery (d)	—	5
Fees related to the extinguishment of debt (e)	(1)	—
Other	(3)	8
Total Corporate and Other	$ (87)	$ (54)

(a) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, $1 million loss on disposal of operations was recorded related to the termination.

(b) Write-off of uncollectible accounts receivable balance in relation to a previously disclosed fraudulent overstatement of Commissions and fees.

(c) Charge related to the assessment of the Company's organizational design.

(d) Insurance recovery, recorded in Other operating expenses, related to a previously disclosed fraudulent activity in Chicago.

(e) $1 million of fees associated with the extinguishment of debt completed on August 15, 2013.

18. SEGMENT INFORMATION (Continued)

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

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
	(millions)			
Total consolidated operating income	$ 75	$ 70	$ 533	$ 566
Loss on extinguishment of debt	(60)	—	(60)	—
Interest expense	(30)	(32)	(93)	(97)
(Loss) income before income taxes and interest in earnings of associates	$ (15)	$ 38	$ 380	$ 469

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

Willis North America Inc. ('Willis North America') has $148 million senior notes outstanding that were issued on July 1, 2005, $394 million of senior notes issued on March 28, 2007 and $187 million of senior notes issued on September 29, 2009.

All direct obligations under the senior notes were jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc and Willis Group Limited, collectively the 'Other Guarantors', and with Willis Group Holdings, the 'Guarantor Companies'.

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

Presented below is condensed consolidating financial information for:

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

The equity method has been used for investments in subsidiaries in the unaudited condensed consolidating balance sheets as of September 30, 2013 of Willis Group Holdings, the Other Guarantors and the Issuer. Investments in subsidiaries in the unaudited condensed consolidating balance sheet for Other represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Other Guarantors column as of September 30, 2013 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc and Willis Group Limited.

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 791	$ —	$ 791
Investment income	—	3	—	4	(3)	4
Other income	—	—	—	34	(34)	—
Total revenues	—	3	—	829	(37)	795
EXPENSES						
Salaries and benefits	—	—	(48)	(493)	—	(541)
Other operating expenses	3	(7)	(43)	(122)	25	(144)
Depreciation expense	—	(1)	(5)	(15)	—	(21)
Amortization of intangible assets	—	—	—	(16)	2	(14)
Net loss on disposal of operations	—	—	—	(8)	8	—
Total expenses	3	(8)	(96)	(654)	35	(720)
OPERATING INCOME (LOSS)	3	(5)	(96)	175	(2)	75
Investment income from Group undertakings	—	93	60	20	(173)	—
Loss on extinguishment of debt	—	—	(60)	—	—	(60)
Interest expense	(11)	(52)	(31)	(83)	147	(30)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(8)	36	(127)	112	(28)	(15)
Income taxes	—	2	—	(7)	(6)	(11)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(8)	38	(127)	105	(34)	(26)
Interest in earnings of associates, net of tax	—	—	—	(4)	3	(1)
Equity account for subsidiaries	(19)	(58)	62	—	15	—
NET (LOSS) INCOME	(27)	(20)	(65)	101	(16)	(27)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (27)	$ (20)	$ (65)	$ 101	$ (16)	$ (27)

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income (loss)	$ 45	$ 51	$ (62)	$ 155	$ (143)	$ 46
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(1)	—	(1)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 45	$ 51	$ (62)	$ 154	$ (143)	$ 45

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

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 749	$ —	$ 749
Investment income	—	2	—	4	(2)	4
Other income	—	—	—	1	—	1
Total revenues	—	2	—	754	(2)	754
EXPENSES						
Salaries and benefits	—	—	(28)	(474)	—	(502)
Other operating expenses	(1)	(1)	(8)	(139)	3	(146)
Depreciation expense	—	—	(4)	(17)	—	(21)
Amortization of intangible assets	—	—	—	(17)	3	(14)
Net gain on disposal of operations	—	—	—	4	(5)	(1)
Total expenses	(1)	(1)	(40)	(643)	1	(684)
OPERATING (LOSS) INCOME	(1)	1	(40)	111	(1)	70
Investment income from Group undertakings	6	808	63	104	(981)	—
Interest expense	(11)	(61)	(48)	(68)	156	(32)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(6)	748	(25)	147	(826)	38
Income taxes	(6)	—	9	(19)	6	(10)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(12)	748	(16)	128	(820)	28
Interest in earnings of associates, net of tax	—	—	—	(5)	3	(2)
Equity account for subsidiaries	38	(701)	17	—	646	—
INCOME FROM CONTINUING OPERATIONS	26	47	1	123	(171)	26
Discontinued operations, net of tax	—	—	—	—	—	—
NET INCOME	26	47	1	123	(171)	26
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 26	$ 47	$ 1	$ 123	$ (171)	$ 26

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 53	$ 74	$ 2	$ 144	$ (220)	$ 53
Less: comprehensive income attributable to noncontrolling interests	—	—	—	—	—	—
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 53	$ 74	$ 2	$ 144	$ (220)	$ 53

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,722	$ —	$ 2,722
Investment income	—	9	—	11	(9)	11
Other income	—	—	—	(149)	152	3
Total revenues	—	9	—	2,584	143	2,736
EXPENSES						
Salaries and benefits	(1)	—	(93)	(1,544)	—	(1,638)
Other operating expenses	(2)	(38)	(128)	(368)	81	(455)
Depreciation expense	—	(2)	(16)	(50)	—	(68)
Amortization of intangible assets	—	—	—	(48)	6	(42)
Net loss on disposal of operations	—	—	—	(5)	5	—
Total expenses	(3)	(40)	(237)	(2,015)	92	(2,203)
OPERATING (LOSS) INCOME	(3)	(31)	(237)	569	235	533
Investment income from Group undertakings	—	265	195	68	(528)	—
Loss on extinguishment of debt	—	—	(60)	—	—	(60)
Interest expense	(32)	(151)	(97)	(256)	443	(93)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	83	(199)	381	150	380
Income taxes	—	8	—	(94)	(2)	(88)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(35)	91	(199)	287	148	292
Interest in earnings of associates, net of tax	—	—	—	4	7	11
Equity account for subsidiaries	332	237	184	—	(753)	—
NET INCOME (LOSS)	297	328	(15)	291	(598)	303
Less: Net income attributable to noncontrolling interests	—	—	—	(6)	—	(6)
NET INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 297	$ 328	$ (15)	$ 285	$ (598)	$ 297

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income (loss)	$ 339	$ 369	$ (8)	$ 298	$ (653)	$ 345
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(6)	—	(6)
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 339	$ 369	$ (8)	$ 292	$ (653)	$ 339

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,591	$ —	$ 2,591
Investment income	—	8	—	14	(8)	14
Other income	—	—	—	97	(93)	4
Total revenues	—	8	—	2,702	(101)	2,609
EXPENSES						
Salaries and benefits	(1)	—	(50)	(1,457)	—	(1,508)
Other operating expenses	(8)	1	(63)	(367)	6	(431)
Depreciation expense	—	(1)	(11)	(47)	—	(59)
Amortization of intangible assets	—	—	—	(53)	9	(44)
Net loss on disposal of operations	—	—	—	(19)	18	(1)
Total expenses	(9)	—	(124)	(1,943)	33	(2,043)
OPERATING (LOSS) INCOME	(9)	8	(124)	759	(68)	566
Investment income from Group undertakings	6	994	193	118	(1,311)	—
Interest expense	(32)	(188)	(122)	(210)	455	(97)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	814	(53)	667	(924)	469
Income taxes	1	3	19	(136)	(1)	(114)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(34)	817	(34)	531	(925)	355
Interest in earnings of associates, net of tax	—	—	—	5	7	12
Equity account for subsidiaries	393	(416)	70	—	(47)	—
INCOME FROM CONTINUING OPERATIONS	359	401	36	536	(965)	367
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME	359	401	36	537	(965)	368
Less: Net income attributable to noncontrolling interests	—	—	—	(9)	—	(9)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 359	$ 401	$ 36	$ 528	$ (965)	$ 359

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 386	$ 428	$ 41	$ 574	$ (1,034)	$ 395
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(9)	—	(9)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 386	$ 428	$ 41	$ 565	$ (1,034)	$ 386

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

Condensed Consolidating Balance Sheet

	As of September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 3	$ 3	$ —	$ 617	$ —	$ 623
Accounts receivable, net	—	—	26	930	29	985
Fiduciary assets	—	—	—	10,123	(926)	9,197
Deferred tax assets	1	—	—	16	(3)	14
Other current assets	1	93	11	287	(197)	195
Total current assets	5	96	37	11,973	(1,097)	11,014
Investments in subsidiaries	(1,187)	2,747	844	3,824	(6,228)	—
Amounts owed by (to) Group undertakings	4,053	(3,361)	(123)	(569)	—	—
NON-CURRENT ASSETS						
Fixed assets, net	—	13	56	404	(1)	472
Goodwill	—	—	—	1,233	1,613	2,846
Other intangible assets, net	—	—	—	523	(162)	361
Investments in associates	—	—	—	(53)	237	184
Deferred tax assets	—	—	—	29	(23)	6
Pension benefits asset	—	—	—	253	—	253
Other non-current assets	4	151	7	167	(142)	187
Total non-current assets	4	164	63	2,556	1,522	4,309
TOTAL ASSETS	$ 2,875	$ (354)	$ 821	$ 17,784	$ (5,803)	$ 15,323
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,123	$ (926)	$ 9,197
Deferred revenue and accrued expenses	3	—	26	469	(9)	489
Income taxes payable	—	50	—	132	(149)	33
Short-term debt and current portion of long-term debt	—	15	—	2	—	17
Deferred tax liabilities	1	—	—	19	(2)	18
Other current liabilities	52	8	20	327	(26)	381
Total current liabilities	56	73	46	11,072	(1,112)	10,135
NON-CURRENT LIABILITIES						
Long-term debt	795	785	734	1	—	2,315
Liabilities for pension benefits	—	—	—	229	—	229
Deferred tax liabilities	—	—	—	59	(23)	36
Provisions for liabilities	—	—	—	221	(13)	208
Other non-current liabilities	—	—	47	307	(1)	353
Total non-current liabilities	795	785	781	817	(37)	3,141
TOTAL LIABILITIES	$ 851	$ 858	$ 827	$ 11,889	$ (1,149)	$ 13,276
EQUITY						
Total Willis Group Holdings stockholders' equity	2,024	(1,212)	(6)	5,872	(4,654)	2,024
Noncontrolling interests	—	—	—	23	—	23
Total equity	2,024	(1,212)	(6)	5,895	(4,654)	2,047
TOTAL LIABILITIES AND EQUITY	$ 2,875	$ (354)	$ 821	$ 17,784	$ (5,803)	$ 15,323

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

Condensed Consolidating Balance Sheet

	As of December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1	$ —	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	—	904	29	933
Fiduciary assets	—	—	—	10,071	(800)	9,271
Deferred tax assets	1	—	—	18	(6)	13
Other current assets	1	65	38	241	(164)	181
Total current assets	3	65	38	11,733	(941)	10,898
Investments in subsidiaries	(1,542)	2,493	553	3,824	(5,328)	—
Amounts owed by (to) Group undertakings	4,091	(3,959)	687	(819)	—	—
NON-CURRENT ASSETS						
Fixed assets, net	—	11	63	395	(1)	468
Goodwill	—	—	—	1,226	1,601	2,827
Other intangible assets, net	—	—	—	484	(99)	385
Investments in associates	—	—	—	(53)	227	174
Deferred tax assets	—	—	—	42	(24)	18
Pension benefits asset	—	—	—	136	—	136
Other non-current assets	5	134	41	157	(131)	206
Total non-current assets	5	145	104	2,387	1,573	4,214
TOTAL ASSETS	$ 2,557	$ (1,256)	$ 1,382	$ 17,125	$ (4,696)	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,071	$ (800)	$ 9,271
Deferred revenue and accrued expenses	2	—	—	543	(4)	541
Income taxes payable	—	25	—	120	(126)	19
Short-term debt and current portion of long-term debt	—	15	—	—	—	15
Deferred tax liabilities	1	—	—	25	(5)	21
Other current liabilities	60	—	73	216	(22)	327
Total current liabilities	63	40	73	10,975	(957)	10,194
NON-CURRENT LIABILITIES						
Long-term debt	795	274	1,268	1	—	2,338
Liabilities for pension benefits	—	—	—	282	—	282
Deferred tax liabilities	—	—	—	42	(24)	18
Provisions for liabilities	—	—	—	188	(8)	180
Other non-current liabilities	—	5	7	363	—	375
Total non-current liabilities	795	279	1,275	876	(32)	3,193
TOTAL LIABILITIES	$ 858	$ 319	$ 1,348	$ 11,851	$ (989)	$ 13,387
EQUITY						
Total Willis Group Holdings stockholders' equity	1,699	(1,575)	34	5,248	(3,707)	1,699
Noncontrolling interests	—	—	—	26	—	26
Total equity	1,699	(1,575)	34	5,274	(3,707)	1,725
TOTAL LIABILITIES AND EQUITY	$ 2,557	$ (1,256)	$ 1,382	$ 17,125	$ (4,696)	$ 15,112

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ 103	$ (202)	$ 508	$ —	$ 366
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	2	7	—	9
Additions to fixed assets	—	(4)	(11)	(63)	—	(78)
Additions to intangible assets	—	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(30)	—	(30)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Net cash used in investing activities	—	(4)	(9)	(92)	—	(105)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	—	2	—	2
Senior notes issued	—	522	—	—	—	522
Debt issuance costs	—	(8)	—	—	—	(8)
Repayments of debt	—	(11)	(521)	—	—	(532)
Tender premium on extinguishment of senior notes	—	—	(65)	—	—	(65)
Proceeds from issue of shares	105	—	—	—	—	105
Excess tax benefits from share-based payment arrangements	1	—	—	—	—	1
Dividends paid	(144)	—	—	—	—	(144)
Acquisition of noncontrolling interests	—	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	—	(9)	—	(9)
Amounts owed by (to) Group undertakings	83	(599)	797	(281)	—	—
Net cash provided by (used in) financing activities	45	(96)	211	(292)	—	(132)
INCREASE IN CASH AND CASH EQUIVALENTS	2	3	—	124	—	129
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(6)	—	(6)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1	—	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 3	$ 3	$ —	$ 617	$ —	$ 623

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ 803	$ 61	$ 146	$ (657)	$ 310
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	8	—	8
Additions to fixed assets	—	(6)	(13)	(78)	—	(97)
Additions to intangible assets	—	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(4)	—	(4)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Net cash used in investing activities	—	(6)	(13)	(80)	—	(99)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	20	—	—	—	20
Repayments of debt	—	(7)	—	(4)	—	(11)
Repurchase of shares	(100)	—	—	—	—	(100)
Proceeds from issue of shares	41	—	—	—	—	41
Excess tax benefits from share-based payment arrangements	—	—	—	2	—	2
Dividends paid	(139)	—	—	(657)	657	(139)
Proceeds from sale of noncontrolling interests	—	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	—	(29)	—	(29)
Dividends paid to noncontrolling interests	—	—	—	(11)	—	(11)
Amounts owed by (to) Group undertakings	242	(810)	(211)	779	—	—
Net cash provided by (used in) financing activities	44	(797)	(211)	83	657	(224)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	—	(163)	149	—	(13)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1	—	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	—	163	273	—	436
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1	$ —	$ —	$ 423	$ —	$ 424

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

On March 17, 2011, the Company issued senior notes totaling $800 million in a registered public offering. These debt securities are issued by Willis Group Holdings (‘Holdings Debt Securities’) and are guaranteed by certain of the Company’s subsidiaries. Therefore, the Company is providing the unaudited condensed consolidating financial information below. The following 100 percent directly or indirectly owned subsidiaries fully and unconditionally guarantee the Holdings Debt Securities on a joint and several basis: Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America (the ‘Guarantors’).

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

Presented below is condensed consolidating financial information for:

(i) Willis Group Holdings, which is the Parent Issuer;

(ii) the Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent;

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

(iv) Consolidating adjustments; and

(v) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the unaudited condensed consolidating balance sheets as of September 30, 2013 of Willis Group Holdings and the Guarantors. Investments in subsidiaries in the unaudited condensed consolidating balance sheet for Other represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Guarantors column as of September 30, 2013 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, TA I Limited, Trinity Acquisition plc, Willis Group Limited and Willis North America.

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

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
REVENUES					
Commissions and fees	$ —	$ —	$ 791	$ —	$ 791
Investment income	—	3	4	(3)	4
Other income	—	—	34	(34)	—
Total revenues	—	3	829	(37)	795
EXPENSES					
Salaries and benefits	—	(48)	(493)	—	(541)
Other operating expenses	3	(50)	(122)	25	(144)
Depreciation expense	—	(6)	(15)	—	(21)
Amortization of intangible assets	—	—	(16)	2	(14)
Net loss on disposal of operations	—	—	(8)	8	—
Total expenses	3	(104)	(654)	35	(720)
OPERATING INCOME (LOSS)	3	(101)	175	(2)	75
Investment income from Group undertakings	—	153	20	(173)	—
Loss on extinguishment of debt	—	(60)	—	—	(60)
Interest expense	(11)	(83)	(83)	147	(30)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(8)	(91)	112	(28)	(15)
Income taxes	—	2	(7)	(6)	(11)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(8)	(89)	105	(34)	(26)
Interest in earnings of associates, net of tax	—	—	(4)	3	(1)
Equity account for subsidiaries	(19)	69	—	(50)	—
NET (LOSS) INCOME	(27)	(20)	101	(81)	(27)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (27)	$ (20)	$ 101	$ (81)	$ (27)

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
Comprehensive income	$ 45	$ 51	$ 155	$ (205)	$ 46
Less: comprehensive income attributable to noncontrolling interests	—	—	(1)	—	(1)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 45	$ 51	$ 154	$ (205)	$ 45

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

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
REVENUES					
Commissions and fees	$ —	$ —	$ 749	$ —	$ 749
Investment income	—	2	4	(2)	4
Other income	—	—	1	—	1
Total revenues	—	2	754	(2)	754
EXPENSES					
Salaries and benefits	—	(28)	(474)	—	(502)
Other operating expenses	(1)	(9)	(139)	3	(146)
Depreciation expense	—	(4)	(17)	—	(21)
Amortization of intangible assets	—	—	(17)	3	(14)
Net gain on disposal of operations	—	—	4	(5)	(1)
Total expenses	(1)	(41)	(643)	1	(684)
OPERATING (LOSS) INCOME	(1)	(39)	111	(1)	70
Investment income from Group undertakings	6	871	104	(981)	—
Interest expense	(11)	(109)	(68)	156	(32)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(6)	723	147	(826)	38
Income taxes	(6)	9	(19)	6	(10)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(12)	732	128	(820)	28
Interest in earnings of associates, net of tax	—	—	(5)	3	(2)
Equity account for subsidiaries	38	(685)	—	647	—
INCOME FROM CONTINUING OPERATIONS	26	47	123	(170)	26
NET INCOME	26	47	123	(170)	26
Less: Net income attributable to noncontrolling interests	—	—	—	—	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 26	$ 47	$ 123	$ (170)	$ 26

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
Comprehensive income	$ 53	$ 74	$ 144	$ (218)	$ 53
Less: comprehensive income attributable to noncontrolling interests	—	—	—	—	—
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 53	$ 74	$ 144	$ (218)	$ 53

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
REVENUES					
Commissions and fees	$ —	$ —	$ 2,722	$ —	$ 2,722
Investment income	—	9	11	(9)	11
Other income	—	—	(149)	152	3
Total revenues	—	9	2,584	143	2,736
EXPENSES					
Salaries and benefits	(1)	(93)	(1,544)	—	(1,638)
Other operating expenses	(2)	(166)	(368)	81	(455)
Depreciation expense	—	(18)	(50)	—	(68)
Amortization of intangible assets	—	—	(48)	6	(42)
Net loss on disposal of operations	—	—	(5)	5	—
Total expenses	(3)	(277)	(2,015)	92	(2,203)
OPERATING (LOSS) INCOME	(3)	(268)	569	235	533
Investment income from Group undertakings	—	460	68	(528)	—
Loss on extinguishment of debt	—	(60)	—	—	(60)
Interest expense	(32)	(248)	(256)	443	(93)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	(116)	381	150	380
Income taxes	—	8	(94)	(2)	(88)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(35)	(108)	287	148	292
Interest in earnings of associates, net of tax	—	—	4	7	11
Equity account for subsidiaries	332	436	—	(768)	—
NET INCOME	297	328	291	(613)	303
Less: Net income attributable to noncontrolling interests	—	—	(6)	—	(6)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 297	$ 328	$ 285	$ (613)	$ 297

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
Comprehensive income	$ 339	$ 369	$ 298	$ (661)	$ 345
Less: comprehensive income attributable to noncontrolling interests	—	—	(6)	—	(6)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 339	$ 369	$ 292	$ (661)	$ 339

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
REVENUES					
Commissions and fees	$ —	$ —	$ 2,591	$ —	$ 2,591
Investment income	—	8	14	(8)	14
Other income	—	—	97	(93)	4
Total revenues	—	8	2,702	(101)	2,609
EXPENSES					
Salaries and benefits	(1)	(50)	(1,457)	—	(1,508)
Other operating expenses	(8)	(62)	(367)	6	(431)
Depreciation expense	—	(12)	(47)	—	(59)
Amortization of intangible assets	—	—	(53)	9	(44)
Net loss on disposal of operations	—	—	(19)	18	(1)
Total expenses	(9)	(124)	(1,943)	33	(2,043)
OPERATING (LOSS) INCOME	(9)	(116)	759	(68)	566
Investment income from Group undertakings	6	1,187	118	(1,311)	—
Interest expense	(32)	(310)	(210)	455	(97)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	761	667	(924)	469
Income taxes	1	22	(136)	(1)	(114)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(34)	783	531	(925)	355
Interest in earnings of associates, net of tax	—	—	5	7	12
Equity account for subsidiaries	393	(382)	—	(11)	—
INCOME FROM CONTINUING OPERATIONS	359	401	536	(929)	367
Discontinued operations, net of tax	—	—	1	—	1
NET INCOME	359	401	537	(929)	368
Less: Net income attributable to noncontrolling interests	—	—	(9)	—	(9)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 359	$ 401	$ 528	$ (929)	$ 359

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
Comprehensive income	$ 386	$ 428	$ 574	$ (993)	$ 395
Less: comprehensive income attributable to noncontrolling interests	—	—	(9)	—	(9)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 386	$ 428	$ 565	$ (993)	$ 386

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

Condensed Consolidating Balance Sheet

	As of September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 3	$ 3	$ 617	$ —	$ 623
Accounts receivable, net	—	26	930	29	985
Fiduciary assets	—	—	10,123	(926)	9,197
Deferred tax assets	1	—	16	(3)	14
Other current assets	1	104	287	(197)	195
Total current assets	5	133	11,973	(1,097)	11,014
Investments in subsidiaries	(1,187)	3,597	3,824	(6,234)	—
Amounts owed by (to) Group undertakings	4,053	(3,484)	(569)	—	—
NON-CURRENT ASSETS					
Fixed assets, net	—	69	404	(1)	472
Goodwill	—	—	1,233	1,613	2,846
Other intangible assets, net	—	—	523	(162)	361
Investments in associates	—	—	(53)	237	184
Deferred tax assets	—	—	29	(23)	6
Pension benefits asset	—	—	253	—	253
Other non-current assets	4	158	167	(142)	187
Total non-current assets	4	227	2,556	1,522	4,309
TOTAL ASSETS	$ 2,875	$ 473	$ 17,784	$ (5,809)	$ 15,323
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Fiduciary liabilities	$ —	$ —	$ 10,123	$ (926)	$ 9,197
Deferred revenue and accrued expenses	3	26	469	(9)	489
Income taxes payable	—	50	132	(149)	33
Short-term debt and current portion of long-term debt	—	15	2	—	17
Deferred tax liabilities	1	—	19	(2)	18
Other current liabilities	52	28	327	(26)	381
Total current liabilities	56	119	11,072	(1,112)	10,135
NON-CURRENT LIABILITIES					
Long-term debt	795	1,519	1	—	2,315
Liabilities for pension benefits	—	—	229	—	229
Deferred tax liabilities	—	—	59	(23)	36
Provisions for liabilities	—	—	221	(13)	208
Other non-current liabilities	—	47	307	(1)	353
Total non-current liabilities	795	1,566	817	(37)	3,141
TOTAL LIABILITIES	$ 851	$ 1,685	$ 11,889	$ (1,149)	$ 13,276
EQUITY					
Total Willis Group Holdings stockholders' equity	2,024	(1,212)	5,872	(4,660)	2,024
Noncontrolling interests	—	—	23	—	23
Total equity	2,024	(1,212)	5,895	(4,660)	2,047
TOTAL LIABILITIES AND EQUITY	$ 2,875	$ 473	$ 17,784	$ (5,809)	$ 15,323

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

Condensed Consolidating Balance Sheet

	As of December 31, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	$ 1	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	904	29	933
Fiduciary assets	—	—	10,071	(800)	9,271
Deferred tax assets	1	—	18	(6)	13
Other current assets	1	103	241	(164)	181
Total current assets	3	103	11,733	(941)	10,898
Investments in subsidiaries	(1,542)	3,012	3,824	(5,294)	—
Amounts owed by (to) Group undertakings	4,091	(3,272)	(819)	—	—
NON-CURRENT ASSETS					
Fixed assets, net	—	74	395	(1)	468
Goodwill	—	—	1,226	1,601	2,827
Other intangible assets, net	—	—	484	(99)	385
Investments in associates	—	—	(53)	227	174
Deferred tax assets	—	—	42	(24)	18
Pension benefits asset	—	—	136	—	136
Other non-current assets	5	175	157	(131)	206
Total non-current assets	5	249	2,387	1,573	4,214
TOTAL ASSETS	$ 2,557	$ 92	$ 17,125	$ (4,662)	$ 15,112
LIABILITIES AND STOCKHOLDERS' EQUITY					
CURRENT LIABILITIES					
Fiduciary liabilities	$ —	$ —	$ 10,071	$ (800)	$ 9,271
Deferred revenue and accrued expenses	2	—	543	(4)	541
Income taxes payable	—	25	120	(126)	19
Short-term debt and current portion of long-term debt	—	15	—	—	15
Deferred tax liabilities	1	—	25	(5)	21
Other current liabilities	60	73	216	(22)	327
Total current liabilities	63	113	10,975	(957)	10,194
NON-CURRENT LIABILITIES					
Long-term debt	795	1,542	1	—	2,338
Liabilities for pension benefits	—	—	282	—	282
Deferred tax liabilities	—	—	42	(24)	18
Provisions for liabilities	—	—	188	(8)	180
Other non-current liabilities	—	12	363	—	375
Total non-current liabilities	795	1,554	876	(32)	3,193
TOTAL LIABILITIES	$ 858	$ 1,667	$ 11,851	$ (989)	$ 13,387
EQUITY					
Total Willis Group Holdings stockholders' equity	1,699	(1,575)	5,248	(3,673)	1,699
Noncontrolling interests	—	—	26	—	26
Total equity	1,699	(1,575)	5,274	(3,673)	1,725
TOTAL LIABILITIES AND EQUITY	$ 2,557	$ 92	$ 17,125	$ (4,662)	$ 15,112

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2013				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
	(millions)				
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ (99)	$ 508	$ —	$ 366
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	2	7	—	9
Additions to fixed assets	—	(15)	(63)	—	(78)
Additions to intangible assets	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	(30)	—	(30)
Payments to acquire other investments	—	—	(5)	—	(5)
Net cash used in investing activities	—	(13)	(92)	—	(105)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from draw down of revolving credit facility	—	—	2	—	2
Senior notes issued	—	522	—	—	522
Debt issuance costs	—	(8)	—	—	(8)
Repayments of debt	—	(532)	—	—	(532)
Tender premium on extinguishment of debt	—	(65)	—	—	(65)
Proceeds from issue of shares	105	—	—	—	105
Excess tax benefits from share-based payment arrangement	1	—	—	—	1
Dividends paid	(144)	—	—	—	(144)
Acquisition of noncontrolling interests	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	(9)	—	(9)
Amounts owed by (to) Group undertakings	83	198	(281)	—	—
Net cash provided by (used in) financing activities	45	115	(292)	—	(132)
INCREASE IN CASH AND CASH EQUIVALENTS	2	3	124	—	129
Effect of exchange rate changes on cash and cash equivalents	—	—	(6)	—	(6)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 3	$ 3	$ 617	$ —	$ 623

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2012				
	Willis Group Holdings - the Parent Issuer	The Guarantors	Other	Consolidating adjustments	Consolidated
			(millions)		
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ 864	$ 146	$ (657)	$ 310
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds on disposal of fixed and intangible assets	—	—	8	—	8
Additions to fixed assets	—	(19)	(78)	—	(97)
Additions to intangible assets	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	(4)	—	(4)
Payments to acquire other investments	—	—	(5)	—	(5)
Net cash used in investing activities	—	(19)	(80)	—	(99)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from draw down of revolving credit facility	—	20	—	—	20
Repayments of debt	—	(7)	(4)	—	(11)
Repurchase of shares	(100)	—	—	—	(100)
Proceeds from issue of shares	41	—	—	—	41
Excess tax benefits from share-based payment arrangement	—	—	2	—	2
Dividends paid	(139)	—	(657)	657	(139)
Proceeds from sale of noncontrolling interests	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	(29)	—	(29)
Dividends paid to noncontrolling interests	—	—	(11)	—	(11)
Amounts owed by (to) Group undertakings	242	(1,021)	779	—	—
Net cash provided by (used in) financing activities	44	(1,008)	83	657	(224)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	(163)	149	—	(13)
Effect of exchange rate changes on cash and cash equivalents	—	—	1	—	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	163	273	—	436
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1	$ —	$ 423	$ —	$ 424

21. FINANCIAL INFORMATION FOR ISSUER, PARENT GUARANTOR, OTHER GUARANTOR SUBSIDIARIES AND NON-GUARANTOR SUBSIDIARIES

Trinity Acquisition plc has $525 million senior notes outstanding that were issued on August 15, 2013.

All direct obligations under the senior notes were jointly and severally, irrevocably and fully and unconditionally guaranteed by Willis Netherlands Holdings B.V, Willis Investment UK Holdings Limited, TA I Limited, Willis Group Limited and Willis North America, Inc, collectively the 'Other Guarantors', and with Willis Group Holdings, the 'Guarantor Companies'.

The guarantor structure described above differs from the guarantor structure associated with the senior notes issued by the Company and Willis North America (the ‘Willis North America Debt Securities’) in that Trinity Acquisition plc is the issuer and not a subsidiary guarantor, and Willis North America, Inc. is a subsidiary guarantor.

Presented below is condensed consolidating financial information for:

(i) Willis Group Holdings, which is a guarantor, on a parent company only basis;

(ii) the Other Guarantors, which are all 100 percent directly or indirectly owned subsidiaries of the parent. Willis Netherlands B.V, Willis Investment UK Holdings Limited and TA 1 Limited are all direct or indirect parents of the issuer and Willis Group Limited and Willis North America, Inc, are 100 percent direct or indirectly owned subsidiaries or the issuer;

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

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

(v) Consolidating adjustments; and

(vi) the Consolidated Company.

The equity method has been used for investments in subsidiaries in the condensed consolidating balance sheets as of September 30, 2013 of Willis Group Holdings, the Other Guarantors and the Issuer. Investments in subsidiaries in the condensed consolidating balance sheet for Other represents the cost of investment in subsidiaries recorded in the parent companies of the non-guarantor subsidiaries.

The entities included in the Other Guarantors column as of September 30, 2013 are Willis Netherlands Holdings B.V., Willis Investment UK Holdings Limited, Willis North America, TA I Limited and Willis Group Limited.

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

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 791	$ —	$ 791
Investment income	—	3	—	4	(3)	4
Other income	—	—	—	34	(34)	—
Total revenues	—	3	—	829	(37)	795
EXPENSES						
Salaries and benefits	—	(48)	—	(493)	—	(541)
Other operating expenses	3	(50)	—	(122)	25	(144)
Depreciation expense	—	(6)	—	(15)	—	(21)
Amortization of intangible assets	—	—	—	(16)	2	(14)
Net loss on disposal of operations	—	—	—	(8)	8	—
Total expenses	3	(104)	—	(654)	35	(720)
OPERATING INCOME (LOSS)	3	(101)	—	175	(2)	75
Investment income from Group undertakings	—	137	16	20	(173)	—
Loss on extinguishment of debt	—	(60)	—	—	—	(60)
Interest expense	(11)	(71)	(12)	(83)	147	(30)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(8)	(95)	4	112	(28)	(15)
Income taxes	—	4	(2)	(7)	(6)	(11)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(8)	(91)	2	105	(34)	(26)
Interest in earnings of associates, net of tax	—	—	—	(4)	3	(1)
Equity account for subsidiaries	(19)	71	(35)	—	(17)	—
NET (LOSS) INCOME	(27)	(20)	(33)	101	(48)	(27)
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (27)	$ (20)	$ (33)	$ 101	$ (48)	$ (27)

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 45	$ 51	$ 31	$ 155	$ (236)	$ 46
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(1)	—	(1)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 45	$ 51	$ 31	$ 154	$ (236)	$ 45

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

Condensed Consolidating Statement of Operations

	Three months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 749	$ —	$ 749
Investment income	—	2	—	4	(2)	4
Other income	—	—	—	1	—	1
Total revenues	—	2	—	754	(2)	754
EXPENSES						
Salaries and benefits	—	(28)	—	(474)	—	(502)
Other operating expenses	(1)	(9)	—	(139)	3	(146)
Depreciation expense	—	(4)	—	(17)	—	(21)
Amortization of intangible assets	—	—	—	(17)	3	(14)
Net gain on disposal of operations	—	—	—	4	(5)	(1)
Total expenses	(1)	(41)	—	(643)	1	(684)
OPERATING (LOSS) INCOME	(1)	(39)	—	111	(1)	70
Investment income from Group undertakings	6	1,743	966	104	(2,819)	—
Interest expense	(11)	(100)	(9)	(68)	156	(32)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(6)	1,604	957	147	(2,664)	38
Income taxes	(6)	14	(5)	(19)	6	(10)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(12)	1,618	952	128	(2,658)	28
Interest in earnings of associates, net of tax	—	—	—	(5)	3	(2)
Equity account for subsidiaries	38	(1,571)	(913)	—	2,446	—
INCOME FROM CONTINUING OPERATIONS	26	47	39	123	(209)	26
Discontinued operations, net of tax	—	—	—	—	—	—
NET INCOME	26	47	39	123	(209)	26
Less: Net income attributable to noncontrolling interests	—	—	—	—	—	—
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 26	$ 47	$ 39	$ 123	$ (209)	$ 26

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

Condensed Consolidating Statement of Comprehensive Income

	Three months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 53	$ 74	$ 8	$ 144	$ (226)	$ 53
Less: comprehensive income attributable to noncontrolling interests	—	—	—	—	—	—
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 53	$ 74	$ 8	$ 144	$ (226)	$ 53

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,722	$ —	$ 2,722
Investment income	—	9	—	11	(9)	11
Other income	—	—	—	(149)	152	3
Total revenues	—	9	—	2,584	143	2,736
EXPENSES						
Salaries and benefits	(1)	(93)	—	(1,544)	—	(1,638)
Other operating expenses	(2)	(166)	—	(368)	81	(455)
Depreciation expense	—	(18)	—	(50)	—	(68)
Amortization of intangible assets	—	—	—	(48)	6	(42)
Net loss on disposal of operations	—	—	—	(5)	5	—
Total expenses	(3)	(277)	—	(2,015)	92	(2,203)
OPERATING (LOSS) INCOME	(3)	(268)	—	569	235	533
Investment income from Group undertakings	—	415	45	68	(528)	—
Loss on extinguishment of debt	—	(60)	—	—	—	(60)
Interest expense	(32)	(219)	(29)	(256)	443	(93)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	(132)	16	381	150	380
Income taxes	—	12	(4)	(94)	(2)	(88)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(35)	(120)	12	287	148	292
Interest in earnings of associates, net of tax	—	—	—	4	7	11
Equity account for subsidiaries	332	448	275	—	(1,055)	—
NET INCOME	297	328	287	291	(900)	303
Less: Net income attributable to noncontrolling interests	—	—	—	(6)	—	(6)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 297	$ 328	$ 287	$ 285	$ (900)	$ 297

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 339	$ 369	$ 326	$ 298	$ (987)	$ 345
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(6)	—	(6)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 339	$ 369	$ 326	$ 292	$ (987)	$ 339

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

Condensed Consolidating Statement of Operations

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
REVENUES						
Commissions and fees	$ —	$ —	$ —	$ 2,591	$ —	$ 2,591
Investment income	—	8	—	14	(8)	14
Other income	—	—	—	97	(93)	4
Total revenues	—	8	—	2,702	(101)	2,609
EXPENSES						
Salaries and benefits	(1)	(50)	—	(1,457)	—	(1,508)
Other operating expenses	(8)	(63)	1	(367)	6	(431)
Depreciation expense	—	(12)	—	(47)	—	(59)
Amortization of intangible assets	—	—	—	(53)	9	(44)
Net loss on disposal of operations	—	—	—	(19)	18	(1)
Total expenses	(9)	(125)	1	(1,943)	33	(2,043)
OPERATING (LOSS) INCOME	(9)	(117)	1	759	(68)	566
Investment income from Group undertakings	6	2,191	1,284	118	(3,599)	—
Interest expense	(32)	(284)	(26)	(210)	455	(97)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(35)	1,790	1,259	667	(3,212)	469
Income taxes	1	32	(10)	(136)	(1)	(114)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(34)	1,822	1,249	531	(3,213)	355
Interest in earnings of associates, net of tax	—	—	—	5	7	12
Equity account for subsidiaries	393	(1,421)	(877)	—	1,905	—
INCOME FROM CONTINUING OPERATIONS	359	401	372	536	(1,301)	367
Discontinued operations, net of tax	—	—	—	1	—	1
NET INCOME	359	401	372	537	(1,301)	368
Less: Net income attributable to noncontrolling interests	—	—	—	(9)	—	(9)
NET INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 359	$ 401	$ 372	$ 528	$ (1,301)	$ 359

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

Condensed Consolidating Statement of Comprehensive Income

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
Comprehensive income	$ 386	$ 428	$ 342	$ 574	$ (1,335)	$ 395
Less: comprehensive income attributable to noncontrolling interests	—	—	—	(9)	—	(9)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ 386	$ 428	$ 342	$ 565	$ (1,335)	$ 386

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

Condensed Consolidating Balance Sheet

	As of September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 3	$ 3	$ —	$ 617	$ —	$ 623
Accounts receivable, net	—	26	—	930	29	985
Fiduciary assets	—	—	—	10,123	(926)	9,197
Deferred tax assets	1	—	—	16	(3)	14
Other current assets	1	103	1	287	(197)	195
Total current assets	5	132	1	11,973	(1,097)	11,014
Investments in subsidiaries	(1,187)	3,066	3,398	3,824	(9,101)	—
Amounts owed by (to) Group undertakings	4,053	(3,761)	277	(569)	—	—
NON-CURRENT ASSETS						
Fixed assets, net	—	69	—	404	(1)	472
Goodwill	—	—	—	1,233	1,613	2,846
Other intangible assets, net	—	—	—	523	(162)	361
Investments in associates	—	—	—	(53)	237	184
Deferred tax assets	—	—	—	29	(23)	6
Pension benefits asset	—	—	—	253	—	253
Other non-current assets	4	148	10	167	(142)	187
Total non-current assets	4	217	10	2,556	1,522	4,309
TOTAL ASSETS	$ 2,875	$ (346)	$ 3,686	$ 17,784	$ (8,676)	$ 15,323
LIABILITIES AND STOCKHOLDERS' EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,123	$ (926)	$ 9,197
Deferred revenue and accrued expenses	3	26	—	469	(9)	489
Income taxes payable	—	35	15	132	(149)	33
Short-term debt and current portion of long-term debt	—	—	15	2	—	17
Deferred tax liabilities	1	—	—	19	(2)	18
Other current liabilities	52	24	4	327	(26)	381
Total current liabilities	56	85	34	11,072	(1,112)	10,135
NON-CURRENT LIABILITIES						
Long-term debt	795	734	785	1	—	2,315
Liabilities for pension benefits	—	—	—	229	—	229
Deferred tax liabilities	—	—	—	59	(23)	36
Provisions for liabilities	—	—	—	221	(13)	208
Other non-current liabilities	—	47	—	307	(1)	353
Total non-current liabilities	795	781	785	817	(37)	3,141
TOTAL LIABILITIES	$ 851	$ 866	$ 819	$ 11,889	$ (1,149)	$ 13,276
EQUITY						
Total Willis Group Holdings stockholders' equity	2,024	(1,212)	2,867	5,872	(7,527)	2,024
Noncontrolling interests	—	—	—	23	—	23
Total equity	2,024	(1,212)	2,867	5,895	(7,527)	2,047
TOTAL LIABILITIES AND EQUITY	$ 2,875	$ (346)	$ 3,686	$ 17,784	$ (8,676)	$ 15,323

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

Condensed Consolidating Balance Sheet

	As of December 31, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 1	$ —	$ —	$ 499	$ —	$ 500
Accounts receivable, net	—	—	—	904	29	933
Fiduciary assets	—	—	—	10,071	(800)	9,271
Deferred tax assets	1	—	—	18	(6)	13
Other current assets	1	102	1	241	(164)	181
Total current assets	3	102	1	11,733	(941)	10,898
Investments in subsidiaries	(1,542)	3,025	2,548	3,824	(7,855)	—
Amounts owed by (to) Group undertakings	4,091	(3,581)	309	(819)	—	—
NON-CURRENT ASSETS						
Fixed assets, net	—	74	—	395	(1)	468
Goodwill	—	—	—	1,226	1,601	2,827
Other intangible assets, net	—	—	—	484	(99)	385
Investments in associates	—	—	—	(53)	227	174
Deferred tax assets	—	—	—	42	(24)	18
Pension benefits asset	—	—	—	136	—	136
Other non-current assets	5	172	3	157	(131)	206
Total non-current assets	5	246	3	2,387	1,573	4,214
TOTAL ASSETS	$ 2,557	$ (208)	$ 2,861	$ 17,125	$ (7,223)	$ 15,112
LIABILITIES AND STOCKHOLDERS’ EQUITY						
CURRENT LIABILITIES						
Fiduciary liabilities	$ —	$ —	$ —	$ 10,071	$ (800)	$ 9,271
Deferred revenue and accrued expenses	2	—	—	543	(4)	541
Income taxes payable	—	14	11	120	(126)	19
Short-term debt and current portion of long-term debt	—	—	15	—	—	15
Deferred tax liabilities	1	—	—	25	(5)	21
Other current liabilities	60	73	—	216	(22)	327
Total current liabilities	63	87	26	10,975	(957)	10,194
NON-CURRENT LIABILITIES						
Long-term debt	795	1,268	274	1	—	2,338
Liabilities for pension benefits	—	—	—	282	—	282
Deferred tax liabilities	—	—	—	42	(24)	18
Provisions for liabilities	—	—	—	188	(8)	180
Other non-current liabilities	—	12	—	363	—	375
Total non-current liabilities	795	1,280	274	876	(32)	3,193
TOTAL LIABILITIES	$ 858	$ 1,367	$ 300	$ 11,851	$ (989)	$ 13,387
EQUITY						
Total Willis Group Holdings stockholders’ equity	1,699	(1,575)	2,561	5,248	(6,234)	1,699
Noncontrolling interests	—	—	—	26	—	26
Total equity	1,699	(1,575)	2,561	5,274	(6,234)	1,725
TOTAL LIABILITIES AND EQUITY	$ 2,557	$ (208)	$ 2,861	$ 17,125	$ (7,223)	$ 15,112

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2013					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ (120)	$ 21	$ 508	$ —	$ 366
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	2	—	7	—	9
Additions to fixed assets	—	(15)	—	(63)	—	(78)
Additions to intangible assets	—	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(30)	—	(30)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Net cash used in investing activities	—	(13)	—	(92)	—	(105)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	—	2	—	2
Senior notes issued	—	—	522	—	—	522
Debt issuance costs	—	—	(8)	—	—	(8)
Repayments of debt	—	(521)	(11)	—	—	(532)
Tender premium on extinguishment of debt	—	(65)	—	—	—	(65)
Proceeds from issue of shares	105	—	—	—	—	105
Excess tax benefits from share-based payment arrangements	1	—	—	—	—	1
Dividends paid	(144)	—	—	—	—	(144)
Acquisition of noncontrolling interests	—	—	—	(4)	—	(4)
Dividends paid to noncontrolling interests	—	—	—	(9)	—	(9)
Amounts owed by (to) Group undertakings	83	722	(524)	(281)	—	—
Net cash provided by (used in) financing activities	45	136	(21)	(292)	—	(132)
INCREASE IN CASH AND CASH EQUIVALENTS	2	3	—	124	—	129
Effect of exchange rate changes on cash and cash equivalents	—	—	—	(6)	—	(6)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1	—	—	499	—	500
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 3	$ 3	$ —	$ 617	$ —	$ 623

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

Condensed Consolidating Statement of Cash Flows

	Nine months ended September 30, 2012					
	Willis Group Holdings	The Other Guarantors	The Issuer	Other	Consolidating adjustments	Consolidated
	(millions)					
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	$ (43)	$ 1,894	$ 1,259	$ 146	$ (2,946)	$ 310
CASH FLOWS FROM INVESTING ACTIVITIES						
Proceeds on disposal of fixed and intangible assets	—	—	—	8	—	8
Additions to fixed assets	—	(19)	—	(78)	—	(97)
Additions to intangible assets	—	—	—	(1)	—	(1)
Acquisitions of subsidiaries, net of cash acquired	—	—	—	(4)	—	(4)
Payments to acquire other investments	—	—	—	(5)	—	(5)
Net cash used in investing activities	—	(19)	—	(80)	—	(99)
CASH FLOWS FROM FINANCING ACTIVITIES						
Proceeds from draw down of revolving credit facility	—	—	20	—	—	20
Repayments of debt	—	—	(7)	(4)	—	(11)
Repurchase of shares	(100)	—	—	—	—	(100)
Proceeds from issue of shares	41	—	—	—	—	41
Excess tax benefits from share-based payment arrangements	—	—	—	2	—	2
Dividends paid	(139)	(1,220)	(1,069)	(657)	2,946	(139)
Proceeds from sale of noncontrolling interests	—	—	—	3	—	3
Acquisition of noncontrolling interests	—	—	—	(29)	—	(29)
Dividends paid to noncontrolling interests	—	—	—	(11)	—	(11)
Amounts owed by (to) Group undertakings	242	(818)	(203)	779	—	—
Net cash provided by (used in) financing activities	44	(2,038)	(1,259)	83	2,946	(224)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1	(163)	—	149	—	(13)
Effect of exchange rate changes on cash and cash equivalents	—	—	—	1	—	1
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	—	163	—	273	—	436
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1	$ —	$ —	$ 423	$ —	$ 424

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

This discussion includes references to non-GAAP financial measures as defined in Regulation G of the rules of the Securities and Exchange Commission ('SEC'). We present such non-GAAP financial measures, specifically, organic growth in commissions and fees, adjusted operating margin, adjusted operating income, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations, as we believe such information is of interest to the investment community because it provides additional meaningful methods of evaluating certain aspects of the Company's operating performance from period to period on a basis that may not be otherwise apparent on a GAAP basis. Organic growth in commissions and fees excludes the impact of acquisitions and disposals, period over period movements in foreign currency movements, and investment and other income from growth in revenues. Adjusted operating income, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations are calculated by excluding the impact of certain specified items from operating income, net income from continuing operations, and earnings per diluted share from continuing operations, respectively, the most directly comparable GAAP measures. Our methods of calculating these measures may differ from those used by other companies and therefore comparability may be limited. These financial measures should be viewed in addition to, not in lieu of, these condensed consolidated financial statements for the three and nine months ended September 30, 2013.

This discussion includes forward-looking statements included under the heading 'Executive Summary'. Please see 'Forward-Looking Statements' for certain cautionary information regarding forward-looking statements and a list of factors that could cause actual results to differ materially from those predicted in those statements.

EXECUTIVE SUMMARY

Business Overview

We provide a broad range of insurance broking, risk management and consulting services to our clients worldwide and organize our business into three segments: Global, North America and International.

Our Global business provides specialist brokerage and consulting services to clients worldwide arising from specific industries and activities including Aerospace; Energy; Marine; Construction, Property and Casualty; Financial and Executive Risks; Financial Solutions; Faber Global; Fine Art, Jewelry and Specie; Special Contingency Risks; Hughes-Gibbs; Willis Capital Markets & Advisory; Placement and Reinsurance.

North America and International comprise our retail operations and provide services to small, medium and large corporations and the Human Capital practice, our largest product-based practice group, provides health, welfare and human resources consulting and brokerage services.

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

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

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

Market Conditions

Market conditions in our industry are generally defined by factors such as the strength of the economies in the various geographic regions in which we serve around the world, insurance rate movements, and insurance and reinsurance buying patterns of our clients. The industry in general was negatively impacted by the soft insurance market that steadily existed throughout the years 2005 through 2010. Additionally, many of our retail operations, but especially our larger operations in North America, the UK and Ireland, have been particularly impacted by the weakened economic climate since 2008. These factors combined resulted in declines in revenues in these operations.

In 2011, the market experienced modest increases in catastrophe-exposed property insurance and reinsurance pricing levels driven by significant 2011 catastrophe losses including the Japanese earthquake and tsunami, the New Zealand earthquake, the mid-west US tornadoes and Thailand floods. The trend in rates noted in 2011 in catastrophe-exposed regions continued into early 2012 as insurance and reinsurance rates in such regions firmed or hardened steadily.

In late 2012, as insurance rates were beginning to level or soften, super storm Sandy hit the metropolitan New York, New Jersey and Connecticut area tempering what most forecasters expected to be a year of declining insurance rates.

In the first quarter 2013 the reinsurance market was flat, however during the second and third quarters we have seen changing market sentiment driven by changes in the sources of capital and increases in capital supply. The influx of third party capital, coupled with changes to reinsurance buying patterns and regulatory complexity is leading to growing complexity in the reinsurance market.

The outlook for our business, operating results and financial condition continues to be challenging due to the economic conditions within certain European Union countries, in particular, Greece, Ireland, Italy, Portugal and Spain. If the Eurozone crisis continues or further deteriorates, there will likely be a negative effect on our European business as well as the businesses of our European clients. A significant devaluation of the Euro would cause the value of our financial assets that are denominated in Euros to be reduced.

In the face of this challenging economic environment we have adopted a strategy to invest selectively in growth areas, defined by geography, industry sector and client segment, and to better align our three segments so as to, among other things, bring our clients greater access to the Company's specialty areas and analytical capabilities. Our growth strategy also involves increasing our investment in, and deployment of, our analytical capabilities.

Financial Performance

Consolidated Financial Performance

Results from operations: third quarter 2013

Total revenues of $795 million for third quarter 2013 were $41 million, or 5.4 percent, higher than in third quarter 2012. Total commissions and fees for third quarter 2013 were $791 million, up $42 million or 5.6 percent, from $749 million in the prior year quarter. Organic commissions and fees growth was 5.7 percent and there was a positive 0.5 percent impact from acquisitions and disposals; which was partially offset by a negative 0.6 percent impact from foreign currency movements.

Organic growth in commissions and fees was driven by positive growth in each of our operating segments, with 6.4 percent growth in Global, 3.9 percent growth in North America and 7.8 percent in International compared with third quarter 2012.

Total expenses in third quarter 2013 of $720 million were $36 million, or 5.3 percent, higher than in third quarter 2012. Foreign currency movements favorably impacted total expenses by $4 million.

Excluding the impact of foreign currency movements, total expenses were $40 million, or 5.8 percent, higher than in third quarter 2012. The largest driver of this increase was higher cost of salaries and benefits driven by increased headcount relative to the prior year, annual salary reviews, the change in remuneration policy and higher incentives charge as a result of growth in commissions and fees. The increase also includes higher travel, accommodation and client entertaining costs to support business development, and higher professional fees.

Third quarter 2012 included an $11 million charge related to a settlement with a former joint venture partner in India and a $1 million loss on disposal from dissolving that joint venture.

In third quarter 2013 the Company incurred total losses and fees on extinguishment of debt of $61 million from the refinancing that was completed on August 22, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million, $1 million of fees related to the extinguishment of debt and a credit from the write-down of the fair value adjustment on 5.625% senior notes due 2015 of $7 million

Despite reporting a pre-tax net loss of $15 million for the quarter ended September 30, 2013 the tax charge for third quarter 2013 was $11 million, $1 million higher than in third quarter 2012. The tax rate for the quarter reflected charges related to the early extinguishment of debt that was issued by Willis North America. As previously disclosed, the Company has tax losses in the US and has maintained a valuation allowance against net US deferred tax assets. Consequently, no tax benefit was recognized for the debt extinguishment charges recorded during the quarter, resulting in the negative tax rate. When looking at the quarter's results excluding the debt extinguishment charges, the tax rate was approximately 24 percent.

Net loss from continuing operations attributable to Willis shareholders was $27 million or $0.15 per diluted share in third quarter 2013 compared with net income of $26 million or $0.15 per diluted share in third quarter 2012. The $53 million decrease was primarily due to the losses on extinguishment of debt and the increase in total expenses, partially offset by the increase in total revenues.

Interest in earnings of associates, net of tax was a loss of $1 million in third quarter 2013, compared to $2 million in third quarter 2012.

Foreign currency movements had no impact on earnings per diluted share in third quarter 2013 compared with third quarter 2012.

Results from operations: nine months ended September 30, 2013

Total revenues of $2,736 million for first nine months 2013 were $127 million, or 4.9 percent, higher than in first nine months 2012. Total commissions and fees for first nine months 2013 were $2,722 million, up $131 million or 5.1 percent, from $2,591 million in first nine months 2012. Reported commission and fees growth of 5.1 percent includes organic growth of 5.3 percent and 0.3 percent growth from acquisitions and disposals which were partially offset by a negative impact from foreign currency movements of 0.5 percent.

Organic growth in commissions and fees was driven by 6.7 percent growth in our Global segment, 4.5 percent growth in our North America segment and 4.5 percent growth in our International segment compared to first nine months 2012.

Total expenses in first nine months 2013 of $2,203 million were $160 million, or 7.8 percent, higher than in first nine months 2012. Foreign currency movements favorably impacted expenses by $4 million.

Excluding the impact of foreign currency movements, total expenses were $2,207 million, $164 million or 8.0 percent higher than first nine months 2012. The largest driver of this increase was higher cost of salaries and benefits as a result of increased headcount relative to the prior year, annual salary reviews, the change in remuneration policy, and higher incentives charge as a result of growth in commissions and fees. This increase also includes $46 million relating to the Expense Reduction Initiative (see 'Expense Reduction Initiative' section below), $7 million of one-time VAT-related charges, a $6 million write-off of a receivable related to a non-E&O settlement, higher travel, accommodation and client entertaining costs to support business development, and higher professional fees partially offset by compensation and insurance premium accrual reversals relating to prior periods amounting to $14 million.

First nine months 2012 expenses included $13 million write-off of an uncollectible accounts receivable balance together with associated legal fees, a $5 million benefit related to a previously disclosed insurance recovery, an $11 million charge related to a settlement with a former joint venture partner in India, and the related $1 million loss on dissolving that joint venture.

In third quarter 2013 the Company incurred total losses on extinguishment of debt of $61 million from the refinancing that was completed on August 22, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million, $1 million of fees related to the extinguishment of debt and a credit from the write down of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

The reported tax rate in the first nine months 2013 was 23 percent, compared with 24 percent for the same period of 2012. Excluding the debt extinguishment charges, the tax rate was approximately 19 percent. The reason the year to date tax rate, excluding the debt extinguishment charges, is lower in 2013 compared to 2012, is primarily due to the impact of a valuation allowance maintained against net US deferred tax assets, which resulted in a lower tax charge on US profits in the current period compared with prior interim periods.

Net income from continuing operations attributable to Willis shareholders was $297 million or $1.67 per diluted share in first nine months 2013 compared to $358 million or $2.03 per diluted share in first nine months 2012. The $61 million decrease reflects the losses on extinguishment of debt and the increase in total expenses partially offset by the increase in total revenues and a lower tax charge.

Foreign currency movements decreased earnings by $0.04 per diluted share in first nine months 2013 compared with first nine months 2012.

Adjusted Operating Income, Adjusted Net Income from Continuing Operations and Adjusted Earnings per Diluted Share from Continuing Operations

Our non-GAAP measures of adjusted operating income, adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations are calculated by excluding the impact of certain items (as detailed below) from operating income, net (loss) income from continuing operations, and earnings per diluted share from continuing operations, respectively, the most directly comparable GAAP measures.

The following items are excluded from operating income and net loss or income from continuing operations as applicable:

(i) write-off of uncollectible accounts receivable balance and associated legal fees arising in Chicago due to fraudulent overstatement of commissions and fees;

(ii) insurance recoveries;

(iii) loss and fees related to the extinguishment of debt;

(iv) costs associated with the Expense Reduction Initiative;

(v) significant legal and regulatory settlements which are managed centrally; and

(vi) gains and losses on the disposal of operations.

We believe that excluding these items, as applicable, from operating income, net loss or income from continuing operations and earnings per diluted share from continuing operations provides a more complete and consistent comparative analysis of our results of operations. We use these and other measures to establish Group performance targets and evaluate the performance of our operations.

As set out in the tables below, adjusted operating margin at 9.6 percent in third quarter 2013 was down 130 basis points compared with third quarter 2012, while third quarter 2013 adjusted net income from continuing operations was $34 million, $4 million lower than in third quarter 2012. Adjusted earnings per diluted share from continuing operations were $0.19 in third quarter 2013, compared with $0.22 in third quarter 2012.

Adjusted operating margin of 21.2 percent in first nine months 2013 was down 130 basis points compared with first nine months 2012, while first nine months 2013 adjusted net income from continuing operations was $396 million, $21 million higher than in first nine months 2012. Adjusted earnings per diluted share from continuing operations were $2.22 in first nine months 2013, compared with $2.13 in first nine months 2012.

A reconciliation of reported operating income, the most directly comparable GAAP measure, to adjusted operating income for the three and nine months ended September 30, is as follows (in millions, except percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Operating income, GAAP basis	$ 75	$ 70	$ 533	$ 566
Excluding:				
India JV settlement [a]	—	11	—	11
Loss on disposal of operations [a]	—	1	—	1
Write-off of uncollectible accounts receivable balance and legal costs [b]	—	—	—	13
Insurance recovery [c]	—	—	—	(5)
Expense Reduction Initiative [d]	—	—	46	—
Fees related to the extinguishment of debt [e]	1	—	1	—
Adjusted operating income	$ 76	$ 82	$ 580	$ 586
Operating margin, GAAP basis, or operating income as a percentage of total revenues	9.4%	9.3%	19.5%	21.7%
Adjusted operating margin, or adjusted operating income as a percentage of total revenues	9.6%	10.9%	21.2%	22.5%

(a) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(b) Write-off of uncollectible accounts receivable balance and associated legal costs relating to periods prior to January 1, 2012.

(c) Related to previously disclosed fraudulent activity in Chicago.

(d) Charge related to the assessment of the Company's organizational design. See 'Expense Reduction Initiative' section below.

(e) Fees related to the extinguishment of debt completed on August 22, 2013. See 'Liquidity and Capital Resources' section below.

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A reconciliation of reported net loss or income from continuing operations and reported earnings per diluted share from continuing operations, the most directly comparable GAAP measures, to adjusted net income from continuing operations and adjusted earnings per diluted share from continuing operations, is as follows (in millions, except per share data):

	Three months ended September 30,			Per diluted share Three months ended September 30,		
	2013	2012	% Change	2013	2012	% Change
Net (loss) income from continuing operations attributable to Willis Group Holdings plc, GAAP basis	$ (27)	$ 26	NM	$ (0.15)	$ 0.15	NM
Excluding:						
India JV settlement, net of tax ($nil, $nil) [(a)]	—	11		—	0.06	
Loss on disposal of operations, net of tax ($nil, $nil) [(a)]	—	1		—	0.01	
Fees related to the extinguishment of debt, net of tax ($nil, $nil) [(e)]	1	—		0.01	—	
Loss on extinguishment of debt, net of tax ($nil, $nil) [(e)]	60	—		0.33	—	
Adjusted net income from continuing operations	$ 34	$ 38	(10.5)%	$ 0.19	$ 0.22	(13.6)%
Average diluted shares outstanding, GAAP basis [(f)]	177	175				

	Nine months ended September 30,			Per diluted share Nine months ended September 30,		
	2013	2012	% Change	2013	2012	% Change
Net income from continuing operations attributable to Willis Group Holdings plc, GAAP basis	$ 297	$ 358	(17.0)%	$ 1.67	$ 2.03	(17.7)%
Excluding:						
India JV settlement, net of tax ($nil, $nil) [(a)]	—	11		—	0.06	
Loss on disposal of operations, net of tax ($nil, $nil) [(a)]	—	1		—	0.01	
Write-off of uncollectible accounts receivable balance and legal costs, net of tax ($nil, $5) [(b)]	—	8		—	0.05	
Insurance recovery, net of tax ($nil, $2) [(c)]	—	(3)		—	(0.02)	
Expense Reduction Initiative, net of tax ($8, $nil) [(d)]	38	—		0.21	—	
Fees related to the extinguishment of debt, net of tax ($nil, $nil) [(e)]	1	—		0.01	—	
Loss on extinguishment of debt, net of tax ($nil, $nil) [(e)]	60	—		0.33	—	
Adjusted net income from continuing operations	$ 396	$ 375	5.6 %	$ 2.22	$ 2.13	4.2 %
Average diluted shares outstanding, GAAP basis	178	176				

(a) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, a $1 million loss on disposal of operations was recorded related to the termination.

(b) Write-off of uncollectible accounts receivable balance and associated legal costs relating to periods prior to January 1, 2012.

(c) Related to previously disclosed fraudulent activity in Chicago.

(d) Charge related to the assessment of the Company's organizational design. See 'Expense Reduction Initiative' section below.

(e) Loss and fees related to the extinguishment of debt completed on August 22, 2013. See 'Liquidity and Capital Resources' section below.

(f) Potentially issuable shares were not included in the calculation of diluted earnings per share, GAAP basis, for third quarter 2013 because the Company's net loss from continuing operations rendered their impact anti-dilutive. The dilutive impact of three million potentially issuable shares had $nil impact on reconciling to adjusted earnings per share from continuing operations.

Expense Reduction Initiative

The Company recorded a pre-tax charge of $46 million in the first quarter of 2013 related to the previously announced assessment of the Company's organizational design. In connection with this assessment, we incurred the following pre-tax charges:

- $29 million of severance and other staff related costs towards the elimination of 207 positions; and
- $17 million of Other operating expenses and Depreciation resulting from the rationalization of property and systems.

The Company does not expect to incur any further charge related to this review.

Willis Group anticipates that the actions taken will result in total cost savings of approximately $20 million exclusive of the costs incurred in 2013. It is also anticipated that we will achieve prospective annualized cost savings of approximately $25 to $30 million.

Pension Expense

We recorded net pension income on our UK defined benefit pension plan of $1 million in both third quarter 2013 and 2012. On our US defined benefit pension plan we recorded a net pension charge of $nil in third quarter 2013 compared with $1 million in third quarter 2012. On our International and US non-qualified defined benefit pension plans, we recorded net pension income of $nil in both third quarter 2013 and 2012.

We recorded net pension income on our UK defined benefit pension plan of $4 million in first nine months 2013 and $3 million first nine months 2012. On our US defined benefit pension plan we recorded a net pension income of $2 million in first nine months 2013 compared with a charge of $2 million in first nine months 2012. On our International and US non-qualified defined benefit pension plans, we recorded a net pension charge of $3 million in first nine months 2013 and $2 million in first nine months 2012.

Associates

The Company currently owns approximately 30 percent of Gras Savoye, as does the private equity firm Astorg Partners and the original family shareholders. The previous Shareholders' Agreement provided a call option for us to acquire full ownership of the company in 2015. An amended Agreement, which we signed on April 15, 2013, extends the exercise date of the call option by one year to June 2016, providing additional time both for Gras Savoye's new management team to complete its restructuring and also for all parties to plan for the proposed transition in 2016. Additionally, the call option is based on an agreed-upon formula for determining enterprise and equity value of Gras Savoye in 2016 based on Gras Savoye's 2014 and 2015 consolidated accounts. The formula is based on a weighting of revenue and EBITDA averaged over a one-to-two year period to which certain pre-determined market multiples would be applied, the potential range of market multiples having been narrowed from the previous agreement.

Acquisitions and Disposals

In first quarter 2013, the Company acquired 100 percent of CBC Broker Srl, an Italian broker, at a cost of $1 million.

In second quarter 2013, the Company acquired 100 percent PPH Limited and its subsidiary Prime Professions Limited (together referred to as Prime Professions), a leading UK based professional indemnity insurance broker, at a cost of $29 million.

In third quarter 2013, the Company agreed to sell the trade and assets associated with CBT, our book of small commercial clients in the UK, to Chesham Insurance Brokers. The transaction was completed in early October.

Business Strategy

Our aim is to be the risk advisor, insurance and reinsurance broker of choice globally.

Our business model is aligned to the needs of each client segment:

- Insurer — platform-neutral capital management and advisory services;

- Large Accounts — delivering Willis' global capabilities through client advocacy;
- Mid-Market — mass-customization through our Sales 2.0 model;
- Commercial — providing products and services to networks of retail brokers; and
- Personal — focused on affinity models and High Net Worth segments.

Our business model has three elements:

- Organic growth;
- Recruitment of teams and individuals; and
- Strategic acquisitions. From time to time, the Company considers investment and acquisition opportunities. We approach investments and acquisitions in a strict and disciplined manner. The ability of the Company to pursue or ultimately consummate any such investment or acquisition opportunities is dependent upon, among other things, its ability to fund and obtain financing for, and to source, execute on and integrate, such opportunities.

In addition, as discussed above, we have adopted a strategy to invest selectively in growth areas, to better align our three segments so as to, among other things, bring our clients greater access to the Company's specialty areas and analytical capabilities.

Our business goal is set to grow revenues with positive operating leverage to improve cash flow and deliver strong shareholder returns.

REVIEW OF CONSOLIDATED RESULTS

The following table is a summary of our revenues, operating income, operating margin, net (loss) income and diluted earnings per share (in millions, except per share data and percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
REVENUES				
Commissions and fees	$ 791	$ 749	$ 2,722	$ 2,591
Investment income	4	4	11	14
Other income	—	1	3	4
Total revenues	795	754	2,736	2,609
EXPENSES				
Salaries and benefits	(541)	(502)	(1,638)	(1,508)
Other operating expenses	(144)	(146)	(455)	(431)
Depreciation expense	(21)	(21)	(68)	(59)
Amortization of intangible assets	(14)	(14)	(42)	(44)
Net loss on disposal of operations	—	(1)	—	(1)
Total expenses	(720)	(684)	(2,203)	(2,043)
OPERATING INCOME	75	70	533	566
Loss on extinguishment of debt	(60)	—	(60)	—
Interest expense	(30)	(32)	(93)	(97)
(LOSS) INCOME BEFORE INCOME TAXES AND INTEREST IN EARNINGS OF ASSOCIATES	(15)	38	380	469
Income taxes	(11)	(10)	(88)	(114)
(LOSS) INCOME BEFORE INTEREST IN EARNINGS OF ASSOCIATES	(26)	28	292	355
Interest in earnings of associates, net of tax	(1)	(2)	11	12
(LOSS) INCOME FROM CONTINUING OPERATIONS	(27)	26	303	367
Discontinued operations, net of tax	—	—	—	1
NET (LOSS) INCOME	(27)	26	303	368
Less: net income attributable to noncontrolling interests	—	—	(6)	(9)
NET (LOSS) INCOME ATTRIBUTABLE TO WILLIS GROUP HOLDINGS	$ (27)	$ 26	$ 297	$ 359
Salaries and benefits as a percentage of total revenues	68.1%	66.6%	59.9%	57.8%
Other operating expenses as a percentage of total revenues	18.1%	19.4%	16.6%	16.5%
Operating margin (operating income as a percentage of total revenues)	9.4%	9.3%	19.5%	21.7%
Diluted earnings per share from continuing operations	$ (0.15)	$ 0.15	$ 1.67	$ 2.03
Average diluted number of shares outstanding	177	175	178	176

Revenues

Total revenues for the Group and by segment for the three and nine months ended September 30, 2013 and 2012 are shown below (millions, except percentages):

				Attributable to:		
Three months ended September 30,	**2013**	**2012**	**% Change**	**Foreign currency translation**	**Acquisitions and disposals**	**Organic commissions and fees growth [(a)]**
Global	$ 250	$ 235	6.4%	(0.8)%	0.8%	6.4%
North America	328	315	4.1%	(0.4)%	0.6%	3.9%
International	213	199	7.0%	(0.8)%	—%	7.8%
Commissions and fees	$ 791	$ 749	5.6%	(0.6)%	0.5%	5.7%
Investment income	4	4	—%			
Other income	—	1	N/A			
Total revenues	$ 795	$ 754	5.4%			

				Attributable to:		
Nine months ended September 30,	**2013**	**2012**	**% Change**	**Foreign currency translation**	**Acquisitions and disposals**	**Organic commissions and fees growth [(a)]**
Global	$ 938	$ 887	5.7 %	(1.2)%	0.2%	6.7%
North America	1,024	975	5.0 %	(0.1)%	0.6%	4.5%
International	760	729	4.3 %	(0.4)%	0.2%	4.5%
Commissions and fees	2,722	2,591	5.1 %	(0.5)%	0.3%	5.3%
Investment income	11	14	(21.4)%			
Other income	3	4	(25.0)%			
Total revenues	$ 2,736	$ 2,609	4.9 %			

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

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

Third quarter 2013

Revenues of $795 million for third quarter 2013 were $41 million, or 5.4 percent, higher than in same period of 2012.

Total commissions and fees for third quarter 2013 were $791 million, up $42 million or 5.6 percent, from $749 million in the prior year quarter. This reflects organic commissions and fees growth of 5.7 percent and a positive 0.5 percent impact from acquisitions and disposals primarily due to Avalon Actuarial Inc. acquired in 2012 and Prime Professions acquired in second quarter 2013. This was partially offset by a negative 0.6 percent impact from foreign currency movements.

The Global segment reported 6.4 percent growth in reported commissions and fees. Organic growth in commissions and fees was also 6.4 percent. The positive 0.8 percent impact from acquisitions and disposals was offset by the negative 0.8 percent impact from foreign currency movements. There was positive growth across all divisions, the most notable being Willis Re. The segment's growth was driven by strong new business levels and higher client retention levels compared with the same period of 2012.

The North America segment reported 4.1 percent growth in reported commissions and fees. This reflects organic commissions and fees growth of 3.9 percent and a positive 0.6 percent impact from acquisitions and disposals, partially offset by a negative 0.4 percent impact from foreign currency movements. Growth was achieved across most geographic regions led by strong new business growth and higher client retention levels compared with the same period of 2012. We reported positive growth in our largest North America practices, namely Human Capital and Construction.

The International segment reported 7.0 percent growth in reported commissions and fees. Organic growth of 7.8 percent was partially offset by a 0.8 percent negative impact from foreign currency movements. The segment achieved high double-digit growth in Asia, mid-teen growth in Latin America, and low double digit growth in Australasia and Eastern Europe. Our Western Europe region reported flat results compared to the prior year period whilst our UK operations reported a mid-single digit decline.

Investment income was $4 million in both third quarter 2013 and third quarter 2012.

Nine months ended September 30, 2013

Revenues of $2,736 million for first nine months 2013 were $127 million, or 4.9 percent, higher than in same period of 2012.

Total commissions and fees for first nine months 2013 were $2,722 million, up $131 million or 5.1 percent, from $2,591 million in the same period of 2012. This reflects organic commissions and fees growth of 5.3 percent and a positive 0.3 percent impact from acquisitions and disposals, however there was a negative 0.5 percent impact from foreign currency movements.

The Global segment reported 5.7 percent growth in reported commissions and fees. This was comprised of organic commissions and fees growth of 6.7 percent and a positive 0.2 percent impact from acquisitions and disposals, partially offset by a negative 1.2 percent impact from foreign currency movements. The segment's growth was led by Willis Re and was driven by strong new business levels and higher client retention levels compared with the same period of 2012.

The North America segment reported 5.0 percent growth in reported commissions and fees. Organic commissions and fees growth was 4.5 percent and there was a positive 0.6 percent impact from acquisitions and disposals. Foreign currency movements had a negative 0.1 percent impact. The segment's growth was driven by strong new business growth across all the regions and higher client retention levels compared with the same period of 2012.

The International segment reported 4.3 percent growth in reported commissions and fees. Organic growth of 4.5 percent and the positive impact from acquisitions and disposals of 0.2 percent were partially offset by the negative 0.4 percent impact from foreign currency movements. Organic growth was led by high-teen growth in Asia and Latin America. Eastern Europe reported high single digit growth however Western Europe and UK reported a low single digit decline.

Investment income was $11 million for first nine months 2013, $3 million lower than in same period of 2012, primarily due to declining net yields on cash and cash equivalents.

Salaries and Benefits

Third quarter 2013

Salaries and benefits increased by $39 million, or 7.8 percent, in third quarter 2013, compared with third quarter 2012. Excluding the $3 million impact of favorable foreign currency movements, salaries and benefits increased by $42 million, or 8.4 percent, in third quarter 2013 compared with third quarter 2012.

The increase in salaries and benefits was due to the impact of new hires, annual pay reviews and the increase in our incentives charge as a result of a change in our remuneration policy.

Nine months ended September 30, 2013

Salaries and benefits increased by $130 million, or 8.6 percent, in first nine months 2013 compared with same period of 2012. Excluding the $8 million impact of favorable foreign currency movements, salaries and benefits increased by $138 million, or 9.2 percent, in first nine months 2013 compared with first nine months 2012.

The year-on-year growth in salaries and benefits is due to increased headcount relative to prior year, annual salary reviews and higher incentives charge due to the change in our remuneration policy. It also includes $29 million relating to the Expense Reduction Initiative in first quarter 2013 (see 'Expense Reduction Initiative' section above for further details). This increase was partially offset by compensation accrual reversals relating to prior periods amounting to $10 million.

Other Expenses

Third quarter 2013

Other operating expenses decreased by $2 million, or 1.4 percent, in third quarter 2013 compared with third quarter 2012. Excluding the $1 million impact of favorable foreign currency movements, Other operating expenses decreased by $1 million, or 0.7 percent, compared with third quarter 2012.

Depreciation expense was $21 million in both third quarter 2013 and third quarter 2012.

Amortization of intangible assets was $14 million in both third quarter 2013 and third quarter 2012.

Nine months ended September 30, 2013

Other operating expenses increased by $24 million, or 5.6 percent, in first nine months 2013 compared with the same period of 2012. Excluding the impact of $4 million unfavorable foreign currency movements, Other operating expenses increased by $20 million, or 4.6 percent, compared with first nine months 2012.

Other operating expenses in first nine months 2013 includes $12 million relating to the Expense Reduction Initiative (see 'Expense Reduction Initiative' section above), $7 million of one-time VAT-related charges, a $6 million write-off of a receivable related to a non-E&O settlement and $1 million of fees related to the extinguishment of debt. This increase was partially offset by insurance premium accrual reversals relating to prior periods amounting to $4 million.

First nine months 2012 included a $13 million write-off of uncollectible accounts receivable and associated legal costs, an $11 million charge related to a settlement with former partners on the termination of a joint venture arrangement in India, and a $5 million benefit related to a previously disclosed insurance recovery.

Depreciation expense was $68 million in first nine months 2013 compared with $59 million in the same period of 2012. First nine months 2013 included $5 million in relation to the Expense Reduction Initiative (see section above for further details).

Amortization of intangible assets was $42 million in first nine months 2013 compared with $44 million for the same period of 2012.

Interest Expense

Interest expense in third quarter 2013 was $30 million compared with $32 million for the same period of 2012. Interest expense in first nine months 2013 was $93 million compared with $97 million for the same period of 2012.

Income Taxes

Despite reporting a pre-tax net loss of $15 million for the quarter ended September 30, 2013, the Company recorded $11 million of tax expense in the period. The tax rate for the quarter reflected charges related to the early extinguishment of debt that was issued by Willis North America. As previously disclosed, the Company has tax loses in the US and has maintained a valuation allowance against net US deferred tax assets. Therefore, no tax benefit was recognized for the debt extinguishment charges recorded during the quarter, resulting in the negative tax rate. When looking at the quarter’s results excluding the debt extinguishment charges, the tax rate was approximately 24 percent. The reported tax rate for the three months ended September 30, 2012 was 26 percent.

The reported tax rate in the first nine months 2013 was 23 percent, compared with 24 percent for the same period of 2012. Excluding the debt extinguishment charges, the tax rate was approximately 19 percent. The reason the year to date tax rate, excluding the debt extinguishment charges, is lower in 2013 compared to 2012, is primarily due to the impact of a valuation allowance maintained against net US deferred tax assets, which resulted in a lower tax charge on US profits in the current period compared with prior interim periods.

Interest in Earnings of Associates

Interest in earnings of associates, net of tax, was a $1 million loss in third quarter 2013, compared with a $2 million loss for the same period of 2012. Interest in earnings of associates, net of tax, in first nine months 2013 was an $11 million profit, compared with a $12 million profit for the same period of 2012.

We expect the Associates line for full year 2013 to be a loss of between $1 million and $3 million compared with a $5 million profit for full year 2012. While this is our current estimate, as we do not have control over our Associates, actual results may not be in line with that estimate.

LIQUIDITY AND CAPITAL RESOURCES

We believe that our balance sheet and strong cash flow provide us with the platform and flexibility to remain committed to our previously stated goals of:

- investing in the business for growth;
- tuck-in acquisitions;
- returning a steadily rising dividend to shareholders; and
- maintain investment grade rating and repurchase of shares.

Our principal sources of liquidity are cash from operations, available cash and cash equivalents and amounts available under our three revolving credit facilities, excluding the UK facility which is solely for use by our main regulated UK entity in certain exceptional circumstances.

Our principal short-term uses of liquidity and capital resources are operating expenses, capital expenditures, shareholder returns and funding defined benefit pension plans.

Our long-term liquidity requirements consist of the principal amount of outstanding notes; borrowings under our 7-year term loan and revolving credit facility; and our pension contributions as discussed below.

As at September 30, 2013 cash and cash equivalents were $623 million, an increase of $123 million compared to December 31, 2012. Included within cash and cash equivalents is $509 million available for corporate purposes and $114 million held within our regulated UK entities for regulatory capital adequacy requirements.

Cash flows from operating activities increased to $366 million in the first nine months 2013 from $310 million in the year ago period. In addition, funds were provided in the first nine months 2013 of $9 million from the disposal of fixed and intangible assets (first nine months 2012: $8 million), $2 million drawdown on the revolving credit facility (first nine months 2012: $20 million) and $105 million proceeds from the issue of shares (first nine months 2012: $41 million).

The primary uses of funds during the first nine months 2013 include $328 million of payments made for cash incentive awards relating to 2012, $144 million related to payments of dividends, $125 million cash contributions, including employees' salary sacrifice contributions, to our defined benefit scheme, capital expenditures of $78 million related to leasehold improvements, information technology and transformation projects, $30 million for the acquisition of Prime Professions and CBC Broker Srl, and a $4 million cash payment to acquire the remaining noncontrolling interest in our Colombia reinsurance operation.

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

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

The impact of movements in liquidity, debt and EBITDA in the quarter had a negative impact on the interest coverage ratio and a positive impact on the leverage ratio. Both ratios remain well within the requirements of the revolving credit facility covenants.

Total debt, total equity and the capitalization ratio at September 30, 2013 and December 31, 2012 were as follows (millions, except percentages):

	September 30, 2013	December 31, 2012
Long-term debt	$ 2,315	$ 2,338
Short-term debt and current portion of long-term debt	17	15
Total debt	$ 2,332	$ 2,353
Stockholder’s equity	$ 2,024	$ 1,699
Capitalization ratio	53.5%	58.1%

On August 15, 2013 the Company issued $250 million of 4.625% senior notes due 2023 and $275 million of 6.125% senior notes due 2043. The effective interest rates of these senior notes are 4.696% and 6.154%, respectively, which include the impact of the discount upon issuance.

On July 25, 2013 the Company commenced an offer to purchase for cash any and all of its 5.625% senior notes due 2015 and a portion of its 6.200% senior notes due 2017 and its 7.000% senior notes due 2019 for an aggregate purchase price of up to $525 million. On August 22, 2013 the proceeds from the issue of the senior notes due 2023 and 2043 were used to fund the purchase of $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019.

The Company incurred total losses on extinguishment of debt of $61 million during the three months ended September 30, 2013. This was made up of a tender premium of $65 million, the write-off of unamortized debt issuance costs of $2 million, $1 million of fees related to the extinguishment of debt and a credit for the reduction of the fair value adjustment on 5.625% senior notes due 2015 of $7 million.

In the first nine months 2013, we made $11 million of mandatory repayments against the term loan, thereby reducing the total outstanding balance as of September 30, 2013 to $278 million. In addition to these payments, we made $115 million of interest payments to service our senior notes, term loan and revolving credit facilities.

The scheduled debt repayments falling due over the next 12 months on our $300 million 7-year term loan total $15 million.

At September 30, 2013, we had $2 million outstanding under our revolving credit facilities. During the first nine months 2013, we made drawings totaling $57 million and repayments of $55 million.

On July 23, 2013 we entered into an amendment to our existing credit facilities to extend both the amount of financing and the maturity date of the facilities. As a result of this amendment, our revolving credit facility was increased from $500 million to $800 million. The maturity date on the $300 million term loan was extended to July 23, 2018, from December 16, 2016. There has been no increase to the remaining $278 million outstanding on that loan.

The amended term loan is repayable in quarterly installments and a final repayment of $186 million is due in the third quarter of 2018.

The agreements relating to these facilities continue to contain requirements to maintain maximum levels of consolidated funded indebtedness in relation to consolidated EBITDA and minimum levels of consolidated EBITDA to consolidated interest expense, subject to certain adjustments. In connection with the amendment discussed above, we can request an increase in the maximum consolidated leverage ratio for up to four fiscal quarters following the completion of one or more acquisitions in a 15 month period where the aggregate consideration equals or exceeds an agreed threshold.

Pension contributions

UK Plan

For the nine months ended September 30, 2013, the Company made cash contributions of $68 million (nine months ended September 30, 2012: $60 million) into the UK defined benefit pension plan, and $9 million (nine months ended September 30, 2012: $9 million) in respect of employees' salary sacrifice contributions.

Contributions to the UK defined benefit pension plan in 2013 are expected to total $88 million (full year 2012: $80 million), of which approximately $22 million relates to on-going contributions calculated as 15.9 percent of active plan members' pensionable salaries, approximately $56 million relates to contributions towards funding the deficit and $10 million exceptional return payment related to 10 percent of the $100 million share buyback program completed during 2012, as required under the current agreed schedule of contributions.

In addition, further contributions will be payable based on a profit share calculation (equal to 20 percent of EBITDA in excess of $900 million per annum as defined by the revised schedule of contributions) and an exceptional return calculation (equal to 10 percent of any exceptional returns made to shareholders, for example, share buybacks and special dividends). Aggregate contributions under the deficit funding contribution and the profit share calculation are capped at £312 million ($505 million) over the six years ended December 31, 2017.

The schedule of contributions is automatically renegotiated after three years and at any earlier time jointly agreed by the Company and the Trustee.

US Plan

We made cash contributions to our US defined benefit plan of $40 million in the nine months ended September 30, 2013, compared with $40 million in the nine months ended September 30, 2012.

For the US plan, expected contributions are the contributions we are required to make under US pension legislation based on our December 31, 2012 balance sheet position. We do not expect to make any more contribution in 2013.

International and US Non-Qualified Plans

We made cash contributions to our international and US non-qualified defined benefit pension plans of $8 million in the nine months ended September 30, 2013, and $6 million in the nine months ended September 30, 2012.

In full year 2013, we expect to contribute approximately $11 million to our international and US non-qualified plans.

Summary consolidated cash flow information (millions):

	Nine months ended September 30,	
	2013	2012
Cash flows from operating activities		
Total net cash provided by operating activities	$ 366	$ 310
Cash flows from investing activities		
Total net cash used in investing activities	(105)	(99)
Cash flows from financing activities		
Total net cash used in financing activities	(132)	(224)
Increase (decrease) in cash and cash equivalents	129	(13)
Effect of exchange rate changes on cash and cash equivalents	(6)	1
Cash and cash equivalents, beginning of period	500	436
Cash and cash equivalents, end of period	$ 623	$ 424

This summary consolidated cash flow should be viewed in addition to, not in lieu of, the Company's condensed consolidated financial statements.

Consolidated Cash Flow for first nine months 2013 compared with first nine months 2012

Operating Activities

Net cash provided by operating activities in first nine months 2013 increased by $56 million to $366 million compared with the year ago period.

The main positive contributors to net cash provided by operating activities in the period included net income of $303 million, working capital movements in other liabilities of $294 million primarily relating to accruals made for incentives to be paid in 2014 and a net $236 million for adjustments to reconcile net income to total net cash provided by operating activities. These adjustments includes depreciation, amortization of intangible assets, share-based compensation, gain on derivative instruments, provision for deferred income taxes and the tender premium on early redemption of our debt, which is presented as a financing cash item.

The main negative contributors to net cash provided by operating activities in the period included $328 million of incentive payments and $125 million cash contributions, including employees' salary sacrifice contributions, to our defined benefit scheme.

Investing Activities

Net cash used in investing activities in first nine months 2013 was $105 million including, capital expenditure of $78 million, cash used to purchase subsidiaries and other investments of $35 million partly offset by $9 million cash received from the sale of fixed and intangible assets.

Net cash used in investing activities in first nine months 2012 was $99 million. This was primarily due to capital expenditure of $97 million and cash used to purchase subsidiaries and other investments of $9 million. This was partially offset by $8 million cash received from the sale of fixed and intangible assets.

Financing Activities

Net cash used in financing activities in first nine months 2013 was $132 million primarily due to total dividends paid, including dividends paid to noncontrolling interests, of $153 million, a net $72 million outflow in relation to the refinancing in the third quarter 2013, discussed below, and $11 million of mandatory repayments against the term loan offset by cash receipts of $105 million from the issue of shares.

The refinancing outflows in third quarter 2013 resulted in a net cash outflow of $72 million which included: $521 million cash paid to repurchase $202 million of 5.625% senior notes due 2015, $206 million of 6.200% senior notes due 2017 and $113 million of 7.000% senior notes due 2019, the tender premium of $65 million and debt issuance costs of $8 million; this was primarily funded by $522 million cash inflow from senior notes issued, discussed earlier, and free operating cash flows.

Fiduciary Funds

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

Fiduciary funds are generally required to be kept in regulated bank accounts subject to guidelines which emphasize capital preservation and liquidity; such funds are not available to service the Company’s debt or for other corporate purposes. Notwithstanding the legal relationships with clients and insurers, the Company is entitled to retain investment income earned on fiduciary funds in accordance with industry custom and practice and, in some cases, as supported by agreements with insureds. As of September 30, 2013, we had fiduciary funds of $2.1 billion, compared with $1.8 billion at December 31, 2012.

Share Buybacks

The Company is authorized to buy back its ordinary shares, by way of redemption, and will consider whether to do so from time to time based on many factors including market conditions. The Company is authorized to purchase up to one billion shares from time to time in the open market (such open market purchases would be effected as redemptions under Irish law) and it may also redeem its shares through negotiated trades with persons who are not affiliated with the Company as long as the cost of the acquisition of the Company's shares does not exceed $824 million.

Dividends

In July 2013, we declared a quarterly cash dividend of $0.28 per share, an annual 2013 rate of $1.12 per share. This represents an increase of 3.7 percent on the first nine months 2012 per share dividend of $0.27 per share.

Cash dividends paid in first nine months 2013 were $144 million compared with $139 million in first nine months 2012. The $5 million increase is driven by the period-over-period increase in dividend per share and the number of shares in issue.

REVIEW OF SEGMENTAL RESULTS

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

The following table is a summary of our operating results by segment for the three and nine months ended September 30, 2013 and 2012 (millions except percentages):

	Three months ended September 30,					
	2013			2012		
	Revenues	Operating income	Operating margin	Revenues	Operating income	Operating margin
Global	$ 251	$ 36	14.3 %	$ 235	$ 52	22.1 %
North America	329	57	17.3 %	318	53	16.7 %
International	215	(9)	(4.2)%	201	(9)	(4.5)%
Total Retail	544	48	8.8 %	519	44	8.5 %
Corporate & Other	—	(9)	n/a	—	(26)	n/a
Total Consolidated	$ 795	$ 75	9.4 %	$ 754	$ 70	9.3 %

	Nine months ended September 30,					
	2013			2012		
	Revenues	Operating income	Operating margin	Revenues	Operating income	Operating margin
Global	$ 941	$ 313	33.3%	$ 890	$ 325	36.5%
North America	1,029	203	19.7%	982	183	18.6%
International	766	104	13.6%	737	112	15.2%
Total Retail	1,795	307	17.1%	1,719	295	17.2%
Corporate & Other	—	(87)	n/a	—	(54)	n/a
Total Consolidated	$ 2,736	$ 533	19.5%	$ 2,609	$ 566	21.7%

Global

Our Global operations comprise Specialty, Willis Re, Placement and Willis Capital Markets & Advisory (WCMA).

The following table sets out Global's revenues, organic commissions and fees growth and operating income and margin for the three and nine months ended September 30, 2013 and 2012 (millions except percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Commissions and fees	$ 250	$ 235	$ 938	$ 887
Investment income	1	—	3	3
Total revenues	$ 251	$ 235	$ 941	$ 890
Operating income	$ 36	$ 52	$ 313	$ 325
Organic commissions and fees growth[(a)]	6.4%	2.9%	6.7%	4.6%
Operating margin	14.3%	22.1%	33.3%	36.5%

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

Revenues

Third quarter 2013

Commissions and fees of $250 million were $15 million, or 6.4 percent, higher in third quarter 2013 compared with the same period 2012. The increase includes organic growth of 6.4 percent and 0.8 percent growth from acquisitions and disposals, most notably the acquisition of Prime Professions towards the end of second quarter 2013, partially offset by a 0.8 percent negative impact from foreign currency movements.

The 6.4 percent organic growth in commissions and fees was driven by strong new business growth and higher client retention levels compared with the year ago period.

Willis Re reported high single-digit growth in third quarter 2013, led by strong growth in each of the three divisions: Specialties, North America and International.

Specialty reported mid single-digit growth in third quarter 2013, with particularly strong performance in Financial and Executive risk, and P&C and Construction.

WCMA's commissions and fees were essentially flat in third quarter 2013 compared to the prior year quarter.

Client retention was 92.3 percent for the third quarter 2013, compared with 90.6 percent for the same period 2012.

Nine months ended September 30, 2013

Commissions and fees of $938 million were $51 million, or 5.7 percent, higher in first nine months 2013 compared with the same period in 2012. The increase comprised organic growth of 6.7 percent and 0.2 percent growth from acquisitions and disposals, partially offset by a 1.2 percent negative impact from foreign currency movements most notably driven by the weakening of the Japanese Yen.

The 6.7 percent organic growth in commissions and fees was driven by strong new business growth and higher client retention levels compared with the year ago period.

Willis Re reported high single-digit growth in first nine months 2013, led by good growth in each of the divisions.

Specialty reported mid single-digit growth in first nine months 2013, with particularly strong performance in Financial and Executive Risk, Marine & Energy and Faber Global.

WCMA reported lower commissions and fees in first nine months 2013 compared to the prior year. Growth in the WCMA business was negatively impacted by the expected timing of certain deal closings being deferred to the fourth quarter and beyond.

Client retention was 92.5 percent for the first nine months 2013, compared with 90.3 percent for the same period 2012.

Expenses

Third quarter 2013

Total operating expenses of $215 million were $32 million, or 17.5 percent, higher in the third quarter 2013 compared with the same period 2012. Excluding the $2 million, or 1.1 percent, impact of adverse foreign currency movements, total operating expenses increased $30 million or 16.4 percent.

The year-on-year growth in expenses was primarily due to higher cost of salaries and benefits as a result of higher incentives due to the change in remuneration policy, increased headcount relative to the prior year, annual salary reviews and higher charges for stock based compensation. In addition there were smaller increases in other expenses due to higher travel, accommodation and client entertaining costs to support business development and professional fees.

Nine months ended September 30, 2013

Total operating expenses of $628 million were $63 million, or 11.2 percent, higher in the first nine months 2013 compared with the same period 2012. Excluding the $8 million, or 1.4 percent, impact of favorable foreign currency movements, total operating expenses increased $71 million or 12.6 percent.

The year-on-year growth in expenses was primarily due to higher cost of salaries and benefits as a result of higher incentives due to the change in remuneration policy, increased headcount relative to the prior year, annual salary reviews and higher charges for stock based compensation. In addition there were increases in other expenses due to higher travel, accommodation and client entertaining costs to support business development and $2 million for a one-time VAT related charge in the second quarter 2013.

Operating margin

Operating margin was 14.3 percent in the third quarter 2013 and 22.1 percent in the same period of 2012.

Operating margin was 33.3 percent in the first nine months 2013 and 36.5 percent in the same period of 2012.

North America

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

The following table sets out revenues, organic commissions and fees growth and operating income and margin for the three and nine months ended September 30, 2013 and 2012 (millions, except percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Commissions and fees	$ 328	$ 315	$ 1,024	$ 975
Investment income	1	2	2	3
Other income [(a)]	—	1	3	4
Total revenues	$ 329	$ 318	$ 1,029	$ 982
Operating income	$ 57	$ 53	$ 203	$ 183
Organic commissions and fees growth [(b)]	3.9%	(0.5)%	4.5%	(2.0)%
Operating margin	17.3%	16.7 %	19.7%	18.6 %

(a) Other income comprises gains on disposal of intangible assets, which primarily arise from settlements through enforcing non-compete agreements in the event of losing accounts through producer defection or the disposal of books of business.

(b) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

Revenues

Third quarter 2013

Commissions and fees of $328 million were $13 million, or 4.1 percent, higher in third quarter 2013 compared with the same period in 2012. This increase was due to organic growth of 3.9 percent and 0.6 percent from the acquisition of Avalon Actuarial, Inc. in 2012, partially offset by a 0.4 percent negative impact from foreign currency movements.

The segment reported new business growth in the mid-teens, and its client retention levels improved slightly over the year ago period. Growth was distributed geographically across most regions, led by the Midwest, Metro and West Regions and almost all the major industry practices reported positive growth with the two largest practices, Human Capital and Construction, growing low single digits and mid-single digits, respectively, during the quarter.

Client retention levels were 91.8 percent in third quarter 2013 compared with 90.9 percent in third quarter 2012.

Nine months ended September 30, 2013

Commissions and fees of $1,024 million were $49 million, or 5.0 percent, higher in first nine months 2013 compared with the same period in 2012. This increase was due to organic growth of 4.5 percent and 0.6 percent from the acquisition of Avalon Actuarial, Inc. in 2012 partially offset by a 0.1 percent negative impact from foreign currency movements.

The segment achieved low double-digit new business growth, and its client retention levels improved over the year ago period. Growth was distributed geographically across all the regions, led by the Metro, Midwest, Canada and CAPPPS+ regions. Almost all the major industry practices reported positive growth with the most notable among them being Human Capital and Construction which both grew mid-single digits.

Client retention levels were 92.2 percent in first nine months 2013 compared with 91.0 percent in for the same period 2012.

Expenses

Third quarter 2013

Total operating expenses of $272 million were $7 million, or 2.6 percent, higher in third quarter 2013 compared to the same period in 2012.

The year-on-year growth is primarily due to higher cost of salaries and benefits as a result of increased headcount relative to the prior year and higher incentives as a result of higher commissions and fees.

Other expenses had a modest increase with additional professional fees related to the strategic review of the segment, and higher travel and accommodation expense to support business development partially offset by a $4 million release in respect of prior period insurance premium accruals. Foreign currency movements had no material impact on expenses.

Nine months ended September 30, 2013

Total operating expenses of $826 million were $27 million, or 3.4 percent, higher in first nine months 2013 compared to the same period in 2012.

The year-on-year growth is primarily due to higher cost of salaries and benefits as a result of increased headcount relative to the prior year and higher incentives charge as a result of higher commissions and fees, partially offset by lower charges for stock based compensation. Other expenses also increased due to a $6 million write-off of a receivable related to a non-E&O settlement, professional fees related to the strategic review of the segment, and higher travel and accommodation expense to support revenue growth and client retention partially offset by a $4 million insurance premium accrual reversal. Foreign currency movements had no material impact on expenses.

Operating margin

Operating margin in North America was 17.3 percent in third quarter 2013 compared with 16.7 percent in third quarter 2012.

Operating margin was 19.7 percent in the first nine months 2013 and 18.6 percent in the same period of 2012.

International

Our International business comprises our retail operations in Western Europe, Central and Eastern Europe, the United Kingdom, Asia, Australasia, the Middle East, South Africa and Latin America. The services provided are focused according to the characteristics of each market and vary across offices, but generally include direct risk management and insurance brokerage and employee benefits consulting.

The following table sets out revenues, organic commissions and fees growth and operating income and margin for the three and nine months ended September 30, 2013 and 2012 (millions, except percentages):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Commissions and fees	$ 213	$ 199	$ 760	$ 729
Investment income	2	2	6	8
Total revenues	$ 215	$ 201	$ 766	$ 737
Operating income	$ (9)	$ (9)	$ 104	$ 112
Organic commissions and fees growth [(a)]	7.8 %	4.9 %	4.5%	4.0%
Operating margin	(4.2)%	(4.5)%	13.6%	15.2%

(a) Organic commissions and fees growth excludes: (i) the impact of foreign currency translation; (ii) the first twelve months of net commission and fee revenues generated from acquisitions; and (iii) the net commission and fee revenues related to operations disposed of in each period presented.

Revenues

Third quarter 2013

Commissions and fees of $213 million were $14 million, or 7.0 percent, higher in third quarter 2013 compared with the same period in 2012, comprising 7.8 percent organic growth partially offset by a 0.8 percent negative impact from foreign currency movements. The segment reported high-teen growth from new business, however this was tempered by a small reduction in client retention levels.

Asia reported high double-digit growth with exceptional growth in China and Hong Kong.

Latin America reported double-digit growth arising primarily from Brazil and Venezuela which was partially offset by poor performance in Colombia.

Eastern Europe reported low double-digit growth arising primarily from Russia and Poland.

Australasia was up low double digits partly as a result of positive timings of commissions moving from the second quarter to the third quarter.

Western Europe was essentially flat compared to the prior year. Strong results from Iberia, Sweden and Norway were offset by declines in Switzerland, Netherlands and Italy.

The UK declined mid-single digits.

Client retention levels were 92.9 percent for third quarter 2013 compared with 93.6 percent for third quarter 2012.

Nine months ended September 30, 2013

Commissions and fees of $760 million were $31 million, or 4.3 percent, higher in first nine months 2013 compared with the same period in 2012, comprising 4.5 percent organic growth and 0.2 percent positive impact from acquisitions and disposals, partially offset by a 0.4 percent negative impact from foreign currency movements. The segment reported high-teen growth from new business, and client retention levels were flat.

Latin America reported double-digit growth arising primarily from Brazil and Venezuela which was partially offset by poor performance in Colombia.

Asia reported mid double-digit growth arising primarily from China, Hong Kong and Korea.

Eastern Europe reported high single-digit growth arising primarily from Russia, the Czech Republic and Poland.

Western Europe and the UK reported low-single digit decline.

Client retention levels were 93.7 percent for both first nine months 2013 and 2012.

Expenses

Third quarter 2013

Total operating expenses of $224 million were $14 million or 6.7 percent higher in the third quarter 2013 compared with the same period in 2012. Excluding the impact of $6 million, or 2.9 percent, favorable foreign currency movements, total operating expenses increased $20 million or 9.5 percent.

This increase was due primarily to higher cost of salaries and benefits as a result of new hires, annual pay reviews, higher incentives due to the change in remuneration policy and an increased charge for stock based compensation. In addition to this we incurred professional fees related to the strategic review of the segment and higher travel and accommodation expense to support business development.

Nine months ended September 30, 2013

Total operating expenses of $662 million were $37 million or 5.9 percent higher in the first nine months 2013 compared with the same period in 2012. Foreign currency movements favorably impacted operating expenses by $11 million or 1.8 percent; excluding the impact of foreign currency movements total operating expenses increased $48 million or 7.7 percent.

This increase was due primarily to higher cost of salaries and benefits as a result of new hires, annual pay reviews, higher incentives due to the change in remuneration policy and an increased charge for stock based compensation. In addition to this we incurred professional fees related to the strategic review of the segment, higher travel and accommodation expense to support business development, and a one-time $5 million VAT related charge.

Operating margin

Operating margin in International was negative 4.2 percent in third quarter 2013, compared with negative 4.5 percent in the same period of 2012.

Operating margin was 13.6 percent in the first nine months 2013 and 15.2 percent in the same period of 2012.

Corporate & Other

The Company evaluates the performance of its segments based on organic commissions and fees growth and operating income. For internal reporting and segmental reporting, items for which segmental management are not held responsible are included within ‘Corporate & Other’.

Corporate & Other operating loss comprises the following (millions):

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Amortization of intangible assets	$ (14)	$ (14)	$ (42)	$ (44)
Net loss on disposal of operations [a]	—	(1)	—	(1)
India joint venture settlement [a]	—	(11)	—	(11)
Foreign exchange hedging	—	1	—	3
Foreign exchange gain on the UK pension plan asset	4	—	5	(1)
Write-off of uncollectible accounts receivable balance in Chicago and associated legal fees [b]	—	—	—	(13)
Expense reduction initiative [c]	—	—	(46)	—
Insurance recovery [d]	—	—	—	5
Fees related to the extinguishment of debt [e]	(1)	—	(1)	—
Other	2	(1)	(3)	8
Total Corporate and Other	(9)	(26)	(87)	(54)

(a) $11 million settlement with former partners related to the termination of a joint venture arrangement in India. In addition, $1 million loss on disposal of operations was recorded related to the termination.

(b) Write-off of uncollectible accounts receivable balance in relation to a previously disclosed fraudulent overstatement of Commissions and fees.

(c) Charge related to the assessment of the Company's organizational design.

(d) Insurance recovery, recorded in Other operating expenses, related to a previously disclosed fraudulent activity in a stand-alone North America business.

(e) $1 million of fees associated with the extinguishment of debt completed on August 15, 2013.

CRITICAL ACCOUNTING ESTIMATES

The accounting estimates or assumptions that management considers to be the most important to the presentation of our financial condition or operating performance are discussed in our Annual Report on Form 10-K for the year ended December 31, 2012, filed with the Securities and Exchange Commission on February 28, 2013, as amended by the Current Report on Form 8-K filed on August 8, 2013.

There were no significant additions or changes to these assumptions in the three months ended September 30, 2013.

CONTRACTUAL OBLIGATIONS

There have been no material changes to our contractual obligations since December 31, 2012, except contractual, planned payments during third quarter 2013 and except as discussed in Note 14 - 'Debt' to the condensed consolidated financial statements.

NEW ACCOUNTING STANDARDS

In February 2013, the Financial Accounting Standards Board ('FASB') issued Accounting Standards Update ('ASU') No. 2013-02, Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive (ASU 2013-02). This guidance is the culmination of the FASB's deliberation on reporting reclassification adjustments from accumulated other comprehensive income (AOCI). The amendments in ASU 2013-02 do not change the current requirements for reporting net income or other comprehensive income but do require disclosure of amounts reclassified out of AOCI in its entirety, by component, on the face of the statement of operations or in the notes thereto. Amounts that are not required to be reclassified in their entirety to net income must be cross-referenced to other disclosures that provide additional detail. This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2012 and has been applied for this second quarter 2013 - see Note 16 - 'Comprehensive Income'.

In July 2013, the FASB issued ASU No. 2013-11, Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists - a consensus of the FASB Emerging Issues Task Force (ASU 2013-11) which provides guidance on financial statement presentation of an unrecognized tax benefit when a net operating loss carryforward (NOL), or similar tax loss, or a tax credit carryforward exists. Such unrecognized tax benefits are required to be presented as a reduction of a deferred tax asset for a NOL or other tax credit carryforward whenever the NOL or tax credit carryforward would be available to reduce the additional taxable income or tax due if the tax position is disallowed.

This standard is effective prospectively for annual and interim reporting periods beginning after December 15, 2013 although early adoption is permitted. The Company is currently evaluating the impact that adoption of this guidance will have on the consolidated financial statements.

There were no other new accounting standards issued during third quarter 2013 that would have a significant impact on the Company’s reporting.

OFF BALANCE SHEET TRANSACTIONS

Apart from commitments, guarantees and contingencies, as disclosed in Note 7 — ‘Commitments and Contingencies’ to the condensed consolidated financial statements, the Company has no off-balance sheet arrangements that have, or are reasonably likely to have, a material effect on the Company's financial condition, results of operations or liquidity.

Item 3 — Quantitative and Qualitative Disclosures about Market Risk

There has been no material change with respect to market risk from that described in the Company’s Annual Report on Form 10-K for the year ended December 31, 2012.

Item 4 — Controls and Procedures

Evaluation of Disclosure Controls and Procedures

As of September 30, 2013, the Company carried out an evaluation, under the supervision and with the participation of the Company’s management, including the Chief Executive Officer and the Group Chief Financial Officer, of the effectiveness of the design and operation of the Company’s disclosure controls and procedures pursuant to Exchange Act Rule 13a-15(e). Based upon that evaluation, the Chief Executive Officer and the Group Chief Financial Officer concluded that the Company’s disclosure controls and procedures are effective in ensuring that the information required to be included in the Company’s periodic SEC filings is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and that such information is accumulated and communicated to them as appropriate to allow for timely decisions regarding required disclosure.

There have been no changes in the Company's internal controls over financial reporting during the quarter ended September 30, 2013 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1 — Legal Proceedings

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

Item 1A — Risk Factors

There have been no material changes to the risk factors described in the 2012 Form 10-K which are hereby incorporated by reference.

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

During the quarter ended September 30, 2013, no shares were issued by the Company without registration under the Securities Act of 1933, as amended.

Share buybacks

The Company did not buy back, by redemption or otherwise, any shares in the third quarter of 2013.

The Company is authorized to buy back shares, by way of redemption, and will consider whether to do so from time to time, based on many factors, including market conditions. The Company is authorized to purchase up to one billion shares from time to time in the open market (such open market purchases would be effected as redemptions under Irish law) and it may also redeem its shares through negotiated trades with persons who are not affiliated with the Company so long as the cost of the acquisition of the Company’s shares does not exceed $824 million.

Item 3 — Defaults Upon Senior Securities

None.

Item 4 — Mine Safety Disclosures

Not applicable.

Item 5 — Other Information

None.

Item 6 — Exhibits

10.1	Form of Time-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan (for Non-Employee Directors) *
10.2	Willis Group Holdings Public Limited Company Compensation Policy for Non-Employee Directors*
10.3	Form of Time-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company *
10.4	Form of Performance-Based Restricted Share Unit Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company *
10.5	Form of Time-Based Share Option Award Agreement under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, dated May 10, 2013 between Dominic Casserley and Willis Group Holdings Public Limited Company *
10.6	Second Amendment to the Amended and Restated Willis US 2005 Deferred Compensation Plan *
31.1	Certification Pursuant to Rule 13a-14(a) *
31.2	Certification Pursuant to Rule 13a-14(a) *
32.1	Certification Pursuant to 18 U.S.C. Section 1350 *
32.2	Certification Pursuant to 18 U.S.C. Section 1350 *
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith.

SIGNATURES

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

WILLIS GROUP HOLDINGS PLC
(REGISTRANT)

By: /S/ MICHAEL K. NEBORAK

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

Dated: November 5, 2013

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

RESTRICTED SHARE UNIT AWARD AGREEMENT
FOR NON-EMPLOYEE DIRECTORS

THIS RESTRICTED SHARE UNIT AGREEMENT (this "Agreement"), effective as of August 12, 2013, is made by and between Willis Group Holdings Public Limited Company, hereinafter referred to as the "Company," and the individual (the "Director") who has duly completed, executed and delivered the Award Acceptance Form, a copy of which is attached hereto as Schedule A and which is deemed to be part hereof (the "Acceptance Form").

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

WHEREAS, the Award of Restricted Share Units (as hereinafter defined) provided for herein to the Director as an incentive for increased efforts during his or her term as a member of the Board (as defined in the Plan) has been granted pursuant to the Company Compensation Policy for Non-Employee Directors (the "Director Compensation Policy"), which provides for automatic annual grants of Awards to non-employee members of the Board, and the Committee has advised the Company thereof and instructed the undersigned officer to prepare the Agreement evidencing said Award;

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

ARTICLE I

DEFINITIONS

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

Section 1.1 - Grant Date

"Grant Date" shall be the date set forth in the Acceptance Form.

Section 1.2 - Plan

"Plan" shall mean the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time.

Section 1.3 - Pronouns

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

Section 1.4 - Restricted Share Units

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

Section 1.5 - Secretary

"Secretary" shall mean the Secretary of the Company.

Section 1.6 - Shares

"Shares" means Ordinary Shares of the Company, Nominal Value of $0.000115 per Share, which Shares may be authorized but unissued.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

Section 2.1 - Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule B to this Agreement, the Company hereby grants RSUs to the Director, over a number of Shares as stated in the Acceptance Form.

Section 2.2 - RSU Payment

Pursuant to Section 7 of the Plan, the Shares to be issued upon vesting of the RSU must be fully paid up prior to vesting of the RSU by payment of the Nominal Value per Share. The Committee shall ensure that payment of the Nominal Value for any Shares underlying the RSU is received by it on behalf of the Director prior to the vesting date from a non-Irish Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

Section 2.3 - Director's Service

The rights and obligations of the Director as a member of the Board shall not be affected by his participation in this Plan or right to participate in the Plan, and the Director hereby waives any and all rights to compensation or damages in consequence of his termination as a member of the Board for any reason whatsoever insofar as those rights arise or may arise from his ceasing to have rights under or be entitled to vest his RSUs following cessation of service. If, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, the Director shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claims.

Section 2.4 - Adjustments in RSUs Pursuant to Change of Control or Similar Event etc.

Pursuant to Sections 12 and 13 of the Plan, in the event that the outstanding Shares subject to RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, substitute or adjust proportionately (i) the number and kind of Shares subject to the RSUs; (ii) the terms and conditions of the RSUs; and/or (iii) the purchase price with respect to the RSUs. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their Nominal Value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares. RSUs shall not immediately vest upon a Change of Control unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate. Any such adjustment or determination made by the Committee shall be final and binding upon the Director, the Company and all other interested persons.

Section 2.5 - Director Costs

The Director must make full payment to the Company by which the Director is providing service of all Tax-Related Items, which under federal, state, local or foreign law, the Company or any Subsidiary is required to withhold upon vesting, settlement or other tax event of the RSUs. In a case where the Company is obliged to (or would suffer a disadvantage if it were not to) account for any Tax (in any jurisdiction) for which the Director is liable by virtue of the Director's participation in the Plan and/or any social insurance contributions recoverable from and legally applicable to the Director, the Director shall make full payment to the Company or any Subsidiary of an amount equal to the Tax-Related Items, or otherwise enter into arrangements acceptable to the Company or any Subsidiary to satisfy all Tax-Related Items. In this regard, the Director may elect to satisfy the obligations with regard to all the Tax-Related Items by one or a combination of the following:

(i) withholding from cash compensation paid to the Director by the Company; or

(ii) withholding from proceeds of the sale of Shares issued upon vesting or settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Director's behalf pursuant to this authorization without further consent); or

(iii) withholding in Shares to be issued at settlement of the RSUs, unless the Committee in its sole discretion indicates that this withholding method is not available prior to the applicable taxable or tax withholding event.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Director will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Director is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Director agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Director's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Director fails to comply with the Director's obligations in connection with the Tax-Related Items.

ARTICLE III

VESTING AND SETTLEMENT

Section 3.1- Vesting

(a) Provided the Director continues as a member of the Board through the vesting date, the RSUs shall become vested as follows:

Vesting Date	Percentage of Shares as to which RSUs Become Vested
August 12, 2014	100%

(b) In the event the Director ceases to be a member of the Board prior to the vesting date, the RSUs, to the extent not vested, shall be forfeited immediately except as otherwise specified within the terms and conditions of Sections 3.1(c) and 3.1(d) below.

(c) In the event the Director ceases to be a member of the Board prior to the vesting date as a result of death, Permanent Disability, removal, resignation or retirement, the RSUs, to the extent not vested, shall be forfeited immediately unless the Committee, in its sole discretion, determines that the RSUs shall become fully vested with respect to all or a portion of the Shares as of the date of the Director's cessation of service.

(d) The Committee shall have the discretion to accelerate the vesting of the RSUs upon a Change of Control.

Section 3.2 - Settlement; Conditions to Issuance of Share Certificates

Shares subject to RSUs that vest shall be delivered within one month of the vesting date. Shares issuable hereunder may be either previously authorized but unissued Shares. Such Shares shall be fully paid. The Company shall not be required to issue or deliver any certificate or certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable vesting date of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code for U.S. taxpayers:
(a) The obtaining of approval or other clearance from any state, federal, local or foreign governmental agency which the Committee shall, in its absolute discretion, determine to be necessary or advisable; and

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

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

Section 3.3 - Rights as Shareholder

The Director shall not be, nor have any of the rights or privileges of, a shareholder of the Company in respect of any Shares that may be received upon the settlement of the RSUs unless and until certificates representing such Shares (or their electronic equivalent) shall have been issued by the Company to the Director. No dividend equivalent payments shall be made on the RSUs.

Section 3.4 - Limitation on Obligations

The Company’s obligation with respect to the RSUs granted hereunder is limited solely to the delivery to the Director of Shares within the period when such Shares are due to be delivered hereunder, and in no way shall the Company become obligated to pay cash in respect of such obligation. This RSU Award shall not be secured by any specific assets of the Company or any of its Subsidiaries, nor shall any assets of the Company or any of its Subsidiaries be designated as attributable or allocated to the satisfaction of the Company’s obligations under this Agreement. In addition, the Company shall not be liable to the Director for damages relating to any delays in issuing the share certificates or its electronic equivalent to him (or his designated entities), any loss of the certificates, or any mistakes or errors in the issuance of the certificates or in the certificates themselves.

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

Section 4.1 - Nature of Award

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

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the RSU Award is voluntary and occasional and does not create any contractual or other right to receive future RSU Awards, or benefits in lieu of a RSU Award, even if RSU Awards have been granted repeatedly in the past;

(c) all decisions with respect to future RSUs Awards or other grants, if any, will be at the sole discretion of the Committee;

(d) the Director’s participation in the Plan is voluntary;

(e) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(f) the RSUs and any Shares and the income value of the same are not part of normal or expected compensation for purposes of calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments; and

(g) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty.

Section 4.2 - No Advice Regarding Grant

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

Section 4.3 - Director Reporting Obligation

Directors of the Company are subject to certain notification requirements under the Act. Directors must notify the company for which the Director is providing service of the Director’s interest in the Company and the number and class of Shares or rights to which the interest relates within five days of the issuance or disposal of Shares or within five days of becoming aware of the event giving rise to the notification by submitting a Form 53. This disclosure requirement also applies to any rights or Shares acquired by the Director’s spouse or children (under the age of 18).

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

Section 5 - Data Privacy

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

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

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

sentative. Further, the Director understands that he or she is providing the consents herein on a purely voluntary basis. If the Director does not consent, or if Director later seeks to revoke his or her consent, his or her service with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing the Director's consent is that the Company would not be able to grant the Director RSUs or other equity awards or administer or maintain such awards. Therefore, the Director understands that refusing or withdrawing his or her consent may affect the Director's ability to participate in the Plan. For more information on the consequences of the Director's refusal to consent or withdrawal of consent, the Director understands that he or she may contact the Company's local human resources representative.

ARTICLE VI

MISCELLANEOUS

Section 6.1 - Administration

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

Section 6.2 - RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Director or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 6.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 6.3 - Binding Effect

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

Section 6.4 - Notices

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

Willis Group Holdings Public Limited Company
c/o Willis North America, Inc.
One World Financial Center

New York, NY 10281
Attention: Company Secretary

and any notice to be given to the Director shall be addressed to him at the address given beneath his signature hereto.

By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Director shall, if the Director is then deceased, be given to the Director's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 6.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Director resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

Section 6.5 - Titles

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

Section 6.6 - Applicability of Plan

The RSU Award shall be subject to all of the terms and provisions of the Plan and the Director Compensation Policy, to the extent applicable to the RSU Award. In the event of any conflict between this Agreement and the Plan or the Director Compensation Policy, the terms of Director Compensation Policy shall control over the terms of the Agreement and the terms of the Plan shall control over the terms of the Director Compensation Policy.

Section 6.7 - Amendment

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

Section 6.8 - Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland, without regard to conflicts of law principles.

Section 6.9- Jurisdiction; Arbitration

Each party hereto hereby consents to the jurisdiction of the federal and state courts in the State of New York, irrevocably waives any objection it may now or hereafter have to laying of the venue of any suit, action, or proceeding in connection with this Agreement in any such court, and hereby irrevocably waive any claim that any such suit, action or proceeding brought in any such court has been brought in any inconvenient forum. No suit, action or proceeding against the Company or the Director with respect to this Agreement may be brought in any court, domestic or foreign, or before any similar domestic or foreign authority other than in a court of competent jurisdiction in the State of New York, and the Company and the Director hereby irrevocably waive any right which he may otherwise have had to bring s uch action in any other court, domestic or foreign, or before any similar domestic or foreign authority. The Company and the Director hereby submit accordingly to the jurisdiction of such courts for the purpose of any such suit, action or proceeding, and further agrees that service upon it shall be sufficient if made by registered mail; provided, however, with respect to the provisions of this Agreement governed by the laws of the State of New York, any dispute hereunder or with regard to any document or agreement referred to herein, shall be resolved by arbitration before the American Arbitration Association in New York City, New York. The determination of the arbitrator shall be final and binding on the parties hereto and may be entered in any court of competent jurisdiction. In the event of any arbitration or other disputes with regard to this Agreement or any other document or agreement referred to herein, the Company shall pay the Directors' legal fees and disbursements promptly upon presentation of invoices thereof, subject to an obligation of the Director to repay such amounts if an arbitrator finds the Directors' positions in such arbitration or dispute to have been frivolous or made in bad faith.

Section 6.10 - Electronic Delivery and Acceptance

The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Director hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.

Section 6.11- Schedule B

The RSUs shall be subject to any special provisions, if any, set forth in Schedule B for the Director's country of residence. If the Director relocates to one of the countries included in Schedule B during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Director, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. Schedule B constitutes part of this Agreement.

Section 6.12 - Severability

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

Section 6.13 - Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Director to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 6.14 - Code Section 409A

For purposes of U.S. taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the U.S. Treasury Regulations relating thereto so as not to subject the Director to the payment of additional taxes and interest (or other adverse tax consequences) under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures w ith retroactive effect), or take any other actions, in each case, without the consent of the Director, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related U.S. Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant (and shall be under no obligation) to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto. Nothing in the Agreement shall provide a basis for any person to take action against the Willis Group based on matters covered by Section 409A of the Code, including the tax treatment of any Shares or other payments made under the RSUs granted hereunder, and the Willis Group shall not under any circumstances have any liability to the Director or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A of the Code.

Section 6.15 - Waiver

The Director acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Director or any Participant.

Section 6.16 - Counterparts

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

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

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

Name: Adam Rosman
Title: Group General Counsel

SCHEDULE A

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

RESTRICTED SHARE UNITS AWARD AGREEMENT - ACCEPTANCE FORM FOR NON-EMPLOYEE DIRECTORS

Name	
Number of RSUs Granted	
Grant Date	

I accept the grant of Restricted Share Units (RSUs) under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time and I agree to be bound by the terms and conditions of the Restricted Share Units Award Agreement and the Schedules thereto dated August 12, 2013.

Signature:
Address:

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

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

SCHEDULE B

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

APPENDIX TO
RESTRICTED SHARES UNITS AWARD AGREEMENT FOR NON-EMPLOYEE DIRECTORS

Terms and Conditions

This Schedule B includes additional terms and conditions that govern the RSU Award granted to the Director under the Plan if the Director resides in one of the countries listed below. This Schedule B forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

Notifications

This Schedule B also includes information based on the securities, exchange control and other laws in effect in the Director's country as of August 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Director not rely on the information noted herein as the only source of information relating to the consequences of the Director's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

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

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

IRELAND

There are no country-specific provisions.

UNITED KINGDOM

Terms and Conditions

RSU Payment. This provision supplements Section 2.2 of the Agreement:

The RSUs do not provide any right for the Director to receive a cash payment and the RSUs will be settled in Shares only.

Director Costs. This provision supplements Section 2.5 of the Agreement:

The Director understands and agrees that it is his obligation to satisfy the full amount of Tax-Related Items that the Director owes at vesting of the RSUs, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the “Taxable Event”) within 90 days after the Taxable Event, or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003. Notwithstanding the foregoing, where the Company is obliged to (or would suffer a disadvantage if it were not to) account for any income tax or National Insurance Contributions (“NICs”) for which the Director is liable by virtue of the Director’s participation in the Plan, the Director shall make full payment to the Company or any Subsidiary of an amount equal to the Tax-Related Items, or otherwise enter into arrangements acceptable to the Company or any Subsidiary to secure that such a payment by any method set forth in Section 2.5 of the Agreement within 90 days after the Taxable Event although the Director acknowledges that he ultimately will be responsible for reporting any income tax or NICs due on the RSU income directly to the HMRC under the self-assessment regime.

UNITED STATES OF AMERICA

Notifications

Exchange Control Information. Under the Foreign Account Tax Compliance Act (“FATCA”), United States taxpayers who hold Shares or rights to acquire Shares (i.e., RSUs) may be required to report certain information related to their holdings to the extent the aggregate value of the Shares exceeds certain thresholds (depending on the Director’s filing status) with the Director’s annual tax return. The Director is advised to consult with his or her personal tax or legal advisor regarding any FATCA reporting requirements with respect to the RSUs or any Shares acquired under the Plan.

In addition, United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Shares or proceeds from the sale of Shares) must file a Foreign Bank and Financial Accounts Report (“FBAR”) with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds $10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

COMPENSATION POLICY FOR NON-EMPLOYEE DIRECTORS

(Adopted July 2013)

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

1. **Definitions.**

   a. **"Non-Employee Director."** For purposes of this Policy, "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. **"Term of Service" or "Term" with Respect to Non-Employee Directors.** For purposes of this Policy, "term of service" or "term" with respect to a Non-Employee Director means the period of time from his or her annual election at the Annual General Meeting of Shareholders (AGM) until the next AGM.

   c. **"Term of Service" or "Term" with Respect to Chairman of the Board and Committee Chairs.** For purposes of this Policy, "term of service" or "term" with respect to the Chairman of the Board and/or a Committee Chair shall commence on his or her appointment by the Board to such position and end on the date of reappointment if the Non-Employee Director is reappointed.

   d. **"Term of Service" or "Term" with Respect to the Presiding Independent Director.** For purposes of this Policy, the "term of service" or "term" with respect to the Presiding Independent Director shall commence on his or her election by the Non-Employee Directors and end on the date that is one year after such election.

2. **Term Cash Fees**

   a. **Non-Employee Director Fees**. For each term of service as a Non-Employee Director, a cash fee of $100,000 shall be paid to each Non-Employee Director.

   b. **Chairman/Presiding Independent Director/Committee 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 in the following capacity:

      i. Chairman of the Board: $75,000,
      provided, however, that the Chairman may elect to receive such fee 100% in equity on the same terms and conditions as the equity granted under Section 3 below.

      i. Presiding Independent Director (if any): $35,000.

ii. Chairman of the Board Audit Committee: $30,000.

iii.

iv. Chairman of the Board Compensation Committee: $20,000.

v. Chairman of the Board Governance Committee: $20,000.

vi. Chairman of the Board Risk Committee: $20,000.

vii. Member of the Board Audit Committee: $10,000.

c. If the Chairman elects to receive his/her fee for the upcoming term set forth under Section 2(b)(i) 100% in equity, such election shall be made in writing and sent to the Group Company Secretary, substantially in the form attached as Exhibit A. The election must be made during an "open window" (as defined by the Group Insider Trading Policy), when the Chairman does not possess any material non-public information, and by December 31st of the calendar year immediately preceding the calendar year during which any portion of the cash fees were scheduled to be paid. If no election is made by the Chairman, he or she will receive the $75,000 fee 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 Chairman of the Board, Presiding Independent Director, Chairman of a Committee or Member of the Board Audit Committee is appointed in the middle of a term, then, in the discretion of the Compensation Committee, such 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 or she shall be entitled to receive compensation for each role.

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 $100,000, *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 director shall 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 th e closing price of the Company’s ordinary shares on the date of the grant as reported on the New York Stock Exchange 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. **Chairman of the Board**. In addition to the equity award set forth in Section 3(a), in consideration for the services performed in his capacity as the Chairman of the Board, the Chairman 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 $75,000, *provided*, *however*, that if any Chairman is appointed in the middle of the term, then, in the discretion of the Compensation Committee, such director 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), *provided*, *however*, that it may be made in the form of time-based options upon notification by management to the Compensation Committee of the lack of RSU availability under the 2012 Plan (defined below).

d. **Grant Date**. The equity granted pursuant to Sections 3(a) and 3(b) shall be granted on March 5th, May 10th, August 10th, November 10th, or December 5th (or if the applicable grant date is not a trading day, the next trading day) on the date most closely following the AGM.

e. **Vesting; Accelerated Vesting**. The equity granted under this Section 3 shall vest 100% in full on the one-year anniversary date of the grant date, *provided*, *however*, that equity granted by the Compensation Committee to a Non-Employee Director appointed to the Company after an AGM or to a Chairman 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 Chairman of the Board 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 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. **The Plan**. The equity granted under this Policy shall be made in accordance with the Willis Group Holdings 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.

i. **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.

j. **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. **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) and 3(b) 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 reserves the authority to terminate this Policy during any year.

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

<u>Exhibit A</u>

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

CHAIRMAN OF THE BOARD

FEE ELECTION

Willis Group Holdings Public Limited Company
200 Liberty Street
One World Financial Center
New York, New York 10281

Attention: Ms. Nicole Napolitano
Group Company Secretary and Associate General Counsel

Dear Ms. Napolitano:

Please be advised that I hereby elect to receive my annual cash fees payable under Section 2(b) of the Willis Group Holdings Public Limited Company Compensation Policy for Non-Employee Directors (the "**Policy**") for service as Chairman of the Board for the upcoming term, 100% in equity. I understand that my election is irrevocable and is subject to the provisions of the Policy.

Sincerely,

[*Signature to be included*]

____

Name of Chairman of the Board

[*Date to be included*]

cc: Group General Counsel

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

TIME-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT

WHEREAS, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the "Company," has adopted the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as may be amended from time to time (the "Plan");

WHEREAS, the Committee (as defined in the Plan) has determined that it would be in the best interests of the Company and its shareholders to grant time-based Restricted Share Units ("RSUs") provided for herein to the Executive (as hereinafter defined) pursuant to the Plan and the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

THIS TIME-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT (this "Agreement"), effective as of May 10, 2013, is made by and between the Company and the individual (the "Executive") who has signed or electronically accepted this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator.

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified below, or to the extent not defined, as specified in the Plan unless the context clearly indicates to the contrary.

Section 1.1 - Cause

"Cause" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.2 - Change of Control

"Change of Control" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.3 - Deemed Vesting Commencement Date

"Deemed Vesting Commencement Date" shall mean April 30, 2013 for purposes of the forfeiture provisions set forth in Section 3 .1 below.

Section 1.4 - Disability

"Disability" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.5 - Employment Agreement
"Employment Agreement" shall mean the agreement entered into on October 16, 2012 by and between the Company and the Executive.

Section 1.6 - Good Reason

"Good Reason" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.7 - Grant Date

"Grant Date" shall mean the date set forth in a Schedule to the Agreement or communicated to the Executive through his online account with the Company's designated broker/stock plan administrator.

Section 1.8 - Initial Term

"Initial Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.9 - Plan

"Plan" shall mean the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time.

Section 1.10 - Pronouns

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

Section 1.11 - Renewal Term

"Renewal Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.12 - Retirement

"Retirement" shall mean a termination of employment described in the first sentence of Section 3(c) of the Employment Agreement.

Section 1.13 - Restricted Share Units or RSUs

"Restricted Share Units" or "RSUs" shall mean a conditional right to receive Shares pursuant to the terms of the Plan and this Agreement upon vesting and settlement, subject to the Executive's continued employment through each vesting date set forth in a schedule to the Agreement or provided to the Executive through the Executive's online account with the Company's designated broker/stock plan administrator, unless otherwise set forth in this Agreement.

Section 1.14 - Shares

"Shares" shall mean Ordinary Shares of the Company, Nominal Value of $0.000115 per Share, which may be authorized but unissued.

ARTICLE II

GRANT OF RESTRICTED SHARE UNITS

Section 2.1 - Grant of the Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule A to this Agreement, the Company hereby grants to the Executive the number of RSUs specified in a Schedule to the Agreement or as stated in the Executive's online account with the Company's designated broker/stock plan administrator. This grant is a grant made pursuant to Section l (f) of the Employment Agreement. It is the understanding and intent of the parties that this Agreement shall in all respects be consistent with the provisions of the Employment Agreement. In the event of any conflict between the terms of the Agreement or the Plan and the provisions of the Employment Agreement, the provisions of the Employment Agreement that are more favorable to the Executive shall control.

Section 2.2 - RSU Payment

In accordance with Section 7(d)(ii) of the Plan, the Shares to be issued upon settlement of the RSUs must be fully paid up prior to issuance of Shares by payment of the Nominal Value per Share. The Committee shall ensure that payment of the Nominal Value for any Shares underlying the RSUs is received by it on behalf of the Executive at the time the RSUs are settled from a non-Irish Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

Section 2.3 - Employment or Service Rights

Subject to the terms of the Employment Agreement, the rights and obligations of the Associate under the terms of his office or employment with the Company or any Subsidiary or Designated Associate Company shall not be affected by his participation in this Plan or any right which he may have to participate in it.

Section 2.4 - Adjustments in RSUs Pursuant to Change of Control or Similar Event, etc.

Subject to Sections 12 and 13 of the Plan, in the event that the outstanding Shares subject to the RSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, substitute or adjust proportionally (i) the number and kind of Shares subject to the RSUs; (ii) the terms and conditions of the RSUs; and/or (iii) the purchase price with respect to the RSUs. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their Nominal Value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. RSUs shall not immediately vest unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate.

Section 2.5 - Tax Withholding

The Executive acknowledges that, regardless of any action taken by the Company, the ultimate liability for all Tax-Related Items related to the Executive's participation in the Plan and legally applicable to the Executive or deemed by the Company, in its discretion, to be an appropriate charge to the Executive even if legally applicable to the Company, is and remains the Executive's responsibility and may exceed the amount actually withheld by the Company. The Executive further acknowledges that the Company (1) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the RSUs, including, but not limited to, the grant, vesting or settlement of the RSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) does not commit to and are under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Executive's liability for Tax-Related Items or achieve any particular tax result. Further, if the Executive is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Executive acknowledges that the Company (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Executive agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following (provided that the Committee does not indicate that alternative (iii) is unavailable):

(i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company; or

(ii) withholding from proceeds of the sale of Shares issued upon vesting of the RS Us either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization without further consent); or

(iii) withholding in Shares to be issued upon settlement of the RSU unless the Committee, in its sole discretion, indicates that this method of withholding is not available prior to the applicable taxable or tax withholding event.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Executive will receive a refund of any over withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Executive agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Executive fails to comply with the Executive's obligations in connection with the Tax-Related Items.

Section 2.6 - Dividend Equivalents

As long as the Executive holds RSUs granted pursuant to this Award, the Company shall accrue for the Executive, on each date that the Company pays a cash dividend to holders of its Ordinary Shares, dividend equivalents equal to the total number of RSUs credited to the Executive under this award multiplied by the dollar amount of the cash dividend paid per Share by the Company on such date. Dividend equivalents shall accrue in an account denominated in U.S. dollars and shall not accrue interest or other credits prior to being paid. The accrued dividend equivalents shall be subject to the same restrictions as the RSUs to which the dividend equivalents relate, and the dividend equivalents shall be forfeited in the event that the RSUs with respect to which such dividend equivalents were credited are forfeited. Upon vesting of the RSUs, or any portion thereof, the Company shall pay to the Executive in cash all accrued dividend equivalents following deduction for all applicable Tax-Related Items in accordance with Paragraph 2.4.

Section 2.7 - Clawback Policy

The Company may cancel all or part of the RS Us or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the RSUs pursuant to the Company's Clawback Policy, as stated in Section 10 of the Plan, only if the Executive violates the noncompetition provision in Section 6(d) of the Employment Agreement.

ARTICLE III

PERIOD OF VESTING AND ISSUANCE OF SHARES

Section 3 .1 - Vesting Schedule and Forfeiture Provisions

(a) Subject to the Executive's continued employment with the Company, its Subsidiaries or a Designated Associate Company through the applicable vesting date, the RSUs shall vest according to the vesting schedule that is set forth in a schedule set forth below and become payable in accordance with Section 3 .1 and Section 3 .2 below.

Date RSUs Become Vested	Percentage of Shares
10 May 2014	33%
10 May 2015	33%
10 May 2016	34%

(b) In the event of the Executive's Termination of Service, any unvested RSUs will be forfeited immediately by the Executive, subject to, and except as otherwise specified within, the terms and conditions of Sections 3.1(c) to 3. l (f) below.

(c) If the Executive experiences a Termination of Service due to (i) a termination by the Company without Cause, (ii) resignation with Good Reason by the Executive, or (iii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or the first Renewal Term, (A) the Executive shall be entitled to service credit equal to an additional twelve (12) months, measured as of the date of termination and (B) the RSUs shall be deemed to have a vesting schedule, in lieu of the vesting schedule contemplated under Section 3.1(a), providing for the vesting of one-third (l/3rd) of the RSUs on each of the first three (3) anniversaries of the Deemed Vesting Commencement Date. If, after giving effect to the service vesting credit provided under this Section 3.1(b), the Executive is not deemed to have satisfied the requirement of continued employment through one or more of the applicable vesting dates pursuant to this Section or Section 3.l(a), any unvested RSUs shall be forfeited as of the date of termination.

(d) If, within two years of a Change of Control, the Executive experiences a Termination of Service due to (i) termination by the Company without Cause, (ii) resignation with Good Reason by the Executive or (iii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or first Renewal Term, any unvested RSUs shall immediately vest one day prior to the date of the Executive's Termination of Service.

(e) If the Executive experiences a Termination of Service due to Retirement, (i) the Executive shall be entitled to service credit equal to an additional twenty-four (24) months, measured as of the date of termination and (B) the RSUs shall be deemed to have a vesting schedule, in lieu of the vesting schedule contemplated under Section 3.1(a), providing for the vesting of one-third (l/3rd) of the RSUs on each of the first three (3) anniversaries of the Deemed Vesting Commencement Date. If, after giving effect to the service vesting credit provided under this Section 3.1(e), the Executive is not deemed to have satisfied the requirement of continued employment through one or more of the applicable vesting dates pursuant to this Section or Section 3 .1(a), any unvested RSUs shall be forfeited as of the date of termination.

(e) In the event the Executive experiences a Termination of Service with the Company due to death or Disability, any unvested RSUs shall immediately vest on the date of termination of the Executive's employment.

(f) If, prior to any applicable vesting date, the Executive experiences a Termination of Service for any reason other than those described in Sections 3.1(b) through 3.1(e), the unvested RSUs and any underlying Shares will be immediately forfeited and the Executive will not be entitled to the unvested RSUs or the underlying Shares.

(f) RSU s that vest in accordance with this Section 3.1 shall be delivered within one month following the earlier of (i) the applicable vesting date set forth in 3.l(a) or (ii) any accelerated vesting event contemplated under Section 3. l(b) through 3.l(e).

(g) In the event of a Change of Control, unvested RSUs shall not automatically vest and the Committee shall have the sole discretion to accelerate the vesting of unvested RSUs.

(h) The Executive agrees to execute and deliver or electronically accept, in the manner and within the period specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Agreement including any applicable Schedules thereto.

(j) The Committee may, in its sole discretion, cancel the RSUs if the Executive fails to execute and deliver or electronically accept the Agreement and documents within the period set forth in Section 3.l(i).

Section 3 .2 - Conditions to Issuance of Shares

The Shares to be delivered under this Agreement may be previously authorized but unissued Shares. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the settlement of the RSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code:

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

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

Without limiting the generality of the foregoing, the Committee may in the case of United States resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on the vesting of RSUs (other than a transfer through a sale of the Shares on the principal stock exchange or electronic trading system on which such Shares are then traded) does not violate the Exchange Act and may issue stop-transfer orders in the United States covering such Shares.

Section 3.3 - Rights as Shareholder

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

Section 3.4 - Limitation on Obligations

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

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE RSUs

Section 4.1 - Nature of Award

In accepting the RS Us, the Executive acknowledges, understands and agrees that:

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Executive's participation in the Plan is voluntary and subject to the terms of the Employment Agreement;

(c) the RSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(d) the RSUs and any Shares acquired under the Plan and the income and the value of the same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(e) the future value of the Shares underlying the RSUs is unknown, indeterminable and cannot be predicted with certainty;

(f) unless otherwise provided in the Plan, the Employment Agreement or by the Company in its discretion, the RSUs and the benefits evidenced by this Agreement do not create any entitlement to have the RSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Change of Control or similar event affecting the Shares of the Company; and

(g) if the Executive is providing services outside the United States the Executive acknowledges and agrees that neither the Company nor any Subsidiary or Designated Associate Company shall be liable for any foreign exchange rate fluctuation between the Executive's local currency and the United States Dollar that may affect the value of the RSUs or of any amounts due to the Executive pursuant to the settlement of the RSUs or the subsequent sale of any Shares acquired upon settlement

Section 4.2 - No Advice Regarding Grant

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

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

Section 5 - Data Privacy

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

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

(c) ***The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that, if he lives outside of the United States, he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that if he resides outside the United States, he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. Further, the Executive understands that he is providing the consents herein on a purely voluntary basis. If the Executive does not consent, or if the Executive later seeks to revoke his consent, his employment status or service and career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing the Executive's consent is that the Company would not be able to grant the Executive RSUs or other equity awards or administer or maintain such awards. Therefore, the Executive understands that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.***

ARTICLE VI

MISCELLANEOUS

Section 6.1 - Administration

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

Section 6.2 - RSUs Not Transferable

Neither the RSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 6.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 6.3 - Binding Effect

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

Section 6.4 - Notices

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

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

and any notice to be given to the Executive shall be at his address contemplated by the Employment Agreement.

By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to him. Any notice that is required to be given to the Executive shall, if the Executive is then deceased, be given to the Executive's personal representatives if such representatives have previously informed the Company of their status and address by written notice under this Section 6.4. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by an Executive resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

Section 6.5 - Titles

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

Section 6.6 - Applicability of Plan

The RSUs and the Shares underlying the RSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the RSUs and the underlying Shares.

Section 6.7 - Amendment

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

Section 6.8 - Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflicts of law principles.

Section 6.9 - Jurisdiction

The State and Federal courts located in the County of New York, State of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts.

Section 6.10 - Arbitration

Any dispute with may arise out of or in connection with this Agreement will be subject to the Arbitration clause set forth in Section 7(i) of the Employment Agreement.

Section 6.11 - Electronic Delivery and Acceptance

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

Section 6.12 - Severability

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

Section 6.13 - Schedule A

The RSUs shall be subject to any special provisions set forth in Schedule A for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule A during prior to the vesting of the RSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. Schedule A constitutes part of this Agreement.

Section 6.14 - Imposition of Other Requirements

The Company reserves the right to impose other requirements on the RSUs and the Shares acquired upon vesting of the RSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 6.1 5 - Waiver

The Executive acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Executive or any other Participant of the Plan

Section 6.16 - Counterparts.

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

Section 6.17 - Code Section 409A.

For purposes of United States taxpayers, it is intended that the terms of the RSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related United States Department of Treasury guidance. In that light, the Willis Group makes no representation or covenant to ensure that the RSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto. Nothing in the Agreement shall provide a basis for any person to take action against the Company, its Subsidiaries or its Designated Associate Companies based on matters covered by Section 409A of the Code, including the tax treatment of any Shares or other payments made under the RSUs granted hereunder, and the Company, its Subsidiaries and any Designated Associate Companies shall not under any circumstances have any liability to the Director or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A of the Code.

By the Executive's execution or electronic acceptance of this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Executive and the Company have agreed that the RS Us are granted under and governed by the terms and conditions of the Plan and this Agreement (including the Schedules attached hereto).

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

/S/ DOMINIC CASSERLEY		By:	/S/ ADAM L. ROSMAN
DOMINIC CASSERLEY		Name:	ADAM L. ROSMAN
		Title:	*Group General Counsel*

SCHEDULE A

COUNTRY-SPECIFIC APPENDIX TO
TIME-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

Terms and Conditions

This Schedule A includes additional terms and conditions that govern the Restricted Share Unit Award granted to the Executive under the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time (the "Plan") and the Agreement if the Executive resides in one of the countries listed below. This Schedule A forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

Notifications

This Schedule A also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of May 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the RSUs vest under the Plan.

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

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

UNITED KINGDOM

Terms and Conditions

RSU Payment
This provision supplements Section 2.2 of the Agreement:

The RSUs do not provide any right for the Executive to receive a cash payment and the RSUs will be settled in Shares only.

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

The Executive agrees that if he does not pay or the Company does not withhold from the Executive the full amount of income tax that the Executive owes at vesting, or the release or assignment of the RSUs for consideration, or the receipt of any other benefit in connection with the RSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income tax will constitute a benefit to him on which additional income tax and national insurance contributions ("NICs" will be payable. The Executive understands and agrees that he will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company for the value of any NICs due on this additional benefit.

UNITED STATES OF AMERICA

Notifications

Exchange Control Information

Under the Foreign Account Tax Compliance Act ("FATCA"), United States taxpayers who hold Shares or rights to acquire Shares *(i.e.,* RSUs) may be required to report certain information related to their holdings to the extent the aggregate value of the RSUs/Shares exceeds certain thresholds (depending on the Executive's filing status) with the Executive's annual tax return. The Executive is advised to consult with his personal tax or legal advisor regarding any FATCA reporting requirements with respect to the RSUs or any Shares acquired under the Plan.

In addition, United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Shares or proceeds from the sale of Shares) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds $10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

2012 EQUITY INCENTIVE PLAN

PERFORMANCE-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT

WHEREAS, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the "Company," has adopted the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as may be amended from time to time (the "Plan");

WHEREAS, the Committee (as defined in the Plan) has determined that it would be in the best interests of the Company and its shareholders to grant performance-based Restricted Share Units ("PRSUs") provided for herein to the Executive (as hereinafter defined) pursuant to the Plan and the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

THIS PERFORMANCE-BASED RESTRICTED SHARE UNIT AWARD AGREEMENT (this "Agreement"), effective as of May 10, 2013, is made by and between the Company and the individual (the "Executive"), who has signed or electronically accepted this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator.

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified below, or to the extent not defined, as specified in the Plan unless the context clearly indicates to the contrary.

Section 1.1 - Adjusted Earnings for LTIP

"Adjusted Earnings for LTIP" shall mean Earnings Before Interest and Taxes plus income for associates and income for non-controlling interests; calculated on an actual currency basis, subject to adjustments.

Section 1.2 - Cause

"Cause" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.3 - Change of Control

"Change of Control" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.4 - Deemed Vesting Commencement Date

"Deemed Vesting Commencement Date" shall mean April 30, 2013 for purposes of the forfeiture provisions set forth in Section 3.2 below.

Section 1.5 - Disability

"Disability" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.6 - Earned Date

"Earned Date" shall mean the date that the Committee certifies the attainment of the Performance Objectives.

Section 1.7 - Earned Performance Shares

"Earned Performance Shares" shall mean Shares subject to the PRSUs in respect of which the applicable Performance Objectives, as set out in Section 3.1 and Schedule B to the Agreement, have been achieved and shall become eligible for vesting and payment as set out in Section 3.2.

Section 1.8 - Employment Agreement

"Employment Agreement" shall mean the agreement entered into on October 16, 2012 by and between the Company and the Executive.

Section 1.9 - Good Reason

"Good Reason" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.10 - Grant Date

"Grant Date" shall mean the date set forth in a Schedule to the Agreement or communicated to the Executive through his online account with the Company's designated broker/stock plan administrator.

Section 1.11 - Initial Term

"Initial Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.12 - LTIP

"Long-Term Incentive Program" or "LTIP" is a 2013 program adopted by the Compensation Committee of the Company under which grants of equity awards and/or cash awards are to be made to certain eligible employees of the Company and its Subsidiaries.

Section 1.13 - Organic Commissions and Fees Growth for LTIP

"Organic Commissions and Fees Growth for LTIP" shall mean the growth in commissions and fees, including market driven income, calculated on a constant currency basis, as adjusted.

Section 1.14 - Performance Objectives

"Performance Objectives" shall mean the performance objectives based on Adjusted Earnings for LTIP and Organic Commissions and Fees Growth for LTIP that are set forth in Section 3. l(a) and Schedule B to this Agreement.

Section 1.15 - Performance Period

"Performance Period" shall mean January I, 2013 to December 31, 2015.

Section 1.16 - Plan

"Plan" shall mean the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time.

Section 1.17 - Pronouns

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

Section 1.18 - Performance-Based Restricted Share Units

"Performance Based Restricted Share Units" or "PRSUs" shall mean a conditional right to receive Shares, pursuant to the terms of the Plan and this Agreement upon vesting and settlement, subject to the attainment of the Performance Objectives and the Executive's continued employment through the Vesting Date.

Section 1.19 - Renewal Term

"Renewal Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.20 - Retirement

"Retirement" shall mean a termination of employment described in the first sentence of Section 3(c) of the Employment Agreement.

Section 1.21 - Shares

"Shares" shall mean Ordinary Shares of the Company, Nominal Value of $0.000115 per Share, which may be authorized but unissued.

Section 1.22 - Vesting Date

"Vesting Date" shall mean March 5, 2016, provided however, if the Vesting Date falls on a date when the Company determines that the Executive is not permitted to sell Shares on the open market for any reason, including under the Company's Insider Trading Policy (or any successor policy), then such Vesting Date instead shall be the later of the next business day of the next occurring open "window period" applicable to the Executive or the next business day when the Company determines that the Executive is not prohibited from selling Shares on the open market.

ARTICLE II

GRANT OF PERFORMANCE-BASED RESTRICTED SHARE UNITS

Section 2.1 - Grant of the Performance-Based Restricted Share Units

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement including any country-specific provisions set forth in Schedule A to this Agreement, the Company hereby grants to the Executive the target number of PRSU s specified in Schedule B to the Agreement or as stated in the Executive's online account with the Company's designated broker/stock plan administrator. This grant is a grant made pursuant to Section l (f) of the Employment Agreement. It is the understanding and intent of the parties that this Agreement shall in all respects be consistent with the provisions of the Employment Agreement. In the event of any conflict between the terms of the Agreement or the Plan and the provisions of the Employment Agreement, the provisions of the Employment Agreement that are more favorable to the Executive shall control.

Section 2.2 - PRSU Payment

In accordance with Section 7(d)(ii) of the Plan, the Shares to be issued upon settlement of the PRSU s must be fully paid up prior to issuance of Shares by payment of the Nominal Value per Share. The Committee shall ensure that payment of the Nominal Value for any Shares underlying the PRSUs is received by it on behalf of the Executive at the time the PRSUs are settled from a non-Irish Subsidiary or other source and shall establish any procedures or protocols necessary to ensure that payment is timely received.

Section 2.3 - Employment or Service Rights

Subject to the terms of the Employment Agreement, the rights and obligations of the Executive under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it.

Section 2.4 - Adjustments in PRSUs Pursuant to Change of Control or Similar Event, etc

Subject to Sections 12 and 13 of the Plan, in the event that the outstanding Shares subject to the PRSUs are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, substitute or adjust proportionally (i) the number and kind of Shares subject to the PRSUs; (ii) the terms and conditions of the PRSUs (including without limitation, any applicable Performance Objectives with respect thereto); and/or (iii) the purchase price with respect to the PRSUs. An adjustment may have the effect of reducing the price at which Shares may be acquired to less than their Nominal Value (the "Shortfall"), but only if and to the extent that the Committee shall be authorized to capitalize from the reserves of the Company a sum equal to the Shortfall and to apply that sum in paying up that amount on the Shares. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. The PRSUs shall not immediately vest unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate.

Section 2.5 - Tax Withholding

The Executive acknowledges that, regardless of any action taken by the Company, the ultimate liability for all Tax-Related Items related to the Executive's participation in the Plan and legally applicable to the Executive or deemed by the Company, in its discretion, to be an appropriate charge to the Executive even if legally applicable to the Company, is and remains the Executive's responsibility and may exceed the amount actually withheld by the Company. The Executive further acknowledges that the Company (1) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PRSUs, including, but not limited to, the grant, vesting or settlement of the PRSUs, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (2) does not commit to and are under no obligation to structure the terms of the grant or any aspect of the PRSUs to reduce or eliminate the Executive's liability for Tax-Related Items or achieve any particular tax result. Further, if the Executive is subject to Tax-Related Items in more than one jurisdiction between the Grant Date and the date of any relevant taxable or tax withholding event, as applicable, the Executive acknowledges that the Company (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, Executive agrees to make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items.

In this regard, the Executive may elect to satisfy the obligations with regard to all Tax-Related Items by one or a combination of the following (provided that the Committee does not indicate that alternative (iii) is unavailable):

(i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company; or

(ii) withholding from proceeds of the sale of Shares issued upon vesting of the PRSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization without further consent); or

(iii) withholding in Shares to be issued upon settlement of the PRSU unless the Committee, it its sole discretion, indicates that this method of withholding is not available prior to the applicable taxable or tax withholding event.

Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Executive will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to the vested PRSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items.

Finally, the Executive agrees to pay to the Company and amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares if the Executive fails to comply with his obligations in connection with the Tax-Related Items.

Section 2.6 - Clawback Policy

The Company may cancel all or part of the PRSUs or require payment by the Executive to the Company of all or part of any amount or Shares acquired by the Executive upon vesting and settlement of the PRSUs pursuant to the

Company's Clawback Policy, as stated in Section 10 of the Plan only if the Executive violates the noncompetition provision in Section 6(d) of the Employment Agreement.

ARTICLE III

PERFORMANCE AND TIME-BASED VESTING REQUIREMENTS

Section 3.1 - Earned Performance Shares

(a) Subject to Sections 3.l(b) and (c) below, the Shares subject to the PRSUs shall become Earned Performance Shares as of the Earned Date and shall become eligible to vest and become payable in accordance with the provisions of Section 3.2 if and to the extent that the Performance Objectives set out in Target 1 (applicable to 50% of Target Number of Shares) and Target 2 (applicable to 50% of Target Number of Shares) of Schedule B to this Agreement are attained.

(b) As of the Earned Date, the Committee shall certify the attainment level of applicable Performance Objectives, and based on such certification, shall declare the number of Shares subject to the PRSUs that shall become Earned Performance Shares. Anything to the contrary in this Section 3.1 and Schedule B to this Agreement notwithstanding, the Committee retains sole discretion to determine the number of Shares subject to the PRSUs that will become Earned Performance Shares.

(c) The Executive understands and agrees that the terms under which the PRSU s shall become Earned Performance Shares (as described in Section 3.1 above and in Schedule B) is confidential and the Executive agrees not to disclose, reproduce or distribute such confidential information concerning the Company, except as required in the course of the Executive's employment with the Company, without the prior written consent of the Company. The Executive's failure to abide by this condition may result in the immediate cancellation of the PRSUs.

(d) Shares subject to the PRSUs that are not declared by the Committee on the Earned Date to be Earned Performance Shares shall be forfeited immediately.

(e) The Performance Objectives may be adjusted as the Committee, in its sole discretion, deems appropriate.

(f) If, prior to the Earned Date, the Executive experiences a Termination of Service due to death or Disability, the Performance Objectives will be deemed to be attained at 100% of the target level and all of the unearned Shares underlying the PRSU s will deemed to be Earned Performance Shares.

(g) If, prior to the end of the Performance Period, (i) the Executive experiences a Termination of Service for reasons other than death, Disability or Cause, or (ii) there is a Change of Control, the Committee, may, in its sole discretion, deem the Performance Objectives to be attained at the level (not to exceed the 100% of the target level) determined by the Committee as to all or part of the unearned Shares underlying the PRSU s and deem them to be Earned Performance Shares.

Section 3.2 - Vesting/Settlement

(a) Subject to the Executive's continued employment with the Company through the Vesting Date and Section 3.2(b) through 3.2(d), the Earned Performance Shares shall vest on the Vesting Date and become payable in accordance with Section 3.2(f) below:

(b) If, prior to the Vesting Date, the Executive experiences a Termination of Service due to (i) a termination by the Company without Cause, (ii) resignation with Good Reason by the Executive, (iii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or the first Renewal Term, or (ii) the Executive's Retirement, (A) the Executive shall be entitled to service credit equal to an additional twenty-four (24) months, measured as of the date of termination and (B) the PRSUs shall be deemed to have a vesting schedule, in lieu of the vesting schedule contemplated under Section 3.1(a), providing for the vesting of one-third (1/3rd) of the Earned Performance Shares on each of the first three (3) anniversaries of the Deemed Vesting Commencement Date. If, after giving effect to the service vesting credit provided under this Section 3.2(b), the Executive is not deemed to have satisfied the requirement of continued employment through the Vesting Date or through one or more of the applicable vesting dates pursuant to this Section, any unvested Earned Performance Shares shall be forfeited as of the date of termination.

(c) If,prior to the Vesting Date and within two years of a Change of Control, the Executive experiences a Termination of Service due to (i) termination by the Company without Cause, (ii) resignation with Good Reason by the Executive or (ii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or first Renewal Term, the Executive shall be entitled to service credit through the Vesting Date.

(d) If the Executive experiences a Termination of Service due to death or Disability prior to the Vesting Date, any unvested Earned Performance Shares shall immediately vest.

(e) If, prior to the Vesting Date, the Executive experiences a Termination of Service for any reason other than those described in Sections 3.2(b) through 3.2(d), the PRSUs and any unvested Earned Performance Shares will be immediately forfeited and the Executive will not be entitled to the PRSUs or the underlying Shares.

(f) Earned Performance Shares that vest in accordance with this Section 3.2 shall be delivered within one month following the earlier of (i) the Vesting Date or (ii) the accelerated vesting contemplated under Section 3.2(d).

(a) In the event of a Change of Control, unvested Earned Performance Shares shall not automatically vest and become exercisable and the Committee shall have the sole discretion to accelerate the vesting of unvested Earned Performance Shares.

(b) The Executive agrees to execute and deliver or electronically accept, in the manner and within the period specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Agreement including any applicable Schedules thereto.

(c) The Committee may, in its sole discretion, cancel the PRSUs if the Executive fails to execute and deliver or electronically accept the Agreement and documents within the period set forth in Section 3.2(h).

<u>Section 3 .3</u> - <u>Conditions to Issuance of Shares</u>

The Earned Performance Shares to be delivered under this Agreement may be previously authorized but unissued Shares. Such Shares shall be fully paid. The Company shall not be required to deliver any certificates representing such Shares (or their electronic equivalent) allotted and issued upon the applicable date of the vesting of the PRSUs prior to fulfillment of all of the following conditions, and in any event, subject to Section 409A of the Code:

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

(b) The Executive has paid or made arrangements to pay the Tax-Related items pursuant to Section 2.5; and

(c) Without limiting the generality of the foregoing, the Committee may in the case of U.S. resident employees of the Company or any of its Subsidiaries require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Earned Performance Shares acquired on the vesting of PRSUs (other than a transfer through a sale of the Shares on the principal stock exchange or electronic trading system on which such Shares are then traded) does not violate the Exchange Act and may issue stop-transfer orders in the U.S. covering such Shares.

<u>Section 3.4</u> - <u>Rights as Shareholder</u>

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

<u>Section 3.5</u> - <u>Limitation on Obligations</u>

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

ARTICLE IV

ADDITIONAL TERMS AND CONDITIONS OF THE PRSUs

Section 4.1 - Nature of Award

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

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Executive's participation in the Plan is voluntary and subject to the terms of the Employment Agreement;

(c) the PRSUs and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(d) the PRSUs and any Shares acquired under the Plan and the income and the value of the same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(e) the future value of the Shares underlying the PRSUs is unknown, indeterminable, and cannot be predicted with certainty;

(f) unless otherwise provided in the Plan, the Employment Agreement or by the Company in its discretion, the PRSUs and the benefits evidenced by this Agreement do not create any entitlement to have the PRSUs or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Change of Control or similar event affecting the Shares of the Company; and

(g) if the Executive provides services outside the United States the Executive acknowledges and agrees that neither the Company nor any Subsidiary or Designated Associate Company shall be liable for any foreign exchange rate fluctuation between the Executive's local currency and the United States Dollar that may affect the value of the PRSUs or of any amounts due to the Executive pursuant to the settlement of the PRSUs or the subsequent sale of any Shares acquired upon settlement.

Section 4.2 - No Advice Regarding Grant

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

ARTICLE V

DATA PRIVACY NOTICE AND CONSENT

Section 5 - Data Privacy

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

Executive's participation in the Plan.

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

(c) ***The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that, if he lives outside of the United States, he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that if he resides outside the United States, he may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his local human resources representative. Further, the Executive understands that he is providing the consents herein on a purely voluntary basis. If the Executive does not consent, or if the Executive later seeks to revoke his consent, his employment status or service and career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing the Executive's consent is that the Company would not be able to grant the Executive PRSUs or other equity awards or administer or maintain such awards. Therefore, the Executive understands that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.***

ARTICLE VI

MISCELLANEOUS

Section 6.1 - Administration

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

Section 6.2 - PRSUs Not Transferable

Neither the PRSUs nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 6.1 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 6.3 - Binding Effect

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

Section 6.4 - Notices

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

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

and any notice to be given to the Executive shall be at his address contemplated by the Employment Agreement.

By a notice given pursuant to this Section 6.4, either party may hereafter designate a different address for notices to be given to him. Any notice shall have been deemed duly given when sent by facsimile or enclosed in a properly sealed envelope or wrapper addressed as aforesaid, deposited (with postage prepaid) in a post office or branch post office regularly maintained by the United States Postal Service or the United Kingdom's Post Office or in the case of a notice given by the Executive if he is resident outside the United States of America or the United Kingdom, sent by facsimile or by a recognized international courier service.

Section 6.5 - Titles

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

Section 6.6 - Applicability of Plan

The PRSUs and the Shares underlying the PRSUs shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the PRSUs and the underlying Shares.

Section 6.7 - Amendment

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

Section 6.8 - Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflict of law principles.

Section 6.9 - Jurisdiction

The State and Federal courts located in the County of New York, State of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts.

Section 6.10 - Arbitration

Any dispute with may arise out of or in connection with this Agreement will be subject to the Arbitration clause set forth in Section 7(i) of the Employment Agreement.

Section 6.11 - Electronic Delivery and Acceptance

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

Section 6.12 - Severability

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

Section 6.13 - Schedule A

The PRSUs shall be subject to any special provisions, if any, set forth in Schedule A for the Executive's country of residence. If the Executive relocates to one of the countries included in Schedule A during prior to the vesting of the PRSUs, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. Schedule A constitutes part of this Agreement.

Section 6.14 - Imposition of Other Requirements

The Company reserves the right to impose other requirements on the PRSUs and the Shares acquired upon vesting of the PRSUs, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 6.15 - Waiver

The Executive acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Executive or any other Participant.

Section 6.16 - Counterparts.

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

Section 6.17 - Code Section 409A.

For purposes of United States taxpayers, it is intended that the terms of the PRSUs will comply with the provisions of Section 409A of the Code and the Treasury Regulations relating thereto so as not to subject the Executive to the payment of additional taxes and interest under Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Committee may adopt such amendments to this Agreement or adopt other policies and procedures (including amendments, policies and procedures with retroactive effect), or take any other actions, in each case, without the consent of the Executive, that the Committee determines are reasonable, necessary or appropriate to comply with the requirements of Section 409A of the Code and related United States Department of Treasury guidance. In that light, the Company, its Subsidiaries and any Designated Associate Companies make no representation or covenant to ensure that the PRSUs that are intended to be exempt from, or compliant with, Section 409A of the Code are not so exempt or compliant or for any action taken by the Committee with respect thereto. Nothing in the Agreement shall provide a basis for any person to take action against the Company, its Subsidiaries and any Designated Associate Companies based on matters covered by Section 409A of the Code, including the tax treatment of any Shares or other payments made under the PRSUs granted hereunder, and the Company, its Subsidiaries and any Designated Associate Company shall not under any circumstances have any liability to the Executive or his estate or any other party for any taxes, penalties or interest due on amounts paid or payable under this Agreement, including taxes, penalties or interest imposed under Section 409A of the Code.

By the Executive's execution or electronic acceptance of this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Executive and the Company have agreed that the PRSUs are granted under and governed by the terms and conditions of the Plan and this Agreement (including the Schedules attached hereto)

	WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY	
/S/ DOMINIC CASSERLEY	By:	/S/ ADAM L. ROSMAN
DOMINIC CASSERLEY	Name:	ADAM L. ROSMAN
	Title:	*Group General Counsel*

SCHEDULE A

COUNTRY-SPECIFIC APPENDIX TO PERFORMANCE-BASED RESTRICTED SHARE UNITS AWARD AGREEMENT

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY 2012 EQUITY INCENTIVE PLAN

Terms and Conditions

This Schedule A includes additional terms and conditions that govern the PRSUs granted to the Executive under the Willis Group Holdings 2012 Equity Incentive Plan, as amended from time to time (the "Plan") if the Executive resides in one of the countries listed below. This Schedule A forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

Notifications

This Schedule A also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of May 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the PRSUs vest under the Plan.

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

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

UNITED KINGDOM

Terms and Conditions

PRSU Payment
This provision supplements Section 2.2 of the Agreement:

The PRSUs do not provide any right for the Executive to receive a cash payment and the PRSUs will be settled in Shares only.

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

The Executive agrees that if he does not pay or the Company does not withhold from the Executive the full amount of income tax that the Executive owes at vesting, or the release or assignment of the PRSUs for consideration, or the receipt of any other benefit in connection with the PRSUs (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(1)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income tax will constitute a benefit to him on which additional income tax and national insurance contributions ("NICs" will be payable. The Executive understands and agrees that he will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company for the value of any NICs due on this additional benefit.

UNITED STATES OF AMERICA

Notifications

Exchange Control Information. Under the Foreign Account Tax Compliance Act ("FATCA"), United States persons who hold Shares or rights to acquire Shares *(i.e.,* PRSUs) may be required to report certain information related to their holdings in Shares to the extent the aggregate value of the Shares exceeds certain thresholds (depending on the Executive's filing status) with the Executive's annual tax return. The Executive is advised to consult with his personal tax or legal advisor regarding any FATCA reporting requirements with respect to the PRSU s or any Shares acquired under the Plan.

In addition, United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Shares or proceeds from the sale of Shares) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds $10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY
2012 EQUITY INCENTIVE PLAN

TIME-BASED SHARE OPTION AWARD AGREEMENT

WHEREAS, Willis Group Holdings Public Limited Company and any successor thereto, hereinafter referred to as the "Company," has adopted the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as may be amended from time to time (the "Plan");

WHEREAS, the Committee (as defined in the Plan) has determined that it would be in the best interests of the Company and its shareholders to grant a time-based share option ("Option"), provided for herein to the Executive (as hereinafter defined) pursuant to the Plan and the terms set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the parties hereto do hereby agree as follows:

THIS TIME-BASED SHARE OPTION AWARD AGREEMENT (this "Agreement"), effective as of May 10, 2013, is made by and between the Company and the individual (the "Executive") who has signed or electronically accepted this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator.

ARTICLE I

DEFINITIONS

Defined terms used in this Agreement shall have the meaning specified below, or to the extent not defined, as specified in the Plan unless the context clearly indicates to the contrary.

Section 1.1 - Cause

"Cause" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.2 - Change of Control

"Change of Control" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.3 - Deemed Vesting Commencement Date

"Deemed Vesting Commencement Date" shall mean April 30, 2013 for purposes of the forfeiture provisions set forth in Section 3.1 below.

Section 1.4 - Disability

"Disability" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.5 - Employment Agreement

"Employment Agreement" shall mean the agreement entered into on October 16, 2012 by and between the Company and the Executive.

Section 1.6 - Exercise Price

"Exercise Price" shall mean the exercise price of the Option set forth in a Schedule to the Agreement or communicated to the Executive through his online account with the Company's designated broker/stock plan administrator.

The Exercise Price shall be not less than 100% of the Fair Market Value of the Shares on the Grant Date.

Section 1.7 - Good Reason

"Good Reason" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.8 - Grant Date

"Grant Date" shall mean the date set forth in a schedule to the Agreement or communicated to the Executive through his or her online account with the Company's designated broker/stock plan administrator.

Section 1.9 - Initial Term

"Initial Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.10 - Option

"Option" shall mean a time-based share option to purchase a specified number of Shares at a specified Exercise Price during specified time periods granted in accordance with this Agreement and the Plan, subject to the Executive's continued employment through each vesting date set forth in a schedule to the Agreement or provided to the Executive through the Executive's online account with the Company's designated broker/stock plan administrator, unless otherwise set forth in this Agreement.

Section 1.11 - Plan

"Plan" shall mean the Willis Group Holdings Public Limited Company 2012 Equity Incentive Plan, as amended from time to time.

Section 1.12 - Pronouns

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

Section 1.13 - Renewal Term

"Renewal Term" shall have the same meaning as the definition stated in the Employment Agreement.

Section 1.14 - Retirement

"Retirement" shall mean a termination of employment described in the first sentence of Section 3(c) of the Employment Agreement.

Section 1.15 - Secretary

"Secretary" shall mean the Secretary of the Company.

Section 1.8 - Shares

"Shares" shall mean Ordinary Shares of the Company, Nominal Value of $0.000115 each, which may be authorized but unissued.

ARTICLE II

GRANT OF OPTION

Section 2.1 - Grant of Option

Subject to the terms and conditions of the Plan and the additional terms and conditions set forth in this Agreement, including any country-specific provisions set forth in Schedule A to this Agreement, the Company hereby grants to the Executive an Option to purchase all or part of the aggregate number of Shares that is specified in a schedule to the Agreement or as stated in the Executive's online account with the Company's designated broker/stock plan administrator. This grant is a grant made pursuant to Section l(f) of the Employment Agreement. It is the understanding and intent of the parties that this Agreement shall in all respects be consistent with the provisions of the Employment Agreement. In the event of any conflict between the terms of the Agreement or the Plan and the provisions of the Employment Agreement, the provisions of the Employment Agreement that are more favorable to the Executive shall control.

Section 2.2 - Exercise Price

Subject to Section 2.4, the Exercise Price of each Share subject to the Option shall be as stated in a schedule to the Agreement or communication to the Executive through the Executive's online account with the Company's designated broker/stock plan administrator.

Section 2.3 - Employment or Service Rights

Subject to the terms of the Employment Agreement, the rights and obligations of the Executive under the terms of his office or employment with the Company shall not be affected by his participation in this Plan or any right which he may have to participate in it.

Section 2.4 - Adjustments in Options Pursuant to Change of Control or Similar Event, etc.

Subject to Sections 12 and 13 of the Plan, in the event that the outstanding Shares subject to the Option are, from time to time, changed into or exchanged for a different number or kind of Shares or other securities, by reason of a share split, spin-off, share or extraordinary cash dividend, share combination or reclassification, recapitalization or merger, Change of Control, or similar event, the Committee shall, in its absolute discretion, substitute or adjust proportionally (i) the number and kind of Shares subject to the Option; (ii) the terms and conditions of the Option; and/or (iii) the Exercise Price of the Option. In the event of a Change of Control and regardless of whether the Option is assumed or substituted by a successor company, the Option shall not immediately vest and become exercisable unless the Committee so determines at the time of the Change of Control, in its absolute discretion, on such terms and conditions that the Committee deems appropriate. Any such adjustment or determination made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons.

Section 2.5 - Clawback Policy

The Company may cancel all or part of the Option or require payment by the Executive to the Company of all or part of any amount or Shares received by the Executive following the exercise of the Option pursuant to the Company's Clawback Policy, as stated in Section 10 of the Plan, only if the Executive violates the noncompetition provision in Section 6(d) of the Employment Agreement

ARTICLE III

PERIOD OF EXERCISABILITY

Section 3.1 - Commencement of Vesting and Exercisability

(a) Subject to the Executive's continued employment with the Company or its Subsidiaries through the applicable vesting date, the Option shall vest and become exercisable according to the vesting schedule set forth below and the terms of the Employment Agreement and shall remain exercisable through the periods set forth in Section 3.2 below:

Date the Option Becomes Vested and Exercisable	Percentage of the Option that Becomes Vested and Exercisable
10 May 2014	33%
10 May 2015	33%
10 May 2016	34%

(b) In the event of the Executive's Termination of Service as a result of death or Disability, the Option shall become fully vested and exercisable with respect to all Shares underlying such Option.

(c) If, within two years of a Change of Control, the Executive experiences Te1mination of Service as result of (i) termination by the Company without Cause, (ii) resignation with Good Reason by the Executive or (iii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or first Renewal Term, the Option shall become fully vested and exercisable with respect to all Shares underlying such Option one day prior to the date of the Executive's Te1mination of Service.

(d) If the Executive experiences a Termination of Service as a result of (i) a termination by the Company without Cause, (ii) resignation with Good Reason by the Executive, or (iii) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or the first Renewal Term, (A) the Executive shall be entitled to service credit equal to an additional twelve (12) months, measured as of the date of termination and (B) the Option shall be deemed to have a vesting schedule, in lien of the vesting schedule contemplated under Section 3.1(a), providing for the vesting of one-third (1/3rd) of the Option on each of the first three (3) anniversaries of the Deemed Vesting Commencement Date. If, after giving effect to the service vesting credit provided under this Section 3.I (d), the Executive is not deemed to have satisfied the requirement of continued employment through one or more of the applicable vesting dates pursuant to this Section or Section 3.l(a), any unvested portion of the Option shall be forfeited as of the date of Termination of Service.

(e) If,the Executive experiences a Termination of Service as a result of his Retirement, (i) the Executive shall be entitled to service credit equal to an additional twenty-four (24) months, measured as of the date of termination and (ii) the Option shall be deemed to have a vesting schedule, in lieu of the vesting schedule contemplated under Section 3.1(a), providing for the vesting of one-third (1/3rd) of the Option on each of the first three (3) anniversaries of the Deemed Vesting Commencement Date. If, after giving effect to the service vesting credit provided under this Section 3. I (e), the Executive is not deemed to have satisfied the requirement of continued employment through one or more of the applicable vesting dates pursuant to this Section or Section 3. l(a), any unvested portion of the Option shall be forfeited as of the date of termination.

(f) Unless otherwise determined by the Committee in its sole discretion, no Option shall vest and become exercisable in the event of the Executive's Termination of Service for any reason that is not contemplated under Sections 3.l(b) and (c).

(g) Any portion of an Option that is vested and exercisable as of a Termination of Service (after giving effect to vesting acceleration contemplated under Sections 3.1(b) through 3 .2(f) shall remain exercisable for the period set forth in Section 3.2 (b) below the Option over Shares that have not yet vested shall immediately terminate and will at no time become exercisable.

(h) In the event of a Change of Control, the Option shall not automatically vest and become exercisable and the Committee shall have the sole discretion to accelerate the vesting of unvested portion of the Option.

<u>Section 3 .2</u> - <u>Expiration of Option</u>

(a) The Option shall i1mnediately lapse upon the Executive's Termination of Service, subject to, and except as otherwise specified within, the terms and conditions of Section 3.1, above and this Section 3.2(a).

(b) The Option over Shares that has become vested and exercisable in accordance with Section 3.1 will cease to be exercisable by the Executive upon the first to occur of the following events:

(i) The eighth anniversary of the Grant Date; or

(ii) Twelve months after the date of the Executive's Termination of Service by reason of death or Disability; or

(iii) Thirty-six months after the date of the Executive's Termination of Service by reason of (A) a termination by the Company without Cause, (B) resignation with Good Reason by the Executive, (C) delivery to the Executive of a notice of non-renewal prior to the end of the Initial Term or the first Renewal Term, or (D) Retirement.

(iii) Ninety days after the date of the Executive's Termination of Service for any reason other than (A) the reasons set forth in 3.2 (b)(ii) or (iii) or (B) where the Committee has exercised its discretion in accordance with Section 3.l(f) above; or

(iv) Six calendar months after the date of the Executive's Termination of Service, provided the Committee has exercised its discretion pursuant to Section 3. l(f) above and termination is other than for Cause; or

(v) If the Committee so determines pursuant to Section 13 of the Plan and 3.1(e) of this Agreement, during a specified period immediately prior to the effective date of a Change of Control, so long as the Executive has a reasonable opportunity to exercise or receive value for his Option prior to such effective date.

(c) The Executive agrees to execute and deliver or electronically accept, in the manner and within the period specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Agreement including any applicable Schedules thereto.

(d) The Committee may, in its sole discretion, cancel the Option, if the Executive fails to execute and deliver or electronically accept the Agreement and documents in the manner specified within the period set forth in Section 3.2(c).

ARTICLE IV

EXERCISE OF OPTION

Section 4.1 - Person Eligible to Exercise

During the lifetime of the Executive, only he may exercise an Option or any portion thereof. After the death of the Executive, any exercisable portion of an Option may, prior to the time when an Option becomes unexercisable under Section 3.2, be exercised by any person empowered to do so under the Executive's will or under then-applicable laws of inheritance.

Section 4.2 - Partial Exercise

Any exercisable portion of an Option or the entire Option, if then wholly exercisable, may be exercised in whole or in part at any time prior to the time when the Option or portion thereof becomes unexercisable under Section 3.2; provided, however, that any partial exercise shall be for whole Shares only.

Section 4.3 - Manner of Exercise

An Option, or any exercisable portion thereof, may be exercised solely by delivering to the Secretary or his office or the Company's agent, if so directed, all of the following prior to the time when the Option or such portion becomes unexercisable under Section 3.2:

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

(b) Full payment (i) in cash, (ii) electronic transfer, (iii) by way of a cashless exercise with a broker as approved by the Company, (iv) by withholding in Shares to be issued upon exercise of the Option, if this method of exercise is approved by the Committee in its sole discretion; (iv) by way of a surrender of Shares previously-owned by the Executive to the Company, (v) by check, if the Company, in its sole discretion allows this method of payment, (vi) or by a combination thereof) of the Exercise Price for such Option or portion thereof that is exercised, provided the Shares surrendered or withheld have a Fair Market Value (determined as of the day preceding the date of exercise) that is not less than such Exercise Price or part thereof and any Tax-Related Items (as defined in (d) below);

(c) Full payment to the Company of all Tax-Related Items which, under federal, state, local or foreign law, it is required to withhold upon exercise of the Option;

(d) In a case where the Company is obliged to (or would suffer a disadvantage if it were not to) account for any Tax-Related Items (in any jurisdiction) for which the Executive is liable by virtue of the Executive's participation in the Plan that are legally applicable to the Executive or deemed by the Company, in its discretion, to be an appropriate charge to the Executive, the Executive agrees to make adequate arrangements satisfactory to the Company, or its respective agents, to satisfy all Tax-Related Items by electing one or a combination of the following: (i) withholding from the Executive's wages or other cash compensation paid to the Executive by the Company; (ii) withholding from proceeds of the sale of Shares issued upon exercise of the Option either through a voluntary sale or through a mandatory sale arranged by the Company (on the Executive's behalf pursuant to this authorization without further consent); (iii) withholding in Shares to be issued upon the exercise of the Option, if this method of exercise is approved by the Committee, in its sole discretion; (iv) by way of surrender of Shares previously-owned by the Executive to the Company; or (v) by the Executive's payment of the Tax-Related Items by cash, electronic transfer or by check if the Company, in its sole discretion, allows the Executive to pay any Tax-Related Items by check. Depending on the withholding method, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Executive will receive a refund of any over-withheld amount in cash and will have no entitlement to the Share equivalent. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Executive is deemed to have been issued the full number of Shares subject to the exercised Option, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items. Finally, the Executive agrees to pay to the Company any amount of Tax-Related Items that the Company may be required to withhold or account for as a result of the Executive's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the Shares or the proceeds of the sale of Shares, if the Executive fails to comply with his obligations in connection with the Tax-Related Items; and

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

Without limiting the generality of the foregoing, the Committee may, prior to exercise, require an opinion of counsel reasonably acceptable to it to the effect that any subsequent transfer of Shares acquired on exercise of an Option (other than a transfer through a sale of the Shares on the principal stock exchange or electronic trading system on which such Shares are then traded) does not violate the Exchange Act and may issue stop-transfer orders in the United States covering such Shares.

<u>Section 4.4</u> - <u>Conditions to Issuance of Shares</u>

The Shares to be delivered upon the exercise of the Option, or any portion thereof in accordance with Section 3.1 of this Agreement, may be previously authorized but unissued Shares. Such Shares shall be fully paid. The Company shall not be required to issue or deliver any certificates representing such

Shares or their electronic equivalent issued upon the exercise of an Option or portion thereof prior to fulfillment of all of the following conditions:

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

(b) The lapse of such reasonable period of time following the exercise of the Option as the Committee may from time to time establish for reasons of administrative convenience.

Section 4.5 - Rights as Shareholder

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

ARTICLE V

ADDITIONAL TERMS AND CONDITIONS OF OPTION

Section 5.1 - Nature of Grant

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

(a) the Plan is established voluntarily by the Company, is discretionary in nature and may be amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;

(b) the Executive's participation in the Plan is voluntary and subject to the terms of the Employment Agreement;

(c) the Option and any Shares acquired under the Plan are not intended to replace any pension rights or compensation under any pension arrangement;

(d) the Option and any Shares acquired under the Plan and the income and the value of the same are not part of normal or expected compensation or salary for any purposes, including, but not limited to, calculating any severance, resignation, termination, redundancy, end of service payments, dismissal, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(e) the future value of the Shares underlying the Option is unknown, indeterminable, and cannot be predicted with certainty;

(f) if the underlying Shares do not increase in value, the Option will have no value;

(g) if the Executive exercises the and acquires Shares, the value of such Shares may increase or decrease in value, even below the Exercise Price;

(h) unless otherwise provided in the Plan, the Employment Agreement or by the Company in its discretion, the Option and the benefits evidenced by this Agreement do not create any entitlement to have the Option or any such benefits transferred to, or assumed by, another company nor to be exchanged, cashed out or substituted for, in connection with any Change of Control or similar event affecting the Shares of the Company; and

(i) the Executive acknowledges and agrees that neither the Company nor any Subsidiary shall be liable for any foreign exchange rate fluctuation between the Executive's local currency and the United States Dollar that may affect the value of the Option or of any amounts due to the Executive pursuant to the exercise of the Option or the subsequent sale of any Shares acquired upon exercise.

Section 5.2 - No Advice Regarding Grant

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

ARTICLE VI

DATA PRIVACY NOTICE AND CONSENT

Section 6.1 - Data Privacy

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

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

(c) ***The Executive understands that Data will be transferred to Morgan Stanley Smith Barney or to any other third party assisting in the implementation, administration and management of the Plan. The Executive understands that the recipients of the Data may be located in the Executive's country or elsewhere, and that the recipients' country (e.g., Ireland) may have different data privacy laws and protections from the Executive's country. The Executive understands that if he resides outside the United States, he may request a list with the names and addresses of any potential recipients of the Data by contacting his local human resources representative. The Executive authorizes the Company, Morgan Stanley Smith Barney and any other recipients of Data which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing his participation in the Plan. The Executive understands that Data will be held only as long as is necessary to implement, administer and manage the Executive's participation in the Plan. The Executive understands that if he resides outside the United States, he or she may, at any time, view Data, request additional information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing his or her local human resources representative. Further, the Executive understands that he is providing the consents herein on a purely voluntary basis. If the Executive does not consent, or the Executive later seeks to revoke his consent, his employment status or service and career with the Company will not be adversely affected; the only adverse consequence of refusing or withdrawing the Executive's consent is that the Company would not be able to grant the Executive an Option or other equity awards or administer or maintain such awards. Therefore, the Executive understands that refusing or withdrawing his consent may affect the Executive's ability to participate in the Plan. For more information on the consequences of the Executive's refusal to consent or withdrawal of consent, the Executive understands that he may contact his local human resources representative.***

ARTICLE VII

MISCELLANEOUS

Section 7.1 - Administration

The Committee shall have the power to interpret the Plan and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules. Subject to the terms of the Employment Agreement, all actions taken and all interpretations and determinations made by the Committee shall be final and binding upon the Executive, the Company and all other interested persons. No member of the C01mnittee shall be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or the Options. In its absolute discretion, the Committee may at any time and from time to time exercise any and all rights and duties of the Committee under the Plan and this Agreement.

Section 7.2 - Options Not Transferable

Neither the Option nor any interest or right therein or part thereof shall be subject to the debts, contracts or engagements of the Executive or his successors in interest or shall be subject to disposition by transfer, alienation, anticipation, pledge, encumbrance, assignment or any other means whether such disposition be voluntary or involuntary or by operation of law by judgment, levy, attachment, garnishment or any other legal or equitable proceedings (including bankruptcy), and any attempted disposition thereof shall be null and void and of no effect; provided, however, that this Section 7.2 shall not prevent transfers made solely for estate planning purposes or under a will or by the applicable laws of inheritance.

Section 7.3 - Binding Effect

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

Section 7.4 - Notices

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

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

and any notice to be given to the Executive shall be at his address contemplated by the Employment Agreement.

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

Section 7.5 - Titles

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

Section 7.6 - Applicability of Plan

The Options shall be subject to all of the terms and provisions of the Plan, to the extent applicable to the Options.

Section 7.7 - Amendment

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

Section 7.8 - Governing Law

This Agreement shall be governed by, and construed in accordance with the laws of Ireland without regard to its conflicts of law provisions.

Section 7.9 - Jurisdiction

The State and Federal courts located in the County of New York, State of New York shall have exclusive jurisdiction to hear and determine any suit, action or proceeding, and to settle any disputes, which may arise out of or in connection with this Agreement and, for such purposes, the parties hereto irrevocably and unconditionally submit to the exclusive jurisdiction of such courts.

Section 7 .10 - Arbitration

Any dispute with may arise out of or in connection with this Agreement will be subject to the Arbitration clause set forth in Section 7(i) of the Employment Agreement.

Section 7.11 - Electronic Delivery and Acceptance

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

Section 7 .12 - Severability

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

Section 7.13 - Schedule A

The Option shall be subject to any special provisions set forth in Schedule A for the Executive's country of residence, if any. If the Executive relocates to one of the countries included in Schedule A during the life of the Option, the special provisions for such country shall apply to the Executive, to the extent the Company determines that the application of such provisions is necessary or advisable for legal or administrative reasons. Schedule A constitutes part of this Agreement.

Section 7 .14 - Imposition of Other Requirements

The Company reserves the right to impose other requirements on the Option and the Shares acquired upon exercise of the Option, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Executive to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Section 7.15 - Waiver

The Executive acknowledges that a waiver by the Company of breach of any provision of this Agreement shall not operate or be construed as a waiver of any other provision of this Agreement, or of any subsequent breach by the Executive or any other Participant of the Plan.

Section 7. 16 - Counterparts

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

By the Executive's execution or electronic acceptance of this Agreement (including the Schedules attached hereto) in the manner specified in the Executive's online account with the Company's designated broker/stock plan administrator, the Executive and the Company have agreed that the Option is granted under and governed by the terms and conditions of the Plan and this Agreement (including the Schedules. attached hereto).

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

/S/ DOMINIC CASSERLEY	By:	/S/ ADAM L. ROSMAN
DOMINIC CASSERLEY	Name:	ADAM L. ROSMAN
	Title:	*Group General Counsel*

SCHEDULE A

WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY 2012 EQUITY INCENTIVE PLAN

COUNTRY-SPECIFIC APPENDIX TO
TIME-BASED SHARE OPTION AWARD AGREEMENT

Terms and Conditions

This Schedule A includes additional terms and conditions that govern the Option granted to the Executive under the Willis Group Holdings Public Limited Company 201 2 Equity Incentive Plan, as amended from time to time (the "Plan") if the Executive resides in one of the countries listed below. This Schedule A forms part of the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Agreement or the Plan.

Notifications

This Schedule A also includes information based on the securities, exchange control and other laws in effect in the Executive's country as of May 2013. Such laws are often complex and change frequently. As a result, the Company strongly recommends that the Executive not rely on the information noted herein as the only source of information relating to the consequences of the Executive's participation in the Plan because the information may be out of date at the time the Executive exercises the Option under the Plan.

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

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

UNITED KINGDOM

Terms and Conditions

Tax Withholding Obligations
The following provisions supplements Section 4.3(d) of the Agreement:

The Executive agrees that if he or she does not pay or the Company does not withhold from the Executive the full amount of income tax that the Executive owes at exercise, or the release or assignment of the Option for consideration, or the receipt of any other benefit in connection with the Option (the "Taxable Event"), within 90 days after the Taxable Event or such other period specified in section 222(l)(c) of the U.K. Income Tax (Earnings and Pensions) Act 2003, then the amount of any uncollected income tax will constitute a benefit to him on which additional income tax and national insurance contributions ("NICs" will be payable. The Executive understands and agrees that he will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company for the value of any NICs due on this additional benefit.

UNITED STATES OF AMERICA

Notifications

Tax Information
The Option is not an incentive stock option within the meaning of Section 422 of the Code.

Exchange Control Information
Under the Foreign Account Tax Compliance Act ("FATCA"), United States taxpayers who hold Shares or rights to acquire Shares *(i.e.,* an Option) may be required to report certain information related to their holdings to the extent the aggregate value of the Options/Shares exceeds certain thresholds (depending on the Executive's filing status) with the Executive's annual tax return. The Executive is advised to consult with his or her personal tax or legal advisor regarding any FATCA reporting requirements with respect to the Option or any Shares acquired under the Plan.

In addition, United States persons who have signature or other authority over, or a financial interest in, bank, securities or other financial accounts outside of the United States (including a non-U.S. brokerage account holding the Shares or proceeds from the sale of Shares) must file a Foreign Bank and Financial Accounts Report ("FBAR") with the United States Internal Revenue Service each calendar year in which the aggregate value of the accounts exceeds $10,000. The FBAR must be on file by June 30 of each calendar year for accounts held in the previous year which exceed the aggregate value.

SECOND AMENDMENT TO THE

AMENDED AND RESTATED

WILLIS U.S. 2005 DEFERRED COMPENSATION PLAN

This amendment (the "Second Amendment") is made and entered into effective as of the 1st day of January, 2014.

WHEREAS, the Corporation previously adopted the Willis U.S. 2005 Deferred Compensation Plan (the "Plan") and subsequently restated the Plan as the Amended and Restated Willis U.S. 2005 Deferred Compensation Plan, effective January 1, 2010; and

WHEREAS, the Corporation previously adopted the First Amendment to the Amended and Restated Willis U.S. 2005 Deferred Compensation Plan, effective, June 1, 2011; and

WHEREAS, the Plan refers to Willis Group Holdings Limited, formerly a Bermuda entity, that was re-domiciled in Ireland in 2009 and is now Willis Group Holdings Public Limited Company, a company incorporated under the laws of Ireland; and

WHEREAS, the Corporation now desires to amend the Plan to facilitate the administration by permitting limited cashouts of Participant Accounts, to change the amount of Minimum Annual Deferral under the Plan, and to reflect the change in the name of Willis Group Holdings Public Limited Company; and

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

NOW, THEREFORE, the plan is hereby amended, effective as of January 1, 2014 as follows:

1. A new Section 7.5 is added to the Plan to read as follows:

7.5 Limited Cashouts.

(a) Notwithstanding any provision of the Plan to the contrary, each Plan Year the Administrator may, in its sole discretion, distribute the entire Account balance of a Participant in a single lump sum payment to such Participant provided he/she satisfies the following conditions:

(1) The payment to the Participant is not greater than the applicable dollar amount under section 402(g)(1)(B) of the Internal Revenue Code of 1986, as amended (the "Code") ($17,500 for 2013);

(2) The payment results in the termination and liquidation of the entirety of the Participant's interest under the Plan, including all agreements, methods, programs, or other arrangements with respect to which deferrals of compensation are treated as having been deferred under a single nonqualified deferred compensation plan under Treas. Reg. §1.409A-1(c)(2); and

(3) The Participant has not made a contribution to the Plan in the last three (3) years or more, including the Plan Year in which the distribution will be made.

(b) The Participant shall have no right or discretion (direct or indirect) to elect such limited cashout.

2. Section 4.3 Minimum Annual Deferral is hereby deleted in its entirety and the following is substituted therefor:

Section 4.3 Minimum Annual Deferral. Notwithstanding any provision of the Plan to the contrary, for any Plan Year, a Participant's Deferral Election shall not be for less than $10,000.

3. A new Section 5.2 is hereby added to the Plan as follows:

5.2 Forfeiture. A Participant's Account Balance, whether or not vested, may be forfeited in whole or in part at the discretion of the Administrator to the extent allowed by applicable law, if it is determined that any of the following exist with respect to the Participant: (i) gross negligence in the performance or intentional nonperformance of any of the Participant's material duties and responsibilities which is not due to a disability that could be reasonably accommodated to the extent required by state or federal law, (ii) conviction of, or no contest plea, to any felony that has, or could reasonably be expected to have, an adverse impact on the performance of the Participant's duties or otherwise result in material injury to the business of the Company as determined by the Administrator, (iii) the Participant's commission of fraud, (iv) the Participant's confirmed use of illegal drugs or operating under the influence of illegal drugs while on the premises of any property owned or leased by the Company or while performing duties for the Company, (v) the Participant's willful breach of a material provision of any employment agreement or other agreement between the Participant and the Company, or (vi) termination for cause pursuant to any employment agreement between the Participant and the Company or as otherwise determined by the Plan Administrator.

3. In each place where there is a reference in the Plan to Willis Group Holdings Limited or Willis Group Holdings, such phrase is hereby deleted and Willis Group Holdings Public Limited Company is substituted therefor.

4. Capitalized terms have the meaning set forth herein, or if not defined herein, shall have the meaning ascribed in the Plan.

IN WITNESS WHEREOF, the Employer, by its duly authorized officer, has executed this Second Amendment to the Plan effective as of the date first written above.

Willis North America Inc.

By: /S/ LYNN BISSINGER
LYNN BISSINGER

Its: Director of US Benefits

Exhibit 31.1

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Dominic Casserley, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2013 of Willis Group Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   (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: November 5, 2013

By: /S/ DOMINIC CASSERLEY

Dominic Casserley

Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO RULE 13a-14(a)

I, Michael K. Neborak, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2013 of Willis Group Holdings plc;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors:
   (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: November 5, 2013

By: /S/ MICHAEL K. NEBORAK

Michael K. Neborak

Group Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30 2013, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Dominic Casserley, Chief Executive Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2013

By: /S/ DOMINIC CASSERLEY

Dominic Casserley

Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Quarterly Report on Form 10-Q for the quarter ended September 30, 2013, of Willis Group Holdings plc (the “Company”), as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael K. Neborak, Group Chief Financial Officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, certify that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 5, 2013

By: /S/ MICHAEL K. NEBORAK

Michael K. Neborak

Group Chief Financial Officer

(Principal Financial and Accounting Officer)

A signed original of this written statement required by Section 906 has been provided to Willis Group Holdings plc and will be retained by Willis Group Holdings plc and furnished to the Securities and Exchange Commission or its staff upon request.