



## WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

### Audit Committee Charter

#### **Purpose**

The Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of Willis Group Holdings Public Limited Company (the “Company”) shall have the purpose to assist the Board’s oversight of: (1) the integrity of the Company’s financial statements; (2) the selection and oversight of the independent auditors; (3) the Company’s compliance with legal and regulatory requirements; (4) the independent auditor’s qualifications and independence; (5) the performance of the independent auditors and the Company’s internal audit function; and (6) the establishment and maintenance of proper internal accounting controls and procedures; and (7) to prepare an audit committee report as required by the Securities and Exchange Commission for inclusion in the Company’s annual proxy statement and as required by the New York Stock Exchange (“NYSE”).

#### **Membership**

The Committee shall consist of a minimum of three members of the Board who shall be appointed by the Board and have been determined by the Board to be independent as defined in the NYSE listing standards, as amended from time to time, and the rules of the SEC. No director may serve as a member of the Committee if such director serves on the audit committees of more than two other public companies unless the Board determines that such simultaneous service would not impair the ability of such director to effectively serve on the Committee, and disclose this determination in the Company’s annual proxy statement. They shall serve at the pleasure of the Board and for such term or terms as the Board may determine. In making such appointments, the Board shall consider any nominations recommended by the Corporate Governance and Nominating Committee.

All members of the Committee shall be “financially literate” upon appointment to the Committee as determined by the Board in accordance with the NYSE listing standards. The Committee will have at least one member qualified as an “audit committee financial expert” as determined by the Board in accordance with SEC rules.

#### **Delegation**

The Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee of the Committee in accordance with the Company’s articles of association. The Committee may, in its discretion, delegate to one or more of its members the authority to pre-approve any audit or non-audit services to be performed by the independent auditors, provided that any such approvals are presented to the Committee at its next scheduled meeting.

#### **Structure and Operations**

The Board shall designate one member of the Committee as its chairperson. The Committee shall meet in person or telephonically at least four times per year at a time and place determined by the

Committee chairperson, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the chairperson or a majority of the Committee members. In addition, the Committee will meet at least four times per year with each of senior management, the Company's internal auditors and the independent auditors in separate executive sessions. A majority of the authorized number of Committee members will constitute a quorum for the transaction of Committee business, and the vote of a majority of the Committee members present at a meeting at which a quorum is present will be the act of the Committee, unless in either case a greater number is required by this charter, the articles of association or the NYSE listing standards. The Committee will keep written minutes of its meetings and deliver copies of the minutes to the corporate secretary for inclusion in the Company's corporate records.

### **Duties and Powers**

To achieve its purpose, the Committee shall have the following duties and powers:

#### ***Independent Auditors***

With respect to the independent auditors:

1. to appoint, compensate, retain, oversee and terminate the independent auditors (subject, if applicable, to shareholder ratification which will be pre-approved) and any other registered public accounting firm engaged for the purpose of preparing or issuing an audit report or to perform audit, review or attestation services for the Company or its consolidated subsidiaries (which authority includes resolution of disagreements between management and the auditors regarding financial reporting);
2. to approve all fees and engagement terms relating to audit-related and non-audit related engagements;
3. to pre-approve all audit, review, attest and permissible non-audit services (including any permissible internal control-related services) to be provided to the company or its subsidiaries by the independent auditors, and the Committee may establish pre-approval policies and procedures in compliance with applicable rules of the U.S. Securities and Exchange Commission ("SEC");
4. to take account of the opinions of management and the Company's internal auditors in assessing the independent auditors' qualifications, performance and independence;
5. to obtain and review, at least annually, a report by the independent auditors describing the firm's internal quality-control procedures and any material issues raised by the most recent internal quality-control review, or peer review, of the auditing firm or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the firm, and any steps taken to deal with any such issues;
6. in connection with the annual review of the independent auditors' qualifications, to review and evaluate the lead partner of the independent auditors for the Company's account, and evaluate such other matters as the Committee may consider relevant to the engagement of the auditors, including views of Company management and internal finance employees, and whether the lead partner or auditing firm itself should be rotated;

7. to establish and maintain a policy or policies for the Company's hiring of employees or former employees of the independent auditor who participated in any capacity in the audit of the Company; and

8. to obtain from the independent auditors in connection with any audit a timely report relating to the Company's annual audited financial statements describing all critical accounting policies and practices used, all alternative treatments within generally accepted accounting principles for policies and practices related to material items that have been discussed with management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the independent auditors, and any material written communications between the independent auditors and management, such as any "management" letter or schedule of unadjusted differences.

### ***Financial Reporting and Internal Audit***

With respect to financial reporting principles and policies and internal audit procedures:

1. to consider any reports or communications (and management's and/or the internal audit department's responses thereto) submitted to the Committee by the independent auditors required by or referred to in SAS 61 (as codified by AU Section 380), as it may be modified or supplemented, or other applicable law or regulation;

2. to meet with senior management, the independent auditors and the director (and/or other personnel) of the internal audit department:

- to discuss the scope of the annual audit and to review with the independent auditors any audit problems or difficulties and management's response;
- to review the audited annual financial statements and unaudited quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and to recommend to the Board whether the audited financial statements should be included in the Company's annual report on Form 10-K;
- to review disclosures made to the Committee by the Company's CEO and CFO during their certification process for the annual report on Form 10-K and quarterly report on Form 10-Q regarding any significant deficiencies in the design or operation of internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's system of internal controls;
- to discuss any significant changes to the Company's audit and accounting principles, policies, controls, procedures and practices proposed or contemplated by management, the internal audit department and the independent auditors;
- to discuss, as appropriate: (i) any major issues regarding accounting principles and financial statement presentation, including any significant changes in the Company's selection or application of accounting principles, major issues as to the adequacy of the Company's internal controls, and any special audit steps adopted in light of material control deficiencies; (ii) analyses prepared by management, the internal audit department or the

independent auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements; (iii) material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences; and (iv) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures, on the financial statements of the Company;

- to review management's implementation of recommendations of internal audit and the independent auditors;
- to review annual internal audit plans for the Company including the adequacy of resources to accomplish such plans; and
- to review internal audit findings and recommendations, reports to management in connection therewith and the timelines and thoroughness of management's responses thereto including related implementation and corrective action;

which meetings may be held either in person, or by means of such telephone, electronic or other communication facilities as allows all persons participating in the meeting to communicate with each other simultaneously and instantaneously;

3. to discuss, including, if appropriate, with the independent auditors, guidelines and policies governing the process by which senior management of the Company and the relevant departments of the Company assess and manage the Company's exposure to risk, and to discuss the Company's major financial risk exposures and the steps management has taken to monitor and control such exposures;

4. to discuss with the Company's General Counsel any significant legal, compliance or regulatory matters that may have a material effect on the Company's business, financial statements or compliance policies, including material notices to or inquiries received from governmental agencies;

5. to discuss the Company's earnings press releases (paying particular attention to any use of non-GAAP information) as well as financial information and earnings guidance provided to analysts and rating agencies; and

6. to obtain reports from management of any significant related party transactions and to review and approve such transactions.

### ***Reporting and Recommendations***

With respect to reporting and recommendations, prepare and issue the following reports and provide them to the Board:

- any report or other disclosures, including any recommendation of the Committee, required by the rules of the SEC to be included in the Company's annual proxy statement;
- such recommendations with respect to the matters covered by this charter and other matters as the Committee may deem necessary or appropriate; and

- an annual performance evaluation of the Committee, which evaluation shall compare the performance of the Committee with the requirements of this charter and set forth the goals and objectives of the Committee for the upcoming year; the performance evaluation shall also recommend to the Board any improvements to the Committee's charter deemed necessary or desirable by the Committee; the performance evaluation by the Committee shall be conducted in such manner as the Committee deems appropriate; the report to the Board may take the form of an oral report by the chairperson of the Committee or any other member of the Committee designated by the Committee to make such report.

The Committee will also report to the Board on the major items covered by the Committee at each Committee meeting, and provide additional reports to the Board as the Committee may determine to be appropriate.

### ***Compliance***

With respect to compliance, to establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

### **Resources and Authority**

The Committee shall have the resources and authority appropriate to discharge its duties and responsibilities. In particular, it will be authorized to engage independent auditors for special audits, reviews and other procedures and to engage independent counsel and other advisors, experts or consultants as it determines necessary to carry out its duties or otherwise deems appropriate, without seeking approval of the Board or management.

### **Limitation of Role**

While the Committee has the duties and powers set forth in this charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of the Company's management and the independent auditors.

### **Reliance on Others**

Nothing in this charter is intended to preclude or impair any protection provided by applicable law for good faith reliance by members of the Committee on reports or other information provided by others.

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