

TOWERS WATSON

THE MARKET

Towers Watson is a leading global professional services company that helps organizations improve performance through effective people, risk, and financial management. Its 14,000 associates around the world offer solutions in the areas of employee benefits, talent management, rewards, and risk and capital management.

Towers Watson was created in 2010 with the merger of Towers Perrin, with roots dating back to 1871 in the United States, and Watson Wyatt, which was founded in the United Kingdom in 1878.

Today, with revenue in excess of \$3.2 billion, Towers Watson is one of the world's largest publicly held, independent professional services companies, and is trusted by the world's leading organizations. It serves 73 percent of the Fortune Global 500, 75 percent of the Fortune 500 (U.S.), and 75 percent of the FTSE 500.

ACHIEVEMENTS

The merger strengthened Towers Watson's market positions and significantly expanded its ability to serve clients, especially complex multinational organizations. Today, leading companies in every industry seek Towers Watson's help on a range of issues, including managing their employee benefit spending, creating more efficient compensation strategies, retaining top talent, engaging their employees, and better understanding and controlling risk. The company's consultants have a keen grasp of people and risk issues, and they understand how these issues are influenced by an organization's business strategy and financial performance, as well as external factors.

Towers Watson is a global leader in retirement actuarial and consulting services, and in health-care benefit consulting. Its Technology and Administration Solutions practice, one of the world's largest human resource outsourcing services, has earned the highest customer satisfaction rates in the industry. Its Investment Consulting practice advises more than 1,000 pension funds and institutional investors worldwide. Towers Watson has the largest number of actuarial consultants serving the insurance industry, as well as the largest financial modeling software business globally. Its reinsurance brokerage is one of the world's largest.



The company also has the world's largest, broadest practice in the talent and rewards consulting business, with expertise in talent management, executive and employee compensation, and change management and communication. Its compensation and benefit surveys include data from organizations in nearly 100 countries.

Towers Watson has offices in 37 countries in the Americas, Asia Pacific, Europe, the Middle East, and Africa, and its global footprint continues to grow. The company recently entered the market in Turkey and also expects to expand its presence in Asia, particularly in China and India.

HISTORY

Although Towers Watson's vision is firmly fixed on the future, its roots reach back 140 years.

Towers, Perrin, Forster & Crosby (TPF&C) was incorporated in Philadelphia, Pennsylvania, on February 13, 1934. Its history dates back to 1871, with the founding of predecessor firm Henry W. Brown & Co. Founders John Towers, Charles Perrin, H. Walter Forster, Arthur Crosby, H. Pratt Weaver, and Walter J. Chase all rose to leadership positions at Henry W. Brown and were already making their mark on American business before launching TPF&C.

When the firm opened for business with reinsurance specialist Walter Chase as its president, it had 26 employees. TPF&C specialized in reinsurance and life insurance, and eventually added

pensions and other employee benefit plan specialties to its services.

Over time, TPF&C grew, diversified, and globalized. In 1987 the firm became Towers Perrin. Before merging with Watson Wyatt, it was led by Chairman and CEO Mark V. Mactas.

Watson Wyatt traces its roots to the world's oldest actuarial firm. In 1878 Ruben Watson founded R. Watson & Sons in the United Kingdom, when the Manchester Unity of Oddfellows mutual benefit society appointed him actuary. He was soon hired by other societies, including the Royal Liver, which — like the Manchester Unity — is still a Towers Watson client today.

The U.S.-based Wyatt Company was established in 1946 by B. E. Wyatt and seven cofounders. Over the next several decades, the firm branched out from actuarial consulting to include health-care benefits and compensation work.

R. Watson & Sons and the Wyatt Company formed an alliance and began operating as Watson Wyatt Worldwide in 1995, and in 2000 was listed as Watson Wyatt on the NYSE. The two companies formally merged in 2005 to form one of the largest consulting firms of its kind, with operations in the Americas, Asia Pacific, and Europe. Watson Wyatt was listed on the NASDAQ in 2007. Before merging with

Towers Perrin, the company was led by Chairman and CEO John J. Haley, who now serves as chairman and CEO of Towers Watson.

THE PRODUCT

Towers Watson focuses on addressing pressing client issues in the areas of total rewards (employee benefits and compensation), talent management (employee engagement, succession planning, commu-

nication, and employee research), and risk and capital management (insurance consulting, investment services, actuarial software, and brokerage). The company primarily serves large, complex, global organizations.

Clients seek Towers Watson's expertise in three major areas:

Total Rewards. The complexity, costs, and risks associated with employee benefit and



compensation programs pose an increasing threat to companies' business performance. Towers Watson helps clients better understand and more effectively manage those factors by providing enterprise-wide strategies for managing employee benefits and compensation, and for attracting and retaining top talent. The company also works with management and boards of directors on executive compensation, providing objective guidance on how and how much executives are paid. The retirement consulting business supports organizations in designing, managing, administering, and communicating

return, Towers Watson consultants excel at creating practical, tailored solutions backed by rigorous analytics, unrivaled research, and market-leading technology. They work with clients on issues ranging from insurance product development to enterprise risk management and help organizations around the world establish the right investment portfolio risk tolerance.

RECENT DEVELOPMENTS

The hard work of harmonization that characterized Towers Watson's first postmerger year has paid off. Building on that foundation, the

Towers Watson as a company that helps clients achieve the results they need to succeed. Ongoing local and regional marketing programs, including client briefings, roundtable discussions, webcasts, and other events, embody the company's clients-first philosophy.

BRAND VALUES

Towers Watson's brand strategy is embedded in its mission, vision, and values. Its mission is to contribute to clients' success through its unique capabilities and deep expertise in human capital, risk, and financial services. Its vision is to be the



all types of retirement plans. And Towers Watson advises companies on the strategy, design, financing, delivery, ongoing management, and communication of employee health and group benefits. The benefits outsourcing services provide high-quality, practical administrative solutions. And to help multinationals address their unique workforce challenges, a select team of experienced consultants advises corporate and regional headquarters on all aspects of the design, financing, operation, and governance of their compensation and benefit programs around the world.

Talent Management. Having the right people in the right places, doing the right things — and keeping them engaged in meeting the goals of an organization — can be challenging. Towers Watson offers effective talent management programs, processes, and technology to deliver results. Its consultants use state-of-the-art surveying techniques and data analysis to help companies understand the needs of their employee groups — segmented by regions and demographics — and to develop proven programs that engage and retain employees. The company also develops employee value propositions that define the relationship between the organization and its workforce, and helps management communicate effectively with all employee segments. Towers Watson advises clients on creating meaningful career paths to promote employees' development while keeping them engaged and connected with the business.

Risk and Capital Management. Towers Watson understands the crucial links between risk, capital, and value. Whether the client is an insurer trying to manage value creation or an investment committee trying to balance risk and

company is expanding its offerings and developing new solutions to address client challenges.

A few examples: The company recently launched TalentIREWARD®, a cutting-edge software product for managers and employees that integrates performance management, career development, succession planning, learning management, job leveling, and market analysis. Towers Watson insurance consultants are working with several large auto insurers to analyze vehicle operation data on thousands of drivers as part of the company's DriveAbilitySM offering. The Investment Consulting group's important new research on membership segmentation in defined contribution pension plans helps clients effectively meet plan members' needs.

Towers Watson is also actively pursuing strategic mergers and acquisitions. In 2011 the company acquired EMB, a leading global provider of property and casualty actuarial risk services. The acquisition made Towers Watson the world's largest property and casualty software provider and consultancy. Also, the acquisition of Aliquant, a health and welfare benefits administration outsourcing firm, allows the company to provide an even deeper, broader range of benefits outsourcing services to clients.

PROMOTION

The company's global marketing strategy has played a key role in establishing Towers Watson's reputation. From the start, the new company created a strong visual brand that clearly differentiates Towers Watson from its competition. A consistent global marketing strategy — with an emphasis on thought leadership and research-based insights — has positioned

undisputed leader in its business globally, the go-to partner for clients, and the destination employer for great talent. Towers Watson is dedicated to putting clients first, with collaboration, professional excellence, integrity, and respect.

The company focuses on giving clients the clarity to make the right decisions and take the right actions. Its approach is grounded in perspective shaped by deep experience working on a wide range of issues. Its consultants begin every assignment with a clear understanding of the client's organization — the way it works, and its goals and challenges. By connecting each client's situation to the larger competitive and economic landscape, Towers Watson helps clients achieve real-world results.

THINGS YOU DIDN'T KNOW ABOUT TOWERS WATSON

- Towers Watson provides actuarial services to more of the world's top 300 pension funds than any other consulting company.
- Towers Watson consultants advise more than 1,000 institutional investors with total assets in excess of \$2.1 trillion.
- Towers Watson advises more than three-quarters of the world's leading insurers.
- Towers Watson's biennial Enterprise Risk Management Survey is the largest in the insurance industry.