



Risk Management

Growth and innovation are fundamental to Willis Towers Watson's success. Equally important are understanding and managing the risks associated with our businesses. Risk is an inherent part of any company and Willis Towers Watson understands the need to appropriately balance upside potential with potential downside consequences. Intelligent risk-taking is one of the ways we aim to unlock our potential for the benefit of our clients, our colleagues and our shareholders.

Willis Towers Watson is exposed to a variety of risks and seeks to manage these risks in a structured and consistent way. WTW's approach to Enterprise Risk Management (ERM) is derived from industry practices, including those set by the Committee of Sponsoring Organizations of the Treadway Commission, which defines ERM as:

“
the culture, capabilities, and practices, integrated with strategy-setting and its execution, that organizations rely on to manage risk in creating, preserving, and realizing value.



WTW Enterprise Risk Management Framework

The purpose of WTW's ERM Framework is to support delivery of effective risk management across the Company. The ERM Framework applies to all WTW entities and all colleagues working for and on behalf of WTW. The chart below outlines WTW's ERM Framework.



Business Strategy, Conduct and Culture Business strategy aligned with our mission, vision and values, working in conjunction with our Risk Appetite	
<p>Senior level sponsorship of risk management. Committee oversight. Clear roles and responsibilities</p>	<p>Setting out acceptable levels of risk. Aligning risk management to strategic planning process</p>
<p>Continuous identification, assessment, prioritisation of key risks</p>	<p>Controlling and mitigating risk through balanced risk retention, transfer, avoidance and reduction strategies. Optimising control design and effectiveness</p>
<p>Identification, management and reporting of risk events, root cause analysis and escalation to management</p>	<p>Regular top-down and bottom-up risk reporting. Committee oversight and escalation. Business, function, regional monitoring</p>

Risk assessment and control reviews are important components of the overall WTW ERM Framework. They aim at understanding the risk and its potential likelihood and impact in the context of achieving WTW's strategic objectives. WTW conducts regular risk and control reviews that are designed to capture material risks, controls and key areas of focus to follow up through management actions.

Three Lines of Defense Model

WTW operates a Three Lines of Defense Model, which is intended to align with the expectations of our clients, regulators and shareholders. This model states: the **first line of defense** is the business and/or functions, which own and manage risk; the **second line of defense**, including ERM and Compliance, oversees the management of risk; and the **third line of defense** comprises of functions that provide independent assurance, such as Internal Audit. The Three Lines of Defense help provide assurance that risks are assessed and managed to defined risk appetites and tolerances.

WTW has an established ERM Statement of Principles, which sets out the standards, roles and responsibilities and accountabilities for managing risk in WTW, within the context of the Three Lines of Defense.

ERM Governance

WTW's Board, through its various Board Committees, oversees the Company's senior management, who are responsible for the strategy and day-to-day operations and management of the Company. The Board has delegated to the Risk Committee, through the Committee's Charter, the primary responsibility of assisting the Board in its oversight of the framework, policies and practices used by management to identify, assess and manage key strategic and operational risks facing the Company.

WTW's Chief Risk Officer (CRO) is responsible for the Company's enterprise risk management framework and provides quarterly updates to the Risk Committee. As part of this update, the CRO briefs the Risk Committee on the Company's risk profile, top risks based on agreed risk appetites and outcomes of detailed risk analysis. Prior to updating the Risk Committee, the CRO discusses the material risks with the Controls Committee, which is comprised of a number of members of senior management.

The CRO also chairs the Company's Enterprise Risk Management (ERM) Steering Group, which reports into the Controls Committee and oversees the Company's ERM program and supports a positive risk culture.

Training

To support embedding of risk management practices and a positive risk culture within WTW, risk management training is provided as needed.

The scope of this training covers the business, function leaders and colleagues. ERM topics covered are tailored to the audience.

Please note the following Legal Disclaimer is incorporated by reference herein. As noted in the Disclaimer and our public filings with the U.S. Securities and Exchange Commission, we face numerous risks that could cause results to differ.

Legal Disclaimer

Forward-Looking Statements

Some of the statements contained on the Company's website are 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, are forward-looking statements. Also, when we use words such as "may," "will," "would," "anticipate," "believe," "estimate," "expect," "intend," "plan," "probably," or similar expressions, we are making forward-looking statements. Such statements are based upon the current beliefs and expectations of the Company's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. All forward-looking disclosure is speculative by its nature.

A number of risks and uncertainties that could cause actual results to differ materially from the results reflected in these forward-looking statements are identified under "Risk Factors" in Item 1A of our Annual Report on Form 10-K and in our subsequent filings. These statements are based on assumptions that may not come true and are subject to significant risks and uncertainties.

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 our Annual Report on Form 10-K and subsequent filings, our inclusion of this information is not a representation or guarantee by us that our objectives and plans will be achieved.

About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 45,000 employees serving more than 140 countries and markets. We design and deliver solutions that manage risk, optimise benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at willistowerswatson.com.



willistowerswatson.com/social-media

Copyright © 2020 Willis Towers Watson. All rights reserved.
WTW427903/10/2020

willistowerswatson.com

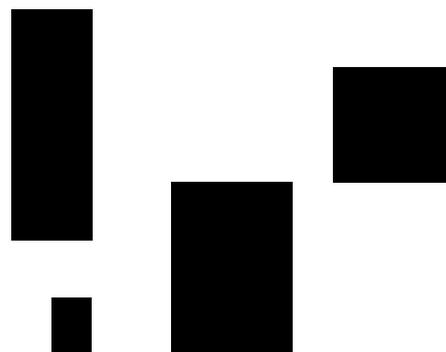
Our forward-looking statements speak only as of the date made and we will not update these forward-looking statements unless the securities laws require us to do so. In light of these risks, uncertainties and assumptions, the forward-looking events discussed on our website may not occur, and we caution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

Risk Factors

As discussed above, a number of risks and uncertainties could cause actual results to differ materially from those projected in any forward-looking statements. The Company's risk factors are described in "Risk Factors" in Item 1A of our Annual Report on Form 10-K and in our subsequent filings and should be carefully considered in evaluating our business. The risk factors described in our filings are not the only risks and uncertainties that we face. Additional risks and uncertainties that are presently unknown to us could also impair our business operations, financial condition or results.

Policy Statements

Each of the policy statements attached to this Legal Disclaimer is a statement of general policy. It is possible that specific circumstances in our global operations may differ from those described in our policy statements.



Willis Towers Watson