

Towers Watson & Co.
Form DEFM14A
October 13, 2015
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934
(Amendment No.)

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material Pursuant to Rule 14a-12

TOWERS WATSON & CO.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount Previously Paid:

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(3) Filing Party:

(4) Date Filed:

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Dear Stockholders:

You are cordially invited to attend a special meeting of the stockholders (the Towers Watson special meeting) of Towers Watson & Co. (Towers Watson) to be held on November 18, 2015 at 8:00 a.m. local time, located at Royal Palm South Beach, 1545 Collins Avenue, Miami Beach, FL 33139.

As previously announced, on June 29, 2015, Towers Watson entered into an Agreement and Plan of Merger (as amended from time to time, the Merger Agreement) with Willis Group Holdings Public Limited Company (Willis) and Citadel Merger Sub, Inc., pursuant to which Willis and Towers Watson will combine in an all-stock merger of equals transaction (the Merger). Following the Merger, Towers Watson will be a subsidiary of Willis and Towers Watson common stock will be delisted from the NASDAQ Stock Market, deregistered under the Securities Exchange Act of 1934, as amended, and cease to be publicly traded. The combination with Towers Watson will be effected under Delaware law. The combination of Towers Watson and Willis, if completed, would create a leading integrated, global advisory, broking and solutions firm to serve a broad range of clients and would result in significantly increased scale, revenues and cost savings, creating a strong platform to deliver sustainable growth and substantial value for shareholders of both companies.

As a result of the Merger, each share of Towers Watson common stock (except for certain shares held by Towers Watson, Willis, or Merger Sub and shares held by Towers Watson stockholders who properly exercise and perfect their appraisal rights in accordance with Delaware law) will be converted into the right to receive, without interest, 2.6490 Willis ordinary shares (the Merger Consideration). Towers Watson also intends to declare and pay, on the second business day immediately prior to the closing date, a special dividend, in an amount of \$4.87 per share of Towers Watson (the Towers Watson pre-merger special dividend).

For a description of the consideration that Towers Watson stockholders will receive, see *The Merger Agreement Consideration to Towers Watson Stockholders* beginning on page 126 of the accompanying joint proxy statement/prospectus. It is anticipated that Willis shareholders and Towers Watson stockholders, in each case as of immediately prior to the Merger, will hold approximately 50.1% and 49.9%, respectively, of the Willis ordinary shares immediately after completion of the Merger (calculated on a fully diluted basis using the treasury stock method). It is currently estimated that, if the Merger is completed, Willis will issue or reserve for issuance approximately 184,494,306 million Willis ordinary shares. The Willis ordinary shares will be listed on the NASDAQ Stock Market under the symbol WLTW. The Willis ordinary shares currently trade on the New York Stock Exchange under the symbol WSH, and shares of Towers Watson common stock currently trade on the NASDAQ Stock Market under the symbol TW. Based on the closing price of Willis ordinary shares as of October 7, 2015, the value of the Merger Consideration was approximately \$111.79 per share. The value of the Merger Consideration based on the closing price of Willis ordinary shares as of the closing date may differ from the value based on the price per Willis ordinary share as of October 1, 2015 or the price per Willis ordinary share at the time of the Towers Watson special meeting.

Subject to Willis shareholder approval, immediately after the consummation of the Merger, Willis intends to effect a consolidation (*i.e.*, a reverse stock split under Irish law) whereby every 2.6490 Willis ordinary shares will be

converted into one Willis ordinary share, \$0.000304635 nominal value per share (the Consolidation). If the Consolidation is approved, after taking into account the effects of the Merger and the Consolidation, Towers Watson stockholders will receive one post-Consolidation Willis ordinary share for each Towers Watson share. The Merger is not conditioned on Willis shareholder approval of the Consolidation.

Towers Watson will hold the Towers Watson special meeting and Willis will hold an extraordinary general meeting of shareholders to consider the Merger and related matters. Willis and Towers Watson cannot complete the proposed Merger unless, among other things, Willis shareholders approve the issuance of Willis ordinary shares pursuant to the Merger Agreement and Towers Watson stockholders approve and adopt the Merger Agreement.

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Your vote is very important. To ensure your representation at the Towers Watson special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please vote promptly whether or not you expect to attend the Towers Watson special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Towers Watson special meeting. The Towers Watson board of directors has determined that the Merger Agreement and the transactions contemplated thereby, including the Merger, the Restructuring Transactions (as defined in the Merger Agreement) and the declaration and payment of the Towers Watson pre-merger special dividend are advisable, and in the best interests of, Towers Watson and its stockholders, and has approved and declared advisable the Merger Agreement, and recommends that Towers Watson stockholders vote FOR the approval and adoption of the Merger Agreement, FOR the Towers Watson compensatory arrangements proposal and FOR the adjournment of the Towers Watson special meeting to another date and place if necessary or appropriate to solicit additional votes if there are insufficient votes at the time of the Towers Watson special meeting to approve the Merger Agreement.

The obligations of Willis and Towers Watson to complete the Merger are subject to the satisfaction or waiver of several conditions set forth in the Merger Agreement, a copy of which is included as Annex A hereto. The joint proxy statement/prospectus provides you with detailed information about the proposed Merger. It also contains or references information about Willis and Towers Watson and certain related matters. You are encouraged to read this document carefully. In particular, you should read the Risk Factors section beginning on page 34 of the accompanying joint proxy statement/prospectus for a discussion of the risks you should consider in evaluating the proposed transaction and how it will affect you.

On behalf of the Towers Watson board of directors, thank you for your consideration and continued support.

Sincerely,

John J. Haley

Chairman and Chief Executive Officer

Towers Watson & Co.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Merger, the issuance of the Willis ordinary shares in connection with the Merger, or passed upon the adequacy or accuracy of the disclosure in this document. Any representation to the contrary is a criminal offense.

This document is dated October 13, 2015, and is first being mailed to stockholders of Towers Watson on or about October 13, 2015.

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ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus incorporates by reference important business and financial information about Willis and Towers Watson from documents that are not included in or delivered with the joint proxy statement/prospectus. This information is available without charge to you upon written or oral request. You can obtain the documents incorporated by reference in the joint proxy statement/prospectus by requesting them in writing, by email or by telephone from Willis or Towers Watson at their respective addresses and telephone numbers listed below.

For Willis Shareholders:

For Towers Watson Stockholders:

Willis Group Holdings Public Limited Company

Towers Watson & Co.

200 Liberty Street, 7th Floor

901 N. Glebe Road

New York, NY 10281-1003

Arlington, VA 22203

Attention: Investor Relations

Attention: Investor Relations

Telephone: (212) 915-8084

Telephone: (703) 258-8000

Email: investor.relations@willis.com

Email: investor.relations@towerswatson.com

In addition, if you have questions about the Merger, the Willis EGM or the Towers Watson special meeting, or if you need to obtain copies of the accompanying joint proxy statement/prospectus, proxy cards or other documents incorporated by reference in the joint proxy statement/prospectus, you may contact the appropriate contact listed below. You will not be charged for any of the documents you request.

For Willis Shareholders:

For Towers Watson Stockholders:

Morrow & Co. LLC

MacKenzie Partners, Inc.

470 West Avenue 3rd floor

105 Madison Avenue

Stamford, CT 06902

New York, New York 10016

Banks and brokers call collect: (203) 658-9400

Call Collect: (212) 929-5500

Shareholders call toll-free: (800) 278-2141

Call Toll-Free: (800) 322-2885

To obtain timely delivery of these documents before the Willis EGM and the Towers Watson special meeting, you must request the information no later than November 10, 2015.

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For a more detailed description of the information incorporated by reference in the accompanying joint proxy statement/prospectus and how you may obtain it, see *Where You Can Find More Information* beginning on page 226 of the accompanying joint proxy statement/prospectus.

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WILLIS GROUP HOLDINGS PUBLIC LIMITED COMPANY

GRAND MILL QUAY, BARROW STREET DUBLIN 4, IRELAND

NOTICE OF THE EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON NOVEMBER 18, 2015

NOTICE IS HEREBY GIVEN that an EXTRAORDINARY GENERAL MEETING (the Willis EGM) of Willis Group Holdings Public Limited Company (Willis) will be held at The Pierre Hotel, 2 East 61st Street, New York, New York 10065, on November 18, 2015 at 9:30 a.m. (local time) for the purpose of considering and, if thought fit, passing the following resolutions the precise text of which is set forth in the section entitled *Willis Proposals* beginning on page 58 of the accompanying joint proxy statement/prospectus (the Willis EGM Resolutions), resolutions 1, 3 and 4 of which will be proposed as ordinary resolutions and resolution 2 of which will be proposed as a special resolution. The resolutions may be voted on in such order as is determined by the Chairman of the Willis EGM so that, for the avoidance of doubt, a vote may be taken on the resolution regarding the Willis Adjournment Proposal before a vote is taken on any other resolution:

Time: 9:30 a.m. local time

Date: November 18, 2015

Place: The Pierre Hotel

2 East 61st Street

New York, New York 10065

Purpose: *Willis Resolution 1 (the Willis Share Issuance Proposal):* to approve the issuance of Willis ordinary shares to stockholders of Towers Watson as the merger consideration in connection with the merger as contemplated by the Agreement and Plan of Merger, dated June 29, 2015 (as it may be amended from time to time, the Merger Agreement), among Willis, Towers Watson & Co. and Citadel Merger Sub, Inc.;

Willis Resolution 2 (the Willis Name Change Proposal): to approve the name change of Willis Group Holdings Public Limited Company to Willis Towers Watson Public Limited Company, subject to, and immediately after, the consummation of the merger;

Willis Resolution 3 (the Willis Consolidation Proposal): to approve a consolidation (*i.e.*, a reverse stock split under Irish law) whereby every 2.6490 Willis ordinary shares will be consolidated into one Willis ordinary share, \$0.000304635 nominal value per share, subject to, and immediately after, the consummation of the merger; and

Willis Resolution 4 (the Willis Adjournment Proposal): to approve and consent to the adjournment of the Willis EGM, or any adjournments thereof, to another time and place if, in the discretion of the Chairman, it is necessary or appropriate to, among other things, solicit additional proxies if there are insufficient votes received by way of proxy, at the time of the Willis EGM to approve the Willis Share Issuance Proposal, the Willis Name Change Proposal and/or the Willis Consolidation Proposal.

Completion of the merger is conditioned on, among other things, approval of the Willis Share Issuance Proposal. Approval of each of the Willis Name Change Proposal, the Willis Consolidation Proposal and the Willis Adjournment Proposal at the Willis EGM is not a condition to the obligation of Willis to consummate the merger. Accordingly, if all of the conditions to the merger are satisfied or waived, Willis intends to complete the merger, whether or not the Willis Name Change Proposal, the Willis Consolidation Proposal or the Willis Adjournment Proposal have been approved. In addition, the implementation of the Willis Name Change Proposal and the Willis Consolidation Proposal are each conditioned on the consummation of the merger.

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The accompanying joint proxy statement/prospectus describes the purpose and business of the Willis EGM, contains a detailed description of the Merger Agreement and the merger and includes a copy of the Merger Agreement as Annex A. Please read these documents carefully before deciding how to vote.

Record Date: The record date for the Willis EGM has been fixed by the board of directors as the close of business on October 2, 2015. Willis shareholders of record at that time are entitled to vote at the Willis EGM. More information about the transaction and the Willis EGM Resolutions is contained in the accompanying joint proxy statement/prospectus. **We urge all Willis shareholders to read the accompanying joint proxy statement/prospectus, including the Annexes and the documents incorporated by reference in the accompanying joint proxy statement/prospectus, carefully and in their entirety. In particular, we urge you to read carefully *Risk Factors* beginning on page 34 of the accompanying joint proxy statement/prospectus.**

The Willis board of directors recommends unanimously that Willis shareholders vote FOR the Willis Share Issuance Proposal, FOR the Willis Name Change Proposal, FOR the Willis Consolidation Proposal and FOR the Willis Adjournment Proposal.

Shareholders entitled to attend and vote at the Willis EGM may participate in such meeting in Ireland by technological means which will be available at the offices of Matheson, 70 Sir John Rogerson's Quay, Dublin 2, Ireland at the time of the meeting (and such participation shall constitute presence in person at the EGM).

By order of the Board of Directors,

Dominic Casserley

Chief Executive Officer and Director

October 13, 2015

YOUR VOTE IS IMPORTANT

You may have the option to vote your shares by using a toll-free telephone number or electronically over the Internet as described on the proxy card or voting instruction form you receive. We encourage you to submit your vote using either of these options if they are available to you. Alternatively, you may sign, date, mark and mail your proxy form in the postage-paid envelope provided. The method by which you vote does not limit your right to vote in person at the extraordinary general meeting. We strongly encourage you to vote.

Whether or not you expect to attend the Willis EGM in person, we encourage you to cast your vote promptly so that your shares will be represented and voted at the meeting. **Any shareholder entitled to attend and vote at the Willis EGM may appoint one or more proxies, who need not be a shareholder(s) of Willis.** If you wish to appoint a person other than the individuals specified on Willis' proxy card, please contact the Company Secretary and also note that your nominated proxy must attend the Willis EGM in person in order for your votes to be voted.

Under the Constitution of Willis, the Chairman of the Willis EGM may, with the consent of any meeting at which a quorum is present, and shall if so directed by the meeting, adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. Pursuant to this authority, the Willis EGM may be adjourned to,

among other things, solicit proxies if there are not sufficient votes at the time of the Willis EGM in favor of the Willis Proposals.

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TOWERS WATSON & CO.

901 N. GLEBE ROAD

ARLINGTON, VA 22203

NOTICE OF THE SPECIAL MEETING OF STOCKHOLDERS

TO BE HELD ON NOVEMBER 18, 2015

NOTICE IS HEREBY GIVEN that a special meeting of the stockholders of Towers Watson & Co. (Towers Watson) will be held at Royal Palm South Beach, 1545 Collins Avenue, Miami Beach, FL 33139, at 8:00 a.m. (local time) on November 18, 2015 for the following purposes:

Towers Watson Proposal 1 (the Towers Watson Merger Proposal): to approve and adopt the Agreement and Plan of Merger, dated as of June 29, 2015 (the Merger Agreement), by and among Willis Group Holdings Public Limited Company (Willis), Citadel Merger Sub, Inc. (Merger Sub) and Towers Watson, and to approve the transactions contemplated by the Merger Agreement, including the merger of Merger Sub with and into Towers Watson, with Towers Watson continuing as the surviving corporation and a subsidiary of Willis;

Towers Watson Proposal 2 (the Towers Watson Compensatory Arrangements Proposal): to approve, on an advisory (non-binding) basis, specified compensatory arrangements between Towers Watson and its named executive officers relating to the transactions contemplated by the Merger Agreement; and

Towers Watson Proposal 3 (the Towers Watson Adjournment Proposal): to adjourn the meeting to another date and place if necessary or appropriate to solicit additional votes if there are insufficient votes at the time of the Towers Watson special meeting to approve the Towers Watson Merger Proposal.

The approval by Towers Watson stockholders of the Towers Watson Merger Proposal is required to complete the merger described in the accompanying joint proxy statement/prospectus.

Towers Watson will transact no other business at the special meeting, except for business properly brought before the special meeting or any adjournment or postponement thereof.

The Towers Watson Merger Proposal, the Towers Watson Compensatory Arrangements Proposal and the Towers Watson Adjournment Proposal are described in more detail in the accompanying joint proxy statement/prospectus, which you should read carefully in its entirety before you vote. A copy of the Merger Agreement is attached as Annex A to this document.

The Towers Watson board of directors has set October 1, 2015 as the record date for the Towers Watson special meeting. Only holders of record of shares of Towers Watson common stock at the close of business on October 1, 2015 will be entitled to notice of and to vote at the Towers Watson special meeting and any adjournments or postponements thereof. Any shareholder entitled to attend and vote at the Towers Watson special meeting is entitled to appoint a proxy to attend and vote on such stockholder's behalf. Such proxy need not be a holder of shares of Towers Watson common stock.

Your vote is very important. To ensure your representation at the Towers Watson special meeting, please complete and return the enclosed proxy card or submit your proxy by telephone or through the Internet. Please

vote promptly whether or not you expect to attend the Towers Watson special meeting. Submitting a proxy now will not prevent you from being able to vote in person at the Towers Watson special meeting.

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The Towers Watson board of directors has unanimously approved and declared advisable the Merger Agreement and recommends that you vote FOR the Towers Watson Merger Proposal, FOR the Towers Watson Compensatory Arrangements Proposal and FOR the Towers Watson Adjournment Proposal.

BY ORDER OF THE BOARD OF DIRECTORS

John J. Haley

Chairman and Chief Executive Officer

Arlington, Virginia

October 13, 2015

PLEASE VOTE YOUR SHARES OF TOWERS WATSON COMMON STOCK PROMPTLY. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE PROPOSALS OR ABOUT VOTING YOUR SHARES, PLEASE CALL (212) 929-5500 OR (800) 322-2885.

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Notice to Investors

This document is not a prospectus within the meaning of the Companies Act, the Prospectus Directive (2003/71/EC) Regulations 2005 of Ireland (as amended) or the Prospectus Rules issued by the Central Bank of Ireland. No offer of shares to the public is made, or will be made, that requires the publication of a prospectus pursuant to Irish prospectus law within the meaning of the above legislation. This document has not been approved or reviewed by or registered with the Central Bank of Ireland or any other competent authority or regulatory authority in the European Economic Area. This document does not constitute investment advice or the provision of investment services within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) or the Markets in Financial Instruments Directive (2004/39/EC). Neither Willis nor Towers Watson is an authorized investment firm within the meaning of the European Communities (Markets in Financial Instruments) Regulations 2007 of Ireland (as amended) or the Markets in Financial Instruments Directive (2004/39/EC) and the recipients of this document should seek independent legal and financial advice in determining their actions in respect of or pursuant to this document.

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QUESTIONS AND ANSWERS ABOUT THE TRANSACTION, THE WILLIS EXTRAORDINARY GENERAL MEETING AND THE TOWERS WATSON SPECIAL MEETING

The following are answers to certain questions that you may have regarding the transaction, the Willis extraordinary general meeting (referred to as the Willis EGM) and the Towers Watson special meeting. We urge you to read carefully the remainder of this document because the information in this section may not provide all of the information that might be important to you in determining how to vote. Additional important information is also contained in the Annexes to, and the documents incorporated by reference into, this document.

If you are in any doubt about this transaction you should consult an independent financial advisor who, if you are taking advice in Ireland, is authorized or exempted by the Investment Intermediaries Act 1995, or the European Communities (Markets in Financial Instruments) Regulations (Nos. 1 to 3) 2007 (as amended).

Except where otherwise noted or where the context otherwise requires, references in this joint proxy statement/prospectus to we refer to Willis Group Holdings Public Limited Company, an Irish public limited company (referred to as Willis), and Towers Watson & Co., a Delaware corporation (referred to as Towers Watson). All references to the Merger Agreement refer to the Agreement and Plan of Merger, dated June 29, 2015, by and among Willis, Towers Watson, and Citadel Merger Sub, Inc., a Delaware corporation (referred to as Merger Sub), as it may be amended from time to time, a copy of which is included as Annex A to this joint proxy statement/prospectus. Unless otherwise indicated, all references to dollars or \$ in this joint proxy statement/prospectus are references to U.S. dollars.

Frequently Used Terms

In addition, a few frequently used terms may be helpful for you to have in mind at the outset. Unless otherwise indicated or as the context otherwise requires, each reference in this joint proxy statement/prospectus to: