

Towers Watson & Co.  
Form DEF 14A  
October 04, 2013  
Table of Contents

**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:   X  

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))

  X  

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):

X

No fee required

\_\_\_\_\_

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(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:

(5)

Total fee paid:

\_\_\_\_\_

Fee paid previously with preliminary materials.

\_\_\_\_\_

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

(1)

Amount Previously Paid:

(2)

Form, Schedule or Registration Statement No.:

(3)

Filing Party:

(4)

Date Filed:

---

Table of Contents

**Towers Watson & Co.**

875 Third Avenue

New York, New York 10022

Telephone: 212-725-7550

October 4, 2013

Dear Fellow Stockholder:

I am pleased to invite you to attend our 2013 Annual Meeting of Stockholders of Towers Watson & Co. to be held at the Mandarin Oriental Hotel, Miami, on Friday, November 15, 2013, at 8:00 a.m. EST. The actions we expect to take at the Annual Meeting are described in the attached Notice of the 2013 Annual Meeting of Stockholders and Proxy Statement. On or about October 4, 2013, we sent many of our stockholders a notice regarding the availability of this proxy statement (the Notice ) and our Annual Report on Form 10-K for Fiscal 2013 via the Internet. We encourage you to read the Form 10-K, which includes information on our business, as well as our audited financial statements.

Your vote is important. We encourage you to vote your shares as soon as possible. Your vote is important no matter how many shares you own. You may vote over the Internet, or, if you received your proxy materials by mail, you may vote by telephone or by mailing a completed, signed and dated proxy card. Voting over the Internet, by telephone, or by written proxy will ensure your representation at the Annual Meeting regardless of whether you attend in person. Please review the instructions on the Notice or proxy card regarding your voting options.

Sincerely,

John J. Haley



Table of Contents

**NOTICE OF 2013 ANNUAL MEETING OF STOCKHOLDERS**

**Friday, November 15, 2013**

The Annual Meeting of Stockholders of Towers Watson & Co. (the Company or Towers Watson ), a Delaware corporation, will be held at the Mandarin Oriental Hotel, Miami, on Friday, November 15, 2013 at 8:00 a.m. EST, for the following purposes:

1.

*Elect eight Directors to serve until the next Annual Meeting of Stockholders, or until their successors are elected and qualified (Proposal No. 1);*

2.

*Ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2014 (Proposal No. 2);*

3.

*Hold a non-binding advisory vote to approve the compensation of our named executive officers (Proposal No. 3); and*

4.

*Transact such other business as may properly come before the Annual Meeting or any postponement or adjournment thereof.*

The close of business on September 17, 2013 has been fixed as the record date for the determination of stockholders entitled to notice of, and to vote at, the annual meeting.

We have elected to use the notice and access rules adopted by the Securities and Exchange Commission to provide many of our stockholders access to our proxy materials and Form 10-K by notifying you of the availability of our proxy materials and Form 10-K via the Internet. The notice and access model gives the Company a fast, efficient and lower-cost way to furnish stockholders with their proxy materials and reduces our impact on the environment. As a result, on October 4, 2013, we mailed to many of our stockholders a "Notice Regarding the Availability of Proxy Materials" (the Notice ) with instructions on how to access the proxy materials and our Annual Report to Stockholders via the Internet (or how to request a paper copy) and how to vote online. We will also deliver printed versions of the proxy materials to certain of our stockholders, including those who have previously requested paper copies of the

proxy materials. On the date of mailing of the Notice, all stockholders will be able to access the proxy materials on a website referred to, and at the URL address included in, the Notice and in the proxy statement. These proxy materials will be available free of charge.

**By order of the Board of Directors**

Kirkland L. Hicks

Vice President, General Counsel and Secretary

New York, New York

October 4, 2013

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE 2013 ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON NOVEMBER 15, 2013**

The Company's Proxy Statement for the 2013 Annual Meeting of Stockholders, the Company's Annual Report to Stockholders and the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2013 are available under the Investor Relations page at <http://www.towerswatson.com>

---

Table of Contents

## TABLE OF CONTENTS

<b><u>QUESTIONS AND ANSWERS</u></b>		<b><u>1</u></b>
1.	<i><u>Why did I receive these proxy materials?</u></i>	<b><u>1</u></b>
2.	<i><u>Why did I receive a Notice Regarding the Availability of Proxy Materials instead of printed copies of these materials in the mail?</u></i>	<b><u>1</u></b>
3.	<i><u>When and where is the Annual Meeting and who may attend?</u></i>	<b><u>1</u></b>
4.	<i><u>What shares can I vote?</u></i>	<b><u>1</u></b>
5.	<i><u>Can I vote in person?</u></i>	<b><u>1</u></b>
6.	<i><u>Who is entitled to receive notice and vote shares?</u></i>	<b><u>2</u></b>
7.	<i><u>What are the Board's voting recommendations and how will shares be voted?</u></i>	<b><u>2</u></b>
8.	<i><u>How many shares must be present to hold the Annual Meeting?</u></i>	<b><u>2</u></b>
9.	<i><u>What are the voting requirements to elect the Directors and to approve each of the proposals contained in the Proxy Statement?</u></i>	<b><u>2</u></b>
10.	<i><u>How are abstentions and broker non-votes counted for determining a quorum and for voting my shares for each proposal?</u></i>	<b><u>3</u></b>
11.	<i><u>Is there a list of stockholders entitled to vote at the Annual Meeting?</u></i>	<b><u>3</u></b>
12.	<i><u>Who will pay the cost of soliciting proxies for the Annual Meeting?</u></i>	<b><u>3</u></b>
13.	<i><u>If another matter comes before the board for action, how will the matter be voted?</u></i>	<b><u>3</u></b>
14.	<i><u>How is my vote counted?</u></i>	<b><u>3</u></b>
15.	<i><u>What is Householding ?</u></i>	<b><u>3</u></b>
<b><u>GOVERNANCE OF THE CORPORATION</u></b>		<b><u>4</u></b>
<i><u>Corporate Governance Guidelines</u></i>		<b><u>4</u></b>
<i><u>Code of Business Conduct and Ethics</u></i>		<b><u>4</u></b>
<i><u>Communications with the Board or Lead Independent Director</u></i>		<b><u>4</u></b>
<i><u>Board Leadership and Lead Independent Director</u></i>		<b><u>4</u></b>
<i><u>Risk Assessment of Compensation Policies and Practices</u></i>		<b><u>4</u></b>
<i><u>Board's Role in Risk Oversight</u></i>		<b><u>5</u></b>
<i><u>Board Diversity</u></i>		<b><u>5</u></b>
<i><u>Nominees for Director</u></i>		<b><u>6</u></b>
<i><u>Standing Committees of the Board</u></i>		<b><u>6</u></b>
<i><u>Audit Committee</u></i>		<b><u>6</u></b>
<i><u>Compensation Committee</u></i>		<b><u>6</u></b>



<u><i>Nominating and Governance Committee</i></u>	<u>7</u>
<u><i>Risk Committee</i></u>	<u>7</u>
<u><i>Board Meetings</i></u>	<u>7</u>
<u><i>Meetings of Non-Employee Directors</i></u>	<u>7</u>
<u><i>Annual Meeting Attendance</i></u>	<u>7</u>
<u><i>Director Independence</i></u>	<u>7</u>
<b><u>PROPOSAL NO. 1: ELECTION OF DIRECTORS</u></b>	<b><u>9</u></b>
<u><i>Director Information</i></u>	<u>9</u>
<b><u>PROPOSAL NO. 2: RATIFY THE SELECTION OF DELOITTE &amp; TOUCHE LLP AS THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING JUNE 30, 2014</u></b>	<b><u>12</u></b>
<u><i>Fees Paid to the Independent Registered Public Accounting Firm</i></u>	<u>12</u>
<b><u>REPORT OF THE AUDIT COMMITTEE</u></b>	<b><u>14</u></b>
<b><u>PROPOSAL NO. 3: ADVISORY (NON-BINDING) VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS</u></b>	<b><u>15</u></b>
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b><u>16</u></b>
<u><i>Security Ownership Of Certain Beneficial Owners</i></u>	<u>17</u>
<u><i>Biographical Information For Other Executive Officers Of The Company</i></u>	<u>17</u>
<u><i>Section 16(a) Beneficial Ownership Reporting Compliance</i></u>	<u>18</u>

---

Table of Contents

<b><u>CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS</u></b>	<b><u>19</u></b>
<i><u>Review, Approval or Ratification of Transactions with Related Persons</u></i>	<u>19</u>
<i><u>Related Person Transactions</u></i>	<u>19</u>
<b><u>EXECUTIVE AND DIRECTOR COMPENSATION</u></b>	<b><u>20</u></b>
<i><u>Compensation Discussion and Analysis</u></i>	<u>20</u>
<i><u>Executive Summary</u></i>	<u>20</u>
<i><u>2013 Business Highlights</u></i>	<u>20</u>
<i><u>2013 Executive Compensation Program Changes and Events</u></i>	<u>22</u>
<i><u>2013 CEO Pay at a Glance</u></i>	<u>23</u>
<i><u>Say on Pay Vote</u></i>	<u>23</u>
<i><u>Summary of Our Executive Compensation Practices</u></i>	<u>23</u>
<i><u>Our Executive Compensation Programs in Detail</u></i>	<u>24</u>
<i><u>Our Pay Philosophy</u></i>	<u>24</u>
<i><u>Base Salary</u></i>	<u>25</u>
<i><u>Fiscal Year-End Bonuses</u></i>	<u>25</u>
<i><u>CEO Bonus: Performance Results</u></i>	<u>25</u>
<i><u>Other Named Executives Bonuses: Performance Results</u></i>	<u>26</u>
<i><u>Long-Term Incentive Compensation: PVRUSUs</u></i>	<u>28</u>
<i><u>Awards Granted for the 2013 – 2015 Performance Period</u></i>	<u>28</u>
<i><u>Clawback and Hedging Policies</u></i>	<u>29</u>
<i><u>Retirement and Savings Plans</u></i>	<u>29</u>
<i><u>Employee Welfare Benefit Plans</u></i>	<u>30</u>
<i><u>Severance and Other Benefits</u></i>	<u>30</u>
<i><u>Tax and Accounting Treatments of Elements of Compensation</u></i>	<u>30</u>
<i><u>Stock Ownership Guidelines</u></i>	<u>30</u>
<i><u>Compensation Decision Process and Methodology</u></i>	<u>30</u>
<i><u>Role of Internal and External Compensation Consultants</u></i>	<u>30</u>
<i><u>The Role of the CEO and Management</u></i>	<u>31</u>
<i><u>Use of Peer Company Data</u></i>	<u>31</u>
<b><u>COMPENSATION COMMITTEE REPORT</u></b>	<b><u>33</u></b>
<i><u>Compensation of Executive Officers</u></i>	<u>34</u>
<i><u>General Overview</u></i>	<u>34</u>
<i><u>Summary Compensation Table</u></i>	<u>34</u>
<i><u>Grants of Plan-Based Awards in Fiscal Year 2013</u></i>	<u>35</u>
<i><u>Outstanding Equity Awards at 2013 Fiscal Year-End</u></i>	<u>37</u>
<i><u>Options Exercised and Stock Vested During the Fiscal Year Ended June 30, 2013</u></i>	<u>38</u>
<i><u>Pension Benefits at 2013 Fiscal Year-End</u></i>	<u>39</u>
<i><u>Towers Watson Pension Plan</u></i>	<u>40</u>
<i><u>Legacy Watson Wyatt Formulas</u></i>	<u>40</u>
<i><u>Legacy Towers Perrin Formulas</u></i>	<u>41</u>
<i><u>Final Average Formula</u></i>	<u>41</u>

<u><i>Cash Balance Formula</i></u>	<u>42</u>
<u><i>Towers Watson SERP</i></u>	<u>42</u>
<u><i>Legacy Watson Wyatt Formulas</i></u>	<u>42</u>
<u><i>Legacy Towers Perrin Formulas</i></u>	<u>42</u>
<u><i>Nonqualified Deferred Compensation for the Fiscal Year Ended June 30, 2013</i></u>	<u>43</u>
<u><i>Post-Termination Payments and Benefits</i></u>	<u>44</u>
<u><i>PVRSUs</i></u>	<u>45</u>
<u><i>Towers Watson Severance Pay Plan</i></u>	<u>46</u>
<u><i>Compensation of Directors</i></u>	<u>46</u>
<u><i>Securities Authorized for Issuance Under Equity Compensation Plans</i></u>	<u>48</u>
<u><i>Towers Watson &amp; Co. Employee Stock Purchase Plan</i></u>	<u>48</u>
<u><i>Extend Health, Inc. 2007 Equity Incentive Plan</i></u>	<u>48</u>
<u><b>ADDITIONAL INFORMATION</b></u>	<u>49</u>
<u><i>Stockholder Proposals</i></u>	<u>49</u>
<u><i>Annual Report</i></u>	<u>49</u>

---

Table of Contents

**PROXY STATEMENT**  
**2013 ANNUAL MEETING OF STOCKHOLDERS**  
**FRIDAY, NOVEMBER 15, 2013**

**QUESTIONS AND ANSWERS**

**1. Why did I receive these proxy materials?**

This Proxy Statement, Notice of the 2013 Annual Meeting of Stockholders (the **Annual Meeting** ), accompanying proxy card and voting instructions (the **Proxy Materials** ) are being furnished to you as a stockholder of Towers Watson & Co., a Delaware corporation ( **Towers Watson** , the **Company** , **we** , **us** and **our** ), on or about October 4, in connection with the solicitation by the Board of Directors of the Company of proxies to be voted at our Annual Meeting. The proxies may be voted at any continuations, adjournments or postponements of the Annual Meeting. The Proxy Materials contain important information for you to use when deciding how to vote in connection with the Annual Meeting.

**2. Why did I receive a Notice Regarding the Availability of Proxy Materials instead of printed copies of these materials in the mail?**

In accordance with rules promulgated by the Securities and Exchange Commission (the **SEC** ), we have elected to furnish our proxy materials to stockholders over the Internet. Most stockholders are receiving by mail a Notice Regarding the Availability of Proxy Materials ( **Notice** ), which provides general information about the annual meeting, the address of the website on which our proxy statement and annual report are available for review, printing and downloading, and instructions on how to submit proxy votes. For those who wish to receive their materials in a different format (e.g., paper copy by mail), the Notice contains instructions on how to do so. Stockholders who have elected to receive paper copies of the proxy materials will receive these materials by mail.

**3. When and where is the Annual Meeting and who may attend?**

The Annual Meeting will be held on Friday, November 15, 2013 at 8:00 a.m. EST, at the Mandarin Oriental Hotel, Miami. Stockholders as of the record date for the meeting may attend the meeting. If you plan to attend the Annual Meeting, and are a stockholder of record, meaning that you hold shares directly and appear as a stockholder in the Company's stockholder list, please bring legal identification, such as a passport or driver's license, with you to the Annual Meeting. If your shares are held in the name of a bank or broker or other holder of record and you plan to attend the Annual Meeting, you must present proof of your ownership of Towers Watson common stock, such as the voting instruction form provided to you with this Proxy Statement (if the Proxy Statement was mailed to you) or a bank or brokerage account statement.

**4. What shares can I vote?**

All shares of the Company's Class A Common Stock and Class B Common Stock (collectively "common stock") that are represented by properly executed and unrevoked proxies received by the Company's selected vendor to tabulate the votes, Broadridge Financial Solutions, Inc., prior to the date of the Annual Meeting, will be voted. The deadline for receiving proxy voting instructions by mail, telephone (1-800-690-6903) or Internet ([www.proxyvote.com](http://www.proxyvote.com)) is 11:59 p.m. EST on Thursday, November 14, 2013.

**5. Can I vote in person?**

Stockholders of record may vote at the Annual Meeting. If your shares are held in the name of a bank or broker or other holder of record and you plan to attend the Annual Meeting, you must obtain a "legal proxy" from such bank or brokerage firm to vote at the Annual Meeting. If you vote in person, your vote will supersede any proxy that you previously executed.

Table of Contents

**6. Who is entitled to receive notice and vote shares?**

Stockholders of record at the close of business on September 17, 2013 are entitled to receive this notice and to vote their shares of common stock at the Annual Meeting and at any continuations, adjournments or postponements thereof. On September 17, 2013, there were 74,552,865.089 shares of common stock (69,178,097 shares of Class A Common Stock and 5,374,768.089 shares of Class B Common Stock) outstanding and entitled to vote at the Annual Meeting. Class A Common Stock and Class B Common Stock are the Company's only classes of outstanding voting securities and each holder thereof is entitled to one vote for each share on all matters properly presented, and for each director to be elected at the Annual Meeting.

**7. What are the Board's voting recommendations and how will shares be voted?**

The Board of Directors recommends that stockholders vote FOR each of the director nominees named in this Proxy Statement, FOR ratification of the selection of Deloitte & Touche LLP, and FOR the advisory vote regarding the approval of the compensation of our named executive officers. If the accompanying proxy card is properly signed and returned in the enclosed envelope (provided to stockholders who have received their Proxy Materials by mail), or voted via telephone or Internet, and not revoked, it will be voted. Unless contrary instructions are given, the persons designated as proxy holders on the accompanying proxy will:

.  
vote in favor of Proposal No. 1, to elect eight Directors to serve until the 2014 Annual Meeting of Stockholders, or until their successors are elected and qualified;

.  
vote in favor of Proposal No. 2, to ratify the selection of Deloitte & Touche LLP as the Company's independent registered public accounting firm for the fiscal year ending June 30, 2014;

.  
vote in favor of Proposal No. 3, in favor of the advisory vote regarding the approval of our named executive officers compensation; and

.  
vote in their own discretion as to any other matters that may properly come before the Annual Meeting.

You may revoke your proxy at any time before it is exercised by filing a revocation notice or a duly executed proxy to vote your shares bearing a later date with the Secretary of the Company at 901 N. Glebe Road, Arlington, Virginia 22203.

**8. How many shares must be present to hold the Annual Meeting?**

The presence at the Annual Meeting, in person or by proxy, of the holders of a majority of the shares of common stock outstanding at the close of business on September 17, 2013 is necessary to hold the Annual Meeting and conduct business. This is called a quorum.

**9. What are the voting requirements to elect the Directors and to approve each of the proposals contained in the Proxy Statement?**

*Proposal No. 1: Elect eight Directors to serve until the next Annual Meeting of Stockholders, or until their successors are elected and qualified.*

The Company's Amended and Restated Bylaws standard for voting for the election of Directors is a majority of votes cast in uncontested elections. A majority of the votes cast means that a number of votes cast FOR a director nominee must exceed the number of votes cast AGAINST that director nominee. In contested elections the vote standard is a plurality of votes cast. The Amended and Restated Bylaws provide that director nominees must deliver a statement that if elected, they agree to tender an irrevocable resignation promptly upon failure to receive the required vote in a subsequent election, in accordance with the Company's Corporate Governance Guidelines that are applicable to all director nominees.

*Proposal No. 2: Ratify the Selection of Deloitte & Touche LLP as the Company's Independent Registered Public Accounting Firm for the fiscal year ending June 30, 2014.*

The affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote is required to approve Proposal No. 2.





Table of Contents

*Proposal No. 3: Hold a non-binding advisory vote to approve the compensation of our named executive officers.*

The affirmative vote of a majority of the shares represented at the Annual Meeting and entitled to vote is required to approve Proposal No. 3.

**10. How are abstentions and broker non-votes counted for determining a quorum and for voting my shares for each proposal?**

Abstentions and proxies conferring authority to vote only on certain matters ( broker non-votes ) are counted as present and entitled to vote for purposes of determining a quorum.

In accordance with Delaware law, abstentions and broker non-votes will not be treated as votes cast with respect to Proposal No. 1, Election of Directors, Proposal No. 2, Ratification of the Selection of Deloitte & Touche LLP, Proposal No. 3, Advisory Vote to Approve the Compensation of our Named Executive Officers, or any other matter presented at the Annual Meeting, unless provided otherwise in our governing documents or under applicable law. A broker non-vote occurs when a bank, broker or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because that holder does not have discretionary voting power for that particular proposal and has not received instructions from the beneficial owner. Broker non-votes are not considered to have been votes cast at the Annual Meeting with respect to such matter.

**11. Is there a list of stockholders entitled to vote at the Annual Meeting?**

A list of stockholders of record will be available for inspection at the Annual Meeting and for ten days prior to the Annual Meeting at Towers Watson & Co., Office of the Secretary, 901 N. Glebe Road, Arlington, Virginia 22203.

**12. Who will pay the cost of soliciting proxies for the Annual Meeting?**

The cost of soliciting proxies will be borne by the Company. Employees of the Company may, but without compensation other than their regular compensation, solicit proxies by additional mailings, personal conversations,

telephone, facsimile, or electronically. We have engaged InvestorCom, Inc., a proxy solicitation firm, to assist us in soliciting proxies for a fee of \$7,500 plus reimbursement of reasonable expenses. The Company will, upon request, reimburse brokerage firms and others for their reasonable expenses in forwarding solicitation material to the beneficial owners of the Company's common stock. Other proxy solicitation expenses that we will pay include those for preparation, mailing and tabulating the proxies.

**13. If another matter comes before the board for action, how will the matter be voted?**

Management knows of no other matter that may come up for action at the Annual Meeting. However, if any other matter properly comes before the meeting, the proxies named on the enclosed proxy card will vote in accordance with their judgment on such matter.

**14. How is my vote counted?**

Individual proxies will be counted by Broadridge Financial Solutions, Inc. Whether or not you expect to be present at the Annual Meeting, you are urged to vote your proxy via the Internet. If you have received your Proxy Materials by mail, you may also vote by telephone or by signing, dating and promptly mailing in your proxy card. It is very important that you vote your shares.

**15. What is Householding ?**

Some banks, brokers and other nominee record holders may be participating in the practice of householding proxy statements and annual reports for those stockholders receiving the proxy materials by mail. This means that only one copy of this Proxy Statement and our Annual Report may have been sent to multiple stockholders in your household. We will promptly deliver a separate copy of either document to you if you contact the Secretary of the Company in writing at the following address: Towers Watson & Co., Office of the Secretary, at 901 N. Glebe Road, Arlington, Virginia 22203, or by telephone at 703-258-8000. If you would like to receive separate copies of our Annual Report and Proxy Statement in the future, or if you are receiving multiple copies and would like to receive only one copy for your household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address or phone number.

Table of Contents

**GOVERNANCE OF THE CORPORATION**

**Corporate Governance Guidelines**

Towers Watson is committed to exercising the highest standard of ethical conduct and corporate governance which we believe best serve our stockholders, employees and clients. We have established and adopted Corporate Governance Guidelines for maintaining our ethical standards, and adopted corporate governance practices that form a solid framework for effectively aligning our business objectives. Stockholders may obtain copies of our Codes of Business Conduct and Ethics, the Corporate Governance Guidelines and our Board committee charters under the Investor Relations page on the Company's website at <http://www.towerswatson.com> or send a request addressed to Towers Watson & Co., Office of the Secretary, 901 N. Glebe Road, Arlington, Virginia 22203.

**Code of Business Conduct and Ethics**

The Company has a Code of Business Conduct and Ethics that applies to all of its employees, including the Chief Executive Officer, President, the Chief Financial Officer and the Controller. The Company also has a Code of Business Conduct and Ethics that applies to all of the Company's Directors. Any amendment or waiver of the Codes for the Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer and Controller, or any of the Company's Directors will be disclosed on the Company's website or reported in a Form 8-K filing.

**Communications with the Board or Lead Independent Director**

It is the policy of the Company to facilitate communications of stockholders and other interested parties with the Board of Directors and the Company's Lead Independent Director. Communications to Directors of the Company must be in writing and may be sent to any Director, in care of the Secretary, Towers Watson & Co., Office of the Secretary, 901 N. Glebe Road, Arlington, Virginia 22203. Communications may be sent by email to all Directors as a group or to the Lead Independent Director using the e-mail addresses posted by the Company on its web site at [www.towerswatson.com](http://www.towerswatson.com) under Investor Relations. Communications should identify the person submitting the communication, including whether the person is a stockholder, the interest of such person in the subject matter of the communication, and the address, telephone number and email address of the person submitting the communication. Each communication will be forwarded to the Director(s) to whom it is addressed. The Board has authorized the Company's Secretary to adopt reasonable procedures for collecting and distributing communications to Directors. If such procedures are adopted, they will be made available on the Company's website at [www.towerswatson.com](http://www.towerswatson.com) under

Investor Relations.

### **Board Leadership and Lead Independent Director**

Towers Watson's Chief Executive Officer also serves as Chairman of our Board. Our Board believes that the combined role of Chairman and Chief Executive Officer currently is an appropriate leadership structure for our Company. In this regard, having a combined Chairman and Chief Executive Officer provides an efficient and effective leadership model. The board believes that this structure promotes unambiguous accountability, effective decision-making, and alignment on corporate strategy. In addition, because our Board works closely with our executive officers and members of senior management, there is a natural synergy in the combined Chairman and Chief Executive Officer role that facilitates our Board's oversight and guidance of management.

The Board has designated a Lead Independent Director. Among other responsibilities, our Lead Independent Director presides at all executive sessions of the independent Directors of the Board, coordinates the activities of our other independent Directors, approves Board meeting schedules, agendas and information sent to our Board, chairs all executive sessions of our independent Directors, and serves as principal liaison between our independent Directors and our Chairman and senior management and is available for consultation and direct communication if requested by major shareholders. The Company's Board of Directors has designated Linda D. Rabbitt as our Lead Independent Director.

### **Risk Assessment of Compensation Policies and Practices**

We have assessed the compensation policies and practices with respect to our employees, including our executive officers, and have concluded that they do not create risks that are reasonably likely to have a material adverse effect on our Company. Our Compensation Committee, in conjunction with management, human resources, legal, finance and our independent consultant, has developed a framework for reviewing the risks and rewards associated with the Company's compensation programs. This framework is intended to ensure that our compensation programs encourage and reward prudent discretion and business judgment and appropriate risk-taking over the long term.

Table of Contents

In developing incentive plans for the Company, our Compensation Committee has validated the plans against our compensation philosophy and has considered the extent to which the metrics used align with corporate plan metrics, business goals and provide balance, how incentive pools will be developed and whether they are capped, the highest amount of compensation that can be achieved under the plans through consistent superior performance over a sustained period of time, whether the plans are appropriately focused on long-term results, and whether sufficient operational controls are in place to prevent participants from manipulating results. In addition, the Company has substantial stock ownership requirements in place for senior executives which, when combined with conditioning the payment of large amounts of compensation payable solely in Company stock upon the achievement of long-term performance metrics, provide strong incentives to manage the Company for the long term, while avoiding excessive risk taking in the short term. Moreover, the Compensation Committee retains a significant amount of discretion to adjust compensation to ensure that it is matched appropriately with Company performance.

Management and the Compensation Committee regularly evaluate the risks of all of the Company's compensation programs on a global basis and do not believe that any of the Company's compensation programs create risks that are reasonably likely to result in a material adverse impact to the Company.

**Board's Role in Risk Oversight**

Risk is inherent in every business. As is the case in virtually all businesses, we face a number of risks, including operational, economic, financial, legal, regulatory, and competitive risks. Our management is responsible for the day-to-day management of the risks we face. Our Board of Directors, as a whole and through its committees, has responsibility for oversight of risk management.

In its oversight role, our Board of Directors' involvement in developing our business strategy and overseeing management's execution of strategic plans plays a key role in its oversight of risk management and in its assessment of the appropriate level of enterprise risk tolerance. Our Board of Directors receives updates at least quarterly from senior management and periodically from outside advisors regarding the various risks we face, including operational, economic, financial, legal, regulatory, and competitive risks. Our Board of Directors also reviews the various risks we identify in our filings with the Securities and Exchange Commission (the "SEC") as well as risks relating to various specific developments, such as acquisitions, securities repurchase, debt and equity placements, and product introductions.

Our Board committees assist our Board of Directors in fulfilling its risk oversight role. Our Risk Committee provides oversight and guidance to members of management who are responsible for the timely identification, mitigation and management of those risks that could have a material impact on the Company. Pursuant to its charter, the Audit

Committee oversees the financial reporting processes and the audit of the financial statements of our Company and provides assistance to our Board of Directors with respect to the oversight and integrity of the financial statements of our Company, our Company's compliance with legal and regulatory matters, the independent registered public accountant's qualification and independence, and the performance of our independent registered public accountant. The Compensation Committee considers the risk that our compensation policies and practices may have in attracting, retaining, and motivating valued employees and endeavors to assure that it is not reasonably likely that our compensation plans and policies would have a material adverse effect on our Company. Our Nominating and Governance Committee oversees governance related risk, such as board independence and conflicts of interests.

## **Board Diversity**

Towers Watson seeks diversity in experience, viewpoint, education, skill, and other individual qualities and attributes to be represented on our Board of Directors. We believe directors should have various qualifications, including individual character and integrity; business experience; leadership ability; strategic planning skills, ability, and experience; requisite knowledge of our industry and finance, accounting, and legal matters; strong communication and interpersonal skills; and the ability and willingness to devote time to our Company. We also believe the skill sets, backgrounds, and qualifications of our Directors, taken as a whole, should provide a significant mix of diversity in personal and professional experience, background, viewpoints, perspectives, knowledge, and abilities. Nominees are not to be discriminated against on the basis of race, religion, national origin, sex, sexual orientation, disability, or any other basis prescribed by law. The assessment of prospective Directors is made in the context of the perceived needs of our Board of Directors from time to time.

All of our Directors have held high-level positions in academia, business, or professional service firms and have experience in dealing with complex issues. We believe that all of our Directors are individuals of high character and integrity and satisfy the other qualifications described above. In addition to these attributes, the description of each Director's background set forth below indicates the specific experience, qualifications, and skills necessary to conclude that each individual should continue to serve as a Director of our Company.

Table of Contents

**Nominees for Director**

The Nominating and Governance Committee makes recommendations to the Board concerning individuals who are qualified to stand for election as Directors. The Nominating and Governance Committee seeks individuals with a broad and diverse range of skills who have demonstrated the highest levels of personal and business integrity and sound business judgment. The Nominating and Governance Committee reviews and make recommendations, as the Committee deems appropriate, regarding the composition and size of the Board to ensure the Board has the requisite expertise and that its membership consists of persons with sufficiently diverse and independent backgrounds. The Committee identifies individuals believed to be qualified as candidates to serve on the Board and recommends the nomination of candidates for all directorships to be filled by the Board or by the stockholders at an annual or special meeting. In fulfilling its responsibilities as outlined above, the Committee shall consult from time to time, as appropriate, with the Chairperson of the Board. The Nominating and Governance Committee will consider suggestions of possible nominees for Director from the Board of Directors and management, and may in the future retain a search firm to assist it in identifying possible nominees for Director.

The Nominating and Governance Committee also will consider recommendations of possible nominees for Director submitted by stockholders. Recommendations may be submitted to any member of the Nominating and Governance Committee in care of the Office of the Secretary, Towers Watson & Co., 901 N. Glebe Road, Arlington, Virginia 22203. Candidates recommended by stockholders will be evaluated in the same manner as other candidates considered by the Nominating and Governance Committee.

**Standing Committees of the Board**

The Company has four standing committees: Audit, Compensation, Nominating and Governance, and Risk. These committees operate pursuant to written charters adopted by the Board of Directors, which are available on the Company's website at <http://www.towerswatson.com> under Investor Relations. Each committee consists only of independent Directors.

**Nominating and**

**Audit                      Compensation                      Governance                      Risk**

**Victor F. Ganzl  
Leslie S. Heisz  
Brendan R. O'Neill**

**Linda D. Rabbitt\***  
**Gilbert T. Ray**  
**Paul Thomas**  
**Wilhelm Zeller**

**= Chair**

**\* Lead Independent Director**

### *Audit Committee*

The Audit Committee's principal responsibilities, as set forth in its charter, are to assist the Board in overseeing the Company's financial reporting process that is established and implemented by management. The Audit Committee oversees the work of the independent registered public accounting firm and also reviews information provided by the Company's Director of Internal Audit, independent registered public accounting firm, and management concerning internal accounting procedures and controls.

The Audit Committee is currently composed of four independent Directors, Victor F. Ganzi (Chair), Leslie S. Heisz, Gilbert T. Ray and Paul Thomas, all of whom meet the current independence requirements of NYSE and NASDAQ's listing standards. The Board of Directors has determined that Mr. Ganzi is both independent and an audit committee financial expert, as defined by SEC guidelines and NYSE and NASDAQ listing standards. The Audit Committee held eight meetings during fiscal year 2013.

### *Compensation Committee*

The Compensation Committee oversees executive compensation policies, including the compensation of the Chief Executive Officer (CEO), and oversees administration of Towers Watson's equity and non-equity incentive and compensation plans. The Board has delegated to the Compensation Committee matters associated with succession planning for the CEO. For additional information regarding the Compensation Committee's procedures and processes for setting executive



Table of Contents

compensation, please see *Compensation Decision Processes and Methodology*, on page 30 of this Proxy Statement under the heading *Compensation Discussion and Analysis*. Compensation of non-employee Directors is fully described under *Compensation of Directors* on page 46 of this Proxy Statement.

The Compensation Committee currently is composed of Gilbert T. Ray (Chair), Brendan R. O'Neill, Linda D. Rabbitt, and Wilhelm Zeller, all of whom meet the independence requirements of the NYSE and NASDAQ's listing standards. The Compensation Committee held six meetings during fiscal year 2013.

***Nominating and Governance Committee***

The Nominating and Governance Committee provides assistance to the Board of Directors of the Company in fulfilling its responsibilities: by identifying individuals qualified to become Directors and approving the nomination of candidates for all Directorships to be filled by the Board of Directors or by the stockholders of the Company; identifying Directors qualified to serve on the committees established by the Board of Directors and recommending to the Board of Directors members for each committee to be filled by the Board of Directors; maintaining and reviewing the Corporate Governance Guidelines; and otherwise taking a leadership role in shaping the corporate governance of the Company.

The Nominating and Governance Committee currently is composed of Brendan R. O'Neill (Chair), Victor F. Ganzi and Linda D. Rabbitt, all of whom meet the independence requirements of the NYSE and NASDAQ's listing standards. The Nominating and Governance Committee held four meetings during fiscal year 2013.

***Risk Committee***

The Risk Committee assists the Board of Directors in exercising its oversight of the Company by providing oversight and guidance to members of management who are responsible for the timely identification, mitigation, and management of those risks that could have a material impact on the Company.

The Risk Committee is currently composed of three independent Directors, Wilhelm Zeller (Chair), Leslie S. Heisz and Paul Thomas. The Risk Committee held four meetings during fiscal year 2013.

Membership of these Board committees may change after this Annual Meeting.

### **Board Meetings**

During the fiscal year ended June 30, 2013, the Board of Directors held six meetings. All Directors attended 75 percent or more of the meetings of the Board and the committees on which they served.

### **Meetings of Non-Employee Directors**

The non-employee Directors met without any management Directors or employees present four times during the fiscal year ended June 30, 2013 to discuss board policies, processes and practices. The Lead Independent Director chaired these meetings.

### **Annual Meeting Attendance**

All Director nominees are expected to attend the Company's Annual Meeting of Stockholders.

### **Director Independence**

The Board is composed of a majority of Directors who qualify as independent Directors pursuant to the corporate governance standards for companies listed on the NYSE and NASDAQ. The Board committee structure includes an Audit Committee, Compensation Committee, Nominating and Governance Committee and a Risk Committee, all of these committees consisting entirely of independent Directors.

In determining independence, each year the Board affirmatively determines whether Directors have any material relationship with the Company. When assessing the materiality of a Director's relationship with the Company, the Board considers all relevant facts and circumstances, not merely from the Director's standpoint, but from that of the persons or organizations with which the Director has an affiliation, and the frequency or regularity of the services, if any, provided to or by such persons or organizations, whether the services are being carried out at arm's length in the ordinary course of business and whether the services are being provided substantially on the same terms to the Company as those prevailing at the time from unrelated parties for comparable transactions. Material relationships

can include commercial, banking, industrial, consulting, legal, accounting, charitable and familial relationships. A Director will not be considered independent if the Director:

Table of Contents

1.

has an Immediate Family Member who is now, or has been in the past three years, an Executive Officer of the Company or any of its subsidiaries or other Affiliates;

2.

now, or in the past three years, has been employed by the Company or any of its subsidiaries or other Affiliates;

3.

has received, or has an Immediate Family Member who has received, more than \$120,000 during any twelve-month period within the last three fiscal years in direct compensation from the Company, other than (i) director and committee fees or (ii) pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

4.

has accepted, or has an Immediate Family Member who has accepted, more than \$120,000 in compensation from the Company or any subsidiary of the Company during any period of 12 consecutive months within the Company's current fiscal year or any of the previous three fiscal years, other than (i) compensation paid to an Immediate Family Member who is or was an employee (other than an executive officer) of the Company or any of its subsidiaries; or (ii) benefits under a tax-qualified retirement plan, or non-discretionary compensation;

5.

is, or has an Immediate Family Member who is, currently a partner of a firm that is the Company's internal or external auditor;

6.

is a current employee of the Company's internal or external auditor;

7.

has an Immediate Family Member who is a current employee of the Company's internal or external auditor and who participates in the firm's audit, assurance or tax compliance (but not tax planning) practice;

8.

has, or had an Immediate Family Member who has, served within the last three years as a partner or employee of the Company's internal or external auditor and personally worked on the Company's audit within that time;

9.

is employed, or has an Immediate Family Member currently employed, or is or had an Immediate Family Member employed during the previous three years, as an Executive Officer of another company where any of the Company's present Executive Officers serve or served at the same time on that company's compensation committee;

10.

is currently an employee, or has an Immediate Family Member who is currently an Executive Officer, of a company (including any business entity or any nonprofit organization) that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million, or 2% of such other company's consolidated gross revenues;

11.

is, or has an Immediate Family Member who is, currently a partner in, controlling shareholder or owner of, or executive officer of any organization (including any business entity or any nonprofit organization) to which the Company made, or from which the Company received, payments for property or services, in the current fiscal year or any of the past three fiscal years, that exceed 5% of the recipient's consolidated gross revenues for that year, or \$200,000, whichever is more.

For these purposes, an Immediate Family Member includes a Director's spouse, parents, stepparents, children, siblings, mother and father-in-law, sons and daughters-in-law, brothers and sisters-in-law, and anyone (other than a tenant or employee) who shares the Director's home.

Applying these standards, and because there were no transactions, relationships or arrangements that triggered any of these questions, the Board has determined that the following Directors are independent: Victor F. Ganzi, Leslie S. Heisz, Brendan R. O'Neill, Linda D. Rabbitt, Gilbert T. Ray, Paul Thomas, and Wilhelm Zeller. In making these determinations, the board determined that none of the independent Directors, their family members or organizations with which the Directors are affiliated have any material direct or indirect relationship with the Company.

Table of Contents

**PROPOSAL NO. 1: ELECTION OF DIRECTORS**

The first proposal to be voted on at the Annual Meeting is the election of the following eight Directors, each of whom including all the non-management Directors were recommended by the Board of Directors and approved by the Nominating and Governance Committee for inclusion on the Company's proxy card. The eight nominees for the Board of Directors are Victor F. Ganzi, John J. Haley, Leslie S. Heisz, Brendan R. O'Neill, Linda D. Rabbitt, Gilbert T. Ray, Paul Thomas and Wilhelm Zeller. Biographical information about each of these nominees is included below. Pursuant to its authority under our Amended and Restated Bylaws, the Board of Directors has set the number of Directors at eight, effective as of the Annual Meeting.

Each nominee elected will serve a one-year term expiring at the 2014 Annual Meeting of Stockholders or until his or her successor shall have been elected and qualified. If any nominee is unable to serve as a Director at the time of the Annual Meeting, the proxies may be voted for a substitute nominee selected by the Board of Directors. Each of the nominees listed above has consented to being named as a nominee, and the Company does not know of any reason that any of the nominees listed above would be unable to serve if elected.

**The Board of Directors Recommends that Stockholders Vote For Proposal No. 1 to elect Eight Directors to serve until the next Annual Meeting of Stockholders, or until their successors are elected and qualified.**

**Director Information**

The information set forth below states the name of each nominee for Director, his or her age, a listing of present and previous employment positions, the year in which he or she first became a Director of the Company and other directorships held and the experience, qualifications, attributes or skills that led to the conclusion that each person should serve as a Director.

**John J. Haley (age 63)** has served as the Chief Executive Officer and Chairman of the Board of Directors of Towers Watson since January 1, 2010, and as President since October 3, 2011. Previously, he served as President and Chief Executive Officer of Watson Wyatt beginning on January 1, 1999, as Chairman of the Board of Watson Wyatt beginning in 1999 and as a director of Watson Wyatt beginning in 1992. Mr. Haley joined Watson Wyatt in 1977. Prior to becoming President and Chief Executive Officer of Watson Wyatt, he was the Global Director of the Benefits Group at Watson Wyatt. Mr. Haley is a Fellow of the Society of Actuaries, and a member of the American Academy of Actuaries and the Conference of Consulting Actuaries. He is also a co-author of Fundamentals of Private Pensions

(University of Pennsylvania Press). Mr. Haley also serves on the boards of MAXIMUS, Inc., a provider of health and human services program management, consulting services and system solutions, and Hudson Global, Inc., an executive search, specialty staffing and related consulting services firm. He has an A.B. in Mathematics from Rutgers College and studied under a Fellowship at the Graduate School of Mathematics at Yale University.

Mr. Haley's qualifications to serve as Chairman of the Board of Directors of Towers Watson include the leadership and management experience he gained during more than thirty years of service as an employee, manager, officer, Chief Executive Officer and director of Watson Wyatt, as well as his service on the boards of other public companies and his substantive expertise in employee benefits and actuarial consulting.

**Victor F. Ganzi (age 66)** has served as a director of Towers Watson since January 1, 2010. He is presently a consultant and corporate director. Mr. Ganzi was the President and Chief Executive Officer of The Hearst Corporation, a private diversified communications company, from 2002 to 2008. He served as Hearst's Executive Vice President from 1997 to 2002 and as its Chief Operating Officer from 1998 to 2002. Prior to joining Hearst in 1990, Mr. Ganzi was the managing partner at the international law firm of Rogers & Wells (now part of Clifford Chance). Mr. Ganzi graduated summa cum laude from Fordham University with a B.S. in Accounting, received a J.D. degree from Harvard Law School and holds an L.L.M. in Taxation from New York University. Mr. Ganzi currently serves as the lead director of Gentiva Health Services, Inc. and previously served as a director of Wyeth and Hearst-Argyle Television, Inc.

Mr. Ganzi's qualifications to serve as a director of Towers Watson include his experience as a general counsel, chief financial officer and chief executive officer of a large diversified media company, as well as his expertise gained during a long career in both law and finance and his service on several boards of directors.

**Leslie S. Heisz (age 52)** has served as a director of Towers Watson since April 2012. Ms. Heisz was a managing director at Lazard Freres & Co from 2004 through April 2010 and a senior advisor from 2003 to 2004, providing strategic financial advisory services for clients in a variety of industries. Ms. Heisz was a managing director of Dresdner Kleinwort Wasserstein (and its predecessor Wasserstein Perella & Co.) from 1996 to 2002 and a director from 1995 to 1996. She was also a vice president at Salomon Brothers, and was a senior consultant specializing in strategic information systems at Price Waterhouse. Ms. Heisz is currently a member of the board of directors of HCC Insurance Holdings, Inc. and Ingram Micro,

Table of Contents

Inc. She previously served on the Board of Directors of International Game Technology and the Board of Managers of Eldorado Resorts LLC. Ms. Heisz holds a B.S. in Economics - Systems Science from the University of California at Los Angeles, and an M.B.A. from the John E. Anderson Graduate School of Management at UCLA.

Ms. Heisz's qualifications to serve as a director of Towers Watson include her extensive investment banking and finance experience, strong business acumen and leadership record, deep understanding of the capital markets, broad knowledge of mergers and acquisitions, and her service as a member of a number of other boards.

**Brendan R. O Neill (age 64)** has served as a director of Towers Watson since January 1, 2010. He previously served as a director of Watson Wyatt from July 2006 to 2009. Dr. O Neill was Chief Executive Officer and Director of Imperial Chemical Industries PLC ( ICI ), a manufacturer of specialty products and paints, until April 2003. From 2003 until 2006, Dr. O Neill was an independent director for a range of companies. Dr. O Neill joined ICI in 1998 as its Chief Operating Officer and Director, and was promoted to Chief Executive Officer in 1999. Prior to Dr. O Neill's career at ICI, he held numerous positions at Guinness PLC, including Chief Executive of Guinness Brewing Worldwide Ltd, Managing Director International Region of United Distillers, and Director of Financial Control. Dr. O Neill also held positions at HSBC Holdings PLC, BICC PLC, Aegis Group PLC, and the Ford Motor Company. He has an M.A. in Natural Sciences from the University of Cambridge and a Ph.D. in Chemistry from the University of East Anglia, and is a Fellow of the Chartered Institute of Management Accountants (U.K.). Dr. O Neill is also a director of Tyco International Ltd., Informa Group PLC, Endurance Specialty Holdings Ltd. and Drambuie Ltd.

Dr. O Neill's qualifications to serve as a director of Towers Watson include his experience as the chief executive officer of an international business, his extensive accounting and finance experience and his prior service as an independent director of a number of companies, including Watson Wyatt.

**Linda D. Rabbitt (age 63)** has served as a director of Towers Watson since January 1, 2010. She previously served as a director of Watson Wyatt from 2002 to 2009 and is the founder and Chief Executive Officer of Rand Construction Corporation, a commercial construction company founded in 1989 that specializes in building renovation and tenant build-outs. Prior to founding Rand Construction Corporation, Ms. Rabbitt was the co-founder and co-owner of Hart Construction Company, Inc., a commercial tenant construction company. From 1981 to 1985, Ms. Rabbitt was with KPMG (formerly Peat Marwick), where she was Director of Marketing from 1982 to 1985. Ms. Rabbitt previously served as a director of Brookfield Properties, a commercial real estate company, and currently is a Class C director of the Federal Reserve Bank of Richmond. Ms. Rabbitt is also a director of the Greater Washington Board of Trade and served as its Chair in 2002. Ms. Rabbitt has also served as a director of the Economic Club of Washington, D.C., as a director of Leadership Washington, and is a past Chairman and the current Treasurer of the Federal City Council and a trustee of George Washington University. Ms. Rabbitt holds a B.A. from the University of Michigan, Ann Arbor and an M.A. from George Washington University.



Ms. Rabbitt's qualifications to serve as a director of Towers Watson include her experience as a founder and chief executive officer of a prominent construction business, her prior experience with a global auditing/consulting firm and her service as a director of several other entities, including her prior service as a director of Watson Wyatt.

**Gilbert T. Ray (age 69)** has served as a director of Towers Watson since January 1, 2010. Formerly, Mr. Ray served as a director of Watson Wyatt from 2000 to 2009. Mr. Ray was a partner of the law firm of O Melveny & Myers LLP until his retirement in 2001. He practiced corporate law for almost three decades. He has extensive experience with corporate and tax exempt transactions, as well as international finance. Mr. Ray is a member of the boards of Advance Auto Parts, Inc., a retailer of automotive parts; DiamondRock Hospitality Company, a real estate investment trust; and DineEquity, Inc., a restaurant management and franchise company. Mr. Ray is also a trustee of two variable annuity funds managed by SunAmerica Asset management and The John Randolph Haynes and Dora Haynes Foundation. He holds a B.A. in Business from Ashland University, an M.B.A. from the University of Toledo and a J.D. from Howard Law School.

Mr. Ray's qualifications to serve as a director of Towers Watson include his expertise in corporate law and international finance, his long service as a partner of a major international law firm and his service on several other boards of directors, including his prior service as chair of the compensation committee of Watson Wyatt (and currently as chair of that committee for the Company), and as chair of the Nominating and Governance Committee of Advance Auto Parts.

**Paul Thomas (age 57)** has served as a director of Towers Watson since January 1, 2010. He has been a senior executive with the Rank Group NA since January 2011. He was previously the Chief Executive Officer of Reynolds Packaging Group from February 2008 through January 2011, when Alcoa sold the Reynolds Packaging Group business to the Rank Group. Mr. Thomas joined Alcoa in 1978 and, prior to the sale of its packaging businesses, most recently served as Executive Vice President for Alcoa and Group President for its Packaging and Consumer businesses. Mr. Thomas holds a B.S. in Material Sciences and Metallurgical Engineering from Lehigh University and an Executive M.B.A. from the University of Tennessee.

Table of Contents

Mr. Thomas's qualifications to serve as a director of Towers Watson include the leadership and management experience he gained serving in a number of executive positions, including chief executive officer.

**Wilhelm Zeller (age 69)** has served as a director of Towers Watson since January 1, 2010. He is presently a consultant and corporate director. Formerly, he served as the chief executive officer of Hannover Re Group from 1996 until his retirement in June 2009. Prior to joining Hannover Re, Mr. Zeller was a member of the Executive Board of Cologne Re and then a member of the Executive Council of General Re Corporation, Cologne Re's new principal shareholder. Currently, Mr. Zeller serves as a member of various advisory and supervisory boards in Germany as well as on the board of directors of Axis Capital Holdings Ltd. Mr. Zeller has received numerous awards and recognitions from worldwide trade periodicals including Reinsurance Personality of the Year and the Lifetime Achievement Award. He holds a B.A. in Business Administration from the University of Applied Sciences in Cologne, Germany.

Mr. Zeller's qualifications to serve as a director of Towers Watson include his familiarity with the international insurance and reinsurance industry, his experience serving as the chief executive officer of a reinsurance company and his service as a member of a number of boards.

Table of Contents

**PROPOSAL NO. 2: RATIFY THE SELECTION OF DELOITTE & TOUCHE LLP AS  
THE COMPANY'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR  
THE FISCAL YEAR ENDING JUNE 30, 2014**

The Audit Committee has selected Deloitte & Touche LLP ( Deloitte ) to serve as our independent registered public accounting firm for the fiscal year ending June 30, 2014. We are asking stockholders to ratify the selection of Deloitte as our independent registered public accounting firm. Although ratification is not required by our Amended and Restated Bylaws or otherwise, the Board is submitting the selection of Deloitte to our stockholders for ratification because we value our stockholders' views on the Company's independent registered public accounting firm and as a matter of good corporate governance.

In the event stockholders fail to ratify the selection, the Board of Directors and the Audit Committee will reevaluate the selection and any factors raised in connection with the vote. Even if the selection is ratified, the Audit Committee in its discretion may select a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

**Fees Paid to the Independent Registered Public Accounting Firm**

The Audit Committee has responsibility for the appointment, compensation and oversight of the work of the independent registered auditor. Deloitte is the Company's independent registered public accounting firm and audited the Company's financial statements for fiscal year 2013.

As part of its oversight responsibility, the Audit Committee must pre-approve all permissible services to be performed by the independent registered public accounting firm. The Audit Committee has established policies and procedures for the pre-approval of audit and non-audit services to be performed by the independent registered public accounting firm.

Under the policy, the Committee must give prior approval for any amount or specific type of service within four categories: (i) audit, (ii) audit-related, (iii) tax services or, to the extent permitted by law, and (iv) other services that the independent registered public accounting firm provides. Prior to the annual engagement, the Audit Committee may grant pre-approval for specific independent registered public accounting firm services within these four categories at

Edgar Filing: Towers Watson & Co. - Form DEF 14A

maximum pre-approved fee levels. If circumstances arise that would require the Company to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval, then the engagement for such services would require separate pre-approval by the Audit Committee. The Chair of the Audit Committee is authorized to approve a request for pre-approval provided the additional service is presented to the Audit Committee for approval at its next scheduled meeting.

The following table presents fees for professional audit services rendered by Deloitte for the audit of the Company's annual financial statements for the fiscal years ended June 30, 2012 and 2013.

	<b>2012</b>	<b>2013</b>
<b>Fee Category</b>	<b>Deloitte &amp; Touche LLP</b>	<b>Deloitte &amp; Touche LLP</b>
Audit Fees (1)	\$ 5,240,450	\$ 5,641,163
Audit-Related Fees		