

News Release

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Willis Boardroom Guide 2007 Identifies The Next Big Headaches For Company Directors

London, UK, August 21, 2007 – New developments in extra-territorial jurisdiction, stock options backdating and claims against European companies are becoming major areas of concern for company directors. These trends were identified by Willis Group Holdings, the global insurance broker, along with leading legal practitioners from 14 jurisdictions worldwide in the Willis Boardroom Guide 2007.

Published by the Directors' & Officers' (D&O) team of Willis' Financial Executive and Professional Risks (FINEX) division in conjunction with White Page Limited, the Willis Boardroom Guide identifies the key issues that affect company directors operating in 14 jurisdictions including the USA, Europe and the People's Republic of China. Each chapter focuses on one country and discusses changes in corporate governance, developments in the legislative framework, the role of the regulators and the development of more targeted and determined claimants.

In terms of extra-territorial jurisdiction, the Willis Boardroom Guide finds that there is an increasing appetite for US law firms to get involved in litigation against non-US companies, with some of the leading firms in the US setting up shop overseas to explore the potential for actions against them. This could create a new source of very complicated claims for directors of multinational companies.

Another problem which has arisen is the accounting treatment of stock options. If a company backdates its stock options, but fails properly to disclose this to shareholders and regulators, the directors could face claims that they have made misleading statements in their annual financial reports to investors.

When it comes to D&O claims, the report finds that while US class action litigation fell by over 40 percent from 2005 to 2006, the number of claims against European companies has remained at a relatively constant level for the last three to four years. Recent scandals at European companies have led to sweeping reforms of European corporate governance and audit procedures, and a more aggressive class of shareholders has emerged. This, coupled with the aforementioned appetite for US law firms to get involved in litigation against non-US companies, could give rise to heightened exposures for directors of companies outside the already well-established threats of US securities law.

Mark Wakefield, Executive Director, FINEX believes that the Willis Boardroom Guide is an invaluable reference tool for company directors. “The landscape for modern directors is constantly evolving,” said Wakefield. “No director today can rely upon the fact that they live and work in a single jurisdiction to protect them against potential claims in any territory where their company may operate.”

Willis Group Holdings Limited is a leading global insurance broker, developing and delivering professional insurance, reinsurance, risk management, financial and human resource consulting and actuarial services to corporations, public entities and institutions around the world. Willis has more than 300 offices in some 100 countries, with a global team of approximately 16,000 employees serving clients in some 190 countries. Additional information on Willis may be found at www.willis.com.

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Editor's Note: To request a copy of the Willis Boardroom Guide 2007 please email groupcomms@willis.com