



Governance

Leading by example

CORPORATE GOVERNANCE

Applicable Corporate Governance standards

This Corporate Governance disclosure reflects the requirements of the Directive on Information Relating to Corporate Governance, issued by the SIX Swiss Exchange as amended on 13 December 2016. The principles and the more detailed rules of Adecco Group AG's Corporate Governance are defined in Adecco Group AG's Articles of Incorporation (Aol), its Internal Policies and Organisational Rules, and in the Charters of the Committees of the Board of Directors (Board). Adecco Group AG's principles as a general rule take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as amended in 2016.

Additionally, on 20 November 2013, the Swiss Federal Council approved the Ordinance Against Excessive Compensation at Listed Corporations (the Ordinance) which entered into force on 1 January 2014. The Ordinance was issued to implement the key elements of the so-called Minder-Initiative, a constitutional amendment approved by the Swiss electorate in March 2013.

The Ordinance is applicable to listed companies with a registered office in Switzerland and has introduced a number of obligations and requirements such as (i) the individual and yearly election of the members of the Board, the Chair, the members of the remuneration committee and the independent proxy agent by the shareholders, (ii) the amendment of the Aol, (iii) the content of the Remuneration Report, (iv) an annual binding say of the shareholders on the compensation of the members of the Board and of the Executive Committee (EC), and (v) provisions regarding employment terms. The Ordinance forbids certain compensation payments (such as severance payments) and obliges pension funds to exercise their voting rights and to disclose their voting behaviour. Non-compliance with the provisions of the Ordinance may entail criminal sanctions.

Statements throughout this Corporate Governance disclosure using the term "the Company" refer to the Adecco Group, which comprises Adecco Group AG, a Swiss corporation, its consolidated subsidiaries, as well as variable interest entities for which the Adecco Group is considered the primary beneficiary.

Corporate Governance information is presented as of 31 December, unless indicated otherwise, as the statutory fiscal year of Adecco Group AG is the calendar year.

The Corporate Governance information included in this report is presented in Euro, except for information on shares, share capital and dividends, which is provided in Swiss Francs. Income, expenses and cash flows are translated using average exchange rates for the period, or at transaction exchange rates, and assets and liabilities are translated using the year-end exchange rates.

Corporate Governance

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Structure, shareholders and capital

1. Structure and shareholders

1.1 Legal and management structure

Adecco Group AG is a stock corporation (Aktiengesellschaft) organised under the laws of Switzerland with its registered office at Bellerivestrasse 30, 8008 Zürich, Switzerland.

Adecco Group AG is listed on the SIX Swiss Exchange (symbol ADEN, security number 1213860; ISIN CH0012138605). As of 31 December 2017, the market capitalisation of Adecco Group AG, based on the number of shares issued, including treasury shares, and the closing price of shares on the SIX Swiss Exchange, amounted to approximately CHF 12.8 billion. On 5 March 2018, this market capitalisation amounted to approximately CHF 12.0 billion.

The Company is the world's leading provider of workforce solutions including temporary staffing, permanent placement, outsourcing, career transition and other services.

The Company is organised in a geographical structure plus the global business Lee Hecht Harrison, which correspond to the primary segments. This structure is complemented by business lines.

The segments consist of: France; North America, UK & Ireland General Staffing; North America, UK & Ireland Professional Staffing; Germany, Austria, Switzerland; Benelux & Nordics; Italy; Japan; Iberia; Lee Hecht Harrison; and the Rest of World segments (comprising Australia & New Zealand; Latin America; Eastern Europe and Middle East & North Africa; Asia; and India).

The business lines consist of: General Staffing (Office, Industrial) and Professional Staffing (Information Technology, Engineering & Technical, Finance & Legal, Medical & Science), as well as Solutions. Solutions comprises Career Transition & Talent Development (CTTD), and Business Process Outsourcing (BPO), which includes Managed Service Programmes (MSP), and Recruitment Process Outsourcing (RPO) and Digital. BPO included Vender Management System (VMS) until December 2016, when VMS activities were deconsolidated following the merger of Beeline with IQNavigator. The classification of a specific branch into a business line for General Staffing and Professional Staffing is determined by the business line generating the largest revenue share in that specific branch.

The Company provides services to businesses and organisations located throughout Europe, North America, Asia Pacific, Latin America and North Africa.

As of 1 January 2018, the Company's EC was composed as follows:

- Alain Dehaze, Chief Executive Officer;
- Hans Ploos van Amstel, Chief Financial Officer;
- Christophe Catoir, Regional Head of France;
- Federico Vione, Regional Head of North America, UK & Ireland General Staffing;
- John L. Marshall III, Regional Head of North America, UK & Ireland Professional Staffing;
- Mark De Smedt, Regional Head of Northern Europe;
- Sergio Picarelli, Regional Head of Italy, Eastern Europe & MENA;
- Ian Lee, Regional Head of Asia Pacific;
- Enrique Sanchez, Regional Head of Iberia & Latin America;
- Franz-Josef Schürmann, Chief Sales and Innovation Officer;
- Shanthi Flynn, Chief Human Resources Officer (until 30 April 2018);
- Stephan Howeg, Chief Marketing & Communications Officer;
- Rob James, Chief Information Officer.

The Company comprises numerous legal entities around the world. The major consolidated subsidiaries of the Adecco Group are listed on page 148 of this Annual Report. No subsidiary has shares listed on a stock exchange.

1.2 Significant shareholders

As of 31 December 2017, the total number of shareholders directly registered with the share register of Adecco Group AG was approximately 14,000; the major shareholders and their shareholdings were disclosed to Adecco Group AG as listed in the following table.

Please note that percentages of shareholdings refer to the date of disclosure unless indicated otherwise, up to 31 December 2017, and may have changed in the meantime.

For further details pertaining to the below listed disclosures, refer to the following websites:

<https://www.six-exchange-regulation.com/en/home/publications/significant-shareholders.html?companyId=ADECCO>

or

<http://adeccogroup.com/investors/shareholder-debt-info/disclosure-shareholding/>

or

<http://ir.adeccogroup.com>.

Investor	Date of SIX publication	Percentage of voting rights as disclosed
Adecco Group AG	22.12.2017	3.04% equity, 0.48% sale positions
Akila Finance S.A.	28.05.2014	4.31% equity, 0.26% sale positions ^{1,2}
Group BlackRock Inc. ³	01.12.2017	5.09% purchase positions, 0.03% sale positions
Invesco Limited, Bermuda	01.08.2017	3.01% purchase positions
MFS Investment Management	02.02.2017	Falling below threshold of 3%
The Capital Group Companies, Inc.	12.05.2017	Falling below threshold of 3%

1 Beneficial owners have been disclosed.

2 As per current share capital: 4.77% equity, 0.29% sale positions.

3 Between 1 January 2017 and 31 December 2017, the Company has received a number of disclosure notifications of BlackRock Inc. New York, falling below as well as surpassing the 5% threshold. For further notifications of BlackRock Inc. and details see the links as indicated above.

As of 31 December 2017, Adecco Group AG is not aware of any person or legal entity, other than those stated above, that directly or indirectly owned 3% or more of voting rights in Adecco Group AG, as defined by the Swiss disclosure requirements. Adecco Group AG is not aware of shareholders' agreements, other than those described in the aforementioned disclosures, between its shareholders pertaining to Adecco Group AG shares held.

According to Art. 120 of the Swiss Federal Act on Financial Market Infrastructures and Market Conduct in Securities and Derivatives Trading ("FMIA"; applicable since 1 January 2016), anyone who directly or indirectly or acting in concert with third parties acquires or disposes of shares or acquisition or sale rights relating to shares of a company with its registered office in Switzerland whose equity securities are listed in whole or in part in Switzerland, or of a company with its registered office abroad whose equity securities are mainly listed in whole or in part in Switzerland, and thereby reaches, falls below or exceeds the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 33 $\frac{1}{3}$ %, 50% or 66 $\frac{2}{3}$ % of the voting rights, whether exercisable or not, must notify this to Adecco Group AG and to the Disclosure Office of the SIX Swiss Exchange. Such notification must be made no later than four trading days after the obligation to disclose arises.

For further information refer to section 7.1.

1.3 Cross-shareholdings

As of 31 December 2017, there were no cross-shareholdings exceeding 5% of a party's share capital.

2. Capital structure

2.1 Share capital

At the Annual General Meeting of Shareholders (AGM) of 20 April 2017, shareholders approved the reduction of CHF 0.90 of the nominal value of the Adecco Group AG share, which became effective on 18 July 2017.

As of 31 December 2017, the share capital of Adecco Group AG registered with the Commercial Register amounted to CHF 17,115,618.70 divided into 171,156,187 fully paid up registered shares with a nominal value of CHF 0.10 per share.

2.2 Authorised and conditional capital

At the AGM of 20 April 2017, the Company's shareholders approved, all effective 18 July 2017:

- the creation of authorised capital in an amount not to exceed CHF 855,780.90 through the issuance of up to 8,557,809 fully paid registered shares with a nominal value of CHF 0.10 per share by not later than 30 April 2019;
- the deletion of conditional capital (4,166,804 registered shares) reserved for further exercise of option rights granted to employees and members of the Board of Adecco Group AG or of its affiliated companies;
- the reduction of the conditional capital of CHF 15,400,000 to CHF 1,540,000. The number of shares under the conditional capital remains unchanged (15,400,000 shares), whilst the nominal value of each share under the conditional capital is reduced from CHF 1.00 to CHF 0.10. The shares under the conditional capital are reserved for the exercise of option or conversion rights granted in relation to financial instruments such as bonds or similar debt instruments of Adecco Group AG or its affiliates. The subscription rights of the shareholders regarding the subscription of the shares are excluded. The shareholders' preferential bond subscription rights in the issue of the bonds or similar debt instruments may be limited or excluded by the Board. The conditional capital is available for share issuance upon conversion of financial instruments Adecco Group AG or its subsidiaries may issue in the future.

For details on the terms and conditions of the issuance/creation of shares under authorised/conditional capital, refer to Art. 3^{bis} and 3^{quater} of the Aol (<http://aoi.adecgroup.com>).

Structure, shareholders and capital continued

2.3 Changes in share and conditional capital

Adecco Group AG's share, authorised and conditional capital structure as of the dates indicated below were as follows:

in CHF millions, except shares	Issued shares		Authorised capital		Conditional capital	
	Shares	Amount	Shares	Amount	Shares	Amount
1 January 2015	179,081,810	179.1			19,566,804	19.6
Share cancellation	(4,606,873)	(4.6)				
31 December 2015	174,474,937	174.5			19,566,804	19.6
Share cancellation	(3,318,750)	(3.3)				
31 December 2016	171,156,187	171.2			19,566,804	19.6
31 December 2017	171,156,187	17.1	8,557,809	0.9	15,400,000	1.5

Note that the nominal value of each registered share has been reduced effective 18 July 2017, see sections 2.1 and 2.4.

2.4 Shares and participation certificates

Effective 18 July 2017, Adecco Group AG shares have a nominal value of CHF 0.10 each. All shares are fully paid registered shares and bear the same dividend and voting rights. Pursuant to Art. 7 of the Aol (<http://aoi.adecgroup.com>), the right to vote and all other rights associated with a registered share may only be exercised by a shareholder, usufructuary or nominee who is registered in the share register as the shareholder, usufructuary or nominee with right to vote.

As of 31 December 2017, there were no outstanding participation certificates.

2.5 Bonus certificates

Adecco Group AG has not issued bonus certificates (Genussscheine).

2.6 Limitations on registration, nominee registration and transferability

Each Adecco Group AG share represents one vote.

Acquirers of registered shares are recorded in the share register as shareholders with the right to vote upon request, provided that they declare explicitly to have acquired the registered shares in their own name and for their own account (Art. 4 sec. 2 of the Aol; <http://aoi.adecgroup.com>). Upon such declaration, any person or entity will be registered with the right to vote.

The Board may register nominees with the right to vote in the share register to the extent of up to 3% of the registered share capital as set forth in the Commercial Register. Registered shares held by a nominee that exceed this limit may be registered in the share register if the nominee discloses the names, addresses and the number of shares of the persons for whose account it holds 0.5% or more of the registered share capital as set forth in the Commercial Register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account or with whom the Board has entered into a corresponding agreement (refer to Art. 4 sec. 3 of the Aol; <http://aoi.adecgroup.com>). The Board may grant exemptions to this registration restriction (refer to Art. 4 sec. 6 of the Aol; <http://aoi.adecgroup.com>). In 2017, there were no such exemptions granted.

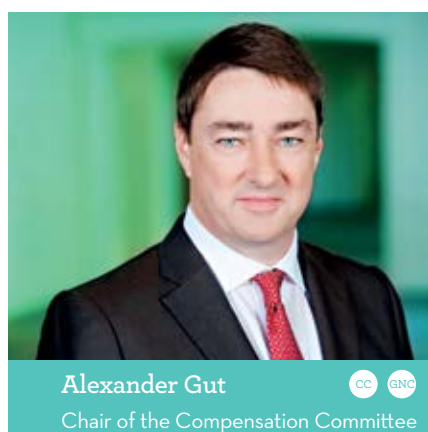
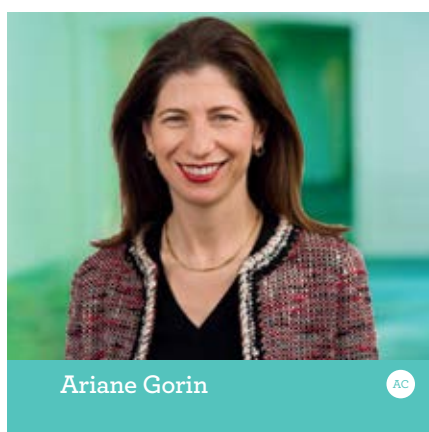
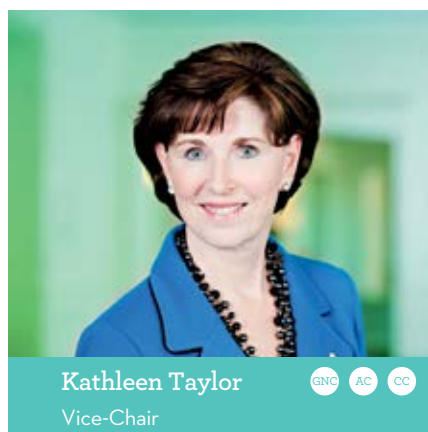
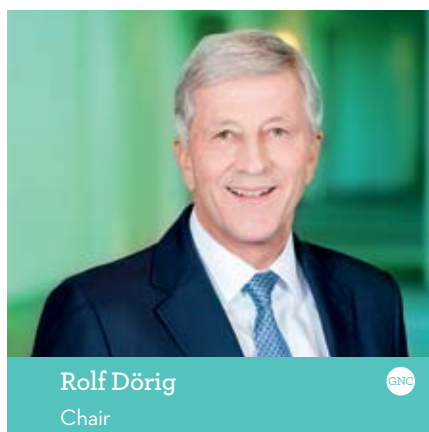
Corporate bodies and partnerships or other groups of persons or joint owners who are interrelated to one another through capital ownership, voting rights, uniform management, or otherwise linked, as well as individuals or corporate bodies and partnerships who act together to circumvent the regulations concerning the nominees (especially as syndicates), are treated as one nominee, respectively as one person within the meaning of this article (refer to Art. 4 sec. 4 of the Aol; <http://aoi.adecgroup.com>).

For further information regarding the procedure and conditions for cancelling statutory privileges and limitations on transferability of shares, refer to the Aol; <http://aoi.adecgroup.com>.

Board of Directors, Executive Committee and compensation

3. Board of Directors

As of 31 December 2017, the Board of Adecco Group AG consisted of eight members. All members qualify as independent and non-executive members (see below 3.2).



GNC Governance and Nomination Committee

AC Audit Committee

CC Compensation Committee

Board of Directors, Executive Committee and compensation continued

3.1 Biographies of members of the Board of Directors

The following sets forth the name, year of birth, entry date, nationality, professional education and principal positions of those individuals who served as members of the Board as of 31 December 2017. All members are elected for a one-year term of office until the end of the next Annual General Meeting of Shareholders.

Rolf Dörig

- Swiss national, born 1957.
- Rolf Dörig has been a member of the Board of Directors since May 2007. He has served on various committees and has been Chair of the Board of Directors since January 2009.
- Rolf Dörig obtained a doctorate degree in law (Dr. iur.) from the University of Zurich, Switzerland, and was subsequently admitted to the Bar. He also completed the Advanced Management Program at Harvard Business School (Boston), USA.
- After joining Credit Suisse in 1986, he held a number of executive positions in various areas of banking and different geographical markets. As a member of the Group Executive Board, he was assigned responsibility for Swiss corporate and retail banking from 2000 onwards. In 2002, he held the position of Chairman Switzerland. Rolf Dörig was Chief Executive Officer of the Swiss Life Group from November 2002 until May 2008, when he was elected to the Board of Directors.
- Rolf Dörig is Chairman of the Board of Directors of Swiss Life Holding AG¹, Vice-Chairman of the Board of Directors of dormakaba Holding AG, member of the Board of Directors of Emil Frey Holding AG, all in Switzerland, and member of the Supervisory Board of Danzer Holding AG in Austria. In June 2017, Rolf Dörig was appointed Chairman of the Swiss Insurance Association (SIA). Furthermore, he is a member of the Board Committee of *economiesuisse*, Switzerland.

Kathleen Taylor

- Canadian national, born 1957.
- Kathleen Taylor has been a member of the Board of Directors and a member of the Audit Committee since April 2015 and Vice-Chair and a member of the Compensation Committee and the Governance and Nomination Committee since April 2017.
- Kathleen Taylor obtained a Master's degree in Business Administration from Schulich School of Business, a law degree from Osgoode Hall Law School and a Bachelor of Arts (Honours) degree from the University of Toronto, all in Canada.
- Kathleen Taylor is the former President and Chief Executive Officer of Four Seasons Hotels and Resorts, Canada, where she served in a variety of senior leadership roles from 1989 to 2013.
- Kathleen Taylor has been a member of the Board of the Royal Bank of Canada¹ since November 2001, and its Chair since January 2014. She has been a director of the Canada Pension Plan Investment Board since October 2013 and a director of Air Canada¹ since May 2016.
- Kathleen Taylor is Chair of the Board of the SickKids Hospital Foundation, Canada, and a member of the Hospital's Board of Trustees. She is also a member of the Principal's International Advisory Board of McGill University and of the Dean's Advisory Council of the Schulich School of Business of York University, both in Canada. She is a member of the National Council of the C.D. Howe Institute, Canada, and the Co-Chair of its Human Capital Policy Council.

¹ Listed company.

Jean-Christophe Deslarzes

- Swiss national, born 1963.
- Jean-Christophe Deslarzes has been a member of the Board of Directors and member of the Audit Committee since April 2015 and of the Compensation Committee (before Nomination and Compensation Committee) since April 2016.
- Jean-Christophe Deslarzes holds a master's degree in Law from the University of Fribourg, Switzerland.
- Jean-Christophe Deslarzes began his career in 1991 as a tax and legal consultant at Arthur Andersen in Geneva, Switzerland. From 1994 to 2010, he worked at Rio Tinto and its predecessor companies, Alcan and Alusuisse, in human resources and management roles in Europe and Canada, including as Senior Vice President Human Resources and member of the Executive Committee of Alcan Group as well as President and CEO, Downstream Aluminium Businesses, Rio Tinto, based in Montreal. He served as Chief Human Resources and Organisation Officer and member of the Executive Board at Carrefour Group, based in Paris, from 2010 to 2013. Since November 2013, Jean-Christophe Deslarzes has been Chief Human Resources Officer and member of the Executive Committee of ABB Group¹, based in Zurich, Switzerland.

Ariane Gorin

- French and United States national, born 1974.
- Ariane Gorin has been a member of the Board of Directors and a member of the Audit Committee since April 2017.
- She obtained an MBA degree from Kellogg School of Management, Northwestern University, Evanston, IL, USA and a Bachelor degree in Economics from University of California, Berkeley, CA, USA.
- Since 2013, Ariane Gorin has been member of the management team of Expedia Inc.¹, headquartered in Washington, USA. In 2017 Ariane Gorin was named President of the Expedia Partner Solutions brand. Previously, she was Senior Vice President and General Manager, Expedia Affiliate Network brand, based in London, UK. She is a member of Expedia's Travel Leadership Team.
- From 2003 to 2013, Ariane Gorin served in various functions in Microsoft Corporation¹, USA: initially as Strategic Initiatives Manager for the Enterprise Services Division in Europe, Middle East and Africa, thereafter as Business Manager Western Europe, and from 2007 to 2010 as Marketing Director and then Sales Director Small and Midmarket Business and Distribution for France, and finally from 2010 to 2013 as Director Office Products and Services for France, based in Paris, France.
- From 2000 to 2002 Ariane Gorin served as consultant at The Boston Consulting Group in France and in the USA.

Alexander Gut

- British & Swiss national, born 1963.
- Alexander Gut has been a member of the Board of Directors since May 2010. He has served on various committees and has been Chair of the Compensation Committee (before Nomination and Compensation Committee) since April 2015 and a member of the Governance and Nomination Committee since April 2017.
- Alexander Gut holds a doctorate degree in business administration (Dr. oec. publ.) from the University of Zurich, Switzerland, and is a Swiss Certified Accountant.
- From 1991 to 2001 he was with KPMG in Zurich and London and from 2001 to 2003 with Ernst & Young in Zurich, where he became a partner in 2002. From 2003 to 2007 he was a partner with KPMG in Zurich, where he became a member of the Executive Committee of KPMG Switzerland in 2005.
- Alexander Gut is the founder and managing partner of Gut Corporate Finance AG. Furthermore, he is a member of the Board of Directors of Credit Suisse Group¹, Credit Suisse (Switzerland) AG and SIHAG Swiss Industrial Holding AG, all in Switzerland.

Didier Lamouche

- French national, born 1959.
- Didier Lamouche has been a member of the Board of Directors since April 2011. He has been a member of the Audit Committee since April 2017. He was a member of the Corporate Governance Committee from April 2011 until April 2017.
- Didier Lamouche obtained a PhD and Engineer Degree in semiconductor technology from Ecole Centrale de Lyon, France.
- He was CEO of Altis Semiconductor from 1998 to 2003. From 2003 to 2005, he held the position of Vice President of Worldwide Semiconductor Operations at IBM Microelectronics. From 2005 to 2010, Didier Lamouche was Chairman and Chief Executive Officer at Bull. He was a member of the Board of Directors of STMicroelectronics from 2006 to 2010. From November 2010 until March 2013, he was Chief Operating Officer and Vice-Chairman of the Corporate Strategic Committee of STMicroelectronics, Switzerland. In addition to this role, from December 2011 until March 2013, he was President of the Executive Board and CEO of ST-Ericsson S.A., Switzerland. Since April 2013, he has been CEO of Idemia (formerly Oberthur Technologies), France.
- Didier Lamouche has held numerous mandates as non-executive director at boards of various listed and non-listed companies.

¹ Listed company.

David Prince

- British national, born 1951.
- David Prince has been a member of the Board of Directors since June 2004. He has served on various committees and has been Chair of the Audit Committee since April 2015 and a member of the Governance and Nomination Committee since April 2017.
- David Prince is an associate member of the Chartered Institute of Management Accountants (CIMA) and the Chartered Institute of Purchasing and Supply (CIPS).
- He started his career in the oil and gas industry as part of a management trainee scheme at British Gas, later attending business school in the UK. Following accountancy roles at Philips Industries and TRW, he joined Cable & Wireless, holding accountancy, general management and group marketing positions in the UK and in Hong Kong. From 1994 to 2000, he worked for Hong Kong Telecom plc (HKT) as Group Finance Director, followed by an appointment as Deputy CEO. In 2000, David Prince became Group CFO of PCCW plc, Hong Kong. From 2002 to 2004, he worked for Cable & Wireless as Group Finance Director. Since 2004 he has acted as investment advisor to companies based in Asia, China and Australia.
- David Prince was a member of the Board of Directors and Chairman of the Audit Committee of ARK Therapeutics, UK until March 2013, and is a member of the Board of Directors of SmarTone Telecommunications Holdings Ltd¹, Hong Kong and of various companies in the Wilson Parking Group, Australia. He has been a non-executive director of the Board of Sunevision Holdings Ltd., Cayman Islands¹ since October 2016.

Wanda Rapaczynski

- United States national, born 1947.
- Wanda Rapaczynski has been a member of the Board of Directors since May 2008. She has been Chair of the Governance and Nomination Committee since April 2017 and member of the Compensation Committee (before Nomination and Compensation Committee) since April 2011. She was Chair of the Corporate Governance Committee from April 2011 until April 2017.
- Wanda Rapaczynski holds a Master's degree in management from Yale University, USA and a PhD in psychology from the City University of New York, USA. Wanda Rapaczynski was a postdoctoral fellow at the Educational Testing Service at Princeton University, USA. Between 1980 and 1982, she held the position of Project Director at the Family Television Research and Consultation Center at Yale University, USA.
- She held leading positions at Citibank and was co-founder and Chief Executive Officer of the Polish media group Agora S.A.¹, Poland, where she currently serves as Member of the Supervisory Board.

Board of Directors, Executive Committee and compensation continued

3.2 Other activities and vested interests of the Board of Directors

Except those described in section 3.1 “Biographies of members of the Board of Directors”, no permanent management/consultancy functions for significant domestic or foreign interest groups, and no significant official functions or political posts are held by the members of the Board of Adecco Group AG. The Board regularly assesses the independence of its members.

As of 31 December 2017, all members of the Board were independent and non-executive, none of them (i) having been in an executive function with the Company during the past three years, or (ii) having any other significant or important business relation with the Adecco Group, or (iii) having served directly or indirectly as or for the auditors of the Adecco Group.

The Company provides services in the normal course of business at arm’s length terms to entities that are affiliated with certain of its officers, members of the Board and significant shareholders through investment or board directorship.

The Aol (Art. 16 sec. 4; <http://aoi.adecgroup.com>) limit the number of mandates that may be assumed by members of the Board in directorial bodies of legal entities not affiliated with the Company. All members of the Board have complied with these requirements.

3.3 Elections and terms of office

Pursuant to the Aol, the Board consists of at least five members (Art. 16 sec. 1 of the Aol; <http://aoi.adecgroup.com>). Members of the Board are elected individually for a term of office of one year, until the end of the next AGM, and may be re-elected for successive terms (Art. 16 sec. 2 of the Aol; <http://aoi.adecgroup.com>). Adecco Group AG’s Aol do not limit the number of terms a member may be re-elected to the Board. Candidates to be elected or re-elected to the Board are proposed by the Board to the AGM.

In advance of any candidates of the Compensation Committee being proposed by the Board to the AGM for individual election, the Board reviews and confirms the specific independence of the committee’s members-to-elect.

The AGM elects individually the members of the Board, its Chair and the members of its Compensation Committee.

As of 31 December 2017, the Board is composed of eight non-executive members.

3.4 Internal organisational structure

The Board holds the ultimate decision-making authority of Adecco Group AG for all matters except those reserved by law or the Aol to the shareholders. It determines the overall strategy of the Company and supervises the management of the Company.

The Board operates under the direction of its Chair. He sets the agenda of the Board’s meetings. Any member of the Board may request that an item be included on the agenda. The Chair further ensures that the members of the Board are provided, in advance of meetings, with adequate materials to prepare for the items on the agenda. The Board recognises the importance of being fully informed on material matters involving the Company and seeks to ensure that it has sufficient information to make appropriate decisions through, at the decision of the Chair, inviting members of management or other individuals to report on their areas of responsibility, conducting regular meetings of the respective committees of the Board with management, and retaining outside consultants and independent auditors (Auditors) where appropriate, as well as through regular distribution of important information to its members. The Chair also co-ordinates the committees’ work and receives the agenda and minutes of their meetings.

On behalf of the Board, the Chair exercises the ongoing overall supervision and control of the course of business and the activities of the EC; he conducts a regular exchange with the CEO. He is in charge of chairing the AGM and communication with shareholders as well as, together with the CEO, other third parties.

The Board’s committees are the Audit Committee, the Governance and Nomination Committee, and the Compensation Committee (before April 2017 the Corporate Governance Committee (CGC) and the Nomination and Compensation Committee (NCC), as described in the Corporate Governance section of the 2016 Annual Report).

At its meetings, the Board receives reports on its committees’ work, findings, proposals and decisions. Decisions are taken by the Board as a whole, with the support of the respective committee. The Chair has a casting vote. If a member of the Board has a personal interest in a matter, other than an interest in his/her capacity as a shareholder of Adecco Group AG, adequate measures are taken; such measures may include abstention from voting, where adequate. Amongst others, the Board has established a Policy on Insider Trading as well as rules on Conflicts of Interest. The compliance with such rules is closely monitored.

Each committee has a written charter outlining its duties and responsibilities, and regularly meets with management and, where appropriate, outside consultants. Committee members are provided, in advance of meetings, with adequate materials to prepare for the items on their agenda.

The Board of Directors, in line with best practices, is continuously reviewing the allocation of tasks of its committees.

In 2017, the Board held 10 meetings and phone conferences.

Number and duration of meetings and phone conferences during 2017:

	Full Board of Directors	Audit Committee	Corporate Governance Committee until incl. 20 April 2017	Governance and Nomination Committee since 21 April 2017	Nomination and Compensation Committee until incl. 20 April 2017	Compensation Committee since 21 April 2017
Number of meetings in person	6	5	2	3	2	3
Number of phone conferences	4	5			1	
Total number of meetings	10	10	2	3	3	3
Average duration in hours:						
• Meetings in person	6	2½	½	2	2	1½
• Phone conferences	½	1			1	

Attendance at meetings and phone conferences during 2017:

	until incl. 20 April 2017				since 21 April 2017			
	Full Board of Directors	Audit Committee	Corporate Governance Committee	Nomination and Compensation Committee	Full Board of Directors	Audit Committee	Governance and Nomination Committee	Compensation Committee
Number of meetings in total	2	4	2	3	8	6	3	3
Rolf Dörig	2	4 ¹	2 ¹	3 ¹	8	6 ¹	3	3 ¹
Kathleen Taylor	2	4	1 ¹		8	6	3	3
Jean-Christophe Deslarzes	2	4		3	8	6		3
Ariane Gorin ²	1 ¹	1 ¹			8	6		
Alexander Gut	2	4		3	8		3	3
Didier Lamouche	1		1		7	6		
David Prince	2	4	2		8	6	3	
Wanda Rapaczynski	2		2	3	8		3	3
Dominique-Jean Chertier ³	2	4						
Thomas O'Neill ³	2		1	2				

1 Guest, without voting right.

2 Member of the Board of Directors since 20 April 2017.

3 Member of the Board of Directors until 20 April 2017.

The Board has discussed and assessed its own (including its committees') and its members' performance. The Board concluded that the Board performed well and has the necessary resources and capacities available.

Board of Directors, Executive Committee and compensation continued

3.4.1 Governance and Nomination Committee (GNC)

The GNC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to strategy, governance, public and corporate social responsibility, business environment, relations with shareholders and other stakeholders, nomination, succession and talent development. The GNC is charged with:

- Supporting the preparation of defining strategic opportunities and priorities for the Group;
- Reviewing the Group's corporate governance structures and principles and independence rules, including principles and measures on Corporate Responsibility, as well as reassessing such principles and rules, including the Group's Code of Conduct, to ensure that they remain relevant and in line with legal and stock exchange requirements; recommendations as to best practice are also reviewed to ensure compliance;
- Overseeing the Group's monitoring of the market and regulatory developments, including questions of market-related risks;
- Analysing the composition and type of shareholders and reviewing, amongst others, the Group's dividend policy;
- Overseeing the Group's initiatives and reviewing the principles related to Corporate Social Responsibility;
- Providing recommendations to the Board regarding its size and composition. For this purpose, the GNC is mandated to develop, based on the needs of the Board and the attributes of its members, criteria (such as independence, industry or other professional expertise, relevant skills and experience, diversity) for the selection of potential candidates to be elected or re-elected as members of the Board and its committees. The GNC is mandated to identify individuals who meet such criteria and to recommend them to the Board as candidates for elections. Furthermore, the GNC is mandated to review candidates proposed and to assess and advise the Board on whether they meet such criteria;
- Providing recommendations to the Board regarding the selection of candidates for the EC;
- Assuring talent development including retention and succession planning;
- Ensuring that self-evaluations of the Board and of its committees are carried out and monitored, with a view to appropriate measures of improvement.

The GNC defines its annual programme and roadmap according to focus topics of the year. In 2017, the GNC (previously CGC, see table on page 71) held five meetings (the CGC held two meetings and the GNC held three meetings). The CEO represents the EC in the meetings. The Chief Human Resources Officer typically participates in the meetings for specific topics.

As of 31 December 2017, the members of the GNC were:

Name	Position
Wanda Rapaczynski	Chair of the GNC
Rolf Dörig	Member
Alexander Gut	Member
David Prince	Member
Kathleen Taylor	Member

3.4.2 Audit Committee (AC)

The AC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to the Company's accounting policies, internal controls and financial reporting practice, thus overseeing management regarding the:

- Integrity of the Company's financial statements and other financial reporting and disclosure to any governmental or regulatory body and to the public and other users thereof;
- Adequacy and effectiveness of the systems of the Internal Controls Over Financial Reporting (ICOFR) and of the disclosure controls;
- Performance of the Company's internal audit function;
- Qualifications, engagement, compensation, independence and performance of the Company's Auditors, their conduct of the annual audit and their engagement for any other services (refer to section 8. "Auditors"); and
- Company's compliance with legal and regulatory requirements relating to accounting, auditing, financial reporting and disclosure, or other financial and non-financial matters.

The AC has established a roadmap which determines the committees' main discussion topics throughout the year. In 2017, the AC held 10 meetings and phone conferences. For specific subjects, the CEO represents the EC in the meetings. The Chief Financial Officer (CFO), the Senior Vice President Integrated Reporting & Business Planning, the Head of Group Internal Audit and the partners of the Auditors typically participate in the meetings. For legal and compliance reporting matters, the Group General Counsel and the Head of Group Compliance Reporting participate in the meetings. Usually, the Board's Chair participates in the Committee's meetings as guest without voting right.

As of 31 December 2017, the members of the AC were:

Name	Position
David Prince	Chair of the AC
Jean-Christophe Deslarzes	Member
Ariane Gorin	Member
Didier Lamouche	Member
Kathleen Taylor	Member

3.4.3 Compensation Committee (CC)

The CC's primary responsibility is to assist the Board in carrying out its responsibilities as they relate to the Company's compensation matters at executive level. In case of discussions and negotiations on individual compensation packages of the EC, the CC exclusively considers the best interest of the Company. The CC is mainly responsible for the following functions:

- Providing recommendations to the Board regarding the general compensation policy of the Company, including incentive compensation plans and equity-based plans, including plan details pertaining to e.g. holding periods, adjustment procedures, reclaim provisions and cancellation of payments;
- Assisting the Board in preparing the proposals to be presented to the AGM for approval of remuneration of the Board and of the EC.

In addition to being independent as per paragraph 1 and 2 of section 3.2 and the independence requirements of the Swiss stock exchange, according to the Committee's charter, members of the Committee are considered independent as long as they do not accept any consulting, advisory or other compensatory fee from the Company (other than fees for service on the Board) and are not an affiliated person of the Company.

The CC has established a roadmap which determines the Committee's main discussion topics throughout the year. In 2017, the CC (previously NCC, see table on page 71) held six meetings (the NCC held three meetings and the CC held three meetings). For specific subjects, the CEO represents the EC in the meetings. The Chief Human Resources Officer typically participates in the meetings. Members of management do not participate in CC meetings when their individual compensation matters are discussed. Usually, the Board's Chair participates in the Committee's meetings as guest without voting right.

As of 31 December 2017, the members of the CC were:

Name	Position
Alexander Gut	Chair of the CC
Jean-Christophe Deslarzes	Member
Wanda Rapaczynski	Member
Kathleen Taylor	Member

3.5 Responsibilities of the Board and the CEO

In addition to the determination of the overall strategy of the Company and the supervision of management, the Board addresses key matters such as acquisitions, long-term financial commitments, management structure, risk management, budget approval, compensation policy, corporate identity policy, guidelines and policy statements. The Board approves the strategy and objectives of the Company and the overall structure of the Adecco Group developed by the CEO together with the EC. With the support of the AC, it reviews and approves the statutory financial statements of Adecco Group AG and the consolidated financial statements of the Adecco Group. The Board also considers other matters of strategic importance to the Company. Subject to the powers reserved to the Board, the Board has delegated the co-ordination of the day-to-day business operations of the Company to the CEO. The CEO is responsible for the implementation of the strategic and financial plans approved by the Board and represents the overall interests of the Company vis-à-vis third parties.

3.6 Information and control instruments

The Board's instruments of information and control vis-à-vis management consist of the following main elements:

- All members of the Board regularly receive information about current developments;
- The CEO reports to the Chair of the Board on a regular basis, while extraordinary events are communicated immediately;
- Formal meetings of the Board and of the Board's committees including sessions with the CEO and with other members of the EC or other individuals, at the invitation of the Chair;
- Informal meetings and phone conferences between members of the Board and the CEO, as well as with other members of the EC;
- The management information system of the Company which includes (i) the monthly financial results including key performance indicators and (ii) a structured quarterly operational review of the major countries. Summarised consolidated monthly reports are distributed to each member of the Board; further details are provided to the members of the Board upon request;
- The Group Internal Audit function as established by the Board; the Head of Group Internal Audit reports to the AC and has periodic meetings with its Chair; the responsibilities of Group Internal Audit are defined by the AC as part of their oversight function in coordination with the CEO and CFO. Group Internal Audit is concerned with the assessment of how the Company (i) complies with pertinent laws, regulations and stock exchange rules relating to accounting, auditing, financial reporting and disclosure or other financial matters, (ii) conducts its related affairs, and (iii) maintains related controls. The Company has a risk management process in place which is adequate for the size, complexity and risk profile of Adecco Group AG and focuses on managing risks as well as identifying opportunities: refer to the Company Report, section "Risk management and principal risks" and to Note 18 "Enterprise risk management" to the consolidated financial statements of the Adecco Group. The process is embedded in the Company's strategic and organisational context and covers the significant risks for the Company including financial, operational and strategic risks. The Board oversees the management's risk analysis and the key measures taken based on the findings of the risk review process;
- External Audit: refer to section 8. "Auditors".

Board of Directors, Executive Committee and compensation continued

4. Executive Committee



Standing from left to right: Stephan Howeg, Federico Vione, Franz-Josef Schürmann, Shanthi Flynn, Hans Ploos van Amstel, Sergio Picarelli, Ian Lee, Rob James
Front row from left to right: Christophe Catoir, Mark De Smedt, Alain Dehaze, Enrique Sanchez, John L. Marshall III



Board of Directors, Executive Committee and compensation continued

4. Executive Committee

4.1 Biographies of the members of the Executive Committee

The following sets forth the name, year of birth, year of entry to the Company, nationality, professional education and principal positions of those individuals who served as members of the EC of the Company as of 1 January 2018.

Alain Dehaze

- Belgian national, born 1963.
- Chief Executive Officer since September 2015, Regional Head of France from August 2011 to August 2015, Regional Head of Northern Europe from October 2009 to July 2011. Member of the EC since October 2009.
- Alain Dehaze joined the Adecco Group in September 2009 as Regional Head of Northern Europe.
- Alain Dehaze trained as a commercial engineer at the ICHEC Brussels Management School, Belgium.
- From 1987 until 2000, Alain Dehaze held senior positions in a number of European countries at Henkel and ISS. In 2000, he became Managing Director of Creyf's Interim in Belgium (now Start People). From 2002 to 2005, he was Chief Executive Officer of Solvus. Following the acquisition of Solvus by USG People, the Netherlands, in 2005, he became the Chief Operating Officer of USG People, with overall responsibility for operations, including the integration of Solvus. From September 2007 until 2009, he was CEO of the staffing services company Humares, the Netherlands. Since January 2016, Alain Dehaze has been Chair of the Global Apprenticeship Network (GAN). Furthermore, Alain Dehaze was Vice President of the Board of the European Confederation of Private Employment Agencies (Eurociett) and member of the Board of the International Confederation of Private Employment Agencies (Ciett) between December 2010 and December 2015. Since August 2017 he has been a member of the newly formed ILO Global Commission on the Future of Work.

Hans Ploos van Amstel

- Dutch national, born 1965.
- Chief Financial Officer and member of the EC since September 2015.
- Hans Ploos van Amstel holds a Bachelor of Arts from the Economische Hogeschool of Eindhoven, and an MBA in Marketing & Finance from the University of Brabant, both in the Netherlands.
- Hans Ploos van Amstel started his career in Finance at Procter & Gamble (P&G) in the Netherlands in 1989. Between 1992 and 2003, he held positions of increasing responsibility in P&G across Saudi Arabia, Germany, Belgium and Switzerland. In 2003, he joined Levi Strauss & Co. in Belgium, as Vice President Finance & Operation Europe, and moved to the USA as global Chief Financial Officer in 2005. In his most recent position, Hans Ploos van Amstel was CFO of COFRA Group from 2009 to 2013, before acting as co-CEO of C&A Europe for a transition period until 2015.

Christophe Catoir

- French national, born 1972.
- Regional Head of France and member of the EC since September 2015.
- Christophe Catoir joined Groupe Adecco France as Internal Auditor in 1995.
- Christophe Catoir graduated from the IESEG School of Management, France.
- Between 1995 and 2005, Christophe Catoir held positions as Finance Manager and Regional Manager. In 2005, he was appointed Head of Permanent Placement activities in France, and became a member of the Groupe Adecco France management team in 2007. In 2009, Christophe Catoir was appointed Managing Director of Adecco South-East France. In 2012, he was appointed Managing Director for Professional Staffing Groupe Adecco France.

Federico Vione

- Italian national, born 1972.
- Regional Head of North America, UK & Ireland General Staffing since April 2017, Chief Sales & Innovation Officer from October 2015 to March 2017. Regional Head of Italy, Eastern Europe & India from September 2011 to September 2015 (incl. MENA as of 2012), Regional Head of Italy & Eastern Europe from October 2009 to August 2011. Member of the EC since October 2009.
- Federico Vione graduated in economics from Università G. D'Annunzio in Pescara, Italy.
- Federico Vione joined the Adecco Group in 1999 as Branch Manager and was subsequently appointed Manager of the Abruzzo-Molise area. In 2001, he became the National Key Account Manager for the Chemical and Pharma sector, and subsequently for the Large-Scale Trade sector. In 2002, he was appointed General Manager of the Professional Staffing business Ajilon S.r.l., and in 2004 he became General Manager of Ajilon Switzerland. In 2005, Federico Vione was appointed Project Leader Global Account Management of the Adecco Group and subsequently Head of Eastern Europe. In January 2009, he was appointed Country Manager Adecco Italy.
- Federico Vione is Vice President of Assolavoro (Associazione Nazionale delle Agenzie per il Lavoro), Italy.

John L. Marshall III

- United States national, born 1963.
- Regional Head of North America, UK & Ireland Professional Staffing since April 2017 and member of the EC since October 2015. Regional Head of UK & Ireland from October 2015 to March 2017.
- John L. Marshall III joined the Adecco Group in 2010 as President of the Adecco Group's US Finance, Office and Legal business unit.
- John L. Marshall III holds a Bachelor of Arts degree in Economics and Political Science from the University of Georgia and a Juris Doctorate from the University of Florida, both USA.
- John L. Marshall III was a practising attorney with King & Spalding and AT&T before he joined MPS Group in 1998. He started as Deputy General Counsel with an emphasis on acquisitions and public company reporting. He was promoted to President of Special Counsel in 2001 and named President of Accounting Principals in 2006. The Adecco Group acquired MPS Group in 2010.

Mark De Smedt

- Belgian national, born 1961.
- Regional Head of Northern Europe since January 2016, Chief Human Resources Officer from January 2014 to April 2016. Member of the EC since January 2014.
- Mark De Smedt has a degree in Commercial Engineering from the Free University of Brussels and has attended Executive Education programmes in Chicago, Harvard, INSEAD and the London Business School.
- Mark De Smedt joined the Adecco Group in 2009 as Country Manager for Belgium & Luxembourg. He was previously a founder of Professional Staffing specialist XPE Group, acquired by the Adecco Group. Prior to this, he was responsible for the Adecco Group's Benelux operations between 2002 and 2007. Before Mark De Smedt joined the staffing industry, he held various executive positions at Wang, Apple, Citibank, and Scoot in France, Spain and Belgium.

Sergio Picarelli

- Italian national, born 1967.
- Regional Head of Italy, Eastern Europe & MENA and India since October 2015 (India until December 2017) and since January 2018 globally overseeing Lee Hecht Harrison, Spring Professional and Badenoch & Clark, Chief Sales Officer from October 2009 to September 2015. Member of the EC since October 2009.
- Sergio Picarelli graduated in business administration from Bocconi University, Milan, Italy.
- In 1993, Sergio Picarelli joined the Adecco Group in Italy, starting as Managing Director of an Adecco Group Company (Permanent Placement). In 1997, he was appointed Chief Sales and Marketing Director Italy. From 2002 to 2004 Sergio Picarelli served as Regional Head for Central Europe and was thereafter appointed Chief Operating Officer of the Adecco Group Staffing Division Worldwide. From 2005 to 2009 he served as Country Manager of Adecco Italy & Switzerland (Switzerland until the end of 2008).

Ian Lee

- Singapore national, born 1962.
- Regional Head of Asia Pacific, and member of the EC since January 2018.
- Ian Lee joined the Adecco Group in September 2017.
- Ian Lee gained his Bachelor's degree in Finance with Honours (Magna cum Laude) in 1989 and an MBA in Finance in 1990, both from the Indiana University Kelley School of Business in the USA.
- Ian Lee started his career with Procter & Gamble (P&G) in 1990 in Cincinnati, USA, and subsequently held positions of increasing responsibility in the USA, China and Taiwan. In 2003 he joined the Whirlpool Corporation, holding various positions including VP of Corporate Affairs and Business Development, VP of Asia North, VP and General Manager of China and VP and CFO of Asia.
- Ian is part of the Global Dean's Advisory Council at Indiana University Kelly School of Business and was also Adjunct Professor of Business at Nanjing University, China, from 2010-2012.

Enrique Sanchez

- Spanish national, born 1967.
- Regional Head of Iberia & Latin America and member of the EC since October 2009.
- Enrique Sanchez obtained a degree in psychology at Complutense University, Madrid, Spain, and holds an MBA from IESE, Madrid, Spain.
- Enrique Sanchez joined Adecco Spain in 1993 as Branch Manager. In 1995, he became Regional Manager of the Central Region. In 1997, he was appointed Operations Manager, and in 2001 President and General Manager of Adecco Spain and Portugal. From 2003 to 2005, Enrique Sanchez was General Manager for Spain and Portugal, and was also responsible for the development of the company in Latin America and Eastern Europe. In 2005, he returned to Spain, becoming responsible for the Adecco Group Iberia.

Franz-Josef Schürmann

- German national, born 1969.
- Chief Sales and Innovation Officer since July 2017 and member of the EC since January 2016.
- Franz-Josef Schürmann joined the Adecco Group as Regional Head of Germany, Austria, Switzerland in January 2016.
- Franz-Josef Schürmann graduated in 1995 with a Master of Science degree from Purdue University, USA, where he studied as a Fulbright Scholar. From 1991 to 1995, he studied Agricultural Economics and Business Administration at Bonn University, London University (as an Erasmus Scholar) and Purdue University.
- Franz-Josef Schürmann started his career at Accenture in 1996. As a member of the German and European leadership teams of Accenture, in 2008 he was named Global Client Partner for several DAX 30 companies. From 2010 to 2015, Franz-Josef Schürmann was Country Head of Germany for Infosys Ltd.
- Franz-Josef Schürmann is member of the Board of Directors at AmCham, the American Chamber of Commerce, Germany, and member of the Senate of Acatech, the national academy of science and engineering, Germany.

Board of Directors, Executive Committee and compensation continued

Shanthi Flynn (until 30 April 2018)

- British national, born 1964.
- Chief Human Resources Officer and member of the EC since March 2016.
- Shanthi Flynn joined the Adecco Group as Chief Human Resources Officer in March 2016.
- Shanthi Flynn graduated with a Bachelor of Science with joint honours in Physiology and Pharmacology at the University of Manchester in 1986. She is a graduate of the Institute of Personnel Development (IPD), UK.
- Shanthi Flynn built the foundation of her HR career at Ford Motor Company in the UK between 1986 and 1995. She joined the Boots Company in 1995, becoming Director of HR for all of Boots International retail and FMCG healthcare businesses in 2000. In 2003, she joined the AS Watson Group, Hong Kong and was promoted to Group International HR Director. In 2006 she founded her own consulting firm, S Flynn Consulting. In 2010, Shanthi Flynn joined Walmart in Asia and became Senior Vice President Human Resources for the Asia region leading the HR team for Walmart's retail businesses in China, Japan and India. In 2015 she returned to her own leadership consulting practice until joining the Adecco Group.
- Shanthi Flynn is a former Board mentor for Criticaleye, UK and Asia, Chair HR Committee American Chamber of Commerce, Hong Kong, and served on the council of King George V school, Hong Kong. She is a member of the WEF Global Council for Economic Growth and Social Inclusion, and a member of the HR50 group.

Stephan Howeg

- Swiss and German national, born 1965.
- Chief Marketing & Communications Officer and member of the EC since September 2015.
- Stephan Howeg joined the Adecco Group in February 2007 as Senior Vice President of Corporate Communications and Global Marketing Partnerships, and in 2008 was promoted to Global Head of Group Communications.
- Stephan Howeg has a Master's Degree in History, Philosophy & Sociology from the University of Zurich, Switzerland, as well as having completed a four-year apprenticeship in Mechanics. He has taken Executive programmes in Marketing, Communications and Leadership at IMD, INSEAD and Harvard.
- Between 1997 and 2001, Stephan Howeg was Head of Corporate Communications & Marketing at Sunrise Communications, Switzerland. In 2001 he joined Ascom, Switzerland, as Global Head Corporate Communications & Investor Relations. From 2003 to 2007, he served as Head of Corporate Communications & Public Affairs for Cablecom, Switzerland.

Rob James

- British national, born 1961.
- Chief Information Officer since August 2016 and member of the EC since January 2018.
- Rob James gained his Bachelor of Science Degree in Mathematics with Honours from University College London.
- Rob James started his career in IT at Xerox in Europe in 1984. He subsequently moved to Procter & Gamble (P&G) in Cincinnati and between 1988 and 2002 held positions of increasing responsibility before becoming Global CIO for P&G's Pharmaceutical Division. In 2003 he joined Novartis as US CIO, before moving to Switzerland, where he was Group CIO from 2010 until 2016.

4.2 Other activities and vested interests

Except those described above in 4.1 "Biographies of the members of the Executive Committee", no further permanent management/consultancy functions for significant domestic or foreign interest groups, and no significant official functions or political posts are held by the members of the EC of Adecco Group AG.

The Aol (Art. 16 sec. 4; <http://aoi.adecgroup.com>) limit the number of mandates that may be assumed by members of the EC in directorial bodies of legal entities not affiliated with the Company and its subsidiaries. The members of the EC have complied with these requirements.

4.3 Management contracts

There are no management contracts between the Company and external providers of services.

5. Compensation, shareholdings and loans

Please refer to the Remuneration Report.

The Aol (Art. 14^{bis}; <http://aoi.adecgroup.com>) define the principles of the AGM's say on pay.

The Aol (Art. 20^{bis}; <http://aoi.adecgroup.com>) define the principles applicable to performance-related pay and to the allocation of equity securities, convertible rights and options, as well as the additional amount for payments to members of the EC appointed after the AGM's vote on pay.

In Art. 20 sec. 1 and 20^{bis} sec. 1, the Aol (<http://aoi.adecgroup.com>) determine rules on post-employment benefits for members of the Board and of the EC.

The Aol do not foresee the granting of loans and credit facilities to members of the Board and of the EC; advances for this group of individuals in connection with administrative or judicial proceedings are allowed (Aol; Art. 20 sec. 2).

Further information

6. Shareholders' rights

Please also refer to the Aol (<http://aoi.adecgroup.com>).

Information rights

Swiss law allows any shareholder to obtain information from the Board during the General Meeting of Shareholders provided that no preponderant interests of Adecco Group AG, including business secrets, are at stake and the information requested is required for the exercise of shareholders' rights. Shareholders may only obtain access to the books and records of Adecco Group AG if authorised by the Board or the General Meeting of Shareholders. Should Adecco Group AG refuse to provide the information rightfully requested, shareholders may seek a court order to gain access to such information. In addition, if the shareholders' inspection and information rights prove to be insufficient, each shareholder may petition the General Meeting of Shareholders to appoint a special commissioner who shall examine certain specific transactions or any other facts in a so-called special inspection. If the General Meeting of Shareholders approves such a request, Adecco Group AG or any shareholder may within 30 days ask the court of competent jurisdiction at Adecco Group AG's registered office to appoint a special commissioner. Should the General Meeting of Shareholders deny such a request, one or more shareholders who hold at least 10% of the equity capital, or shares with an aggregate nominal value of at least CHF 2 million, may within three months petition the court of competent jurisdiction to appoint a special commissioner. Such request must be granted and a special commissioner appointed if the court finds prima facie evidence that the Board breached the law or did not act in accordance with Adecco Group AG's Aol. The costs of the investigation are generally allocated to Adecco Group AG and only in exceptional cases to the petitioner(s).

Dividend payment

Adecco Group AG may only pay dividends from statutory reserves from capital contribution, and statutory and voluntary retained earnings, in accordance with Art. 675 of the Swiss Code of Obligations.

Companies whose principal purpose consists of participations in other companies may freely use the statutory reserves from capital contribution and statutory retained earnings to the extent they exceed 20% of the paid-in share capital. Pursuant to Art. 671 para. 1 of the Swiss Code of Obligations, 5% of the annual profits shall be allocated to the statutory retained earnings until the statutory reserves from capital contribution and the statutory retained earnings have reached 20% of the paid-in share capital. In addition, pursuant to Art. 671 para. 2 and para. 4 of the Swiss Code of Obligations, companies whose principal purpose consists of participations in other companies shall allocate to the statutory reserves from capital contribution and statutory retained earnings the following: (1) any surplus over nominal value upon the issue of new shares after deduction of the issuance cost, to the extent such surplus is not used for depreciation or welfare purposes; (2) the excess of the amount which was paid-in on cancelled shares over any reduction on the issue price of replacement shares. The statutory reserves from capital contribution and statutory retained earnings amounted to CHF 409 million as of 31 December 2017 and 31 December 2016, thereby exceeding 20% of the paid-in share capital in both years.

In 2017 the AGM approved two dividends for a total of CHF 2.40 per share outstanding (totalling CHF 407 million, EUR 374 million), whereof a first dividend of CHF 1.50 was directly distributed from voluntary retained earnings. The second dividend resulted from a reduction of CHF 0.90 of the nominal value of the Adecco Group AG registered share. For 2017, the Board of Directors of Adecco Group AG will propose a dividend of CHF 2.50 per share outstanding for the approval of shareholders at the AGM.

Say on pay

Each year, the AGM will be asked to approve the proposals submitted by the Board concerning the Maximum Total Amounts of Remuneration of the Board and of the EC (Aol; Art. 14^{bis}; <http://aoi.adecgroup.com>).

Liquidation and dissolution

The Aol do not limit Adecco Group AG's duration.

Adecco Group AG may be dissolved and liquidated at any time by a resolution of a General Meeting of Shareholders taken by at least two-thirds of the votes. Under Swiss law, Adecco Group AG may also be dissolved by a court order upon the request of holders of Adecco Group AG shares representing at least 10% of Adecco Group AG's share capital who assert significant grounds for the dissolution of Adecco Group AG. The court may also grant other relief. The court may at any time, upon request of a shareholder or obligee, decree the dissolution of Adecco Group AG if the required corporate bodies are missing. Adecco Group AG may also be dissolved following bankruptcy proceedings.

Swiss law requires that any net proceeds from a liquidation of Adecco Group AG, after all obligations to its creditors have been satisfied, be used first to repay the nominal equity capital of Adecco Group AG. Thereafter, any remaining proceeds are to be distributed to the holders of Adecco Group AG shares in proportion to the nominal value of those Adecco Group AG shares.

Further capital calls by Adecco Group AG

Adecco Group AG's share capital is fully paid up. Hence, the shareholders have no liability to provide further capital to Adecco Group AG.

Subscription rights

Under Swiss law, holders of Adecco Group AG shares have pre-emptive rights to subscribe to any issuance of new Adecco Group AG shares in proportion to the nominal amount of Adecco Group AG shares held by that holder. A resolution adopted at an AGM with a supermajority may suspend these pre-emptive rights for material reasons only. Pre-emptive rights may also be excluded or limited in accordance with Adecco Group AG's Aol (<http://aoi.adecgroup.com>).

Further information continued

6.1 Voting rights and representation restrictions

For further details refer to section 2.6 “Limitations on registration, nominee registration and transferability”. The Aol do not foresee any other restrictions to voting rights.

Pursuant to the Aol, a duly registered shareholder may be represented by (i) the shareholder’s legal representative, (ii) a third person who needs not be a shareholder with written proxy, or (iii) the Independent Proxy Representative based on a proxy fulfilling the requirements as set out in the invitation to the AGM (Art. 13 sec. 2 of the Aol; <http://aoi.adecco.com>). At an AGM, votes are taken by poll.

6.2 Legal and statutory quorums

The AGM shall constitute a quorum regardless of the number of shareholders present and regardless of the number of shares represented (Art. 14 sec. 1 of the Aol; <http://aoi.adecco.com>).

There are no quorums in Adecco Group AG’s Aol which require a majority greater than set out by applicable law (Art. 14 sec. 3 of the Aol; <http://aoi.adecco.com>). Note, however, that any vote with respect to maximum compensation approvals are subject to an absolute majority of votes cast whereby abstentions shall not be counted as votes cast (Art. 14^{bis} sec. 3 of the Aol; <http://aoi.adecco.com>).

In addition to the powers described above, the AGM has the power to vote on amendments to Adecco Group AG’s Aol (including the conversion of registered shares into bearer shares), to elect the members of the Board, the Chair of the Board, the members of the Compensation Committee, the Independent Proxy Representative, the statutory auditors and any special auditor for capital increases, to approve the Annual Report, including the statutory financial statements and the consolidated financial statements of the Adecco Group, and to set the annual dividend. In addition, the AGM has competence in connection with the special inspection and the liquidation of Adecco Group AG.

6.3 Convocation of the General Meeting of Shareholders

Notice of a General Meeting of Shareholders must be provided to the shareholders by publishing a notice of such meeting in the “Swiss Official Gazette of Commerce” (“Schweizerisches Handelsamtsblatt”) at least 20 days before the meeting. The notice must state the items on the agenda and the proposals of the Board and the shareholders who demanded that a General Meeting of Shareholders be called or asked for items to be put on the agenda. Admission to the General Meeting of Shareholders is granted to any shareholder registered in Adecco Group AG’s share register with voting rights at a certain record date, which will be published together with the invitation to the General Meeting of Shareholders in the “Swiss Official Gazette of Commerce” (“Schweizerisches Handelsamtsblatt”).

6.4 Agenda

Under Swiss corporate law, an ordinary General Meeting of Shareholders shall be held within six months after the end of each fiscal year (“Annual General Meeting of Shareholders”). Extraordinary General Meetings of Shareholders may be called by the Board or, if necessary, by the statutory auditors. In addition, an Extraordinary General Meeting of Shareholders may be called by a resolution of the shareholders adopted during any prior General Meeting of Shareholders or, at any time, by holders of shares representing at least 10% of the share capital.

The Swiss Code of Obligations is applicable to the right to request that a specific item be put on the agenda of a General Meeting of Shareholders and discussed and voted upon. Holders of Adecco Group AG shares whose combined shareholdings represent an aggregate nominal value of at least CHF 100,000 (Art. 11 sec. 2 of the Aol; <http://aoi.adecco.com>) or holders of Adecco Group AG shares representing at least 10% of the share capital have the right to request that a specific proposal be discussed and voted upon at the next General Meeting of Shareholders; such inclusion must be requested in writing at least 40 days prior to the meeting and shall specify the agenda items and proposals of such shareholder(s) (Art. 11 sec. 2 of the Aol; <http://aoi.adecco.com>).

6.5 Registration in the share register

Shareholders will be registered in the share register of Adecco Group AG until the record date defined in the invitation to a General Meeting of Shareholders to be published in the “Swiss Official Gazette of Commerce” (“Schweizerisches Handelsamtsblatt”). Only shareholders who hold shares registered in the share register with a right to vote at a certain date, or their representatives, are entitled to vote. There are no specific rules regarding the granting of exemptions from the above deadline.

7. Changes of control and defence measures

7.1 Duty to make an offer

The Aol of Adecco Group AG do not contain any opting-up clause in the sense of Art. 135 para 1 FMIA as in force since 1 January 2016. Therefore, pursuant to the applicable provisions of the FMIA, if any person acquires shares of Adecco Group AG, whether directly or indirectly or acting together with another person, which, added to the shares already owned, exceed the threshold of 33⅓% of the voting rights of Adecco Group AG, irrespective of whether the voting rights are exercisable or not, that person must make an offer to acquire all of the listed equity securities of Adecco Group AG. There is no obligation to make a bid under the foregoing rules if the voting rights in question are acquired as a result of a donation, succession or partition of an estate, a transfer based upon matrimonial property law, or execution proceedings, or if an exemption is granted.

7.2 Change of control clause

There are no change of control clauses in place in favour of members of the Board or members of the EC. In accordance with the Company’s Aol, long-term incentive plans of the Company may provide for an accelerated vesting in case of a change of control (see section 4.2.3 “Long-Term Incentive Plan” of the Remuneration Report).

8. Auditors

Each year, the AGM of Adecco Group AG elects the statutory auditor. On 20 April 2017, the AGM elected Ernst & Young Ltd, Zürich, as statutory auditor of the Company for the business year 2017.

Ernst & Young Ltd has served the Company as its Auditor since 2002. André Schaub, licensed audit expert, has acted as the auditor in charge since 2012. This is the first year Jolanda Dolente, licensed audit expert, has been the global co-ordinating partner.

The total fee for the Group audit of the Company and for the statutory audits of the Company's subsidiaries for the fiscal year 2017 amounted to EUR 6.7 million.

For the fiscal year 2017, additional fees of EUR 0.2 million were charged for audit-related services such as advice on matters not directly related to the Group audit. Fees for tax services and fees for other services were not significant.

The AC oversees the Company's financial reporting process on behalf of the Board. In this capacity, the AC discusses, together with the Auditor, the conformity of the Company's financial statements with accounting principles generally accepted in the United States and the requirements of Swiss law.

The AC regularly meets with the Auditors, at least five times a year, to discuss the results of their examinations, and the overall quality of the Company's financial reporting. During 2017, the Auditors attended all meetings and phone conferences of the AC. The Auditors regularly have private sessions with the AC, without the CEO, the CFO, or any other member of the EC attending. The AC assessed with the Company's Auditors the overall scope and plan for the 2017 audit of the Company. The Auditors are responsible for expressing an opinion on the consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States and the requirements of Swiss law. Further, the Auditors are required, under the auditing standards generally accepted in the United States, to discuss, based on written reports, with the AC their judgements as to the quality, not just the acceptability, of the Company's accounting policies as applied in the Company's financial reporting, including the consistency of the accounting policies and their application and the clarity and completeness of the financial statements and disclosures. Further, the Auditors are responsible for expressing opinions on the standalone financial statements of Adecco Group AG.

The AC oversees the work of the Auditors and it reviews, at least annually, their qualification, performance and independence. It discusses with the Auditors the Auditors' independence from management and the Company, and monitors audit partner rotation. The AC considers the compatibility of non-audit services with the Auditors' independence and pre-approves all audit and non-audit services provided by the Auditors. Services may include audit-related services, tax services and other services.

The AC proposes the Auditors to the Board for election by the shareholders and is responsible for approving the audit fees. Each year a proposal for fees for audit services is submitted by the Auditors and validated by the CFO, before it is submitted to the AC for approval.

9. Information policy

The AGM for the fiscal year 2017 is planned to be held on 19 April 2018 at the Beaulieu Centre de Congrès et d'Expositions, in Lausanne, Switzerland. The details will be published in the "Swiss Official Gazette of Commerce" ("Schweizerisches Handelsamtsblatt") at least 20 days before the meeting.

Adecco Group AG provides quarterly media releases on the Company's consolidated and divisional results as per the following agenda:

8 May 2018	Q1 2018 results;
9 August 2018	Q2 2018 results;
6 November 2018	Q3 2018 results.

For further investor information, including inscription to push and pull services, refer to <http://ir.adecgroup.com>.

To order a free copy of this Annual Report and for further information, please refer to the contact addresses listed on the inside back cover of the Annual Report (<http://ir.adecgroup.com>).

10. Tax strategy

The Company operates a tax policy that is approved by the Board and clearly defines the expected behaviours of its teams around the world. The Company seeks to protect value for its shareholders and fully complies with both the tax law and the spirit of the law in all countries where it operates. The Company works towards fostering mutually constructive and open relationships with tax authorities with the aim of reducing the risk of challenge and dispute through being transparent about its tax affairs. The Company seeks to remove uncertainty by entering into contemporaneous audit programmes or advanced agreements with tax authorities where possible. The Company does not engage in artificial tax-driven structures and transactions.