



Remuneration

Incentivising and rewarding excellence

REMUNERATION REPORT

At a glance

1. Introduction

Dear Shareholders,

We are pleased to introduce the Remuneration Report of the Adecco Group for 2017.

The Adecco Group delivered a solid performance in 2017. We accelerated organic revenue growth to 6%, as economic conditions in many of our end markets improved during 2017. Our EBITA margin excluding one-offs was 4.9%, once again achieving leading profitability amongst our industry peers, even as we made significant investment in the new digital solutions and IT infrastructure that will transform our business and support future profitable growth. Cash flow generation also remained strong, and we ended the year with a robust balance sheet.

The Remuneration Report explains how these results impacted the incentive payments made to the Executive Committee (EC) members under the short- and long-term remuneration plans.

In the reporting year, the Compensation Committee (CC) conducted a review of the remuneration strategy, which led to the refinement of the reward framework for the Senior Leadership roles and the Executive Committee. The elements of this reward framework for the Executive Committee are described in this report.

Furthermore, the CC performed its regular activities throughout the year such as the performance goal setting at the beginning of the year and the performance assessment following the year end, the determination of the remuneration of the Board and the EC members, as well as the preparation of the Remuneration Report and of the say-on-pay votes at the Annual General Meeting of Shareholders (AGM).

You will find further information on the CC activities and on our remuneration systems in this Remuneration Report. The report will be submitted to a non-binding, consultative vote by shareholders at the AGM 2018.

Looking ahead, we will continue to regularly assess our remuneration plans to ensure that they are fulfilling their purpose. We trust that you will find this report informative.

The Board of Directors

Zürich, 14 March 2018

Remuneration Report

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Executive summary

Governance
Refer to section 2. The Board has entrusted the CC to provide support in establishing and reviewing the remuneration philosophy, principles and plans, in determining the remuneration of the Board and EC members and preparing the proposals to the AGM. Shareholders approve the Maximum Total Amounts of Remuneration of the Board and EC in an annual binding prospective vote. Further, they have the opportunity to express their opinion on the remuneration actually awarded for the reporting year in a consultative vote on the Remuneration Report.

Remuneration philosophy & principles
Refer to section 3. The Adecco Group's remuneration philosophy is to recognise and reward performance. It reflects the Company's commitment to attract, retain and motivate employees in order to support the achievement of the Company's business objectives. The remuneration philosophy translates into the following core principles:

- Reward for performance
- Alignment to shareholders' interests
- Internal fairness and external competitiveness

Remuneration of the Board
Refer to sections 4.1. and 5.1. The members of the Board receive fixed remuneration for their work on the Board and in the committees of the Board. The remuneration is delivered in the form of cash and shares. The latter are restricted for a period of three years.

Remuneration of the EC
Refer to sections 4.2. and 5.2. In line with the pay-for-performance philosophy, the EC remuneration includes the following elements:

		in CHF millions
Annual base salary Reflects the scope of the function and the skill set required to perform the role		
Monthly cash		8.6
Annual bonus with Short-Term Incentive Plan (STIP) Rewards annual financial performance of The Adecco Group and its businesses:		
	<ul style="list-style-type: none"> • EBITA • Revenues • DSO 	
Annual cash		6.9
Long-Term Incentive Plan (LTIP) Rewards long-term shareholder value creation		
	<ul style="list-style-type: none"> • Relative TSR with three-year cliff-vesting 	
Performance Share Awards		4.9
Benefits Provide for a reasonable level of income in case of retirement, death or disability; and fringe benefits reflecting local practice		
Pensions, insurances, fringe benefits		3.9
Total 2017¹		24.3

¹ Total conferred, excluding the remuneration conferred to former EC members after having ceased to be an EC member.

To ensure market competitiveness, the Adecco Group regularly conducts benchmark analysis for Board and EC remuneration.

The Adecco Group's Remuneration Report is written in accordance with the requirements of the Ordinance and the Directive on Information relating to Corporate Governance, issued by the SIX Swiss Exchange and as amended on 13 December 2016. The Adecco Group AG's principles regarding remuneration further take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as published on 29 February 2016. In addition, the Remuneration Report comprises information as required under the Swiss Code of Obligations (Art. 663c para. 3).

Statements throughout this Remuneration Report using the terms "the Company" or "the Group" 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.

2. Remuneration governance

2.1 Role of shareholders

The role of shareholders on remuneration matters has gained in importance in recent years. First of all, shareholders annually prospectively approve the Maximum Total Amount of Remuneration each of the Board and EC. Secondly, they approve the Remuneration Report in a retrospective consultative vote. Certain principles of remuneration are governed by the Articles of Incorporation (Aol), which have been approved by the shareholders. The Aol (<http://aol.adeccogroup.com>) include the following provisions:

- Principles of remuneration applicable to the Board and EC (Art. 20 and 20^{bis});
- Shareholders' vote on remuneration (Art. 14^{bis});
- Supplementary amount for new EC members (Art. 14^{bis});
- Post-employment benefits (Art. 20).

2.2 Role of the Board and CC

In line with the provisions of the Aol, the Board has entrusted the CC to provide support in establishing and reviewing the remuneration principles and plans, in preparing the remuneration proposals to the AGM and in determining the remuneration of the Board and EC members, as well as in setting and assessing the performance objectives relevant for the remuneration of EC members.

The CC is composed of independent Board members who are elected individually by the shareholders at the AGM for a term of office of one year ending after completion of the next AGM. Further details on the CC composition, responsibilities and activities are provided in the Corporate Governance Report, section 3.4 "Compensation Committee".

The CC generally acts in a preparatory and advisory capacity while the Board retains the decision authority on remuneration matters, except for the Maximum Total Amounts of Remuneration of the Board and EC, which are subject to the approval of shareholders at the AGM. The authority levels of the different bodies on remuneration matters are outlined in Illustration 1.

The CC meets as often as business requires, but at least five times a year. In 2017, the CC held five meetings and one conference call. Details on meeting attendance of the individual CC members are provided in the Corporate Governance Report, section 3.4 "Internal organisational structure".

The Chairman of the CC reports to the full Board after each CC meeting. The minutes of the meetings are available to all members of the Board. As a general rule, the Chairman of the Board, the Chief Executive Officer (CEO) and the Chief Human Resources Officer (CHRO) attend the CC meetings in an advisory capacity. The Chairman of the CC may decide to invite other executives as appropriate. Executives do not attend the meetings or the parts of the meetings in which their own remuneration and/or performance are being discussed.

2.3 Role of external advisors

The CC may decide to consult external advisors from time to time for specific remuneration matters. In 2017, the Adecco Group engaged Willis Towers Watson, an international independent external consultant, to assist with the development of a global grading system and to provide compensation benchmarks. The global grading system allows the determination of the relative value of jobs in the organisation through a globally applicable, neutral job evaluation process, and their external comparability with the relevant compensation benchmark. Furthermore, Obermatt, an independent Swiss financial research firm, was mandated to calculate achievement level and vesting payout under the LTIP. Those companies have no other mandates with the Adecco Group.

In addition, support and expertise are provided to the CC by internal experts such as the CHRO and the Head of Rewards.

Illustration 1: Authority levels in remuneration matters¹

	CEO	CC	Board	AGM
Remuneration philosophy and principles	Proposes	Reviews	Approves	
Remuneration plans including incentive plans	Proposes	Reviews	Approves	
Maximum Total Amount of Remuneration of Board		Proposes	Reviews	Approves prospectively
Individual remuneration of Board members		Proposes	Approves	
Maximum Total Amount of Remuneration of EC		Proposes	Reviews	Approves prospectively
CEO remuneration		Proposes	Approves	
Individual remuneration of EC members	Proposes	Reviews	Approves	
Remuneration Report		Proposes	Approves	Retrospective consultative vote

¹ Within the framework set in the Aol.

3. Remuneration philosophy, principles and framework

3.1 Remuneration philosophy and principles

Illustration 2: Remuneration principles

Reward for performance	The variable remuneration components recognise and reward the Company's and business units' performance. Thus, as a general rule, individual targets are not used in the incentive plans. The STIP incentivises management for achieving the annual financial targets of the Group and the business units and fosters collaboration. The LTIP incentivises management for creating long-term shareholder value.
Alignment to shareholders' interests	The LTIP is delivered in the form of share-based remuneration and thus aligns the interests of management with those of the shareholders.
Internal fairness and external competitiveness	The remuneration is internally consistent and externally competitive. Base salaries are generally set at the median level of the relevant function in the local market. Local benefits are defined in line with local regulations and competitive practice. Total remuneration is reviewed periodically to ensure competitiveness in attracting and retaining talent.

The Adecco Group's remuneration philosophy is to recognise and reward performance. It reflects the Company's commitment to attract, retain and motivate employees in order to support the achievement of the Company's business objectives. The remuneration philosophy translates into principles that support this fundamental objective and are summarised in Illustration 2.

The level of remuneration of the Board and of the EC members is reviewed every two to three years to ensure market competitiveness. For this purpose, the CC mandated Aon Hewitt to provide an in-depth benchmark analysis of the remuneration of the Board and EC members in 2016. The basis for comparison consists of similar companies in terms of complexity and size (market capitalisation, revenues, headcount, geographic scope). The benchmark analysis for the remuneration of the Board was based on a peer group of 16 companies listed on the Swiss stock exchange, comprising: ABB, Credit Suisse, DKSH Holding, Kuehne-Nagel, Lafarge Holcim, Novartis, Richemont, Roche Holding, Schindler, The Swatch Group, Swisscom, Swiss Life, Swiss Re, Syngenta, UBS and Zurich Insurance Group. For the benchmark analysis of the EC, country-specific survey peer groups comprising in total more than 200 companies globally from various industry sectors representing potential employers of the Adecco Group's talents were included.

Generally, factors such as scope and responsibilities of the function, including geographic responsibility, revenues, number of employees, and skill set required to perform the role are considered to identify the relevant benchmarks. The benchmark analysis served as a primary basis for the CC to review the remuneration of the EC members and to confirm or revise their target remuneration levels for financial year 2017.

For the EC members who changed roles during the year, the Pan-European Executive Compensation Survey of Willis Towers Watson was used as an additional source of benchmarking data in a first step towards the target reward framework presented hereafter.

3.2. Reward framework

In the reporting year, the CC conducted a review of the remuneration strategy, which led to a refinement of the reward framework for the Senior Leadership and Executive Committee. Its implementation will start in 2018. For the EC members, the key elements are:

- A refined definition of the relevant market for the benchmarking of their remuneration. Going forward, our EC roles will be primarily compared with similar positions in a basket of pan-European companies. In a second step, their target remuneration (pay mix, STI and LTI level) as determined based on the benchmarks mentioned above is compared to the typical pay mix of our competitors and to local markets. The competitors comprise the companies included in the peer group selected for the relative TSR calculation under the LTI (refer to page 89 of this report).
- A target pay mix giving more emphasis on the variable remuneration;
- The introduction of non-financial objectives in the short-term incentive plan's metrics to reflect progress on key strategic priorities;
- Shareholding guidelines requiring EC members to hold a minimum number of Company shares associated with the introduction of a blocking period of two years after vesting of the shares from the long-term incentive plan. The implementation of the blocking period will start with the 2018 LTI grant.

4. Remuneration structure

4.1 Board of Directors' remuneration

In order to ensure their independence in exercising their supervisory duties over executive management, the members of the Board receive a fixed remuneration for their Board term of office without entitlement to variable components of remuneration. Two-thirds of the Board fee is paid in cash and one-third is paid in shares subject to a three-year blocking period. The restriction period on the shares supports the alignment of the Board members' interests with those of the shareholders.

When determining the individual Board members' remuneration, their various functions and responsibilities within the Board and its committees are taken into account.

The remuneration system for the term from AGM 2017 to AGM 2018 is summarised in Illustration 3:

Illustration 3: Structure and levels of remuneration of the Board

	Cash (in CHF)	Shares ¹ (in CHF)
Fee (gross) for the Board term		
Chair of the Board ²	960,000	500,000
Vice-Chair of the Board ²	300,000	150,000
Other members of the Board	166,670	83,330
Additional committee fees (gross)		
Committee chair ³	100,000	50,000
Other committee members	33,330	16,670

1 Paid in Adecco Group AG shares with a three-year blocking period.

2 No entitlement to additional fee for committee work.

3 Amount includes fee for committee membership for the committee chair.

The remuneration in cash is paid out quarterly (for the Chair: monthly) and is subject to regular contributions to social security where applicable. The shares are transferred on a quarterly basis. Board members are not insured under the Company retirement plans.

For the amounts paid to the individual members of the Board in the period under review (1 January to 31 December 2017), refer to section 5.1 "Board of Directors' remuneration and shareholding".

4.2 Executive Committee's remuneration

As shown in Illustration 4, the remuneration model for the EC includes fixed and variable elements:

- Base salary;
- Short-term incentive in form of cash, based on annual, ambitious and clearly defined internal performance objectives (STIP);
- Long-term incentive in form of share-based remuneration based on relative TSR performance over a three-year period, with cliff-vesting (LTIP);
- Benefits including social contributions, contributions to retirement plans, as well as other fringe benefits.

Illustration 4: Elements of the EC remuneration

	Element	Purpose	Drivers	Performance measures
Base salary	Cash salary, typically paid in monthly instalments	<ul style="list-style-type: none"> • Pay for the role • Attract and retain 	<ul style="list-style-type: none"> • Function • Market value • Skills and experience 	n.a.
Short-term incentive	Annual cash bonus	<ul style="list-style-type: none"> • Pay for performance 	<ul style="list-style-type: none"> • Achievement of annual business objectives 	<ul style="list-style-type: none"> • EBITA • Revenues • DSO
Long-term incentive	Performance Share Awards with three-year cliff-vesting	<ul style="list-style-type: none"> • Reward long-term performance • Align to shareholders' interests 	<ul style="list-style-type: none"> • Group performance over three years • Continued employment 	<ul style="list-style-type: none"> • Relative TSR
Benefits	Social contributions, retirement plans and fringe benefits	<ul style="list-style-type: none"> • Attract and retain • Protect against risk 	<ul style="list-style-type: none"> • Market practice • Function • Local regulations 	n.a.

REMUNERATION REPORT *continued*

4.2.1 Base salary

The base salary reflects the scope of the role and its responsibilities, the experience and skills required to perform the role and the profile of the incumbent in terms of seniority and experience. The base salary is paid in cash, typically in monthly instalments, and serves as a reference for determining the target STI and LTI.

4.2.2 Short-Term Incentive Plan (STIP)

The STIP is a cash incentive plan that rewards executives for the annual performance on key value drivers: operating income before amortisation and impairment of goodwill and intangible assets (EBITA), revenues and Days Sales Outstanding (DSO). These performance metrics are the key levers that management can influence to increase shareholder value.

The STI target is the STI amount that is paid for a performance achievement of 100%. The STI target is determined as a percentage of annual base salary. For the CEO, the STI target amounts to 80% of the annual base salary; for the other EC members, it ranges between 60% and 100% of the annual base salary, depending on their function and responsibilities.

For EC members with direct responsibility for a specific geography, 35% of the STI is based on the performance of the Adecco Group and 65% is based on the performance of the relevant geography. For the EC members without direct geographic responsibility, the entire STI depends on the performance of the Adecco Group.

For each performance indicator, a target level of performance is determined. The target represents the expected performance and corresponds to 100% payout. A minimum level of performance (baseline), below which the payout is 0%, and a maximum level of performance (cap) are determined as well. The payout is capped at 150%. For achievement between those levels, the payout percentage is calculated by linear interpolation. Any performance adjustment such as unbudgeted items related to acquisitions and divestitures or reorganisations must be approved by the CC.

The weight of the respective performance metrics, their baseline, target and cap are disclosed in Illustration 5.

Performance targets for the STIP metrics are both market- and commercially-sensitive and as such are considered confidential. Hence, they are not published. However, the Company discloses ex post the overall degree to which performance has been achieved (refer to section 5.2 "Executive Committee's remuneration for 2017").

The STI is paid in the year following the performance period, subject to continued employment with the Company. In case of termination of employment, according to the STIP rules and depending on the conditions of such termination, the STI payout may be reduced or cancelled. The STIP rules are subject to applicable law in the given country of employment.

In addition to the quantitative reward system described in this section, it is in the discretion of the Board of Directors to adjust bonus payments (positively and negatively) when deemed justified, based on qualitative performance aspects of the EC or its individual members.

Illustration 5: STIP performance metrics, weights, baselines, targets and caps

	Weight	Baseline	Target = 100% payout	Cap = 150% payout
EBITA	65%	80% of budget = 80% of payout	100% of budget	120% of budget
Revenues	20%	96% of budget = 50% of payout	100% of budget	104% of budget
DSO	15%	Budget DSO + 1 day = 50% payout	Budget DSO	Budget DSO - 1 day

4.2.3 Long-Term Incentive Plan (LTIP)

The purpose of the LTIP is to reward long-term value creation and to enhance alignment of the interests of the executives to those of shareholders. The LTIP is a Performance Share Awards plan providing for conditional rights to receive a certain number of Adecco Group AG shares after a three-year cliff-vesting period, subject to fulfilling the relative TSR performance condition and upon continued employment of the participant at the vesting date. The relative TSR was chosen because it is considered as one of the most appropriate performance metric to link the long-term remuneration of the management to the value creation of the shareholders. For the grant awarded in 2017, the performance period starts on 1 January 2017 and ends on 31 December 2019.

The mechanism of the LTIP is shown in Illustration 6.

At grant date, the LTI target amounts to 100% of the annual base salary for the CEO (previous year: 80%) and ranges from 60% to 100% for the other EC members (previous year: 60% to 125%). The LTI target amount for the CEO has been increased, in order to gradually rebalance the remuneration mix with stronger focus on the long-term compensation element. To determine the number of Performance Share Awards to be granted, the LTI target amount is divided by the three-year average daily closing price of the Adecco Group AG share prior to the grant. However, the share price used for the allocation cannot deviate by more than 20% from the share price at grant.

The Performance Share Awards are subject to a three-year cliff-vesting based on the relative TSR performance of the Adecco Group compared to a peer group of companies. The peer group includes the 17 companies listed in Illustration 7. The CC periodically reviews the composition of the peer group and may propose the substitution of alternative peer companies due to corporate events such as merger, acquisition, divesture, delisting or bankruptcy of peer companies. As from 2017, the CC decided to include Recruit Holdings Co., Ltd. further to their acquisition of USG People, a company which was included in the peer group until 2015.

Illustration 6: LTIP mechanism for the grant awarded in 2017

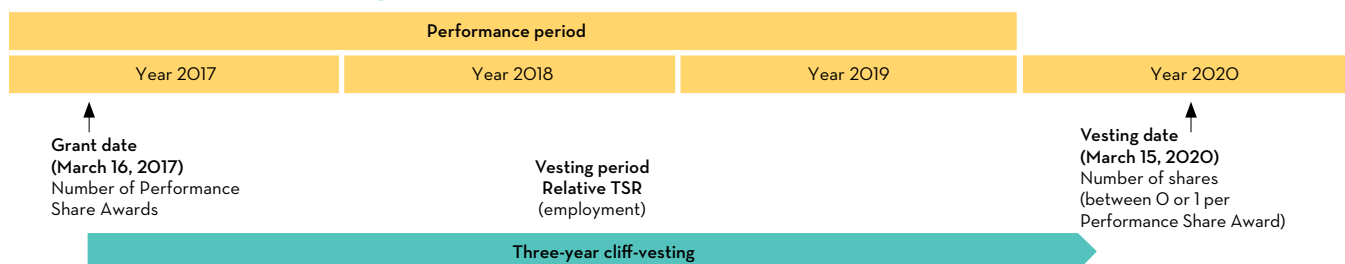


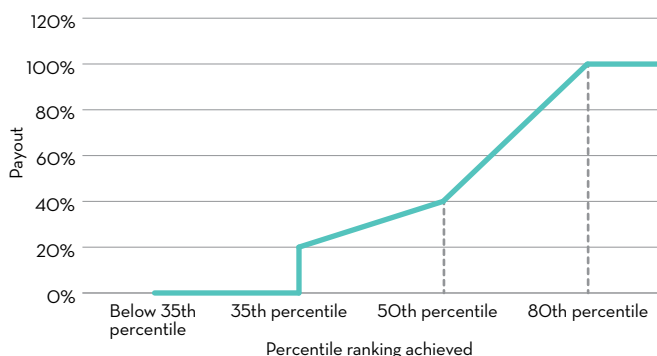
Illustration 7: Peer companies for relative TSR performance under the LTIP

Amadeus Fire	Manpower Group	Randstad Holding	SThree
Brunel International	Meitec	Recruit Holdings Co., Ltd	Synergie Groupe
Hays	Michael Page International	Robert Half International	Temp Holdings
Kelly Services	On Assignment	Robert Walters	TrueBlue
Kforce			

REMUNERATION REPORT *continued*

The vesting level is determined based on the percentile ranking of the Adecco Group compared to the peer companies over a period of three years, as shown in Illustration 8. There is no payout for a ranking below the 35th percentile and the payout is capped at 100% for reaching the 80th percentile (there is no over-achievement in the LTIP).

Illustration 8: Vesting schedule for relative TSR performance under the LTIP



	Baseline = 20% payout	40% payout	Target = 100% payout (cap)
Relative TSR	35th percentile	50th percentile	80th percentile

The achievement level and the vesting payout are calculated by an external provider (see section 2.3), based on an average of the percentile ranks. TSR is calculated on the basis of a one-year average share price for both the Adecco Group's TSR and the peers' TSR, taking into consideration dividends for the period under review.

The plan foresees that participants who, before the end of the performance period, terminate their employment with the Company at their own will, and those who receive notice of termination for cause, will no longer be entitled to the vesting of the awards. In case of termination by the employer without cause, a time-weighted pro rata portion of the unvested Performance Share Awards will vest at the regular vesting date depending on the level of target achievement. In line with Art. 20bis para 3 of the AoI (<http://aoi.adecgroup.com>) and as specified in the LTIP, in the case of a predefined Change of Control before a Performance Share Award has vested, the time-weighted pro rata portion of the unvested Performance Share Award may vest on the Change of Control date depending on the level of target achievement at the date of the relevant corporate event as determined by the Compensation Committee. Those Performance Share Awards that do not vest due to lack of fulfilment of the performance conditions lapse immediately. These plan rules are subject to applicable law in the given country of employment.

The LTIP includes claw-back provisions for any award and any benefit received or entitled to be received in case of fraudulent behaviour or other types of intentional misconduct.

4.2.4 Benefits

As the EC is international in its nature, its members participate in the benefit plans available in the country of their employment contract. Benefits consist mainly of retirement, insurance and healthcare plans that are designed to provide a reasonable level of protection for the employees and their dependents in case of retirement, death and disability. The EC members with a Swiss employment contract participate in the Adecco Group's pension plans offered to all employees in Switzerland. EC members under foreign employment contracts are insured commensurately with market and with their position. Each plan varies in line with the local competitive and legal environment and has been designed, as a minimum, in accordance with the legal requirements of the respective country.

EC members are also provided with certain fringe benefits such as a company car allowance, car lease, membership fees, housing allowance, relocation, education, representation allowance and health insurance. The monetary value of these other elements of remuneration is disclosed at fair value in the remuneration tables.

4.2.5 Contractual agreements

EC members are employed under employment contracts of unlimited duration and are all subject to a notice period of 12 months. EC members are not contractually entitled to severance payments based on their individual contracts (but may be entitled to seniority-related payments due to mandatory foreign laws as applicable) or any change-in-control payments (for LTI vesting see section 4.2.3). Their contract may foresee refundable non-competition provisions that are limited in time to maximum one year.

5. Remuneration and shareholding of members of the Board and EC

This section is audited by the Company's statutory auditors; please refer to the report at the end of the Remuneration Report.

5.1 Board of Directors' remuneration for 2017 and shareholding on 31 December 2017

In 2017, the Board's total remuneration amounted to CHF 4.58 million (2016: CHF 4.79 million). Of this total, CHF 2.84 million was paid out in cash (2016: CHF 2.99 million), CHF 1.44 million was awarded in restricted shares (2016: 1.5 million) and social contributions amounted to CHF 0.29 million (2016: CHF 0.3 million).

This remuneration is in substance unchanged versus the previous year, with the decrease mainly caused by the different composition of the Board and its committees.

At the AGM of 21 April 2016, shareholders approved a Maximum Total Amount of Remuneration of CHF 4.9 million for the Board for the term from the AGM 2016 until the AGM 2017. The remuneration paid to the Board for this term was CHF 4.8 million and is therefore within the approved limits.

At the AGM of 20 April 2017, shareholders approved a Maximum Total Amount of Remuneration of CHF 4.7 million for the Board for the term from the AGM 2017 until the AGM 2018. The remuneration paid to the Board for this term is anticipated to be approximately CHF 4.5 million. The final amount will be disclosed in the Remuneration Report 2018.

Illustration 9: Board remuneration for financial year 2017 and shareholding as of 31 December 2017

in CHF (except shares)

Name	Function ¹	Remuneration period in 2017	Remuneration in cash	Remuneration in shares ³	Total remuneration ⁴	Social contributions ⁵	Shareholding as of 31 December 2017 ⁶
Rolf Dörig	Chair	since Jan.	960,000	500,000	1,460,000	92,566	72,284
Kathleen Taylor	Vice-Chair	since Jan. ²	275,000	137,500	412,500	26,840	4,574
Jean-Christophe Deslarzes	Member	since Jan.	233,333	116,667	350,000	22,904	4,504
Ariane Gorin	Member	since Apr.	150,000	75,000	225,000	29,687	1,008
Alexander Gut	CC Chair	since Jan.	300,000	150,000	450,000	29,200	21,390
Didier Lamouche	Member	since Jan.	200,000	100,000	300,000	19,768	5,464
David Prince	AC Chair	since Jan.	300,000	150,000	450,000	61,475	13,034
Wanda Rapaczynski	GNC Chair	since Jan.	300,000	150,000	450,000	0	15,890
Dominique-Jean Chertier	Member	Jan. to Apr.	50,000	25,000	75,000	5,772	n.a.
Thomas O'Neill	Vice-Chair	Jan. to Apr.	75,000	37,500	112,500	6,284	n.a.
Subtotal			2,843,333	1,441,667	4,285,000	294,496	
Total						4,579,496	138,148

1 For more information re the functions of the individual members of the Board in the Board's committees, refer to the Corporate Governance Report, section 3.4.

2 Vice-Chair since April 2017.

3 Paid with 19,684 Adecco Group AG shares at an average price of CHF 73.45 per share.

4 Gross amounts, including Directors' social contributions required by law.

5 Company's social contributions required by law. No contributions are paid to pension plans.

6 Indicating the number of registered shares held, with a nominal value of CHF 0.10 each. The members of the Board are required to disclose to the Company any direct or indirect purchases and sales of equity-related securities of Adecco Group AG.

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Illustration 10: Board remuneration for financial year 2016 and shareholding on 31 December 2016

in CHF (except shares)

Name	Function ¹	Remuneration period in 2016	Remuneration in cash	Remuneration in shares	Total remuneration for term served ²	Social contributions ³	Shareholding as of 31 December 2016 ⁴
Rolf Dörig	Chair	since Jan.	960,000	500,000	1,460,000	98,475	65,469
Thomas O'Neill	Vice-Chair	since Jan.	300,000	150,000	450,000	26,337	11,680
Dominique-Jean Chertier	Member	since Jan.	200,000	100,000	300,000	17,184	11,098
Jean-Christophe Deslarzes	Member	since Jan.	225,000	112,500	337,500	22,945	2,913
Alexander Gut	NCC Chair	since Jan.	300,000	150,000	450,000	30,438	19,343
Didier Lamouche	Member	since Jan.	200,000	100,000	300,000	20,589	4,098
David Prince	AC Chair	since Jan.	300,000	150,000	450,000	58,856	10,987
Wanda Rapaczynski	CGC Chair	since Jan.	300,000	150,000	450,000		13,843
Kathleen Taylor	Member	since Jan.	200,000	100,000	300,000	20,589	2,706
Subtotal			2,985,000	1,512,500⁵	4,497,500	295,413	
Total						4,792,913	142,137

1 For more information re the functions of the individual members of the Board in the Board's committees, refer to the Corporate Governance Report, section 3.4.

2 Gross amounts, including Directors' social contributions required by law.

3 Company's social contributions required by law. No contributions are paid to pension plans.

4 Indicating the number of registered shares held, with a nominal value of CHF 1 each. The members of the Board are required to disclose to the Company any direct or indirect purchases and sales of equity related securities of Adecco Group AG.

5 Paid with 24,936 Adecco Group AG shares at an average price of CHF 60.66 per share.

5.2 Executive Committee's remuneration for 2017

In 2017, EC members' total remuneration amounted to CHF 25 million (2016: CHF 23.1 million). This amount consisted of fixed salaries of CHF 8.5 million (2016: CHF 8.8 million), Annual bonus of CHF 6.9 million (2016: CHF 6.2 million), long-term incentives of CHF 4.9 million (2016: CHF 4.7 million), other expenses of CHF 1 million (2016: 0.9 million), and social contributions and post-employment benefits of CHF 2.9 million (2016: CHF 2.5 million).

Overall, the remuneration of the EC increased by 8.5% compared to 2016. Looking at the different components, the changes were as follows:

- The fixed remuneration decreased by 2.6% as a result of changes to the EC composition.
- The 2017 Annual bonus is 11.3% higher than in 2016. This reflects the Company's financial results, as the EBITA and the revenue grew over last year. In 2017, the STI payout for the CEO was 97.2% of target (previous year: 90%) and ranged from 80% to 119% for the other EC members (previous year: 52% to 104%), and reached an average 88% for the entire EC including the CEO (previous year: 83%).

- The increase in the "other" payments is mainly due to the changes in the EC composition.
- The value of the share awards granted under the LTIP was higher in 2017 than in 2016. This is mainly due to the increase of the LTI target amount for the CEO.

At the AGM of 21 April 2016, shareholders approved a Maximum Total Amount of Remuneration of CHF 34.5 million for financial year 2017. The remuneration paid to the EC for this term was CHF 25 million and is therefore within the approved limits.

For the financial year 2017, the variable component (Annual bonus as paid, LTIP at grant value) represented 49% of the total remuneration of the EC (previous year: 47%). This is aligned with the pay-for-performance philosophy of the Adecco Group and reflects the orientation of the remuneration plans to the shareholders' interests.

Illustration 11: EC remuneration for the year 2017

in CHF

	Alain Dehaze, CEO ¹	Total Executive Committee ²
Gross cash remuneration ³ :		
• Base salary	1,500,000	8,546,585
• Annual bonus ⁴	1,166,149	6,924,433
Remuneration in kind and other ⁵	155,424	983,131
Share awards granted in 2017 under the Long-Term Incentive Plan (LTIP) ⁶ :		
• Relative TSR awards	1,180,174	4,943,061
Social contributions:		
• Old age insurance/pensions and other ⁷	272,944	1,905,364
• Additional health/accident insurance	22,946	133,452
• On LTIP awards granted in 2017, potentially vesting in later periods, estimated (based on closing price at grant) ⁸	217,698	845,068
Total conferred	4,515,335	24,281,094
Conferred to former EC members after having ceased to be an EC member ⁹		770,518
Conferred, grand total ¹⁰		25,051,612

1 Highest conferred individual compensation in 2017.

2 Notice periods of up to 12 months apply. For certain members of the EC, based on mandatory foreign law, additional payments may become due in case of termination. For certain members of the EC, compensation related to non-compete and non-solicitation obligations after termination of their employment agreement might be due.

3 Including employee's social contributions.

4 Not included are bonus payments due for 2016 but made during 2017 as this information was disclosed in 2016.

5 Car allowance for private use, car lease financed by the Company, membership fees, housing allowance, relocation, education, health insurance, voluntary pension contribution, representation allowance and benefits.

6 Value in CHF of Adecco Group AG shares awarded in 2017 under the LTIP 2017 (grant date: 16 March 2017).

Valuation of the share awards granted:

- The grant date values of the relative TSR awards are calculated based on the closing price of the Adecco Group AG share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective relative TSR targets will be met at the end of the performance period. The probability factor of 0.424 for relative TSR awards has been determined using a binomial model. A discount of 10.5% is applied which takes into consideration that relative TSR awards are not entitled to dividends during the vesting period.

- The per share value of awards granted in 2017 amounts to CHF 26.54.

7 Including social contributions on LTIP grant 2015 for one EC member (France) as they became due at grant date.

8 Not included are social contributions on LTIP grant 2015 for one EC member (France) as they became due at grant date (included above, see footnote 7).

9 The employment relationships of certain officers who ceased to be members of the EC in the course of 2017 formally terminate in the course of 2017 in accordance with respective termination agreements. Compensation of former members which is attributable to 2017 is included in this table, whereas compensation to former members attributable to 2018 will be disclosed in the Remuneration Report for 2018.

10 Not included are employer's social contributions of CHF 108,950 on LTIP awards granted in previous periods and vested in 2017.

REMUNERATION REPORT *continued*

Illustration 12: EC remuneration for the year 2016

in CHF	Alain Dehaze, CEO ¹	Total Executive Committee ²
Gross cash remuneration ³ :		
• Base salary	1,500,000	8,774,845
• Annual bonus ⁴	1,079,986	6,222,798
Remuneration in kind and other ⁵	133,481	885,496
Share awards granted in 2016 under the Long-Term Incentive Plan (LTIP) ⁶ :	835,025	4,718,623
Social contributions:		
• Old age insurance/pensions and other	297,217	1,723,686
• Additional health/accident insurance	23,490	139,289
• On LTIP awards granted in 2016, potentially vesting in later periods, estimated (based on closing price at grant)	150,450	623,857
Total conferred⁷	4,019,649	23,088,594

1 Highest conferred individual compensation in 2016.

2 Notice periods of up to 12 months apply. For certain members of the EC, based on mandatory foreign law, additional payments may become due in case of termination. For certain members of the EC, compensation related to non-compete and non-solicitation obligations after termination of their employment agreement might be due.

3 Including employee's social contributions.

4 Not included are bonus payments due for 2015 but made during 2016 as this information was disclosed in 2015.

5 Car allowance, car lease financed by the Company, housing allowance, relocation, education, health insurance, voluntary pension contribution, representation allowance.

6 Value in CHF of Adecco Group AG share awards granted in 2016 under the LTIP 2016 (grant date: 16 March 2016).

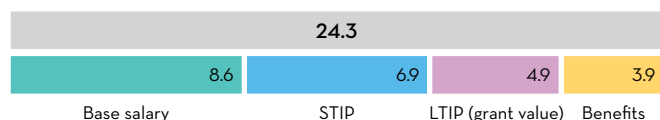
Valuation of the share awards granted:

The grant date value of the Performance Share Awards is calculated based on the closing price of the Adecco Group AG share on the day of grant multiplied by the respective probability factors. These factors reflect the likelihood that the respective relative TSR targets will be met at the end of the performance period. The probability factor of 0.42 for relative TSR awards has been determined using a binomial model. A discount of 10.5% is applied which takes into consideration that the awards are not entitled to dividends during the vesting period.

The value of each share award granted in 2016 amounts to CHF 23.61.

7 Not included are employer's social contributions of CHF 31,193 on LTIP awards granted in previous periods and vested in 2016.

Illustration 13: EC remuneration mix for the year 2017



5.3 Shareholding of EC members as of 31 December 2017/2016

The members of the EC, including related parties, reported share ownership as indicated in Illustration 15.

Illustration 14: EC shareholding as of 31 December 2017¹

(in shares)

Name	Shareholding as of 31 December 2017 ²	Shareholding as of 31 December 2016 ²
Alain Dehaze	34,561	24,420
Hans Ploos van Amstel	5,000	5,000
Christophe Catoir	8,101	7,019
Robert P. (Bob) Crouch ³	-	9,425
John L. Marshall III	6,791	5,014
Christophe Duchatellier	14,645	8,089
Mark De Smedt	6,221	5,000
Sergio Picarelli	13,050	11,383
Enrique Sanchez	12,887	7,738
Federico Vione	11,058	7,220
Stephan Howeg	7,742	6,821
Franz-Josef Schürmann	100	2,000
Shanthi Flynn	5,000	5,000
Total	125,156	104,129

- 1 The shareholdings of new EC members such as Ian Lee and Rob James will be disclosed in the Remuneration Report 2018.
- 2 Indicating the number of registered shares held, with a nominal value of CHF 0.10 each as of 31 December 2017 and CHF 1 each as of 31 December 2016. The members of the EC are required to disclose to the Company direct or indirect purchases and sales of equity-related securities of the Adecco Group.
- 3 Ceased to be a member of the EC in 2017.

5.4 Share awards held by and granted to EC members as per 31 December 2017

This section provides information on the Performance Share Awards granted to EC members in 2017 and vesting of Performance Share Awards granted prior to 2017 and vested in 2017.

Illustration 15: Awards granted in 2017

Share awards held as of 31 December 2017 granted on 16 March 2017 under the LTIP:

31 December 2017	Performance Share Awards
Alain Dehaze	44,460
Total EC	186,217

Illustration 16: Vesting level for Performance Share Awards granted

Grant year	Vesting year	Overall vesting % ¹
2013	2016	33%
2014	2017	58%
2015	2018	58%
2016	2019	pending ²
2017	2020	pending ²

- 1 Vesting level of the Performance Share Awards granted to current EC members.
- 2 Performance periods are still ongoing. Numbers will be available after the end of the respective performance period.

5.5 Additional fees and remuneration of Board and EC members

No member of the Board and EC has received any additional remuneration in 2017.

5.6 Loans granted to Board and EC members

In 2017, the Company did not grant any guarantees, loans, advances or credits to Board or EC members. No such loans were outstanding as of 31 December 2017.

5.7 Remuneration of former members of the Board and EC

No further payments were made to former Board or EC members in relation to their work before financial year 2017.

5.8 Shares allocated to members of the Board, EC and closely linked parties

In 2017, part of the remuneration of the Board members was paid in Adecco Group AG shares (refer to Illustration 9: "Board remuneration for financial year 2017 and shareholding as of 31 December 2017"), and under the LTIP, shares were allocated to the EC members (refer to Illustration 11: "EC remuneration for the year 2017").

No further Adecco Group AG shares were allocated to current or former members of the Board or EC and closely linked parties.

5.9 Remuneration or loans to closely linked parties

In 2017, no remuneration was paid out, no shares allocated and no guarantees, loans, advances or credits were granted to closely linked parties. No such loans were outstanding as of 31 December 2017.

Report of the Statutory Auditor on the Remuneration Report to the General Meeting of Adecco Group AG, Zürich

We have audited the accompanying Remuneration Report of Adecco Group AG for the year ended 31 December 2017. The audit was limited to the information according to articles 14-16 of the Ordinance against Excessive Compensation in Stock Exchange Listed Companies (Ordinance) contained in section 5. "Remuneration and shareholding of members of the Board and EC" on pages 91 to 95 of the Remuneration Report.



Board of Directors' responsibility

The Board of Directors is responsible for the preparation and overall fair presentation of the Remuneration Report in accordance with Swiss law and the Ordinance. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.



Auditor's responsibility

Our responsibility is to express an opinion on the accompanying Remuneration Report. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Remuneration Report complies with Swiss law and articles 14-16 of the Ordinance.

An audit involves performing procedures to obtain audit evidence on the disclosures made in the Remuneration Report with regard to compensation, loans and credits in accordance with articles 14-16 of the Ordinance. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements in the Remuneration Report, whether due to fraud or error. This audit also includes evaluating the reasonableness of the methods applied to value components of remuneration, as well as assessing the overall presentation of the Remuneration Report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Opinion

In our opinion, the Remuneration Report for the year ended 31 December 2017 of Adecco Group AG complies with Swiss law and articles 14-16 of the Ordinance.

Ernst & Young Ltd

/s/ André Schaub

André Schaub

Licensed audit expert
(Auditor in charge)

/s/ Jolanda Dolente

Jolanda Dolente

Licensed audit expert

Zürich, Switzerland
14 March 2018