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THE ADECCO GROUP

## **Invitation to the Annual General Shareholders' Meeting**

We are pleased to invite you to the

### **Annual General Shareholders' Meeting of Adecco Group AG**

to be held on Thursday, 19 April 2018, 11.00 a.m.  
at the Beaulieu, Centre de Congrès et d'Expositions  
Av. des Bergières 10, CH-1004 Lausanne.

Doors open: 10.15 a.m.  
Meeting starts: 11.00 a.m.



## THE ADECCO GROUP

Dear Shareholders,

In 2017, the Adecco Group had another solid year, with a good financial performance and significant progress made in our strategic agenda. Organic revenue growth increased to 6%. Cash flow generation also remained strong, and we ended 2017 with a robust balance sheet. All this was achieved while investing in new digital solutions and IT infrastructure, and we once again maintained our leading position in terms of profitability.

The world of work and our industry is evolving rapidly, which creates challenges but also opportunities for significant growth. We intend to harness these changing industry dynamics and continue to consistently implement our strategies to further strengthen our competitive position. Demand for our services - whether flexible and permanent employment solutions, training and re-skilling, workforce transformation or outsourcing - will continue to grow. At the same time, digitalization, big data and analytics are creating opportunities to develop new business models and access to new customer segments and service areas. With our dedicated employees, our strong brands, comprehensive labour market knowledge, and over 100,000 multi-sector clients, we are well-positioned to strengthen and indeed gain market share in our existing businesses by means of innovative services.

During the 2017 financial year, we made good progress in the implementation of our strategic agenda to 'Perform', 'Transform' and 'Innovate', laying strong foundations for future prosperity.

- 'Perform' means that we will continue to generate revenue growth, in the cost-disciplined, returns-focused way that we always have. It means achieving strong cash flow to underpin a progressive dividend and financial investment.
- With 'Transform', we are strengthening our core business to differentiate our offering from that of our competitors by means of solutions that are tailored to our clients, and to increase our market share. Through our GrowTogether programme, we are leveraging advanced technology to enhance the customer experience, while at the same time reducing our cost-to-serve as we improve productivity.
- 'Innovate' describes how we will capture new growth opportunities in markets adjacent to our existing businesses; in doing so, capitalizing on the megatrends. Our Digital Ventures, such as Adia and YOSS, co-created with Infosys and Microsoft, are perfect examples of this focus on innovation. Digitalization also provides excellent opportunities for us at the Adecco Group, as it is driving the consolidation of what is currently a highly fragmented market.



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While we invest in this transformation of our business, we remain committed to a progressive dividend policy. As earnings grow, so will our dividend per share (DPS), within the limits of a pay-out ratio of 40–50% of adjusted earnings per share (EPS). We are also committing to holding our Swiss Franc DPS at least in-line with the prior year, even if EPS temporarily declines and the pay-out ratio is exceeded. At the AGM on 19 April 2018, the Board will propose a dividend of CHF 2.50, which represents a 4% increase relative to the prior year and a pay-out ratio of 46% of 2017 adjusted EPS. Further to our annual dividend payments, at the end of each year we will also review our financial position and, in the absence of buy-and-build M&A opportunities, will return excess capital to shareholders.

In early 2018, the Group announced the acquisition of Vetterly, a digital professional recruitment platform, that will strengthen our offering into the fast-growing digital professional permanent recruitment market by leveraging artificial intelligence. Professional recruitment is a EUR 25 billion market but today comprises only approx. 1% of the Adecco Group's revenues. There we see great potential to expand the Group's market share, by leveraging the technological trends that are reshaping delivery of permanent recruitment solutions.

We also recognize that the Adecco Group has a responsibility which goes beyond our commitment to our shareholders. Our mission is to make the future work for everyone. We help candidates find fulfilling work, for example with the new Adecco Group Foundation, where we will be focusing on helping underserved people make the transition into the workforce. For our clients, we are finding new ways for them to meet their needs for specialist employees. Furthermore, we are developing our own employees and advising policymakers globally. In short, we are helping people to successfully navigate the ever more rapidly changing world of work.

We look forward to continuing this important work, and creating more shared value for all our stakeholders in 2018. We thank you, our shareholders, for your ongoing confidence and support.

**Rolf Dörig**  
Chair of the Board of Directors



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## **Agenda Items and Proposals of the Board of Directors:**

### **1. Annual Report 2017**

#### **1.1. Approval of the Annual Report 2017**

The Board of Directors proposes to approve the Operating and Financial Review and Prospects, the Financial Statements of Adecco Group AG and the Consolidated Financial Statements of the Adecco Group for the financial year 2017.

#### **1.2. Advisory vote on the Remuneration Report 2017<sup>1</sup>**

The Board of Directors proposes to ratify the Remuneration Report for the financial year 2017 in a non-binding advisory vote.

### **2. Appropriation of available earnings 2017 and distribution of dividend**

The Board of Directors proposes to distribute a gross dividend of CHF 2.50 per registered share out of the available earnings 2017 and to carry forward the remaining amount of available earnings 2017. The treasury shares held by the Company will not receive a dividend.

Explanations: As of 31 December 2017, the assumed total dividend amounted to approximately CHF 415 million (gross). The total dividend amount results from multiplying the total dividend per share amount (gross) with the number of shares outstanding entitled to dividend payment at the dividend record date (26 April 2018). Until the dividend record date, this number of shares can change. Ex-date is 25 April 2018. The dividend will be paid out after deduction of withholding tax of 35%.

### **3. Granting of discharge to the members of the Board of Directors and of the Executive Committee**

The Board of Directors proposes to grant discharge of liability to all members of the Board of Directors and of the Executive Committee for the financial year 2017.

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<sup>1</sup> See Annual Report 2017, section "Remuneration Report".



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**4. Approval of Maximum Total Amount of Remuneration of the Board of Directors and of the Executive Committee<sup>2</sup>**

**4.1. Approval of Maximum Total Amount of Remuneration of the Board of Directors**

The Board of Directors proposes to approve CHF 4.7 million as Maximum Total Amount of Remuneration for the Board of Directors for the office period starting at the AGM 2018 and ending after completion of the AGM 2019.

**4.2. Approval of Maximum Total Amount of Remuneration of the Executive Committee**

The Board of Directors proposes to approve CHF 35 million as Maximum Total Amount of Remuneration for the Executive Committee for the financial year 2019.

**5. Elections**

**5.1. Election of the members of the Board of Directors and of the Chair**

Explanation: Ms Wanda Rapaczynski will not stand for re-election. The Board of Directors thanks her for her valuable contribution and commitment for the Adecco Group.

The Board of Directors proposes to individually re-elect Mr Rolf Dörig as member and as Chair, and Mr Jean-Christophe Deslarzes, Ms Ariane Gorin, Mr Alexander Gut, Mr Didier Lamouche, Mr David Prince, and Ms Kathleen Taylor as members of the Board of Directors for a new tenure of one year ending after completion of the next AGM.

The Board of Directors proposes to elect Ms Regula Wallimann as member of the Board of Directors for a tenure of one year ending after completion of the next AGM.<sup>3</sup>

**5.2. Election of the members of the Compensation Committee**

The Board of Directors proposes to individually re-elect Mr Jean-Christophe Deslarzes, Mr Alexander Gut, and Ms Kathleen Taylor as members of the Compensation Committee for a tenure of one year ending after completion of the next AGM.

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<sup>2</sup> See the explanations under "ad 4.1." and "ad 4.2.".

<sup>3</sup> See short biography under "ad 5.1.".



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**5.3. Election of the Independent Proxy Representative**

The Board of Directors proposes to re-elect Mr Andreas G. Keller, Attorney at Law, as Independent Proxy Representative for a tenure of one year ending after completion of the next AGM.

**5.4. Election of the Auditors**

The Board of Directors proposes to re-elect Ernst & Young Ltd, Zürich, as Auditors for the financial year 2018.

**6. Capital reduction by way of cancellation of own shares after share buy-back**

The Board of Directors proposes the cancellation of 4,580,260 own shares acquired under the share buyback programme completed in March 2018 and the reduction of the Company's share capital by 4,580,260 registered shares with a nominal value of CHF 0.10 each.

Art. 3 of the Articles of Incorporation shall be amended as follows (translation):

“The share capital shall be in a total amount of CHF 16'657'592.70, divided into 166,575,927 fully paid-up registered shares of a nominal value of CHF 0.10 each.”

In their report for the AGM, the Company's Auditors Ernst & Young Ltd confirm that claims by creditors are fully covered notwithstanding the proposed capital reduction.



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### **Documents, attendance and representation**

The Annual Report 2017 including the Remuneration Report 2017, the Auditors' Reports, the Articles of Incorporation (<http://aoi.adeccogroup.com>) and the Invitation to the AGM with the agenda and proposals are available from 22 March 2018, at Adecco Group AG, Bellerivestrasse 30, CH-8008 Zürich. Shareholders may also request a copy of the Annual Report 2017. In addition, the Annual Report 2017 and the Invitation to the AGM with the agenda and proposals are accessible on the Company's website (<http://adeccogroup.com> and <http://agm.adeccogroup.com>).

Shareholders who are registered in the share register on 19 March 2018 will receive the Invitation to the AGM by regular mail. To those shareholders who will be registered with the share register after 19 March 2018 but before 13 April 2018, the Invitation to the AGM will be sent upon registration. Only shareholders who are registered by 12 April 2018, 5.00 p.m. (record date) with a right to vote are entitled to vote at the AGM 2018 or to appoint a proxy. Shareholders who are not registered but would like to attend and vote at the AGM or to appoint a proxy are asked to contact their bank in order to ensure they will be registered with the share register before the record date.

Shareholders can order an admission card or instruct a representative to vote on their behalf by using the reply form received together with this Invitation.

Shareholders are kindly requested to return the reply form as soon as possible to ShareCommService AG, Europastrasse 29, CH-8152 Glattbrugg, in order to receive an admission card by mail. If reply forms are received too late for mailing, admission cards will be available at the admission desk. No admission cards will be sent out before 5 April 2018.

Alternatively, shareholders can order their admission cards or grant power of attorney and issue voting instructions to the Independent Proxy Representative online. Information to access the online platform is included in the reply form. Should you have any questions, please see the contact information for support on the homepage of the platform.

Shareholders who do not wish to attend the AGM in person can be represented as follows:

- By the Independent Proxy Representative, Mr Andreas G. Keller, Attorney at Law, Gehrenholzpark 2g, CH-8055 Zürich. Shareholders may instruct the Independent Proxy Representative by filling in and duly signing the reply form accordingly or online via the platform (there is no need to order an admission card).



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For specific instructions, please use the form on the reverse side of the reply form or the respective page on the platform until the close of the online voting period on 17 April 2018 at 12.00 p.m. Without specific instructions, the Independent Proxy Representative will vote according to the proposals of the Board of Directors;

- By a third person with written proxy. The shareholder needs to fill in the proxy section on the reply form and duly sign it. Adecco Group AG will send the admission card directly to the appointed proxy. Furthermore, the shareholder can fill in the proxy section printed on the reverse side of the admission card and hand the admission card over to the appointed proxy.

The minutes of the AGM will be available for inspection from 9 May 2018 at the Company's offices, Bellerivestrasse 30, CH-8008 Zürich.

The Board of Directors

**ad 4.1. Approval of Maximum Total Amount of Remuneration of the Board of Directors**

The AGM 2017 approved the Maximum Total Amount of Remuneration of CHF 4.7 million of the Board of Directors for the term from the AGM 2017 until the completion of the AGM 2018. The remuneration paid to the Board for this term is anticipated to be approx. CHF 4.5 million.

The Board of Directors submits for approval to the AGM the Maximum Total Amount of Remuneration of the Board of Directors for the term of office from the AGM 2018 until the completion of the AGM 2019, which amounts to CHF 4.7 million. This amount is calculated by applying the remuneration system outlined in the Remuneration Report 2017, section 4.1. According to the Adecco Group's compensation policy, the members of the Board of Directors receive a fixed fee only of which a certain portion is paid out in form of blocked Adecco Group AG shares (restricted for a period of three years) instead of cash.

**ad 4.2. Approval of Maximum Total Amount of Remuneration of the Executive Committee**

The AGM 2017 approved the Maximum Total Amount of Remuneration of the Executive Committee for 2018 of CHF 34.8 million.

The Board of Directors submits for approval to the AGM the Maximum Total Amount of Remuneration of the Executive Committee for the financial year 2019, which amounts to CHF 35 million.





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The below table explains the Maximum Total Amount of Remuneration of the Executive Committee for 2019 compared to the maximum potential remuneration for 2018.

The LTIP amounts are based on the maximum value at grant as disclosed in the table below under “Potential at maximum”.

The amounts of the individual elements of compensation shown in the table include some estimates and as such may change, but the total shall not exceed the Maximum Total Amount of Remuneration.

	2018 <sup>1</sup>	2019 <sup>2</sup>
In CHF million	Potential at maximum as approved by AGM	Potential at maximum to be approved by AGM
Gross cash compensation		
– Base salary	9.4	9.4
– Annual bonus	13.7	13.7
Compensation in kind and other	1.0	1.0
Share awards to be granted in the respective year under the long-term incentive plan (LTIP) <sup>3</sup>	7.4	7.7
Social contributions, incl. for old age insurance/pension incl. on LTIP awards granted in the respective year becoming due in later periods, estimated	3.3	3.2
<b>Total</b>	<b>34.8<sup>4</sup></b>	<b>35.0</b>

<sup>1</sup> The same foreign exchange rates are applied as for 2016 compensation information.

<sup>2</sup> The same foreign exchange rates are applied as for 2017 compensation information.

<sup>3</sup> The maximum value is determined in accordance with the rules for the remuneration disclosure as reported in the Remuneration Report (see Articles of Incorporation, Art. 14<sup>bis</sup> para. 5).

<sup>4</sup> Amount conferred 2017: CHF 25.0 million; see Remuneration Report 2017, section 5.2. Potential at maximum for 2017 was CHF 34.5 million.



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## ad 5.1. Election of the members of the Board of Directors

### **Short biography of Ms Regula Wallimann**

Regula Wallimann (1967) is a Swiss national. She obtained a business degree (lic. oec. HSG) from University of St. Gallen, Switzerland and is a Certified Public Accountant, both Swiss and US.

From 1993 to 2017, Regula Wallimann worked for KPMG Switzerland, where she acted during 14 years as global lead partner for various large listed and non-listed international and national clients. She has been advising clients in the fields of corporate governance, risk management, compliance, financial reporting, consolidation and process optimization. From 2012 to 2014, Ms Wallimann was member of KPMG Switzerland's strategic Partners' Committee.

Ms Wallimann serves as non-executive board member and member of the audit committee of Straumann Holding AG<sup>1</sup> (since 2017), Switzerland, as non-executive board member and head of the finance and audit committee of Swissgrid AG (since 2017), Switzerland. She has been member of the supervisory board of the institute for Accounting, Controlling and Auditing of the University of St. Gallen, Switzerland, since 2010. Ms. Wallimann is a candidate for election as member of the Board of Directors of Helvetia Holding AG<sup>1</sup>, Switzerland, at its annual meeting of shareholders in April 2018.

<sup>1</sup> Listed Company

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