



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, 20 April 2017, 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.

Dear Shareholders,

In 2016, The Adecco Group again delivered steady and solid financial results as the new Executive Committee completed its first full year leading our company. We maintained organic revenue growth of 4%, despite the subdued economic environment in 2016. We continued to maintain the excellent profitability, even while we invest for the future. We generated good cash flow, and we ended the year with a strong financial position. As important as our financial performance, we have also been taking the steps necessary to turn our long-term aspiration for the company into a reality.

Emerging on the horizon is a new world of work. It brings exciting opportunities for The Adecco Group. Economic, social and technological changes are causing clients and candidates to think differently about jobs and about each other. We foresee a time, only a few years in the future, when the employment market will have evolved significantly – as will the role of workforce solutions providers like The Adecco Group. If we move promptly and decisively, we will be amongst the leaders of this transition – and the leaders of the changed and expanded industry we expect to emerge over time.

The Board of Directors and the Executive Committee have firmly seized this mandate. To maintain and expand our leadership position in the current marketplace, and prepare for the changing world of work, we are developing our business in several areas. Our agenda for doing this has three levels: Perform, Transform, and Innovate. With Perform, we are strengthening our current operations and reinforcing our competitive position. With Transform, we are enhancing the solutions and experience that we provide to our clients, candidates, associates, and colleagues. And with Innovate, we are developing and acquiring new approaches and capabilities to capture the emerging opportunities in the changing world of work. We are pursuing this strategic agenda with a long-term focus to the benefit of all our stakeholders, and it will allow us to drive revenue growth, expand our operating margin, and generate strong cash flow, consistent with our through-the-cycle financial objectives.



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It is our ongoing commitment to invest in the business and return excess capital to shareholders. We have a progressive dividend policy, which comprises two components. First, as earnings grow over time, our dividend per share (DPS) will also grow, within the bounds of a pay-out ratio of 40–50% of adjusted earnings per share (EPS). Second, we are committed 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. Consistent with this policy the Board of Directors proposes to shareholders a dividend of CHF 2.40, in line with last year. This represents a pay-out ratio of 50% of 2016 adjusted EPS.

An important part of our value proposition to our clients and candidates is the assurance that our services will comply with ethical best practices and regulatory requirements that are often complex. In the last twelve months, we continued to strengthen our own procedures and reinforce a strong compliance culture within the Group worldwide.

In our Q4 2016 results release, we announced that from 1 April 2017, our operations in North America and UK & Ireland would be combined and managed according to the business lines General Staffing (GS) and Professional Staffing (PS). In each of these regions, we have substantial operations in both GS and PS. This move will allow us to drive further commercial and operational focus in these markets through our dedicated GS and PS brands.

I end this letter where our company begins – with The Adecco Group’s purpose of empowering people, fuelling economies, and enriching societies. Fulfilling this mission benefits not only shareholders, but employees, candidates, clients, and society at large. I thank all of these stakeholders, as I thank you, our valued shareholders, for your trust and support. We have entered 2017 with confidence and good momentum, and I look forward to reporting our progress in the coming year.

Rolf Dörig
Chairman of the Board



Agenda Items and Proposals of the Board of Directors:

1. Annual Report 2016

1.1. Approval of the Annual Report 2016

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 2016.

1.2. Advisory vote on the Remuneration Report 2016¹

The Board of Directors proposes that the Remuneration Report for the financial year 2016 be ratified in a non-binding advisory vote.

2. Appropriation of available earnings 2016, distribution of dividend and capital reduction through nominal value repayment; amendment of Articles of Incorporation

Explanations: The Board of Directors proposes a distribution to the shareholders in the amount of CHF 2.40 (gross per share). Since the reserves from capital contributions have been distributed to the shareholders, the Board of Directors proposes a distribution of CHF 2.40 in two separate payments: A dividend distribution out of the available earnings of CHF 1.50 (gross) per registered share (item 2.1.) and a distribution out a capital reduction through nominal value repayment of CHF 0.90 (net) per registered share (item 2.2.).

As of 31 December 2016, the assumed total dividend amounted to approximately CHF 409 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 (2 May 2017) and on the record date for the capital reduction (expected for 12 July 2017). Until the dividend record dates, this number of shares can change. Ex-date of the dividend payment is 28 April 2017 and ex-date of the nominal value reduction and repayment is expected to be on 11 July 2017. The dividend as per item 2.1. will be paid out after deduction of withholding tax of 35% and the partial refund of the nominal value as per item 2.2. will be paid out without deduction of withholding tax.

The proposal under item 2.3. is a result of the proposed share capital reduction under item 2.2. If the shareholders approve the share capital reduction, it is proposed to reduce the threshold for the submission of agenda items accordingly to not impair the right of a minority to include a subject for discussion on the agenda. The amendment of Art. 11 para. 2 of the Articles of Incorporation will only be entered into the commercial register subject to and together with the share capital reduction set forth in item 2.2.

¹ See Annual Report 2016, section "Remuneration Report".



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2.1. Appropriation of available earnings 2016 and dividend

The Board of Directors proposes to distribute a gross dividend of CHF 1.50 per registered share out of the available earnings 2016 and to carry forward the remaining amount of available earnings 2016. The treasury shares held by the Company will not receive a dividend.

2.2. Capital reduction through nominal value reduction

The Board of Directors proposes

- a) to reduce the share capital of CHF 171'156'187 by CHF 154'040'568.30 to CHF 17'115'618.70 by way of reducing the nominal value of each registered share from CHF 1.00 by CHF 0.90 to CHF 0.10 and to use the nominal value reduction amount for repayment to the shareholders;
- b) to confirm as a result of the report of the auditors, that the claims of the creditors are fully covered notwithstanding the capital reduction;
- c) to amend Art. 3 and Art. 3^{quater} para. 1 of the Articles of Incorporation according to the following wording (translation of the binding German wording) as per the date of the entry of the capital reduction in the commercial register (proposed new amounts are underlined):

Art. 3, Share Capital

"The share capital shall be in a total amount of CHF 17'115'618.70, divided into 171'156'187 fully paid-up registered shares of a nominal value of CHF 0.10 each."

Art. 3^{quater} para. 1, Conditional Share Capital, Bond Issues

"The share capital of the Company shall be increased by a maximum aggregate amount of CHF 1'540'000.- by issuing a maximum of 15'400'000 fully paid-up registered shares with a nominal value of CHF 0.10 each, through the exercise of option and conversion rights granted in connection with bond issues or similar debt instruments of the Company or affiliated companies."

2.3. Amendment to the Articles of Incorporation related to the capital reduction

Subject to approval of item 2.2. by the shareholders and as per the registration of the capital reduction with the commercial register, the Board of Directors proposes to amend Art. 11 para. 2 of the Articles of Incorporation with the following new wording (translation of the binding German wording):

Art. 11 para. 2, Invitation

"²One or more shareholders whose combined shareholdings represent an aggregate nominal value of at least CHF 100'000.- may demand that an item be included on the agenda of a General Shareholders' Meeting. 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)."



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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 the Executive Committee for the financial year 2016.

4. Approval of Maximum Total Amount of Remuneration of the Board of Directors and of the Executive Committee²

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 2017 and ending after completion of the AGM 2018.

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

The Board of Directors proposes to approve CHF 34.8 million as Maximum Total Amount of Remuneration for the Executive Committee for the financial year 2018.

5. Elections

5.1. Election of the members of the Board of Directors and of the Chairman

Explanation: Mr Thomas O'Neill and Mr Dominique-Jean Chertier will not stand for re-election. The Board of Directors thanks both of them for their valuable contribution and commitment for The Adecco Group.

The Board of Directors proposes to individually re-elect Mr Rolf Dörig as member and as Chairman, and Mr Jean-Christophe Deslarzes, Mr Alexander Gut, Mr Didier Lamouche, Mr David Prince, Ms Wanda Rapaczynski 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 Ariane Gorin as member of the Board of Directors for a tenure of one year ending after completion of the next AGM.³

5.2. Election of the members of the Compensation Committee

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

² See the explanations under "ad 4.1. and ad 4.2.".

³ 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, Zurich, as Auditors for the financial year 2017.

6. Creation of Authorized Capital and Partial Deletion of Conditional Capital

Explanation: The Board of Directors proposes to create authorized share capital of up to 5% of the share capital (as per the date of and subject to the entry of the capital reduction according to item 2.2. in the commercial register) in order to give the Company financial flexibility in alignment with market standards. At the same time, the Board of Directors proposes, based on a respective report by the Auditor Ernst & Young Ltd, Zurich, the cancellation of Art. 3^{ter} of the Company's Articles of Incorporation as no employee options were issued since 2008 and there is no plan to issue employee options in the future.

6.1. Partial deletion of Conditional Capital

The Board of Directors proposes, based on the report of the statutory auditor according to art. 653i Swiss Code of Obligations, to cancel Art. 3^{ter} of the Articles of Incorporation as per the date of the entry of the share capital reduction according to item 2.2. in the commercial register.

6.2. Creation of Authorized Capital

The Board of Directors proposes to create Art. 3^{bis} of the Articles of Incorporation according to the following new wording (translation of the binding German wording), subject to the approval of the share capital reduction as per item 2.2. and as per the date of the entry of the share capital reduction in the commercial register:

Art. 3^{bis} Authorized Share Capital

⁴¹The Board of Directors shall be authorized to increase the share 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 par value of CHF 0.10 per share by not later than 30 April 2019. Increases in partial amounts shall be permitted.

²The subscription and acquisition of the new shares, as well as each subsequent transfer of the shares, shall be subject to the restrictions of Article 4 of these Articles of Incorporation.

³The Board of Directors shall determine the date of issue of new shares, the issue price, the type of payment, the conditions for the exercise of pre-emptive rights, and the beginning date for dividend entitlement. In this regard, the Board of Directors may issue new shares by means of a firm underwriting through a banking institution, a syndicate



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or another third party with a subsequent offer of these shares to the shareholders. The Board of Directors may permit pre-emptive rights that have not been exercised to expire, or it may place these rights and/or shares as to which pre-emptive rights have been granted but not exercised, at market conditions or use them for other purposes in the interest of the Company.

⁴The Board of Directors is further authorized to restrict or deny the pre-emptive rights of shareholders and allocate such rights to third parties if the shares are to be used:

- a) for the acquisition of an enterprise, parts of an enterprise, or participations, or for new investments, or, in case of a share placement, for the financing or refinancing of such transactions; or
- b) for the purpose of broadening the shareholder constituency in connection with a listing of shares on domestic or foreign stock exchanges.”

7. Amendment of Art. 16 para. 1 of the Articles of Incorporation (Maximum Number of Board members)

Explanation: In order to maintain flexibility with respect to the size of the Board of Directors in the coming years, the Board of Directors proposes to waive the current limitation on nine members and suggests to amend the Articles of Incorporation accordingly.

The Board of Directors proposes to amend Art. 16 para. 1 of the Articles of Incorporation as follows (translation of the binding German wording):

Art. 16 para. 1

“¹The Board of Directors of the Company shall be composed of at least five members.”

8. Amendment of Art. 1 para. 2 of the Articles of Incorporation (Change of registered office from Opfikon (Zurich) to Zurich)

Explanation: Adecco Group AG has decided to move its headquarter offices from Opfikon (Zurich) to Zurich in August 2017. The move requires an amendment of the Articles of Incorporation with respect to the new registered office. Therefore, the Board of Directors proposes to approve such amendment as per 2 August 2017, and have the change of the Articles of Incorporation registered with the Commercial Register subsequently.

The Board of Directors proposes to amend the Art. 1 para. 2 of the Articles of Incorporation as per 2 August 2017 as follows (translation of the binding German wording):

Article 1 para. 2, Registered Office

“²The registered office of the Company shall be in Zurich. The Company is formed for an unlimited duration.”



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Documents, attendance and representation

The Annual Report 2016 including the Remuneration Report 2016, 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 23 March 2017, at Adecco Group AG, Sägerei-
strasse 10, CH-8152 Opfikon. Shareholders may also request a copy of the Annual Report 2016. In addition, the Annual Report 2016 and the Invitation to the AGM with the agenda and proposals are accessible on the Company's websites (<http://adeccogroup.com> and <http://agm.adeccogroup.com>).

Shareholders who are registered in the share register on 20 March 2017 will receive the Invitation to the AGM by regular mail. To those shareholders who will be registered with the share register after 20 March 2017 but before 14 April 2017, the Invitation to the AGM will be sent upon registration. Only shareholders who are registered by 13 April 2017, 5.00 p.m. (record date) with a right to vote are entitled to vote at the AGM 2017 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 should contact their bank in order to ensure they will be registered with the share register before its closing.

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 Share-CommService 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 6 April 2017.

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 are included on 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 Zurich. 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). 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 18 April 2017 at 12.00 p.m. Without specific instructions, the Independent Proxy Representative will vote according to the proposals of the Board of Directors;



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- 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 11 May 2017 at the Company's offices, Sägereistrasse 10, CH-8152 Opfikon.

The Board of Directors

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

The AGM 2016 approved the Maximum Total Amount of Remuneration of CHF 4.9 million of the Board of Directors for the term from the AGM 2016 until the completion of the AGM 2017. The remuneration paid to the Board for this term is anticipated to be approx. CHF 4.8 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 2017 until the completion of the AGM 2018, which amounts to CHF 4.7 million. This amount is calculated by applying the remuneration system outlined in the Remuneration Report 2016, 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 instead of cash.



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

The AGM 2016 approved the Maximum Total Amount of Remuneration of the Executive Committee for 2017 of CHF 34.5 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 2018, which amounts to CHF 34.8 million.

The below table explains the Maximum Total Amount of Remuneration of the Executive Committee for 2018 compared to the maximum potential remuneration for 2017.

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.

	2017 ¹	2018 ²
	Potential at maximum as approved by AGM 2016	Potential at maximum to be approved by AGM 2017
In CHF million		
Gross cash compensation		
– Base salary	9.0	9.4
– Annual bonus	10.5	13.7
Compensation in kind and other	1.1	1.0
Share awards to be granted in the respective year under the long-term incentive plan (LTIP) ³	11.1	7.4
Social contributions, incl. for old age insurance/pension incl. on LTIP awards granted in the respective year becoming due in later periods, estimated	2.8	3.3
Total	34.5⁴	34.8

¹ The same foreign exchange rates are applied as for 2015 compensation information.

² The same foreign exchange rates are applied as for 2016 compensation information.

³ The maximum value is determined in accordance with the rules for the remuneration disclosure as reported in the Remuneration Report (see AoI, Art. 14^{bis} para. 5).

⁴ Amount conferred 2016: CHF 23.1 million; see Remuneration Report 2016, section 5.2. Potential at maximum for 2016 was CHF 36.3 million.



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

Short biography of Ms Ariane Gorin

Ariane Gorin (1974) is a French and United States national. 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, where in 2014 she was appointed Senior Vice President and General Manager, Expedia Affiliate Network brand, based in London, UK. Furthermore, she is a member of Expedia's Travel Leadership Team.

From 2003 to 2013, Ms 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 Ms Gorin served as consultant at The Boston Consulting Group in France and in the USA.

¹ Listed Company

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