



*Unofficial translation of the prevailing German original dated 21 April 2016*

# ARTICLES OF INCORPORATION of Adecco Group AG

## I. Name, Registered Office, Duration and Purpose

### Article 1

#### Name, Registered Office, Duration

<sup>1</sup> A joint stock Company is formed under the name of Adecco Group AG (Adecco Group SA) (Adecco Group Inc.), in accordance with these Articles of Incorporation and Title XXVI of the Swiss Code of Obligations.

<sup>2</sup> The registered office of the Company shall be at Opfikon (Zurich). The Company is formed for an unlimited duration.

### Article 2

#### Purpose

<sup>1</sup> The purpose of the Company shall be the acquisition and management of financial holdings, in whatsoever form, in service providers and commercial, financial and industrial enterprises and companies in Switzerland and abroad and, in particular, in enterprises and companies providing human resource staffing, inspection or consulting services.

<sup>2</sup> The Company may grant loans to such enterprises and companies and conduct all such operations as may have a bearing on the above mentioned purpose, including the borrowing of money and acquisition of real estate.

## II. Capital Structure

### Article 3

#### Share Capital

The share capital shall be in a total amount of CHF 171'156'187 (one hundred seventy-one million one hundred fifty-six thousand one hundred eighty-seven Swiss francs), divided into 171'156'187 (one hundred seven-one million one hundred fifty-six thousand one hundred eighty-seven) fully paid-up registered shares of a nominal value of CHF 1.- (one franc) each.

### Article 3<sup>bis</sup>

[Abrogated.]



**Conditional Share  
Capital, Employee  
Options**

**Article 3<sup>ter</sup>**

<sup>1</sup> The share capital of the Company shall be increased by a maximum aggregate amount of CHF 4'166'804.- (four million one hundred sixty six thousand eight hundred and four Swiss francs) by issuing a maximum of 4'166'804 (four million one hundred sixty six thousand eight hundred and four) fully paid-up registered shares with a nominal value of CHF 1.- (one Swiss franc) each, through the exercise of option rights, granted by the Board of Directors to the employees and the members of the Board of Directors of the Company or its Group companies. The new registered shares shall be subject to the transfer restrictions of Art. 4 of the Articles of Incorporation.

<sup>2</sup> The subscription right and the priority subscription right on the part of the shareholders are excluded.

<sup>3</sup> The Board of Directors shall issue a specific decree governing the terms and conditions of the option grants and exercise of options.

**Article 3<sup>quater</sup>**

**Conditional Share  
Capital, Bond  
Issues**

<sup>1</sup> The share capital of the Company shall be increased by a maximum aggregate amount of CHF 15'400'000.- (fifteen million four hundred thousand Swiss francs) by issuing a maximum of 15'400'000 (fifteen million four hundred thousand) fully paid-up registered shares with a nominal value of CHF 1.- (one Swiss franc) 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.

<sup>2</sup> Subscription rights on the part of the shareholders are excluded. The acquisition of shares through the exercise of option or conversion rights and the subsequent transfer of such shares shall be subject to the transfer restrictions of Art. 4 of the Articles of Incorporation.

<sup>3</sup> Priority subscription rights on the part of shareholders with the issuance of bonds or similar debt instruments may be limited or excluded by the Board of Directors, so as (1) to finance the acquisition of enterprises and companies, or parts thereof, the acquisition of equity holdings, or other significant investments on the part of the Company, or (2) to enable the issuance of warrants or convertible bonds on the international capital markets.

<sup>4</sup> In the event that bond priority subscription rights are excluded, (1) the bonds are to be placed with the public at market conditions, (2) the term for the exercise of option rights may not exceed five years and the term for the exercise of conversion rights may not exceed ten years as of the date of the bond issue, and (3) the price of the new shares on which such rights are exercised shall not be lower than their market price at the time of the bond issue.



#### **Article 4**

##### **Share Register**

- <sup>1</sup> The Company shall maintain a share register showing the family name, first names, address and nationality (in the case of legal entities, the registered office) of the holders or usufructuaries of registered shares.
- <sup>2</sup> Upon request, acquirers of registered shares are registered in the share register as shareholders with voting rights, subject to their express declaration that they have acquired the registered shares in their own name and for their own account.
- <sup>3</sup> The Board of Directors may register in the share register nominees with voting rights for up to 3% of the registered share capital as recorded in the commercial register. Registered shares held by a nominee that exceed this limit may be registered in the share register, subject to the proviso that the nominee in question declares its undertaking to disclose 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 recorded in the commercial register. Nominees within the meaning of this provision are persons who do not expressly declare in their registration application that they hold the shares for their own account, or with whom the Board of Directors has entered into a corresponding agreement.
- <sup>4</sup> Legal entities and partnerships, or other associations of persons or joint owners affiliated with each another through capital ownership, voting rights, uniform management or otherwise, as well as legal entities and partnerships that act in concert to circumvent the rules concerning nominees (especially as syndicates), shall be treated as a single nominee or person within the meaning of paragraph 3 of this article.
- <sup>5</sup> Having given hearing to the registered shareholder or nominee, the Board of Directors may cancel the registration with retroactive effect as of the date of registration, where the registration was effected on the basis of false information. The respective shareholder or nominee shall be informed immediately of the cancellation of the registration.
- <sup>6</sup> The Board of Directors shall specify the details and give the necessary instructions concerning adherence to the preceding rules. In special cases, the Board of Directors may allow exemptions from the rules on nominees.
- <sup>7</sup> The restrictions on registration in the share register foreseen in the present article shall also apply to shares acquired or subscribed by the exercise of subscription rights, option or conversion rights.



#### **Article 5**

#### **Share Certificates**

The Company may issue certificates representing several shares. They may be exchanged at any time for smaller portions or individual share certificates.

#### **Article 6**

#### **Form of Share Issuance**

<sup>1</sup> The Company may waive the printing and delivery of certificates and may, with the consent of the shareholder, cancel certificates issued for registered shares once they have been returned to the Company. The Company may waive the issuance of new certificates for registered shares where the shareholder, with the consent of the custodian bank, does not request the issuance of certificates.

<sup>2</sup> Non-certificated registered shares may be transferred only by way of assignment, together with all rights attaching thereto, or pursuant to the terms of the Federal Intermediated Securities Act.

#### **Article 7**

#### **Exercise of Shareholder Rights**

<sup>1</sup> The Company shall recognize only one representative per share.

<sup>2</sup> Voting rights and all other rights linked to a registered share may be exercised only by a shareholder, usufructuary or nominee who is registered in the share register as shareholder or usufructuary with right to vote. The announcement of the General Meeting by the Board of Directors shall include a mention of the final date for registration in the share register entitling shareholders to attend the General Meeting and exercise their voting rights.

#### **Article 8**

#### **Conversion of Shares**

The General Meeting shall be entitled to convert registered shares into bearer shares or, conversely, bearer shares into registered shares, at any time, subject to the provisions of the law and these Articles of Incorporation.

### **III. Governing Bodies of the Company**

#### **Article 9**

#### **Governing Bodies**

The governing bodies of the Company shall be:

- a) the General Meeting;
- b) the Board of Directors;
- c) the Auditors.



## **A. The General Meeting**

### **Article 10**

#### **Convening of the General Meeting**

<sup>1</sup> The ordinary Annual General Meeting shall be convened once in every year not more than six months following the close of the financial year. The General Meeting shall decide on all matters delegated to it by the law or these Articles of Incorporation, in particular, on the Annual Report of the Board of Directors and on approval of the Annual Financial Statements.

<sup>2</sup> An extraordinary General Meeting may be convened by the Board of Directors whenever the Board of Directors deems it necessary or useful, or by one or more shareholders representing altogether no less than one tenth of the share capital, or by the Auditors, the liquidators, or the General Meeting.

### **Article 11**

#### **Invitation**

The invitation to a General Meeting shall be announced in the publication media foreseen in Art. 24 of the Articles of Incorporation. No less than 20 days shall be between the date of publication of the invitation and the date of the General Meeting. Such invitation shall specify the nature of the business to be transacted and the resolutions proposed by the Board of Directors or by shareholders who have requested the placement of an item on the agenda.

### **Article 12**

#### **Chair, Minutes, Vote Counter**

The General Meeting shall be chaired by the Chairman of the Board of Directors, or by any other member of the Board. The Chairman shall appoint a secretary for the taking of the minutes and, where necessary, shall also appoint one or more vote counters.

### **Article 13**

#### **Voting Rights, Representation**

<sup>1</sup> The Board of Directors shall issue rules governing attendance and representation at the General Meeting, including the requirements for the granting of proxies and voting instructions, whereby the granting of proxies also without qualified electronic signature may be recognized as valid.

<sup>2</sup> A shareholder may be represented by his legal representative or, through written grant of proxy, by a third person who need not be a shareholder of the Company, or by the Independent Proxy Representative. Proxy grants shall be valid only for a single person representing all shares of the represented shareholder.



**Decision-Making  
Authority,  
Quorum**

**Article 14**

<sup>1</sup> The General Meeting shall be deemed to have been properly constituted and to meet in quorum regardless of the number of shareholders present or the number of shares represented. The General Meeting shall adopt resolutions by absolute majority of the represented voting shares, unless otherwise determined by the Articles of Incorporation or by law.

<sup>2</sup> Each shareholder shall have as many votes at the General Meeting as the number of voting shares he owns or represents. Elections and votes shall be conducted electronically. In the event that the electronic procedures are not available, elections and votes shall be decided openly, subject to request for secret ballot on the part of the Chairman or of shareholders representing not less than 5% of the share capital.

<sup>3</sup> A majority of no less than two thirds of the votes represented and an absolute majority of the nominal value of the shares represented shall, however, be required for the adoption of resolutions of the General Meeting concerning:

- the modification of the purpose of the Company;
- the introduction of voting shares;
- the adoption of restrictions on the transfer of registered shares or the removal of such restrictions;
- the authorized or conditional capital increase;
- the increase of capital out of equity, through contributions in kind, or for the purpose of acquiring assets and the granting of preferential rights;
- the restriction or suspension of subscription rights;
- the relocation of the registered office of the Company;
- the dissolution of the Company.

**Article 14<sup>bis</sup>**

**Approval of  
Remuneration**

<sup>1</sup> The General Meeting shall annually approve the proposals submitted by the Board of Directors concerning the maximum total amounts

- of remuneration of the Board of Directors for the period until the next Ordinary General Meeting pursuant to Art. 20;
- of remuneration of the Executive Management for the next financial year pursuant to Art. 20<sup>bis</sup>.

<sup>2</sup> The Board of Directors may submit to the General Meeting for approval proposals concerning the maximum total amounts or individual components of remuneration for other time intervals, or concerning supplementary amounts for special remuneration components, as well as other, conditional proposals. The Board of Directors shall submit the annual Remuneration Report to an advisory vote of the General Meeting.

<sup>3</sup> For approval of proposals by the Board of Directors pursuant to Art. 14<sup>bis</sup>, an absolute majority of the votes cast shall be decisive, whereby abstentions shall not be accounted as votes cast. Where the General Meeting rejects a proposal by the Board of Directors, the Board of Directors shall determine the next steps to be taken. It may, among other actions, submit other proposals, convene an extraordinary General Meeting, or determine a maximum total amount, or several maximum partial amounts, taking into account all relevant factors, and submit this determination to the next General Meeting for approval. Within the bounds of the maximum total or partial amounts so determined, the Company may effect payments of remuneration with the proviso that they are subject to approval by the General Meeting.

<sup>4</sup> Payment of remuneration may be effected by the Company or by Group companies. Employment or mandate agreements with members of the Executive Management or the Board of Directors shall have termination periods or fixed terms of up to twelve months or the term of office.

<sup>5</sup> The Board of Directors shall calculate the amounts by using the same principles as apply to the Remuneration Report; they may include, where necessary or appropriate, estimates and reserves for unanticipated events, as well as valuations. The approved amounts may be exceeded due to currency fluctuations.

<sup>6</sup> The Company shall be authorized to pay a supplementary amount to members of the Executive Management who enter the Executive Management or who assume additional tasks during a period for which the amount of remuneration due to the Executive Management has already been approved, where the total amount already approved for the period in question is not sufficient for the remuneration of such members; such supplementary amount shall not exceed 40% of the total amount approved for the remuneration of the Executive Management. The supplementary remuneration amount does not require the approval of General Meeting, and may be used by the Company for all categories of remuneration.



## Article 15

### Powers

- 1 The General Meeting shall be the highest governing body of the Company.
- 2 It shall have the following inalienable powers:
  - to adopt and amend the Articles of Incorporation;
  - to elect the members of the Board of Directors, the Chairman of the Board of Directors, the members of the Compensation Committee, the Independent Proxy Representative, and the Auditors;
  - to approve the Annual Report, or Management Report respectively, and the Consolidated Financial Statements;
  - to approve the Annual Financial Statements and to determine the appropriation of earnings as shown on the balance sheet, in particular with regard to dividends;
  - to discharge the members of the Board of Directors from liability;
  - to approve the remuneration of the members of the Board of Directors and of the Executive Management, pursuant to Art. 14<sup>bis</sup> of the Articles of Incorporation.
  - to pass resolutions concerning all matters that are reserved to the authority of the General Meeting by law or these Articles of Incorporation.

## B. The Board of Directors

### Article 16

### Election, Delegation of Tasks, Other Mandates

- 1 The Board of Directors of the Company shall be composed of five to nine members.
- 2 The members of the Board shall be elected for a term lasting until the conclusion of the next General Meeting, and may be re-elected.
- 3 The Board of Directors shall constitute itself, subject to the powers reserved to the General Meeting. The Board of Directors, in accordance with the internal regulations, is authorized to delegate the management of the Company in whole or in part to one or more individual directors or committees, or to other natural persons.





<sup>4</sup> The number of mandates that may be assumed in the senior management and directorial bodies of legal entities not affiliated with the Company and its subsidiaries and subject to the requirement of registration in the Swiss commercial register or in a comparable register in another country shall be limited as follows:

- members of the Board of Directors may not hold more than fifteen additional mandates in companies, of which no more than four in other listed companies;
- members of the Executive Management may not hold more than five additional mandates in companies, of which no more than one in another listed company.

Excluded from these restrictions are mandates in other legal entities such as associations, foundations and welfare or retirement institutions; they shall not exceed twenty mandates. Where mandates are assumed in different legal entities belonging to the same corporate group, or at the behest of that group or of legal entity, these shall be accounted in the aggregate as a single mandate.

#### **Article 17**

#### **Tasks**

<sup>1</sup> The Board of Directors shall be authorized to pass resolutions concerning all matters that are not reserved by the law or these Articles of Incorporation to other governing bodies.

<sup>2</sup> The Board of Directors shall have the following inalienable and non-transferable duties:

- the highest direction of the business of the Company and the issuance of the instructions necessary thereto;
- the determination of the organization of the Company;
- the administration of accounting, financial control and, to the extent necessary for the management of the Company, financial planning;
- the appointment and dismissal of persons entrusted with the management and representation of the Company;
- the highest oversight over persons entrusted with the management of the Company, in particular, in terms of their compliance with the law, the Articles of Incorporation, by-laws and instructions;
- the drafting of the Annual Report and of the Remuneration Report, preparation of the General Meeting, and execution of the resolutions adopted by the General Meetings;
- the notification of the court in case of over-indebtedness.



**Passage of Resolutions**

**Article 18**

1 A majority of the members of the Board of Directors shall constitute a quorum for conducting business.

2 Resolutions shall be passed by a majority of the members of the Board of Directors in attendance.

3 In the event of a tie vote, the Chairman shall have the casting vote.

4 No quorum shall be required for the passage of resolutions by the Board of Directors on capital increase reports or for resolutions subject to a requirement of notarization.

**Article 19**

**Compensation Committee**

1 The Compensation Committee shall be composed of two to four members of the Board of Directors. The General Meeting shall elect the members of the Compensation Committee individually. The term of office shall end after completion of the next ordinary General Meeting. Re-election is possible. In the event of the premature departure of one or more members, the Board of Directors may appoint substitutes from amongst its members, who shall serve until the next Ordinary General Meeting.

2 The Compensation Committee shall be concerned with remuneration policies, in particular, at the most senior levels of the Company. It shall have the tasks, decision-making powers, and authority to present proposals, as accorded to it by the internal regulations and the charter of the Compensation Committee. In particular, it shall assist the Board of Directors in determining and evaluating the remuneration system and the principles of remuneration, and in preparing the proposals to be presented to the General Meeting for approval of remuneration pursuant to Art. 14<sup>bis</sup> of the Articles of Incorporation.

3 The internal regulations and the charter of the Compensation Committee may assign further tasks to the Compensation Committee.

**Article 20**

**Remuneration of the Board of Directors**

1 The remuneration paid to the Board of Directors shall be composed of the remuneration due until the time of the next ordinary General Meeting, plus any estimated social insurance payments and contributions to welfare and pension funds, as well as any additional insurance contributions and other fringe benefits to be borne by the Company and that qualify as remuneration. The Board of Directors may determine that a portion of the remuneration is to be paid in the form of shares. In such case, it shall fix the conditions, including the time of payment and the valuation, and shall make a determination concerning blocking periods.



**Remuneration  
of Executive  
Management,  
Performance  
Bonus and  
Profit-Sharing  
Plans**

<sup>2</sup> The Company may indemnify members of the Board of Directors for prejudice suffered in connection with administrative or judicial proceedings, or legal settlements, connected with their activities on behalf of the Adecco Group; it may also provide advances on such amounts and take out insurance policies.

**Article 20<sup>bis</sup>**

<sup>1</sup> The remuneration paid to the Executive Management shall be composed of the annual base compensation, the maximum compensation under the short-term bonus plan, the equivalent of the maximum amount allocated under the long-term profit-sharing plan, as well as estimated social insurance payments and contributions to welfare, retirement, and savings plans and similar funds, insurance contributions, and other fringe benefits, that qualify as compensation; Art. 20 para. 2, shall apply *mutatis mutandis*.

<sup>2</sup> The variable compensation shall be subject to the following principles:

- The short-term bonus shall be determined annually in the form of a cash payment. The purpose of the bonus plan is to serve as an incentive to the Executive Management to achieve and surpass (a) the financial objectives of the Company, and (b) individual objectives. At target, the entire Executive Management can earn up to 125% of its aggregate annual base compensation as bonus (for the CEO up to 120% of his annual base compensation). If the targets are exceeded, the bonus for the entire Executive Management may increase up to a maximum of 150% of its aggregate annual base compensation (for the CEO up to a maximum of 140% of his annual base compensation).
- Long-term plans foresee compensation in the form of restricted shares or rights to shares in Adecco S.A. that vest at a specific point in time or on a staggered basis, which, based on fair value at grant, shall not exceed a maximum of 150% of its aggregate annual base compensation for the entire Executive Management (for the CEO up to a maximum of 160% of his annual base compensation), and whose vesting is conditional upon the fulfilment of certain conditions over a number of financial years (such as the achievement of certain annual or multi-annual targets, non-termination of the employment contract).

<sup>3</sup> The Compensation Committee shall determine the holding periods, and the procedures for making adjustments and reclaim provisions, where necessary. The plans may foresee that members of the Executive Management whose contracts are terminated by the employer without just cause, within the meaning of Art. 337 of the Swiss Code of Obligations, are to receive, during the period of paid leave following termination, in addition to their base salary, *pro rata* indemnification under the terms of the short-term bonus plan;



similarly, the plans may foresee, under the long-term participation scheme, the pro rata vesting of shares that have not yet vested, but which would have done so during the termination notice period. The Compensation Committee shall also be authorized to cancel such payments and vesting of shares in individual cases. The long-term profit-sharing plan may foresee that all shares not yet vested may, under certain conditions, become vested, or that certain rights may become convertible, where one or more affiliated shareholders in the Company attain to a controlling position.

<sup>4</sup> Payments to welfare and retirement funds other than occupational pension funds or to similar institution abroad for the members of the Executive Management are permissible provided that they are approved individually, or as part of a total compensation amount, by the General Meeting.

### **C. The Auditors**

#### **Article 21**

#### **Election, Tasks**

The General Meeting shall elect the Auditors each year, who shall perform the tasks provided by law. The Auditors may be re-elected.

### **IV. Accounting, Balance Sheet, Net Income**

#### **Article 22**

#### **Financial Year**

The financial year of the Company shall be determined by the Board of Directors.

#### **Article 23**

#### **Business Report**

The Board of Directors shall prepare for each financial year a Business Report consisting of the Annual Financial Statements, the Annual Report or Management Report respectively, and the Consolidated Financial Statements (including balance sheet, profit and loss statements, cash flow statement and notes to the financial statements).

### **V. Publications**

#### **Article 24**

#### **Official Publications**

Official publications shall be made in the Swiss Official Gazette of Commerce ("Feuille officielle suisse du commerce"). The Board of Directors may decide upon publication in additional forums.



## **VI. Interim Provisions**

### **Article 25**

#### **Applicability**

Art. 14<sup>bis</sup> and Art. 15 para. 2 lemma 6 of these Articles of Incorporation shall apply at the second ordinary General Meeting after 1 January 2014. Existing employment contracts shall be brought into conformity with the new requirements effective 1 January 2016.

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