

## Applicable Corporate Governance standards

This Corporate Governance disclosure reflects the requirements of the Directive on Information Relating to Corporate Governance, issued by the SIX Swiss Exchange as amended on September 1, 2014. The principles and the more detailed rules of Adecco S.A.'s Corporate Governance are defined in Adecco S.A.'s Articles of Incorporation ("Aol"), its Internal Policies and Organisational Rules, and in the Charters of the Committees of the Board of Directors ("Board"). Adecco S.A.'s principles as a general rule take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as amended in 2014.

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

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

As Adecco has in the past years already conducted annual (re-)elections of the members of the Board, the only amendments as per the Annual General Meeting of Shareholders ("AGM") 2014 as a result of the Ordinance were the elections by the shareholders of the Chairman, of the members of the compensation committee and of the independent proxy. At the occasion of the AGM 2014, Adecco S.A.'s shareholders have also approved the submitted amendments of the Aol. At the AGM 2015, shareholders will be asked to approve in a prospective binding vote the maximum compensation of the Board for the office period AGM 2015 to AGM 2016, and the maximum compensation of the EC for 2016.

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

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

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

## Structure, shareholders, and capital

### 1. Structure and shareholders

#### 1.1 Legal and management structure

Adecco S.A. is a stock corporation (société anonyme) organised under the laws of Switzerland with its registered office at Route de Bonmont 31, Chéserey, Switzerland. The Company's principal corporate office is the office of its management company, Adecco management & consulting S.A., at Sägerei-strasse 10, Glattbrugg, Switzerland.

Adecco S.A. is listed on the SIX Swiss Exchange (symbol ADEN, security number 1213860; ISIN CH0012138605). As of December 31, 2014, the market capitalisation of Adecco S.A., based on the number of shares issued, including treasury shares, and the closing price of shares on the SIX Swiss Exchange amounted to approximately CHF 12.3 billion. On March 2, 2015, this market capitalisation amounted to approximately CHF 13.3 billion.

The Company is the world's leading provider of human resource services including temporary staffing, permanent placement, outsourcing, career transition (outplacement), and other services.

The Company is organised in a geographical structure plus the global business Lee Hecht Harrison ("LHH"), which corresponds to the primary segments. This structure is complemented by business lines. The segments consist of France, North America, UK & Ireland, Germany & Austria, Japan, Italy, Benelux, Nordics, Iberia, Australia & New Zealand, Switzerland, Emerging Markets, and LHH. The business lines consist of General Staffing (Office, Industrial) and Professional Staffing (Information Technology, Engineering & Technical, Finance & Legal, Medical & Science), as well as Solutions. Solutions comprises Career Transition & Talent Development ("CTTD"), Managed Service Programmes ("MSP"), Recruitment Process Outsourcing ("RPO"), and Vendor Management System ("VMS"). The classification of a specific branch into a business line for General Staffing and Professional Staffing is determined by the business line generating the largest revenue share in that specific branch.

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

As of December 31, 2014, the Company's EC was composed as follows:

- Patrick De Maeseneire, Chief Executive Officer;
- Dominik de Daniel, Chief Financial Officer and Head of Global Solutions;
- Alain Dehaze, Regional Head of France;
- Robert P. (Bob) Crouch, Regional Head of North America;
- Peter Searle, Regional Head of UK & Ireland;
- Andreas Dinges, Regional Head of Germany & Austria;
- Christophe Duchatellier, Regional Head of Japan & Asia;
- Martín Alonso, Regional Head of Northern Europe;
- Federico Vione, Regional Head of Italy, Eastern Europe & India;
- Enrique Sanchez, Regional Head of Iberia & Latin America;
- Sergio Picarelli, Chief Sales Officer;
- Mark De Smedt, Chief Human Resources Officer.

The Company comprises numerous legal entities around the world. The major consolidated subsidiaries are listed on page 115 of this Annual Report. No subsidiary has shares listed on a stock exchange.

#### 1.2 Significant shareholders

As of December 31, 2014, the total number of shareholders directly registered with Adecco S.A. was 14,309; the major shareholders and their shareholdings were disclosed to the Company as listed in the table on the following page.

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

For further details pertaining to the below listed disclosures refer to the Internet:

[http://www.six-swiss-exchange.com/shares/companies/major\\_shareholders\\_de.html?fromDate=19980101&issuer=1432](http://www.six-swiss-exchange.com/shares/companies/major_shareholders_de.html?fromDate=19980101&issuer=1432) and  
<http://www.adecco.com/InvestorRelations/CorporateGovernance/Pages/DisclosureOfShareholding.aspx>  
or  
<http://ir.adecco.com>.

Investor	Date of SIX publication	Percentage of voting rights as disclosed
<b>Adecco S.A.</b>	<b>11.12.2014</b>	<b>3.02% purchase positions, 0.45% sale positions<sup>1</sup></b>
	08.07.2014	Falling below threshold of 3%
<b>Akila Finance S.A.</b>	<b>28.05.2014</b>	<b>4.31% equity, 0.26% sale positions<sup>2,3</sup></b>
<b>Artisan</b>	<b>22.03.2014</b>	<b>3.92% equity<sup>2</sup></b>
<b>Group BlackRock Inc.</b>	<b>08.05.2014</b>	<b>4.97% purchase positions, 0.01% sale positions</b>
	06.05.2014	5.18% purchase positions, 0.01% sale positions
	01.05.2014	5.35% purchase positions, 0.01% sale positions
	17.04.2014	4.99% purchase positions, 0.01% sale positions
	11.04.2014	5.18% purchase positions, 0.02% sale positions
	09.04.2014	5.22% purchase positions, 0.02% sale positions
	04.04.2014	5.17% purchase positions, 0.03% sale positions
<b>Harris Associates Investment Trust</b>	<b>25.02.2014</b>	<b>4.93% equity<sup>3</sup></b>
	21.11.2014	5.13% equity
<b>Harris Associates L.P.</b>	13.08.2014	5.28% equity
	15.01.2014	4.86% equity
<b>Jacobs Group</b>	<b>18.03.2014</b>	<b>Falling below threshold of 3%<sup>3</sup></b>
<b>MFS Investment Management</b>	<b>01.10.2014</b>	<b>3.15% equity</b>
	18.01.2014	Falling below threshold of 3%
<b>The Capital Group Companies, Inc.</b>	<b>16.12.2014</b>	<b>3.48% equity</b>

<sup>1</sup> For information on treasury shares held by Adecco S.A. as of December 31, 2014, refer to Note 3 to Adecco S.A. (Holding Company) financial statements.

<sup>2</sup> Beneficial owners have been disclosed.

<sup>3</sup> For the shareholding in 2014 refer to Note 5 to Adecco S.A. (Holding Company) financial statements.

As of December 31, 2014, Adecco S.A. is not aware of any person or legal entity, other than those stated above, that directly or indirectly owned 3% or more of voting rights in Adecco S.A., as defined by the Swiss disclosure requirements. Adecco S.A. is not aware of shareholders' agreements, other than those described in the above mentioned disclosures, between its shareholders pertaining to Adecco S.A. shares held.

According to Art. 20 of the Swiss Stock Exchange Act, any investor who directly, indirectly, or together with another person acquires, holds, or disposes of voting rights in Adecco S.A., for his own account, and thereby attains, falls below, or exceeds the thresholds of 3, 5, 10, 15, 20, 25, 33⅓, 50 or 66⅔% of the voting rights, whether or not such rights may be exercised, must notify Adecco S.A. and the Disclosure Office of the SIX Swiss Exchange. Such notification must be made no later than four trading days after the obligation to disclose arises.

### 1.3 Cross-shareholdings

As of December 31, 2014, there were no cross-shareholdings exceeding 5% of a party's share capital.

## 2. Capital structure

### 2.1 Share capital

At the AGM of April 15, 2014, the Company's shareholders decided to reduce the Company's registered share capital by CHF 10,181,696 (equal to 10,181,696 fully paid up registered shares with a nominal value of CHF 1 each).

As of December 31, 2014, Adecco S.A.'s share capital registered with the Commercial Register amounted to CHF 179,081,810 divided into 179,081,810 fully paid up registered shares with a nominal value of CHF 1 each.

The Board will propose to the AGM of April 21, 2015 to reduce the Company's registered share capital by CHF 4,606,873 (equal to 4,606,873 fully paid up registered shares with a nominal value of CHF 1 each).

### 2.2 Authorised and conditional capital

Adecco S.A. has no authorised capital in the sense of the Swiss Code of Obligations.

The conditional capital of CHF 4,166,804 divided into 4,166,804 registered shares with a nominal value of CHF 1 each is reserved for further exercise of option rights granted to employees and members of the Board of Adecco S.A. or of its affiliated companies. The subscription rights of shareholders as well as the preferential option subscription rights of the shareholders are excluded. No options were outstanding as of December 31, 2014.

The conditional capital of CHF 15,400,000 divided into 15,400,000 registered shares with a nominal value of CHF 1 each is reserved for the exercise of option or conversion rights granted in relation to financial instruments such as bonds or similar debt instruments of Adecco S.A. or its affiliates. The subscription rights of the shareholders regarding the subscription of the shares are excluded. The shareholders' preferential bond subscription rights in the issue of the bonds or similar debt instruments may be limited or excluded by the Board. The conditional capital is available for share issuance upon conversion of financial instruments Adecco S.A. or its subsidiaries may issue in the future.

For details on the terms and conditions of the issuance/creation of shares under conditional capital, refer to Art. 3<sup>rd</sup> and 3<sup>rd</sup> quarter of the AoI (Internet: [www.aoi.adecco.com](http://www.aoi.adecco.com)).

## 2.3 Changes in capital

Adecco S.A.'s capital structure as of the dates indicated below was as follows:

in CHF millions, except shares	Issued shares		Conditional capital		Reserves <sup>1</sup>	Retained earnings
	Shares	Amount	Shares	Amount	Amount	Amount
<b>January 1, 2012</b>	<b>189,263,506</b>	<b>189.3</b>	<b>19,566,804</b>	<b>19.6</b>	<b>3,004</b>	<b>3,453</b>
Changes					(1,182)	1,226
<b>December 31, 2012</b>	<b>189,263,506</b>	<b>189.3</b>	<b>19,566,804</b>	<b>19.6</b>	<b>1,822</b>	<b>4,679</b>
Changes					24	(285)
<b>December 31, 2013</b>	<b>189,263,506</b>	<b>189.3</b>	<b>19,566,804</b>	<b>19.6</b>	<b>1,846</b>	<b>4,394</b>
Changes	(10,181,696)	(10.2)			(551)	(406)
<b>December 31, 2014</b>	<b>179,081,810</b>	<b>179.1</b>	<b>19,566,804</b>	<b>19.6</b>	<b>1,295</b>	<b>3,988</b>

<sup>1</sup> Reserves include both the general reserves and the reserve for treasury shares.

Details of Adecco S.A.'s general reserves and retained earnings are included in Note 4 to Adecco S.A. (Holding Company) financial statements.

## 2.4 Shares and participation certificates

Adecco S.A. shares have a par value of CHF 1 each. All shares are fully paid registered shares and bear the same dividend and voting rights. Pursuant to Art. 7 of the Aol (Internet: [www.aoi.adecco.com](http://www.aoi.adecco.com)), the right to vote and all other rights associated with a registered share may only be exercised by a shareholder, usufructuary, or nominee who is registered in the share register as the shareholder, usufructuary, or nominee with right to vote.

As of December 31, 2014, there were no outstanding participation certificates.

## 2.5 Bonus certificates

Adecco S.A. has not issued bonus certificates ("Genussscheine").

## 2.6 Limitations on registration, nominee registration, and transferability

Each Adecco S.A. share represents one vote.

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

The Board may register nominees with the right to vote in the share register to the extent of up to 3% of the registered share capital as set forth in the Commercial Register. Registered shares held by a nominee that exceed this limit may be registered in the share register if the nominee discloses the names, addresses, and the number of shares of the persons for whose account it holds 0.5% or more of the registered share capital as set forth in the Commercial Register. Nominees within the meaning of this provision are persons who do not explicitly declare in the request for registration to hold the shares for their own account or with whom the Board has entered into a corresponding agreement (refer to Art. 4 sec. 3 of the Aol; Internet: [www.aoi.adecco.com](http://www.aoi.adecco.com)). The Board may grant exemptions to this registration restriction (refer to Art. 4 sec. 6 of the Aol; Internet: [www.aoi.adecco.com](http://www.aoi.adecco.com)). In 2014, there were no such exemptions granted.

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

For further information regarding the procedure and conditions for cancelling statutory privileges and limitations on transferability of shares, refer to the Aol; Internet: [www.aoi.adecco.com](http://www.aoi.adecco.com).

## 2.7 Convertible notes and options

Information provided in this section is in millions, except share and per share information.

The Company issued in the past stock option plans whereby employees and members of the Board received options to purchase shares. No stock options under these plans were granted after 2004. The purpose of the plans was to furnish

incentives to selected employees and members of the Board, to encourage employees to continue employment with the Company, and to align the interests of selected employees and directors with those of the shareholders. Upon exercise of stock options, Adecco S.A. may deliver either shares from its conditional capital, of which up to 4,166,804 shares are reserved for this purpose, or from its treasury shares. The Nomination & Compensation Committee was responsible for making proposals, based upon the recommendations of the EC, to the Board regarding the individuals to whom options were granted, the size of the option grant for each optionee, the conditions, the exercise price, and the grant date. The Board had to approve all the option grants as well as the conditions thereof. The exercise price for one share was generally fixed at or above the fair market value at the date of grant. Depending on the conditions of the plans, options vested with certain waiting periods of up to five years, and were subsequently exercisable over a number of years. All options could have been exercised at any time within the exercise period except for limitations set forth in the Company's Insider Trading Statement of Policy and by regulatory authorities. The Board may modify, amend, suspend, or discontinue the plans.

The summary of the status of the stock options held based on above-mentioned plans as of December 31, 2014 is as follows:

	Number of shares	Weighted-average exercise price per share (in CHF)	Weighted-average remaining life (in years)	Aggregate intrinsic value (in CHF millions)
<b>Summary of stock option plans</b>				
<b>Options outstanding and vested as of January 1, 2014</b>	<b>6,000</b>	<b>79</b>	<b>0.4</b>	
Expired	(6,000)	79		
<b>Options outstanding and vested as of December 31, 2014</b>	<b>-</b>	<b>-</b>		

For information pertaining to the share awards granted under the long-term incentive plans ("LTIP"), refer to Note 9 to the consolidated financial statements and to the Remuneration Report.