

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 October 29, 2008. The principles and the more detailed rules of Adecco S.A.'s Corporate Governance are defined in Adecco S.A.'s Articles of Incorporation, its Internal Policies and Organisational Rules, and in the Charters of the Committees of the Board of Directors. Adecco S.A.'s principles take into account the recommendations set out in the Swiss Code of Best Practice for Corporate Governance as amended on September 6, 2007.

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 Chéserey, Switzerland. The Company's principal corporate office is the office of its management company, Adecco management & consulting S.A., at Sägereistrasse 10, Glattbrugg, Switzerland.

Adecco S.A. is listed on the SIX Swiss Exchange (symbol ADEN, security number 1213860; ISIN CH0012138605). As of December 31, 2011, 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 7.4 billion. On March 1, 2012, this market capitalisation amounted to approximately CHF 9.3 billion.

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

Since January 1, 2011, the Company is organised in a geographical structure plus the global business Lee Hecht Harrison (“LHH”). This structure is complemented by business lines. The geographies consist of France, North America, UK & Ireland, Japan, Germany & Austria, Benelux, Italy, Nordics, Iberia, Australia & New Zealand, Switzerland, and Emerging Markets. The business lines consist of Office, Industrial, Information Technology, Engineering & Technical, Finance & Legal, Medical & Science, and Solutions. The classification of a specific branch into a business line 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 Africa.

As of January 1, 2012, the Company’s Executive Committee 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;
- Theron I (Tig) Gilliam Jr., Regional Head of North America;
- Peter Searle, Regional Head of UK & Ireland;
- Andreas Dinges, Regional Head of Germany & Austria;
- Mark Du Ree, Regional Head of Japan & Asia;
- Marín Alonso, Regional Head of Northern Europe;
- Federico Vione, Regional Head of Italy, Eastern Europe & India;
- Enrique Sanchez, Regional Head of Iberia & South America;
- Sergio Picarelli, Chief Sales Officer;
- Christian Vasino, Chief Human Resources Officer.

The Company comprises numerous legal entities around the world. The major consolidated subsidiaries are listed on page 126 of this Annual Report. No subsidiary has shares listed on a stock exchange; however, a wholly owned subsidiary which is not consolidated has issued mandatory convertible bonds, as further described in section 2.7 “Convertible notes and options”.

1.2 Significant shareholders

As of December 31, 2011, the total number of shareholders directly registered with Adecco S.A. was 18,716. The major shareholders and their shareholdings were disclosed to the Company as listed in the following table. The table lists the significant shareholders highlighted in bold letters and their latest disclosures regarding their percentage of voting rights.

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 Internet: 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 Adecco publication	Percentage of voting rights as disclosed
Adecco S.A.	20.11.2009	8.86% purchase positions of which 8.02% equity, 14.75% sale positions¹
Akila Finance S.A.	09.12.2005	5.44% equity²
Artisan	11.03.2011	4.96% equity²
	07.03.2011	5.01% equity
	23.02.2011	4.99% equity
	23.02.2011	5.01% equity
Group BlackRock Inc.	19.05.2011	Falling below threshold of 3%
Franklin Resources Inc.	10.02.2011	4.97% equity²
	27.01.2011	5.37% equity
Harris Associates L.P.	13.05.2011	5.10% equity²
Jacobs Group	30.08.2011	18.97% purchase positions of which 18.74% equity²
	29.04.2011	18.33% equity
Och Ziff Group	20.12.2010	3.04% purchase positions
Sonata Securities S.A.	13.01.2011	Falling below threshold of 3%

¹ For information on treasury shares held by Adecco S.A. as of December 31, 2011, refer to Note 3 to Adecco S.A. (Holding Company) financial statements.

² For the shareholding in 2011 refer to Note 5 to Adecco S.A. (Holding Company) financial statements.

As of December 31, 2011, 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, 33 $\frac{1}{3}$, 50 or 66 $\frac{2}{3}$ % 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, 2011, there were no cross-shareholdings exceeding 5% of a party's share capital.

2. Capital structure

2.1 Share capital

As of December 31, 2011, Adecco S.A.'s share capital registered with the Commercial Register amounted to CHF 189,263,506 divided into 189,263,506 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 Directors 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. The exercise conditions depend on the respective underlying stock option plan; the share capital will only be increased if and when the holder of the option exercises such stock option, unless treasury shares are used.

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 of Directors. The conditional capital is available for share issuance upon conversion of financial instruments issued or to be issued in the future (refer to section 2.7 "Convertible notes and options").

For details on the terms and conditions of the issuance/creation of shares under conditional capital, refer to Art. 3^{ter} and 3^{quater} of the Articles of Incorporation (Internet: www.goi.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 ¹	Retained earnings
	Shares	Amount	Shares	Amount	Amount	Amount
January 1, 2009	189,263,506	189.3	19,566,804	19.6	3,011	3,534
Changes					4	306
December 31, 2009	189,263,506	189.3	19,566,804	19.6	3,015	3,840
Changes					(38)	(27)
December 31, 2010	189,263,506	189.3	19,566,804	19.6	2,977	3,813
Changes					27	(360)
December 31, 2011	189,263,506	189.3	19,566,804	19.6	3,004	3,453

¹ Reserves include both the general reserves and the reserve for treasury shares.

Details of Adecco S.A. 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 Articles of Incorporation (Internet: 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, 2011, 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 Articles of Incorporation; Internet: www.aoi.adecco.com). Upon such declaration, any person or entity will be registered with the right to vote.

The Board of Directors may register nominees with the right to vote in the share register to the extent of up to 5% 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 of Directors has entered into a corresponding agreement (refer to Art. 4 sec. 3 of the Articles of Incorporation; Internet: www.aoi.adecco.com). The Board of Directors may grant exemptions to this registration restriction (refer to Art. 4 sec. 6 of the Articles of Incorporation; Internet: www.aoi.adecco.com). In 2011, 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 Articles of Incorporation; Internet: 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 Articles of Incorporation; Internet: www.aoi.adecco.com.

2.7 Convertible notes and options

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

On November 26, 2009, Adecco Investment (Bermuda) Ltd. ("Adecco Investment"), a wholly owned subsidiary of the Company which is not consolidated, issued CHF 900 Senior Secured Limited Recourse Mandatory Convertible Bonds ("MCB") due on November 26, 2012. The bonds will convert at maturity into shares of Adecco S.A., or at the option of the holders or Adecco Investment, the bonds may be converted into shares of Adecco S.A. at any time 41 days after November 26, 2009 until the 30th dealing day prior to the maturity date. The number of shares to be delivered at maturity will be calculated based on the closing price of the shares of Adecco S.A. As of December 31, 2011, the minimum conversion price is CHF 48.95 per share (CHF 50.50 per share at issuance of the MCB) and the maximum conversion price is CHF 58.74 per share (CHF 60.60 per share at issuance of the MCB). The conversion prices will be adjusted for further dividend payments on the shares of Adecco S.A. during the lifetime of the MCB. As of December 31, 2011, the maximum number of shares to

be delivered is 18,386,108 (17,821,782 shares at issuance of the MCB) and the minimum number of shares to be delivered is 15,321,757 (14,851,485 shares at issuance of the MCB). If the holders or Adecco Investment exercise their conversion option prior to maturity, the conversion will occur at the maximum or the minimum conversion price, respectively. The bonds have an annual coupon of 6.5%, which can be deferred in case no dividend payment is made on the shares of Adecco S.A.

Adecco Investment entered into a prepaid forward contract ("prepaid forward") with the Company, where it originally acquired 17,821,782 shares of the Company for EUR 587 (CHF 887), net of costs. The strike price of the prepaid forward is adjusted for dividend payments on the shares of Adecco S.A. and the number of shares deliverable under the prepaid forward amounts to 18,386,108 as of December 31, 2011. Adecco Investment will receive the shares of Adecco S.A. from the Company with the settlement of the prepaid forward. The shares can be delivered out of treasury shares or conditional capital at the discretion of the Company. Adecco Investment financed the coupon payments with EUR 108 (CHF 164) from the sale of a call spread option ("call spread option") to Adecco Financial Services (Bermuda) Ltd., a wholly owned consolidated subsidiary of the Company. The call spread option gives the Company the right to benefit from appreciation of the shares underlying the prepaid forward between floor and cap defined in the agreement. The call spread option is settled in shares, reducing the net number of shares the Company has to deliver in combination with the prepaid forward. In addition, in 2009 the Company made a payment of EUR 8 (CHF 12) to Adecco Investment, which was treated as a deemed capital contribution. The number of shares underlying the prepaid forward, the call spread option, and the MCB are subject to anti-dilution provisions. The bondholders only have recourse against the prepaid forward. Subsequently, Adecco Investment granted a loan of EUR 116 (CHF 176) to the Company, of which EUR 69 (CHF 89) have been repaid by December 31, 2011.

The Company issued in the past stock option plans whereby employees and members of the Board of Directors 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 of Directors, 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 Executive Committee, to the Board of Directors 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 of Directors 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 are subsequently exercisable over a number of years. All options may be exercised at any time within the exercise period except for limitations set forth in the Company Insider Trading Statement of Policy and by regulatory authorities. The Board of Directors may modify, amend, suspend, or discontinue the plans.

Summary of the status of the stock options held based on above-mentioned plans as of December 31, 2011:

	Number of shares	Weighted-average exercise price per share (in CHF)	Weighted-average remaining life (in years)	Aggregate intrinsic value (in CHF millions)
Summary of stock option plans				
Options outstanding and vested as of January 1, 2011	439,559	76	1.1	
Exercised	(172)	60		
Forfeited	(6,278)	73		
Expired	(329,969)	76		
Options outstanding and vested as of December 31, 2011	103,140	78	1.0	

The aggregate intrinsic value as of December 31, 2011 of the outstanding stock options in the table above is zero.

For further details, refer to Note 9 to the consolidated financial statements.

For information pertaining to the share awards granted under the long-term incentive plans ("LTIP"), refer to Note 7 to Adecco S.A. (Holding Company) financial statements and the Remuneration Report.