
**EXPLANATORY NOTES TO THE
PROPOSED AMENDMENT OF THE ARTICLES OF ASSOCIATION
of
Randstad N.V.,
having its registered office in Amsterdam, the Netherlands.**

dated 11 February 2020 as it will be presented for decision-making at the Company's General Meeting of Shareholders to be held on 24 March 2020.

ALLEN & OVERY

EXPLANATORY NOTES

to the proposed amendment of the articles of association of Randstad N.V. (Randstad), dated 11 February 2020 as it will be presented for a resolution at the Annual General Meeting to be held on 24 March 2020

1. Reset Preference B Shares

The main reason for the amendment of the Articles of Association of Randstad is to add a transitory provision in Article 35 for the dividend on the preference shares B for the period until November 17, 2026. Given the current negative interest of -0.368% and a maximum increment of 175 base points for the preference shares B (laid down in Article 27 (to be renumbered Article 28) of the Articles of Association), the dividend would be far below market expectations. It is proposed to declare a dividend on the preference shares B of 2.00% for the period November 18, 2019 up to and including November 17, 2026, thus temporarily establishing the increment at 236.8 base points. As of November 18, 2026 the transitory provision will lapse, and the original provision will be in place again.

2. Implementation Act European Shareholder Rights Directive

At the occasion of the proposed amendment of the Articles of Association a number of adjustments are proposed that have been prompted by the Implementation Act European Shareholder Rights Directive (the **SRD**) (*Uitvoeringswet Aandeelhoudersrichtlijn*) (which took effect on 1 December 2019). Among other things the SRD introduces new rules about the process for preparing and adopting the remuneration policies for the Executive Board and the Supervisory Board as well as the topics that must be covered by these reports. In addition the SRD introduces the obligation to annually prepare a remuneration report (*bezoldigingsverslag*) that includes an overview of the remuneration of individual members of the Executive Board and the Supervisory Board awarded in the previous year (whether actually paid or declared payable) within the framework of the remuneration policy. This report is annually discussed with the Shareholders and put to the General Meeting of Shareholders for an advisory vote.

The amendments that are proposed, amongst will align the Articles of Association with these changes to the Dutch Civil Code introduced by the Implementation Act of the SRD.

3. Other

A number of other amendments of a more technical nature are also proposed for the purpose of:

- (i) ensuring proper alignment between the Articles of Association and the relevant provisions in the Dutch Civil Code and the principles set out in the Dutch Corporate Governance Code. For example, the deletion of the approval of the strategy by the Supervisory Board (*Article 9 paragraph 6*) has been proposed as it no longer reflects the governance principles set out in the Dutch Corporate Governance Code pursuant to which the strategy is exclusively developed by the Executive Board and that the implementation of the strategy is supervised by the Supervisory Board (Best Practice Provisions 1.1.1 and 1.1.2)
- (ii) offering the Supervisory Board the possibility to allow it to combine two of its committees with overlapping tasks and responsibilities, namely its governance & nomination committee and its remuneration committee (*Article 14 paragraph 6*)

- (iii) providing for rules that are applicable if a vacancy in the Supervisory Board exists as a consequence of members of the Supervisory Board being absent or unable to attend to their tasks as members of the Supervisory Board (*Article 17 (new)*), in line with the rules that already exist for the Executive Board, and requested pursuant to the Bill on management and supervision in legal entities (*Wet bestuur en toezicht rechtspersonen*), in the new Section 2:142(4) DCC.

The other technical changes as well as proposed editorial changes, such as changes to cross references, are considered to be self-explanatory.

4. Power of attorney

The proposed amendment of the Articles of Association also includes the authorisation to each member of the Executive Board, the Company Secretary, and every (deputy) civil-law notary, paralegal and notarial assistant at Allen & Overy LLP, Attorneys at Law, Civil-Law Notaries and Tax Consultants, in Amsterdam, to have the deed of amendment of the Articles of Association executed.

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