

TERMS OF REFERENCE REMUNERATION COMMITTEE

RANDSTAD N.V.

0. INTRODUCTION

- 0.1 These terms of reference have been drawn up by the Supervisory Board pursuant to clause 5.4 of the By-Laws of the Supervisory Board and best practice provision 2.3.3 of the Dutch Corporate Governance Code.
- 0.2 The Remuneration Committee is a standing committee of the Supervisory Board.
- 0.3 Certain capitalised or uncapitalised terms used but not defined in these terms of reference have the meanings given to them in the By-Laws of the Supervisory Board and the List of Definitions attached to the By-Laws of the Supervisory Board as Annex 1.

1. COMPOSITION

- 1.1 The Remuneration Committee shall consist of a minimum of three members. All members of the Remuneration Committee must also be Supervisory Board members. More than half of the members of the Remuneration Committee shall be independent within the meaning of clause 1.6 of the By-Laws of the Supervisory Board.¹
- 1.2 The members of the Remuneration Committee shall be appointed and may be replaced at any time by the Supervisory Board. The Chair is a member in his capacity as such. The Supervisory Board shall appoint one of the members of the Remuneration Committee as chair of the Remuneration Committee.
- 1.3 The Remuneration Committee shall not be chaired by the Chair or by a former member of the Executive Board.²
- 1.4 The term of office of a member of the Remuneration Committee will generally not be set beforehand. It will, *inter alia*, depend on the composition of the Supervisory Board as a whole and that of other committees from time to time.
- 1.5 The Company Secretary shall act as secretary to the Remuneration Committee. The Company Secretary may delegate his duties, or parts thereof, under these terms of reference, to a deputy appointed by him in consultation with the chair of the Remuneration Committee.

2. DUTIES AND POWERS

- 2.1 Within the Supervisory Board, the Remuneration Committee is especially charged with the following duties:
- (a) submitting a clear and understandable proposal to the Supervisory Board for the remuneration policy (which includes the severance pay) to be pursued for the

¹ Dutch Corporate Governance Code, best practice provision 2.3.4.

² Dutch Corporate Governance Code, best practice provision 2.3.4.

members of the Executive Board, whereby the following aspects (in addition to section 2:135a of the Dutch Civil Code) should be considered in any event:³

- (i) the objectives of the strategy for the implementation of sustainable long-term value creation;
 - (ii) the scenario analyses carried out in advance;
 - (iii) the pay ratios within the Company and its affiliated enterprise;
 - (iv) the development of the market price of the shares;
 - (v) an appropriate ratio between the variable and fixed remuneration components; the variable remuneration component is linked to measurable performance criteria determined in advance, which are predominantly long-term in character;
 - (vi) if shares are being awarded, the terms and conditions governing this; shares should be held for at least five years after they are awarded; and
 - (vii) if share options are being awarded, the terms and conditions governing this and the terms and conditions subject to which the share options can be exercised; in any case, share options cannot be exercised during the first three years after they are awarded.
- (b) to make a proposal concerning the remuneration of the individual members of the Executive Board; the proposal is drawn up in accordance with the remuneration policy that has been established and will, in any event, cover the remuneration structure, the amount of the fixed and variable remuneration components, the performance criteria used, the scenario analyses that are carried out and the pay ratios within the Company and its affiliated enterprise;⁴
- (c) to prepare a response (as part of the Remuneration Report) of the Company to the advisory vote of the General Meeting concerning the Remuneration Report in the previous financial year;⁵
- (d) to prepare the Remuneration Report referred to in clause 12.3 of the By-Laws of the Supervisory Board;⁶ and
- (e) to make proposals to the Supervisory Board for the remuneration of the individual members of the Supervisory Board, which remuneration will be submitted to the General Meeting of Shareholders for adoption.

2.2 When drafting the proposal for the remuneration of Executive Board members, the Remuneration Committee takes note of individual Executive Board members' views with regard to the amount and structure of their own remuneration. The Remuneration Committee should ask the Executive Board members to pay attention to the aspects referred to in clause 2.1(a).⁷

³ Dutch Corporate Governance Code, best practice provision 3.1.2.

⁴ Dutch Corporate Governance Code, best practice provision 3.2.1.

⁵ Section 2:135b paragraph 2 Dutch Civil Code.

⁶ Dutch Corporate Governance Code, best practice provision 3.4.1.

⁷ Dutch Corporate Governance Code, best practice provision 3.2.2.

- 2.3 The Remuneration Committee may only exercise such powers as are explicitly attributed to it by the Supervisory Board and it may never exercise powers beyond those exercisable by the Supervisory Board as a whole.
- 2.4 The Remuneration Committee may in exercising its duties seek the assistance or advice of one or more experts at a price agreed upon with the Supervisory Board.

3. **MEETINGS**

- 3.1 The Remuneration Committee shall meet as often as required for a proper functioning of the Remuneration Committee. The Remuneration Committee shall meet at least twice a year. The meetings are, as much as possible, scheduled annually in advance. The Remuneration Committee shall meet earlier if this is deemed necessary by the chair or any other member of the Remuneration Committee.
- 3.2 Meetings of the Remuneration Committee are in principle called by the Company Secretary on behalf of the chairman of the Remuneration Committee. Save in urgent cases, to be determined by the chair of the Remuneration Committee, the agenda and enclosures for the meeting shall be sent well in advance of the meeting to all members of the Remuneration Committee. For each item on the agenda an explanation will be provided, where possible, and/or other related documents will be attached.
- 3.3 The Remuneration Committee shall decide if and when the CEO should attend its meetings. The CEO shall not attend meetings of the Remuneration Committee where his own remuneration is discussed. Each member of the Supervisory Board may attend meetings of the Remuneration Committee.
- 3.4 Each member of the Remuneration Committee has the right to cast one vote. All resolutions must be adopted by an absolute majority of the votes cast. If there is a tie in voting, the chair of the Remuneration Committee shall have a casting vote.
- 3.5 The Company Secretary or any other person designated for such purpose by the chair of the meeting shall draw up minutes of the meeting of the Remuneration Committee.
- 3.6 The Remuneration Committee shall exercise utmost discretion when making written records of its deliberations and recommendations.

4. **REPORTING TO THE SUPERVISORY BOARD**

- 4.1 The Remuneration Committee must inform the Supervisory Board in a clear and timely manner about the way it has used its powers and of major developments in the area of its responsibilities.
- 4.2 The Supervisory Board shall receive from the Remuneration Committee a report of its deliberations and findings.⁸ The reports of the meetings of the Remuneration Committee shall be circulated as soon as possible after the meeting among all Supervisory Board members. These reports provide the content on the main items discussed at the meetings of the Remuneration Committee.⁹

⁸ Dutch Corporate Governance Code, best practice provision 2.3.5.

⁹ Dutch Corporate Governance Code, Explanatory notes best practice provision 2.3.5.

4.3 If requested, the chair of the Remuneration Committee shall at meetings of the Supervisory Board provide the Supervisory Board with further information on the outcome of the discussions of the Remuneration Committee.

4.4 Every Supervisory Board member shall have unrestricted access to all records of the Remuneration Committee.

5. **MISCELLANEOUS**

5.1 The chair of the Remuneration Committee (or one of the other Remuneration Committee members) shall be available to answer questions regarding the Remuneration Committee's activities at the annual General Meeting of Shareholders.

5.2 The Supervisory Board may occasionally decide at its sole discretion not to comply with these terms of reference, subject to applicable law and regulations.

5.3 The Remuneration Committee shall review and re-assess the adequacy of these terms of reference annually, report its assessment to the Supervisory Board and recommend, where appropriate, any proposed changes to the Supervisory Board.

5.4 The Supervisory Board can at all times amend these terms of reference and/or revoke any powers granted by it to the Remuneration Committee.

5.5 Clauses 24.4 to 24.7 inclusive of the By-Laws of the Supervisory Board shall apply by analogy to the Remuneration Committee, while the power of the Supervisory Board or the Chair referred to in these clauses shall for the application of these terms of reference be considered a power of the Remuneration Committee or the chair of the Remuneration Committee.

* * * * *