

This Offer expires at 17:40 hours CET on 30 May 2016, unless extended

OFFER MEMORANDUM

dated 31 March 2016

RECOMMENDED CASH OFFER

BY

RECRUIT HOLDINGS CO., LTD.

(a company incorporated under the laws of Japan)



FOR ALL THE ISSUED AND OUTSTANDING ORDINARY SHARES
IN THE SHARE CAPITAL OF

USG PEOPLE N.V.

(a public company incorporated under the laws of the Netherlands (*naamloze vennootschap*))



This offer memorandum (the “**Offer Memorandum**”) contains the details of, and the terms and conditions and restrictions to, the recommended public offer within the meaning of Section 5:76 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht*, the “**DFSA**”) made by Recruit Holdings Co., Ltd. (“**Recruit**”), to all holders of issued and outstanding ordinary shares with a nominal value of EUR 0.50 each (the “**Shares**” and each a “**Share**” and the holders of such Shares, the “**Shareholders**”), in the share capital of USG People N.V. (“**USG People**”) to purchase for cash their Shares on the terms and subject to the conditions and restrictions set out in this Offer Memorandum (the “**Offer**”). As at the date of this Offer Memorandum, the issued and outstanding share capital of USG People amounts to EUR 40,559,380.50 comprising 81,118,761 Shares, any and all of which are subject to the Offer.

This Offer Memorandum contains the information required by article 5:76 of the DFSA in conjunction with article 8, paragraph 1 of the Dutch Public Offers Decree (*Besluit openbare biedingen Wft*, as amended from time to time, the “**Decree**”) in connection with the Offer. This Offer Memorandum has been reviewed and approved by the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, the “**AFM**”) as an offer memorandum under article 5:76 of the DFSA.

The information required by article 18, paragraph 2 of the Decree in connection with the Offer is included in the position statement of USG People (the “**Position Statement**”), which is made available and can be sent to Shareholders in the same physical binder as this Offer Memorandum, but does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication. The Position Statement is, however, subject to review by the AFM after publication thereof.

Capitalised terms used in this Offer Memorandum have the meaning set out in Section 3 (*Definitions*) or elsewhere in this Offer Memorandum. Capitalised terms used in the Dutch summary included in Section 12 (*Dutch language summary (Nederlandstalige samenvatting)*) have the meaning set out in Section 12.3 (*Definities*).

Shareholders tendering their Shares under the Offer will be paid on the terms and subject to the conditions and restrictions contained in this Offer Memorandum, in consideration for each Share validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and transferred (*geleverd*) to Recruit, an amount in cash of EUR 17.50 per Share (cum dividend) (the “**Offer Price**”).

The Offer Price includes any (interim) cash or share dividend or other distribution on the Shares that is or may be declared by USG People on or prior to the Settlement Date and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date. Consequently, if on or prior to the Settlement Date any cash or share dividend or other distribution is declared in respect of the Shares and the record date for such cash or share dividend or other distribution occurs on or prior to the Settlement Date, the Offer Price will be decreased by an amount per Share equal to any such cash or share dividend or other distribution per Share.

The supervisory board and the management board of USG People (the “**Supervisory Board**” and the “**Management Board**” respectively, or together the “**Boards**”) fully support and unanimously recommend the Offer to the Shareholders for acceptance and therefore recommend voting in favour of all resolutions relating to the Offer that will be proposed at the AGM referred to in Section 6 (*Annual General Meeting of USG People Shareholders*). Reference is made to Section 5.8 (*Decision-making and recommendation by the Boards*) and the Position Statement.

Mr. A.D. Mulder (the “**Committed Shareholder**”), currently holding (directly and indirectly) approximately 19.87% (nineteen point eighty-seven per cent) of the Shares, has agreed to an irrevocable undertaking to support and accept the Offer and to tender all Shares held by him under the Offer and to vote in favour of all resolutions relating to the Offer that will be proposed at the AGM referred to in Section 6 (*Annual General Meeting of USG People Shareholders*). Reference is made to Section 5.9 (*Irrevocable*).

The Acceptance Period under the Offer will commence at 09:00 hours CET on 1 April 2016 and will expire at 17:40 hours CET on 30 May 2016 (such time, as may be extended in accordance with article 15 of the Decree and certain applicable provisions of the United States Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), being referred to as the “**Acceptance Closing Time**” and the day on which the Acceptance Closing Time occurs being referred to as the “**Acceptance Closing Date**”). Acceptance under the Offer must be made in the manner specified in this Offer Memorandum.

The Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal in accordance with the Decree.

At 14:00 hours CET on 12 May 2016, such date being at least six (6) Dutch Business Days prior to the Acceptance Closing Date, the annual general meeting of Shareholders will be held at the offices of USG People at P.J. Oudweg 61 in Almere, the Netherlands, at which meeting, among other matters, the Offer will be discussed in accordance with article 18, paragraph 1 of the Decree and certain resolutions will be voted on by the Shareholders. Reference is made to Section 6 (*Annual General Meeting of USG People Shareholders*) and the Position Statement.

Recruit reserves the right to extend the Offer past the Acceptance Closing Time. If the Offer is extended past the Acceptance Closing Time, Recruit will make an announcement to that effect in accordance with the Decree and certain applicable provisions of the Exchange Act. Article 15, paragraph 2 of the Decree requires that such an announcement be made within three (3) Dutch Business Days of the initial Acceptance Closing Time.

Recruit will announce whether the Offer is declared unconditional (*gestand wordt gedaan*) within three (3) Dutch Business Days of the Acceptance Closing Date, in accordance with article 16 of the Decree (the “**Unconditional Date**”). Reference is made to Section 4.4 (*Declaring the Offer unconditional (gestanddoening)*). Recruit and USG People reserve the right to waive certain Offer Conditions, in whole or in part, if relevant and to the extent permitted by the Applicable Rules. Reference is made to Section 5.7 (*Offer conditions, waiver and satisfaction*).

Announcements contemplated by the foregoing paragraphs will be made by press release, a copy of which will be made available on USG People’s website. Reference is made to Section 4.11 (*Announcements*).

In the event that Recruit announces that the Offer is declared unconditional (*gestand wordt gedaan*), the Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and transferred (*geleverd*) their Shares for acceptance to Recruit pursuant to the Offer prior to or on the Acceptance Closing Time (each of these Shares, a “**Tendered Share**”) will receive the Offer Price in respect of each Tendered Share, and Recruit shall acquire each Tendered Share within five (5) Dutch Business Days of the Unconditional Date (“**Settlement**” and the day on which the Settlement occurs, the “**Settlement Date**”).

Distribution of this Offer Memorandum may, in certain jurisdictions, be subject to specific regulations or restrictions. Persons in possession of this Offer Memorandum are urged to inform themselves of any such restrictions which may apply to them and to observe them. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Recruit and USG People disclaim all responsibility for any violation of such restrictions by any person. Reference is made to Section 1 (*Restrictions*).

Table of Contents

Contents	Page
Part A – Offer Memorandum	7
1 Restrictions	7
1.1 The Netherlands	7
1.2 United States of America	7
1.3 Canada	8
2 Important information	9
2.1 Information	9
2.2 Responsibility	9
2.3 Presentation of financial information and other information	10
2.4 Governing law and jurisdiction	10
2.5 Language	10
2.6 Contact details	10
2.7 Availability of information	11
2.8 Forward-looking statements	11
2.9 Financial advisers	12
3 Definitions	13
4 Invitation to the Shareholders	19
4.1 Consideration	19
4.2 Acceptance by Shareholders	19
4.3 Acceptance Period (<i>aanmeldingstermijn</i>)	22
4.4 Declaring the Offer unconditional (<i>gestanddoening</i>)	22
4.5 Extension	23
4.6 Post Closing Acceptance Period (<i>na-aanmeldingstermijn</i>)	23
4.7 Settlement	24
4.8 Commission	24
4.9 Distributions following the Settlement Date	24
4.10 Withholding	24

4.11	Announcements	24
4.12	Restrictions	24
4.13	Indicative timetable	25
5	Explanation and background of the Offer	26
5.1	Background	26
5.2	Public Announcements	26
5.3	The Offer	26
5.4	Substantiation of the Offer	27
5.5	Rationale for the Offer	28
5.6	Financing of the Offer	29
5.7	Offer Conditions, waiver and satisfaction	29
5.8	Decision-making and recommendation by the Boards	31
5.9	Irrevocable	32
5.10	Shareholdings of the members of the Boards	32
5.11	Respective cross-shareholdings Recruit – USG People	33
5.12	Implications of the Offer being declared unconditional	33
5.13	Intentions following the Offer being declared unconditional	34
5.14	Liquidity	34
5.15	Delisting	34
5.16	Legal structure and corporate structure following the Offer	35
5.17	Proposed amendments of the Articles of Association	36
5.18	Composition of New Board	37
5.19	Compensation for the members of the Boards	37
5.20	Corporate governance post Settlement	37
5.21	Employee consultation	38
5.22	Non-Financial Covenants	38
5.23	Certain Arrangements between Recruit and USG People	40
6	Annual General Meeting of USG People Shareholders	43
7	Information on USG People	44

7.1	Introduction	44
7.2	History of USG People	44
7.3	Business overview	45
7.4	Strategy	45
7.5	Recent developments	46
7.6	Governance Structure	46
7.7	Major Shareholders	49
7.8	Foundation	49
7.9	Capital and Shares	49
7.10	Incentive Plans	50
8	Information on Recruit	52
8.1	Introduction	52
8.2	Management structure of Recruit	52
8.3	Business description	52
8.4	Business domains	52
8.5	Main shareholders	53
9	Further declarations pursuant to the Decree	54
9.1	Declarations	54
10	Tax aspects of the Offer	55
10.1	Netherlands	55
10.2	United States	57
11	Press releases	60
11.1	Initial joint press release by Recruit and USG People dated 22 December 2015	60
11.2	Update joint press release by Recruit and USG People dated 19 January 2016	67
11.3	Certainty of funds and submission of draft Offer Memorandum press release by Recruit dated 1 March 2016	69
12	Dutch language summary (<i>Nederlandstalige samenvatting</i>)	71
12.1	Restricties	71
12.2	Belangrijke informatie	71
12.3	Definities	73

12.4	Het Bod en uitnodiging aan Aandeelhouders	76
12.5	Vergoeding	76
12.6	Rationale van het Bod	76
12.7	Onherroepelijke Toezegging (<i>Irrevocable</i>)	77
12.8	Financiering van het Bod	77
12.9	Voorwaarden, afstand en vervulling	77
12.10	Aanmelding	79
12.11	Aanvaarding van het Bod en aanmeldingsprocedure	81
12.12	Besluitvorming en Aanbeveling van de Raad van Bestuur en de Raad van Commissarissen	83
12.13	Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering	83
12.14	Juridische en corporate structuur na Overdracht	84
12.15	Aankondigingen	85
12.16	Indicatief tijdschema	86
12.17	USG People en Recruit	86
13	Selected Financial Information of USG People	87
13.1	General	87
13.2	Basis of Preparation	87
13.3	Selected comparative financial information for the Financial Years 2015, 2014 and 2013	88
13.4	Independent auditor's report in respect of comparative consolidated statement of income, comparative consolidated statement of comprehensive income, comparative consolidated balance sheet and comparative consolidated statement of cash flows for the Financial Year 2015, the Financial Year 2014 and the Financial Year 2013	92
13.5	Financial statements for the Financial Year 2015, including explanatory notes	93
13.6	Independent auditor's report relating to the financial statements for the Financial Year 2015	160
14	Advisers	161
14.1	Advisers to Recruit	161
14.2	Advisers to USG People	161
	Part B – Articles of Association	162

Part A – Offer Memorandum

1 Restrictions

1.1 The Netherlands

The Offer is being made in and from the Netherlands with due observance of the statements, conditions and restrictions included in this Offer Memorandum. Recruit reserves the right to accept any tender under the Offer, which is made by or on behalf of a Shareholder, even if such a tender has not been made in the manner set out in this Offer Memorandum.

The distribution of this Offer Memorandum and/or the making of the Offer in jurisdictions other than the Netherlands or the United States may be restricted and/or prohibited by law. The Offer is not being made, and the Shares will not be accepted for purchase from or on behalf of any Shareholder, in any jurisdiction in which the making of the Offer or acceptance thereof would not be in compliance with the securities laws or other laws or regulations of such jurisdiction or would require any registration, approval or filing with any regulatory authority not expressly contemplated by the terms of this Offer Memorandum. However, acceptances of the Offer by Shareholders not residing in the Netherlands or the United States will be accepted by Recruit if such acceptances comply with (i) the acceptance procedure set out in this Offer Memorandum and (ii) the Applicable Rules in the jurisdiction from which such acceptances have been made. Persons obtaining this Offer Memorandum are required to take due note and observe all such restrictions and obtain any necessary authorisations, approvals or consents (to the extent applicable). Outside of the Netherlands and the United States, no actions have been taken (nor will actions be taken) to make the Offer possible in any jurisdiction where such actions would be required. In addition, this Offer Memorandum has not been filed with, or recognised by, the authorities of any jurisdiction other than the Netherlands. Recruit nor USG People, nor any of their advisers accepts any liability for any violation by any person of any such restriction. Any person (including, without limitation, custodians, nominees and trustees) who forwards or intends to forward this Offer Memorandum or any related document to any jurisdiction outside the Netherlands or the United States should carefully read Sections 1 (*Restrictions*) and 2 (*Important information*) before taking any action. The release, publication or distribution of this Offer Memorandum and any documentation regarding the Offer or the making of the Offer in jurisdictions other than the Netherlands or the United States may be restricted by law and therefore persons into whose possession this Offer Memorandum comes should inform themselves about and observe such restrictions. Any failure to comply with any such restriction may constitute a violation of the law of any such jurisdiction.

1.2 United States of America

The Offer is being made in the United States in reliance on, and compliance with, Section 14(e) of the Exchange Act and Regulation 14E thereunder. The Offer is being made in the United States by Recruit and no one else, including its financial advisers.

The Offer is being made for the securities of a Dutch company and is subject to Dutch disclosure requirements, which are different from certain United States disclosure requirements. In addition, Shareholders whose place of residence, seat or place of habitual abode is the United States (“**U.S. Shareholders**”) should be aware that this Offer Memorandum has been prepared in accordance with Dutch format and style, which differs from the United States’ format and style. For example, the financial information of USG People included or referred to herein has been prepared in accordance with IFRS and Part 9 of Book 2 of the Dutch Civil Code for use in the European Union and, accordingly, may not be comparable to financial information of companies in the United States or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States. Furthermore, the payment and settlement procedure with respect to the Offer will comply with the relevant Dutch rules, which differ from United States payment and settlement procedures, particularly with regard to the date of payment of consideration.

This Offer Memorandum has not been submitted to or reviewed by the U.S. Securities and Exchange Commission (the “**SEC**”) or any state securities commission. Neither the SEC nor any such state securities commission has approved or disapproved of the Offer or passed upon the adequacy or completeness of this Offer Memorandum or any other documentation relating to the Offer. Any representation to the contrary is a criminal offence in the United States.

In accordance with standard Dutch practice and pursuant to Rule 14e-5(b) of the Securities Exchange Act, Recruit or its affiliates, nominees, or its brokers (acting as agents), or affiliates of Recruit’s financial advisers, may from time to time make certain purchases of, or arrangements to purchase, directly or indirectly, Shares outside of the United States, other than pursuant to the Offer, before or during the period in which the Offer remains open for acceptance, so long as those acquisitions or arrangements comply with applicable Dutch law and practice and the provisions of the exemption provided under Rule 14e-5 of the Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. To the extent required in the Netherlands any information about such purchases will be announced by means of a press release in accordance with article 13 of the Decree, an English language version of which will be disseminated in the United States, and will be posted on the website of USG People (<http://www.usgpeople.com>) to inform the Shareholders.

The receipt of cash pursuant to the Offer by a U.S. Shareholder will be a taxable transaction for U.S. federal income tax purposes and may be a taxable transaction under applicable state and local, as well as foreign and other tax laws. Each Shareholder is urged to consult his independent professional adviser immediately regarding the tax consequences of acceptance of the Offer.

It may be difficult for U.S. Shareholders to enforce their rights and claims arising out of the U.S. federal securities laws, since Recruit and USG People are located in a country other than the United States and incorporated under the laws of Japan and the Netherlands, respectively, some or all of their officers and directors are residents of a country other than the United States, and their respective assets are located primarily outside of the United States. U.S. Shareholders may not be able to sue a company seated outside of the United States or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, although U.S. Shareholders are not waiving their rights under the U.S. federal securities laws by accepting the Offer, it may be difficult to compel a company seated outside the United States and its affiliates to subject themselves to a U.S. court’s judgment.

1.3 Canada

The Offer and any solicitation in respect thereof is not being made, directly or indirectly, in or into Canada, or by use of the mailing systems, or by any means or instrumentality of interstate or foreign commerce, or any facilities of a national securities exchange of Canada. This includes, but is not limited to, post, facsimile transmission, telex or any other electronic form of transmission and telephone. Accordingly, copies of this Offer Memorandum and any related press announcements, acceptance forms and other documents are not being sent and must not be mailed or otherwise distributed or sent in, into or from Canada or, in their capacities as such, to custodians, nominees or trustees holding Shares for persons residing in Canada. Persons receiving this Offer Memorandum and/or such other documents must not distribute or send them in, into or from Canada, or use such mails or any such means, instrumentality or facilities for any purpose in connection with the Offer; doing so will invalidate any purported acceptance of the Offer. Recruit will not accept any tender by any such use, means, instrumentality or facility from within Canada.

Tender and transfer of Shares constitutes a representation and warranty that the person tendering the Shares (i) has not received or sent copies of this Offer Memorandum or any related documents in, into or from Canada and (ii) has not otherwise utilised in connection with the Offer, directly or indirectly, the mails or any means or instrumentality, including, without limitation, facsimile transmission, telex and telephone of interstate or foreign commerce, or any facility of a national securities exchange of, Canada. Recruit reserves the right to refuse to accept any purported acceptance that does not comply with the foregoing restrictions, any such purported acceptance will be null, void and without effect.

2 Important information

2.1 Information

This Offer Memorandum contains, incorporates and refers to important information that should be read carefully before any Shareholder makes a decision to tender Shares under the Offer. Shareholders are advised to seek independent advice where appropriate to reach a balanced judgement in respect of the contents of this Offer Memorandum (and any materials or information referred to or incorporated by reference herein) and the Offer itself. In addition, Shareholders may wish to consult with their tax advisers regarding the tax consequences of tendering their Shares under the Offer.

2.2 Responsibility

The information included in Sections 1 (*Restrictions*) through 5 (*Explanation and background of the Offer*) (excluding Sections 5.1 (*Background*), 5.7.1 (*Offer Conditions*), 5.8 (*Decision-making and recommendation by the Boards*), 5.10 (*Shareholdings of the members of the Boards*), 5.11 (*Respective cross-shareholdings Recruit – USG People*), 5.16 (*Legal structure and corporate structure following the Offer*), 5.18 (*Composition of New Board*), 5.19 (*Compensation for the members of the Boards*), 5.21 (*Employee consultation*), 5.22 (*Non-Financial Covenants*), 5.23.1 (*Exclusivity*), 5.23.2 (*Termination of the Merger Protocol*) and 5.23.3 (*Termination fees*)), 8 (*Information on Recruit*), 9.1.5, 9.1.7, 10 (*Tax aspects of the Offer*) and 12 (*Dutch language summary (Nederlandstalige samenvatting)*) has been provided solely by Recruit.

The information included in Sections 5.8 (*Decision-making and recommendation by the Boards*), 5.19 (*Compensation for the members of the Boards*), 6 (*Annual General Meeting of USG People Shareholders*), 7 (*Information on USG People*), 9.1.6 and 13 (*Selected Financial Information of USG People*) has been provided solely by USG People.

The information included on pages 1 and 2, in Sections 5.1 (*Background*), 5.7.1 (*Offer Conditions*), 5.10 (*Shareholdings of the members of the Boards*), 5.11 (*Respective cross-shareholdings Recruit – USG People*), 5.16 (*Legal structure and corporate structure following the Offer*), 5.18 (*Composition of New Board*), 5.21 (*Employee consultation*), 5.22 (*Non-Financial Covenants*), 5.23.1 (*Exclusivity*), 5.23.2 (*Termination of the Merger Protocol*), 5.23.3 (*Termination fees*), 11 (*Press releases*), 9 (*Further declarations pursuant to the Decree*) (excluding Sections 9.1.5, 9.1.6 and 9.1.7) and 14 (*Advisers*) and in Part B (*Articles of Association*) has been provided by Recruit and USG People jointly.

Recruit and USG People are exclusively responsible for the accuracy and completeness of the information provided in this Offer Memorandum, each with respect to the information it has provided, and jointly with respect to the information they have provided jointly.

Both Recruit and USG People confirm, each with respect to the information it has provided and jointly with respect to the information they have provided jointly, that to the best of their knowledge and belief, having taken all reasonable care to ensure that such is the case, the information contained in this Offer Memorandum is in accordance with the facts and contains no omission likely to affect its import.

The information included in Section 13 (*Selected Financial Information of USG People*) has been sourced by USG People from the audited financial statements for the Financial Year 2015, the Financial Year 2014 and the Financial Year 2013 as published in the annual reports of USG People of 2015, 2014 and 2013, respectively. The auditor's report included in Section 13 (*Selected Financial Information of USG People*) has been sourced by USG People from PricewaterhouseCoopers Accountants N.V. ("**PwC**"), independent auditor to USG People. USG People confirms that this information has been accurately reproduced and that no facts have been omitted which would render the reproduced information inaccurate or misleading. Recruit and USG People shall not be responsible for any auditors' statements included in this Offer Memorandum.

2.3 Presentation of financial information and other information

The selected consolidated financial information of USG People is that of USG People and its consolidated subsidiaries. The selected consolidated financial information should be read in conjunction with the consolidated financial statements of USG People for the Financial Year 2015, the Financial Year 2014 and the Financial Year 2013, including the notes thereto. The year-end consolidated financial information for the Financial Year 2015 is derived from USG People's financial statements for the Financial Year 2015, which have been audited by PwC and the adoption of which will be included on the agenda for the AGM. The financial statements and accounts from which the selected financial information has been derived were prepared in accordance with IFRS and Part 9 of Book 2 of the Dutch Civil Code.

Certain numerical figures set out in this Offer Memorandum, including financial and statistical data presented in millions or thousands, have been subject to rounding adjustments and should therefore not be regarded as exact. In addition, the rounding also means that the totals of the data in this Offer Memorandum may vary slightly from the actual arithmetic totals of such information.

The information included in this Offer Memorandum reflects the situation as at the date of this Offer Memorandum unless specified otherwise. Neither the issue nor the distribution of this Offer Memorandum shall under any circumstances imply that the information contained herein is accurate and complete as of any time subsequent to the date of this Offer Memorandum or that there has been no change in the information set out in this Offer Memorandum or in the affairs of Recruit, USG People and/or their respective subsidiaries and/or affiliates since the date of this Offer Memorandum. The foregoing does not affect the obligation of both Recruit and USG People, each insofar as it concerns them, to make a public announcement pursuant to article 5:25i of the DFSA or article 4, paragraph 1 and paragraph 3 of the Decree, if applicable.

No person, other than Recruit and USG People and without prejudice to the auditors' reports issued by PwC included in this Offer Memorandum and the Fairness Opinions rendered by Bank of America Merrill Lynch to the Management Board and by ING Bank N.V. ("**ING**") to the Supervisory Board, is authorised to provide any information or to make any statements on behalf of Recruit or USG People in connection with the Offer or any information contained in this Offer Memorandum. If any such information or statement is provided or made by parties other than Recruit or USG People, such information or statement should not be relied upon as having been provided by or made by or on behalf of Recruit or USG People.

2.4 Governing law and jurisdiction

This Offer Memorandum and the Offer are, and any tender, purchase or transfer of Shares will be, governed by and construed in accordance with Dutch law. The District Court of Amsterdam (*Rechtbank Amsterdam*) and its appellate courts shall have exclusive jurisdiction to settle any disputes which might arise out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares. Accordingly, any legal action or proceedings arising out of or in connection with this Offer Memorandum, the Offer and/or any tender, purchase or transfer of Shares may be brought exclusively in such courts.

2.5 Language

This Offer Memorandum is published in the English language and a Dutch language summary is included as Section 12 (*Dutch language summary (Nederlandstalige samenvatting)*). In the event of any differences, whether or not in interpretation, between the English text of this Offer Memorandum and the Dutch language summary of this Offer Memorandum, the English text of this Offer Memorandum shall prevail.

2.6 Contact details

ING Bank N.V., acting through its Wholesale Banking Brokerage Services division, has been appointed as paying and exchange agent in the context of the Offer (the "**Exchange Agent**").

Computershare Netherlands B.V., trading under the name Georgeson, has been appointed as information agent in the context of the Offer (the “**Information Agent**”).

Exchange Agent

ING Bank N.V. (Attention: Sjoukje Hollander/Remko Los)
Foppingadreef 7, 1102 BD Amsterdam
The Netherlands

Location code TRC.02.039
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Information Agent

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The Netherlands

European Shareholder Toll-free Helpline: 00800 3817 3817
E-mail: usgpeople@georgeson.com

Recruit

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USG People

USG People N.V.
P.J. Oudweg 61, 1314 CK Almere
The Netherlands
E-mail: rzandbergen@usgpeople.com/lgeirnaerdt@usgpeople.com

2.7 Availability of information

Digital copies of this Offer Memorandum are available on the website of USG People (<http://www.usgpeople.com>). Copies of this Offer Memorandum are also available free of charge at the offices of USG People and the Exchange Agent at the addresses mentioned above. USG People's website does not constitute a part of, and is not incorporated by reference into, this Offer Memorandum.

Copies of the articles of association of USG People (as amended from time to time, the “**Articles of Association**”) and the financial statements of USG People for the Financial Years 2015, 2014 and 2013, respectively, all of which documents are incorporated by reference in this Offer Memorandum, are available on the website of USG People (<http://www.usgpeople.com>) and free of charge at the abovementioned offices of USG People, the Exchange Agent and the Information Agent.

2.8 Forward-looking statements

This Offer Memorandum includes “forward-looking statements”, including statements about the expected timing and completion of the Offer. Forward-looking statements involve known or unknown risks and uncertainties because they relate to events and depend on circumstances that all occur in the future. Generally, words such as may, should, aim, will, expect, intend, estimate, anticipate, believe, plan, seek, continue or similar expressions identify forward-looking statements. Although Recruit and USG People, each with respect to the statements it has provided, believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, no assurance can be given that such statements will be fulfilled or prove to be correct, and no representations are made as to the future accuracy and

completeness of such statements. The forward-looking statements involve unknown risks, uncertainties and other factors, many of which are outside the control of Recruit and USG People, and are difficult to predict. These forward-looking statements are not guarantees of future performance. Any such forward-looking statements must be considered together with the fact that actual events or results may vary materially from such forward-looking statements due to, among other things, political, economic or legal changes in the markets and environments in which Recruit or USG People operates, to competitive developments or risks inherent to the business plans of Recruit or USG People and to uncertainties, risk and volatility in financial markets and other factors affecting Recruit and/or USG People.

Recruit and/or USG People undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by the Applicable Rules or by any appropriate regulatory authority.

2.9 Financial advisers

Nomura International plc (“**Nomura**”) is acting as financial adviser exclusively to Recruit and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than Recruit for providing the protections afforded to the clients of Nomura for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

Nomura, acting solely in its capacity as financial adviser in connection with the Offer, has provided advice and assistance to Recruit on the financial aspects of the Offer and in preparation thereof.

Nomura has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

Bank of America Merrill Lynch International Limited, Amsterdam Branch (“**Bank of America Merrill Lynch**”) is acting as financial adviser exclusively to USG People in connection with the Offer and to no one else in connection with the Offer and will not regard any other person (whether or not a recipient of this Offer Memorandum) as a client in relation to the Offer or any other matter referred to in this Offer Memorandum and will not be responsible to anyone other than USG People for providing the protections afforded to the clients of Bank of America Merrill Lynch for providing advice in relation to the Offer or any other matter referred to in this Offer Memorandum.

Bank of America Merrill Lynch has given and has not withdrawn its written consent to the references to its name in the form and context in which it appears in this Offer Memorandum.

3 Definitions

Any reference in this Offer Memorandum to defined terms in plural form will constitute a reference to such defined terms in singular or plural form, and vice versa. All grammatical and other changes required by the use of a definition in singular form will be deemed to have been made herein and the provisions hereof will be applied as if such changes have been made.

Defined terms used in this Offer Memorandum will have the following meaning:

“Acceptance Closing Date” means the day on which the Acceptance Closing Time, as may be extended in accordance with article 15 of the Decree and certain applicable provisions of the Exchange Act, occurs;

“Acceptance Closing Time” means the time and date on which the Acceptance Period expires, being at 17:40 hours CET on 30 May 2016, or such later time and date if the Acceptance Period is extended in accordance with article 15 of the Decree and certain applicable provisions of the Exchange Act;

“Acceptance Level” has the meaning given to it in Section 5.7.1 (*Offer Conditions*);

“Acceptance Period” means the period during which Shareholders can tender their Shares to Recruit, which commences at 09:00 hours CET on 1 April 2016 and ends, subject to extension in accordance with article 15 of the Decree and certain applicable provisions of the Exchange Act or after receiving dispensation from the AFM for a further extension in accordance with article 5:81, paragraph 3 of the DFSA, on the Acceptance Closing Time;

“Affiliate” means in relation to Recruit or USG People (as applicable), any person belonging to the same group as Recruit or USG People as defined in article 2:24b DCC from time to time, provided that at no time will USG People be considered an Affiliate of Recruit (or vice versa);

“AFM” means the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*);

“AGM” means the annual general meeting of shareholders of USG People scheduled for 14:00 hours CET on 12 May 2016, at the offices of USG People at P.J. Oudweg 61 in Almere, the Netherlands, in which meeting, among other matters, the Offer will be discussed pursuant to article 2:107a DCC and article 18, paragraph 1 of the Decree and the Resolutions will be voted on;

“Allen & Overy” means Allen & Overy LLP, Amsterdam office, Dutch counsel to USG People;

“Alternative Proposal” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“Applicable Rules” means all applicable laws and regulations, including without limitation, the applicable provisions of and any rules and regulations promulgated pursuant to the DFSA, the Decree, the policy guidelines and instructions of the AFM, the Dutch Works Council Act (*Wet op de ondernemingsraden*), the *SER Fusiegedragsregels 2015* (the Dutch code in respect of informing and consulting of trade unions), the rules and regulations of Euronext Amsterdam and, in as far as applicable, the DCC, the relevant securities and employee consultation rules and regulations in other applicable jurisdictions;

“Articles of Association” means the articles of association of USG People, most recently amended as at 1 February 2011, as amended from time to time after the date of this Offer Memorandum;

“Bank of America Merrill Lynch” has the meaning given to it in Section 2.9 (*Financial advisers*);

“Boards” means the Management Board and the Supervisory Board together;

“Business Day” means a day that is both (i) a Dutch Business Day and (ii) a day (other than a Saturday or a Sunday) on which banks and the Tokyo Stock Exchange are generally open in Japan for normal business;

“Buy-Out” has the meaning given to it in Section 5.16.2 (*Buy-Out*);

“Call Option” has the meaning given to it in Section 7.8 (*Foundation*);

“Central Works Council” means the works council of USG People, which as of the date of this Offer Memorandum serves as the central works council of the USG People Group;

“CET” means Central European Time or Central European Summer Time, as the case may be;

“Combined Group” means the group constituted by Recruit and USG People and their respective Affiliates after the Settlement Date;

“Committed Shareholder” means Mr. A.D. Mulder;

“Competing Offer” means an unsolicited Alternative Proposal if:

- (i) it is launched, or is binding on the offering party concerned in the sense that such offering party has (a) committed itself under customary conditions to USG People to launch the offer within the statutory timeframe and (b) has publicly announced its intention to launch the offer, which announcement includes the proposed price per Share and the relevant conditions precedent in relation to such offer and the commencement thereof;
- (ii) the consideration offered per Share is, or is valued at, an amount exceeding the Offer Price by 7.5% (seven and a half per cent) or more and is in cash or in publicly traded equity securities (for these purposes valued at the date of the commitment under (i) above). To the extent that the potential Competing Offer is an offer for all or substantially all of the assets of the USG People Group, the calculation shall be made on the basis of the net proceeds to be distributed to the shareholders of USG People resulting from such a transaction calculated on a per Share basis;
- (iii) it is determined by the Boards, acting in good faith and having consulted their financial and legal advisers, to be substantially more beneficial to USG People and its stakeholders than the Offer; and
- (iv) USG People has promptly (and in any event within 24 (twenty-four) hours) notified Recruit in writing and provided full details, to the extent available to it, of such offer.

“Conversion” has the meaning given to it in Section 5.13 (*Intentions following the Offer being declared unconditional*);

“Conversion Resolution” has the meaning given to it in Section 6 (*Annual General Meeting of USG People Shareholders*);

“DCC” means the Dutch Civil Code (*Burgerlijk Wetboek*);

“Decree” means the Dutch Public Offers Decree (*Besluit openbare biedingen Wft*), as amended from time to time;

“DFSA” means the Dutch Financial Supervision Act (*Wet op het financieel toezicht*);

“Due Diligence” has the meaning given to it in Section 5.1 (*Background*);

“Dutch Business Day” means a day (other than a Saturday or a Sunday) on which banks and Euronext Amsterdam are generally open in the Netherlands for normal business;

“Dutch Corporate Governance Code” means the Dutch corporate governance code as established under article 2:391 paragraph 5 of the DCC, effective as of 1 January 2009 (as amended from time to time);

“Dutch Enterprise Chamber” has the meaning given to it in Section 4.2.7 (*Withdrawal Rights*);

“Dutch Holdco” has the meaning given to it in Section 5.20.1(ii);

“Dutch law” or **“the laws of the Netherlands”** means the laws of the European part of the Netherlands;

“EBITA” has the meaning given to it in Section 5.4.1(iii)(a);

“Employee Share Rights” has the meaning given to it in Section 7.10.1 (*Existing Incentive Plans*);

“EUR”, “Euro” or **“€”** means the euro, being the basic unit of currency among participating European Union countries;

“Euroclear Netherlands” means Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V., the Dutch depository and settlement institute as referred to in the Securities Giro Act (*Wet giraal effectenverkeer*);

“Euronext Amsterdam” means the stock exchange of Euronext in Amsterdam, the regulated market of Euronext Amsterdam N.V.;

“Exchange Act” means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“Exchange Agent” has the meaning given to it in Section 2.6 (*Contact details*);

“Exclusivity Period” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“Fairness Opinion” means the fairness opinions dated 21 December 2015 rendered (i) by Bank of America Merrill Lynch to the Management Board and (ii) by ING to the Supervisory Board, each such fairness opinion as attached to the Position Statement;

“Financial Year 2013” means the financial year of USG People ending on 31 December 2013;

“Financial Year 2014” means the financial year of USG People ending on 31 December 2014;

“Financial Year 2015” means the financial year of USG People ending on 31 December 2015;

“Financial Year 2016” means the financial year of USG People ending on 31 December 2016;

“First Announcement” means the joint announcement made by Recruit and USG People on 22 December 2015, as referred to in Section 5.2 (*Public Announcements*) and included in Section 11 (*Press releases*);

“Foundation” has the meaning given to it in Section 7.8 (*Foundation*);

“Foundation Option Agreement” has the meaning given to it in Section 7.8 (*Foundation*);

“General Meeting of Shareholders” means the general meeting of shareholders (*algemene vergadering van aandeelhouders*) of USG People;

“Governmental Order” means order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect;

“IFRS” means the International Financial Reporting Standards issued by the International Accounting Standards Board, as adopted by the European Union;

“Incentive Plans” means the incentive plans as set out in Section 7.10 (*Incentive Plans*);

“Information Agent” has the meaning given to it in Section 2.6 (*Contact details*);

“ING” means ING Bank N.V.;

“Intermediary” means an intermediary (*intermediair*) within the meaning of article 1 of the Securities Giro Act (*Wet giraal effectenverkeer*);

“Irrevocable” means the irrevocable undertaking of the Committed Shareholder to tender all Shares held by him (directly and indirectly), under the Offer, as referred to in Section 5.9 (*Irrevocable*);

“Linklaters” means Linklaters LLP, Amsterdam office, Dutch counsel to Recruit;

“Long Stop Date” has the meaning given to it in Section 5.23.2 (*Termination of the Merger Protocol*);

“Management Board” means the management board (*raad van bestuur*) of USG People;

“Matching Revised Offer” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“Matching Right” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“Material Adverse Effect” means any event, change, circumstance, discovery, announcement, occurrence, effect or state of facts (any such item an **“Effect”**) that, individually or in the aggregate,

- (a) is or would reasonably be expected to be materially adverse to the business, assets, liabilities, financial condition or results of operations of the USG People Group, taken as a whole; or
- (b) would or would reasonably be expected to prevent or materially delay the ability of USG People to consummate the Merger,

but, for purposes of paragraph (a) only, except to the extent any such Effect results from:

- (i) changes in economies in general or the industries in which the USG People Group operates, excluding such change or changes in economies or industries in the Netherlands, Japan or the United Kingdom;
- (ii) the outbreak or escalation of war, armed hostilities or acts of terrorism;
- (iii) changes in law or generally accepted accounting principles or the interpretation or enforcement of either;
- (iv) the execution, performance (including the taking of any action required hereby or the failure to take any action prohibited thereby) or announcement of the Merger Protocol and the Offer, provided, however, that the exceptions in this paragraph (iv) shall not apply to any representation or warranty to the extent the express purpose of such representation or warranty (or any portion thereof) is to address the consequences resulting from the execution of the Merger Protocol or the performance by USG People of its obligations hereunder;
- (v) fluctuations in the price or trading volume of the Shares, except that this paragraph (v) shall not prevent or otherwise affect a determination that any Effect underlying such fluctuation (unless otherwise excluded under the other provisions of this definition) has resulted in, or contributed to, a Material Adverse Effect; or
- (vi) the failure of USG People to meet any published analyst estimates or expectations of revenue, earnings or other financial performance or results of operations for any period or any failure by USG People to meet its internal budgets, plans or forecasts of its revenues, earnings or other financial performance or results of operations, except that this subparagraph (vi) shall not prevent or otherwise affect a determination that any Effect underlying such failure (unless otherwise excluded under the other provisions of this definition) has resulted in, or contributed to, a Material Adverse Effect,

provided, however, that the impact of any adverse Effect described in paragraphs (i), (ii) and (iii) shall be included for purposes of determining whether a Material Adverse Effect has occurred or would reasonably be expected to occur if such Effect has or would reasonably be expected to have a materially disproportionate adverse effect on the USG People Group, taken as a whole, as compared to other participants in the industries in which the USG People Group operates.

“Merger” means the Offer and all transactions contemplated therewith;

“Merger Protocol” means the merger protocol between Recruit and USG People dated 22 December 2015;

“New Board” has the meaning given to it in Section 5.17.2 (*Following Settlement*);

“Nomura” has the meaning given to it in Section 2.9 (*Financial advisers*);

“Non-Financial Covenants” has the meaning given to it in Section 5.22 (*Non-Financial Covenants*);

“Offer” means the offer described in this Offer Memorandum;

“Offer Conditions” means the conditions to the Offer set out in Section 5.7.1 (*Offer Conditions*);

“Offer Memorandum” means this offer memorandum (*biedingsbericht*) describing the terms, conditions and restrictions of the Offer;

“Offer Price” means a cash amount of EUR 17.50 for each Tendered Share (cum dividend);

“Part” means either of Part A, B or C of this Offer Memorandum;

“**PFIC**” has the meaning given to it in Section 10.2.1 (*General*);

“**Position Statement**” means the position statement of USG People including the information required by article 18, paragraph 2 of the Decree in connection with the Offer, which is made available and is included in the same physical binder as this Offer Memorandum, but does not form part of this Offer Memorandum and has not been reviewed or approved by the AFM prior to publication;

“**Post Closing Acceptance Period**” means a period of no more than two (2) weeks after the Acceptance Period during which the Shareholders that have not yet tendered their Shares under the Offer shall be given the opportunity to do so in the same manner and under the same conditions as set out in this Offer Memorandum (*na-aanmeldingstermijn*);

“**Post Closing Measures**” has the meaning given to it in Section 5.16 (*Legal structure and corporate structure following the Offer*);

“**Protective Preference Shares**” has the meaning given to it in Section 7.8 (*Foundation*);

“**PwC**” means PricewaterhouseCoopers Accountants N.V.;

“**Recommendation**” has the meaning given to it in Section 5.8 (*Decision-making and recommendation by the Boards*);

“**Recruit**” means Recruit Holdings Co., Ltd., a company incorporated under the laws of Japan and having its principal place of business at 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan;

“**Recruit Group**” means Recruit and its Affiliates from time to time;

“**Reference Date**” means 21 December 2015, the last trading day before the First Announcement;

“**Registered Holders**” has the meaning given to it in Section 4.2.3 (*Acceptance by holders of Shares individually recorded in USG People’s shareholders register*);

“**Relevant Persons**” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“**Resolutions**” has the meaning given to it in Section 6 (*Annual General Meeting of USG People Shareholders*);

“**SEC**” means the United States Securities and Exchange Commission;

“**Section**” means any section of this Offer Memorandum, unless otherwise indicated;

“**Settlement**” means the payment of the Offer Price by Recruit to the Shareholders for each Tendered Share;

“**Settlement Date**” means the date, being no later than the fifth (5th) Dutch Business Day after the Unconditional Date, on which, in accordance with the terms of the Offer, Recruit will pay the Offer Price to the Shareholders for each Tendered Share;

“**Shareholders**” means holders of one or more Shares;

“**Shares**” means the ordinary shares in the capital of USG People, having a nominal value of EUR 0.50 each;

“**Statutory Buy-Out**” has the meaning given to it in Section 5.16.2 (*Buy-Out*);

“**Statutory Merger**” has the meaning given to it in Section 5.16 (*Legal structure and corporate structure following the Offer*);

“**Strategy**” has the meaning given to in in Section 5.22.1 (*Strategy*);

“**Subsequent Higher Offer**” has the meaning given to it in Section 5.23.1 (*Exclusivity*);

“**Supervisory Board**” means the supervisory board (*raad van commissarissen*) of USG People;

“**Takeover Buy-Out**” has the meaning given to it in Section 5.16.2 (*Buy-Out*);

“**Tendered Share**” means each Share validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and transferred (*geleverd*) (as applicable) for acceptance pursuant to the Offer prior to or on the Acceptance Closing Date;

“**Unconditional Date**” means the date on which Recruit will announce whether the Offer is declared unconditional (*gestand wordt gedaan*);

“**United States or U.S.**” means the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia;

“**USD**”, “**U.S. dollar**” or “**\$**” means the dollar, being the basic unit of currency of the United States;

“**USG People**” means USG People N.V., a public company incorporated under the laws of the Netherlands (*naamloze vennootschap*), having its official seat (*statutaire zetel*) in Almere, the Netherlands, and its office at P.J. Oudweg 61, 1314 CK Almere, the Netherlands. USG People is registered with the Dutch Trade Register of the Chamber of Commerce under number 39066013;

“**USG People Group**” means USG People and its Affiliates from time to time; and

“**WOR**” means the Dutch Works Councils Act (*Wet op de Ondernemingsraden*).

4 Invitation to the Shareholders

Recruit hereby makes a recommended public cash offer to purchase all Shares on the terms and subject to the conditions set forth in this Offer Memorandum. Shareholders are advised to review this Offer Memorandum (including all documents incorporated by reference herein) and in particular Sections 1 (*Restrictions*) and 2 (*Important information*) thoroughly and completely and to seek independent financial, legal or tax advice where appropriate in order to reach a balanced judgment with respect to the Offer itself and the contents of this Offer Memorandum. Shareholders who consider not tendering their Shares are advised to review Section 4.13 (*Indicative timetable*) and Section 5.12 (*Implications of the Offer being declared unconditional*) in particular.

With due reference to all statements, terms, conditions and restrictions included in this Offer Memorandum, the Shareholders are hereby invited to tender their Shares under the Offer in the manner and on the terms and subject to the conditions and the restrictions set out in this Offer Memorandum.

4.1 Consideration

4.1.1 Offer Price

For each Share validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and transferred (*geleverd*) under the Offer, and which has not been validly withdrawn, subject to Recruit declaring the Offer unconditional (*gestand wordt gedaan*), Recruit offers a consideration of EUR 17.50 in cash (the “**Offer Price**”).

4.1.2 Distributions

The Offer Price is *cum dividend*. This means that the Offer Price includes any (interim) cash or share dividend and other distribution on the Shares that is or may be declared or paid in respect of any Share in the period between the date of the Merger Protocol and the Settlement Date. No such dividend or distribution has been declared or paid between the date of the Merger Protocol and the date of this Offer Memorandum.

If USG People were to declare or pay any cash or share dividend or other distribution prior to the Settlement Date and the record date for such cash or share dividend or distribution occurs on or prior to the Settlement Date, then the Offer Price will be decreased by the full amount of any such cash or share dividend or distribution declared or paid by USG People in respect of each Share (before any applicable withholding tax).

Any adjustment of the Offer Price resulting from a dividend or distribution by USG People will be communicated by press release in accordance with Section 4.11 (*Announcements*).

4.2 Acceptance by Shareholders

4.2.1 General

The tender of any Share by a Shareholder constitutes an acceptance of the Shareholder of the Offer. Before taking any action, Shareholders should carefully verify how they hold their Shares: through an Intermediary or directly.

4.2.2 Shares held through Intermediaries

Shareholders who hold their Shares through an Intermediary are requested to make their acceptance known through their custodian, bank or stockbroker no later than 17:40 hours CET on the Acceptance Closing Date, unless the Acceptance Period is extended in accordance with Section 4.5 (*Extension*). The custodian, bank or stockbroker may set an earlier deadline for communication by Shareholders in order to permit the custodian, bank or stockbroker to communicate its acceptances to the Exchange Agent in a timely manner. Accordingly, Shareholders holding Shares through a financial intermediary, should comply with the dates communicated by such financial intermediary as such dates may differ from the dates and times noted in this Offer

Memorandum. Intermediaries may tender the Shares for acceptance only to the Exchange Agent and only in writing. In submitting the acceptance, Intermediaries are required to declare that (i) they have the Tendered Shares in their administration, (ii) each Shareholder who accepts the Offer irrevocably represents and warrants that the Tendered Shares are being tendered in compliance with the restrictions set out in Section 1 (*Restrictions*) and the information contained in Section 2 (*Important information*) and the securities and other Applicable Rules of the jurisdiction(s) to which such Shareholder is subject, and no registration, approval or filing with any regulatory authority of such jurisdiction is required on connection with the Tendered Shares, and (iii) they undertake to transfer these Tendered Shares to Recruit prior to or ultimately on the Settlement Date, provided that Recruit declares the Offer unconditional (*gestand wordt gedaan*).

Subject to the valid withdrawal of any tender of the Shares, the tendering of the Shares in acceptance of the Offer will constitute irrevocable instructions (i) to block any attempt to transfer the Shares tendered, so that on or prior to the Settlement Date no transfer of such Shares may be effected (other than to the Exchange Agent on or prior to the Settlement Date if Recruit declares the Offer unconditional (*gestand wordt gedaan*) and the Shares have been accepted for purchase, or if withdrawal rights are available because of an extension of the Acceptance Period) and (ii) to debit the securities account in which such Shares are held on the Settlement Date in respect of all of the Tendered Shares, against payment by the Exchange Agent of the Offer Price per Share.

4.2.3 Acceptance by holders of Shares individually recorded in USG People's shareholders register

Holders of Shares individually recorded in USG People's shareholders register ("**Registered Holders**"), wishing to accept the Offer in respect of such Shares must deliver a completed and signed acceptance form to the Exchange Agent in accordance with the terms and conditions of the Offer, no later than 17:40 hours CET on the Acceptance Closing Date. The acceptance forms are available upon request from the Exchange Agent. The acceptance form will also serve as a deed of transfer (*akte van levering*) with respect to the Shares referenced therein.

4.2.4 Acceptance by holders of Shares in bearer form

Holders of Shares in bearer form (*aandelen aan toonder*) wishing to accept the Offer in respect of such Shares must deliver the physical bearer share certificates to the Exchange Agent. Such delivery must be made at the address of the Exchange Agent set out in Section 2.6 (*Contact details*) or, in case of delivery by (registered) mail, at the address of the Exchange Agent at Bijlmerplein 888, 1102 MG Amsterdam, location code AMP D.01.028, in accordance with the terms and conditions of the Offer, and such Shares must be received by the Exchange Agent no later than 17:40 hours CET on the Acceptance Closing Date.

4.2.5 Validity of the Tendered Shares; waiver of defects; return of Tendered Shares

Recruit will determine questions as to the validity, form, eligibility, including time of receipt, and acceptance for purchase of any tender of Shares, in its sole reasonable discretion and Recruit's determination will be final and binding. Recruit reserves the right to reject any and all tenders of Shares that it in all reasonableness determines are not in proper form or the acceptance for purchase of which may be unlawful. No tender of Shares will be deemed to have been validly made until all defects and irregularities have been cured or waived. Recruit's interpretation of the terms and conditions of the Offer, including the acceptance forms and instructions thereto, will be final and binding. There shall be no obligation on Recruit and the Exchange Agent or any person acting on its or their behalf to give notice of any defects or irregularities in any acceptance or notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notification. Recruit reserves the right to accept any tender of Shares pursuant to the Offer, even if such tender has not been made in compliance with the procedures set forth in this Section 4.2.

If any Shares tendered in accordance with the instructions set forth in this Offer Memorandum are not accepted for purchase pursuant to the terms and conditions of this Offer, Recruit will cause these Shares to be returned promptly following the announcement of the lapse or withdrawal of the Offer, as the case may be.

4.2.6 Undertakings, representations and warranties by tendering Shareholders

Each Shareholder tendering Shares pursuant to the Offer, by such tender on the date that such Shares are tendered, and up to and including the Settlement Date, subject to valid withdrawal of any tender:

- (i) acknowledges that the tender of any of his or her Shares constitutes an acceptance by the Shareholder of the Offer with respect of the Shares so tendered, on and subject to the terms and conditions of the Offer as set out in this Offer Memorandum;
- (ii) represents and warrants to Recruit that the Shareholder has full power and authority to tender, sell and transfer (*leveren*) his or her Shares, and has not entered into any other agreement to tender, sell or transfer (*leveren*) such Shares stated to have been tendered to any party other than Recruit (together with all rights attaching to such Shares) and, at the time such Shares are transferred (*geleverd*) to Recruit, the Shareholder will have sole legal and beneficial title to such Shares and such Shares are free and clear of all third party rights and restrictions of any kind, unless such third party rights and restrictions arise solely and result directly from such Shares being held in book entry form in Euroclear Netherlands;
- (iii) represents and warrants to Recruit that his or her Shares are tendered in compliance with the restrictions as set out in Section 1 (*Restrictions*) and Section 2 (*Important information*) and the Applicable Rules of the jurisdiction in which such Shareholder is located or of which it is a resident, and no registration, approval or filing with any regulatory authority of such jurisdiction is required in connection with the tendering of such Shares; and
- (iv) acknowledges towards and agrees with Recruit and USG People, as of the date on which his or her Shares are transferred (*geleverd*) to Recruit, to have waived any and all rights or entitlements that the Shareholder may have in its capacity as Shareholder or otherwise in connection with its shareholding vis-à-vis any member of the USG People Group and any and all past and current members of the Boards.

4.2.7 Withdrawal Rights

Shares tendered on or prior to the Acceptance Closing Date may not be withdrawn, subject to the right of withdrawal of any tender:

- (i) during any extension of the Acceptance Period in accordance with the provisions of article 15 paragraph 3 of the Decree;
- (ii) following an announcement of a mandatory public offer in accordance with the provisions of article 5b paragraph 5 of the Decree, provided that such Shares were already tendered prior to such announcement and withdrawn within seven (7) Dutch Business Days of such announcement;
- (iii) following the filing of a successful request with the Enterprise Chamber (*Ondernemingskamer*) of the Court of Appeals of Amsterdam (the “**Dutch Enterprise Chamber**”) to set a reasonable price for a mandatory public offer in accordance with the provisions of article 15 paragraph 8 of the Decree, provided that (i) such request was granted, (ii) such Shares were already tendered prior to the filing of such request, and (iii) withdrawn within seven (7) Dutch Business Days of the date on which the judgment of the Dutch Enterprise Chamber was declared provisionally enforceable or became final and conclusive; or

- (iv) following an increase of the Offer Price as a result of which the Offer Price no longer only consists of a cash component and a document is made generally available pursuant to article 15a paragraph 3 of the Decree, provided that such Shares were already tendered before such document was made generally available and withdrawn within seven (7) Dutch Business Days of such document being made generally available.

To withdraw previously tendered Shares, holders of Shares held through Intermediaries must instruct the Intermediary they initially instructed to tender the Shares to arrange for the withdrawal of such Shares by the timely deliverance of a written or facsimile transmission notice of withdrawal to the Exchange Agent at the address set out in Section 2.6 (*Contact details*), and Registered Holders must timely deliver a written or facsimile transmission notice of withdrawal to the Exchange Agent at the address set out in Section 2.6 (*Contact details*) and in the form as attached to the acceptance form.

Any notice of withdrawal for Shares must specify the name of the person having tendered the Shares to be withdrawn, the number of Shares to be withdrawn and the name of the registered holder of the Shares to be withdrawn, if different from that of the person who tendered such Shares. The signature(s) on the notice of withdrawal of Shares must be guaranteed by an Intermediary, unless such Shares have been tendered for the account of any financial intermediary. All questions as to the form and validity (including time of receipt) of any notice of withdrawal will be determined by Recruit, in Recruit's sole discretion, which determination will be final and binding. No withdrawal of Tendered Shares will be deemed to have been properly made until all defects and irregularities (if any) have been cured or waived. None of Recruit or any of its Affiliates, the Exchange Agent, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal or incur any liability for failure to give such notification.

4.3 Acceptance Period (*aanmeldingstermijn*)

The Acceptance Period will commence at 09:00 hours CET on 1 April 2016 and will expire on 30 May 2016 at 17:40 hours CET unless the Acceptance Period is extended in accordance with Section 4.5 (*Extension*).

If one or more of the Offer Conditions is not satisfied or waived in accordance with Section 5.7.2 (*Waiver*) before the end of the initial Acceptance Period, Recruit may extend the initial Acceptance Period once for a minimum period of 2 (two) weeks and a maximum period of ten (10) weeks so that the Offer Conditions may be satisfied or, to the extent legally permitted, waived in accordance with Section 5.7.2 (*Waiver*). Reference is made to Section 5.7 (*Offer Conditions, waiver and satisfaction*).

If all conditions to the Offer are satisfied or, to the extent legally permitted, waived, Recruit will accept all Shares that have been validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and not previously properly withdrawn, in accordance with the procedures set out in Section 4.2 (*Acceptance by Shareholders*).

4.4 Declaring the Offer unconditional (*gestanddoening*)

The obligation of Recruit to declare the Offer unconditional will be subject to the satisfaction or waiver (either in whole or in part and at any time) of the Offer Conditions as set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*). Recruit and USG People reserve the right to (either in whole or in part and at any time) waive certain Offer Conditions, to the extent permitted by law or by agreement, as set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*). If Recruit and/or USG People (either in whole or in part at any time) waive one or more Offer Conditions, Recruit will inform the Shareholders as required by the Applicable Rules.

No later than on the third (3rd) Dutch Business Day following the Acceptance Closing Date, such date being the Unconditional Date, Recruit will determine whether the Offer Conditions have been satisfied or waived as set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*), to the extent permitted by the Applicable Rules. On that date Recruit will announce whether:

- (i) the Offer is declared unconditional (*gestand wordt gedaan*);

- (ii) the Acceptance Period will be extended in accordance with article 15 of the Decree and/or certain applicable provisions of the Exchange Act; or
- (iii) the Offer is terminated as a result of the Offer Conditions set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*) not having been satisfied or waived,

all in accordance with article 16 of the Decree. In the event that the Offer is not declared unconditional (*gestand wordt gedaan*), Recruit will explain such decision.

In the event that Recruit announces that the Offer is declared unconditional (*gestand wordt gedaan*) Recruit will accept all Tendered Shares and shall continue the Offer during a Post Closing Acceptance Period (*na-aanmeldingstermijn*) as set out in Section 4.6 (*Post Closing Acceptance Period (na-aanmeldingstermijn)*).

4.5 Extension

If one or more of the Offer Conditions set out in Section 5.7 (*Offer Conditions, waiver and satisfaction*) is not satisfied by the Acceptance Closing Date, Recruit may, in accordance with article 15, paragraphs 1 and 2 of the Decree, extend the Acceptance Period for a minimum period of two (2) weeks and a maximum period of ten (10) weeks in order to have such Offer Conditions satisfied or waived. In addition, the Acceptance Period may be extended if the events referred to in article 15, paragraphs 5 or 9 of the Decree, occur. Further extensions are subject to clearance of the AFM, which will only be given in exceptional circumstances. In case of such extension all references in this Offer Memorandum to 17:40 hours CET on the Acceptance Closing Date shall, unless the context requires otherwise, be changed to the latest date and time to which the Acceptance Period has been so extended.

If the Acceptance Period is extended, so that the obligation pursuant to article 16 of the Decree to announce whether the Offer is declared unconditional is postponed, a public announcement to that effect will be made ultimately on the third (3rd) Dutch Business Day following the Acceptance Closing Date in accordance with the provisions of article 15, paragraphs 1 and 2 of the Decree. Reference is made to Section 4.11 (*Announcements*). If Recruit extends the Acceptance Period, the Offer will expire on the latest time and date to which Recruit extends the Acceptance Period.

During an extension of the Acceptance Period, any Shares previously tendered and not withdrawn in accordance with article 15 paragraph 3 of the Decree or otherwise withdrawn in accordance with the Decree will remain subject to the Offer.

4.6 Post Closing Acceptance Period (*na-aanmeldingstermijn*)

In the event that Recruit announces that the Offer is declared unconditional (*gestand wordt gedaan*), Recruit shall, in accordance with article 17 of the Decree, within three (3) Dutch Business Days of declaring the Offer unconditional, publicly announce a Post Closing Acceptance Period (*na-aanmeldingstermijn*) of a maximum of two (2) weeks to enable the Shareholders who did not tender their Shares during the Acceptance Period to tender their Shares under the same terms and conditions as applicable to the Offer. The Post Closing Acceptance Period will start on the Dutch Business Day following the day of announcement thereof.

Recruit will publicly announce the results of the Post Closing Acceptance Period and the total amount and total percentage of Shares held by it in accordance with article 17, paragraph 4 of the Decree ultimately on the third (3rd) Dutch Business Day following the last day of the Post Closing Acceptance Period. Recruit shall continue to accept for payment all Shares validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) during such Post Closing Acceptance Period and shall pay for such Shares within five (5) Dutch Business Days of the last day of the Post Closing Acceptance Period. Recruit cannot guarantee that Shareholders will receive the payment within such period.

During the Post Closing Acceptance Period, Shareholders have no right to withdraw Shares from the Offer, regardless whether their Shares have been validly tendered during the Acceptance Period (or defectively tendered, provided that such defect has been waived by Recruit) or during the Post Closing Acceptance Period.

4.7 Settlement

In the event that Recruit announces that the Offer is declared unconditional (*gestand wordt gedaan*), Shareholders who have tendered and transferred (*geleverd*) their Shares for acceptance to Recruit pursuant to the Offer on or prior to the Acceptance Closing Date will receive the Offer Price in respect of each Tendered Share within five (5) Dutch Business Days of the Unconditional Date, as of which moment dissolution (*ontbinding*) or annulment (*vernietiging*) of a Shareholder's tender or transfer (*levering*) of Shares shall not be permitted. Recruit cannot guarantee that Shareholders will receive the payment within such period. Settlement will only take place if the Offer is declared unconditional (*gestand wordt gedaan*).

4.8 Commission

Intermediaries will receive from the Exchange Agent on behalf of Recruit a commission in the amount of EUR 0.00121 in respect of each Tendered Share up to a maximum of EUR 1,000 per Shareholder account. The commission must be claimed from Recruit through the Exchange Agent within 30 (thirty) days of the Settlement Date.

The Intermediaries are only entitled to the commission if they provide the Exchange Agent with the following statement: "By claiming this commission, we hereby declare that we have not included the execution of this corporate action in a service fee charged to our clients. We therefore declare that claiming this commission is needed to cover our costs under this transaction and as a result of that this corporate action will be executed on a cost free basis on behalf our clients."

No costs will be charged to Shareholders by Recruit or by USG People for the transfer and payment of each Tendered Share if an Intermediary is involved. However, Shareholders may be charged certain fees by their banks or stockbrokers. Costs may also be charged to Shareholders by or on behalf of a foreign institution involved in the transfer and payment of the Tendered Shares. Shareholders should consult their banks and stockbrokers regarding any such fees.

4.9 Distributions following the Settlement Date

Following the Settlement Date, the current dividend policy of USG People may be discontinued. Any (interim) cash or share dividend or other distribution made in respect of Shares not tendered under the Offer after the Settlement Date will pro rata be deducted from the price per Share for the purpose of establishing such price in any Statutory Merger, Buy-Out or other measure contemplated by Section 5.16 (*Legal structure and corporate structure following the Offer*).

4.10 Withholding

Recruit is entitled to deduct and withhold from the Offer Price such amounts that Recruit is required to deduct and withhold with respect to the making of such payment under any provision of applicable tax or social security law. To the extent that amounts are so withheld by Recruit, such amounts shall be treated for all purposes as having been paid to the Shareholders, on behalf of which such deduction and withholding was made by Recruit.

4.11 Announcements

Any announcement contemplated by this Offer Memorandum will be issued by press release. Any joint press release issued by Recruit and USG People will be made available on the website of USG People (<http://www.usgpeople.com>). Subject to any applicable requirements under the Applicable Rules and without limiting the manner in which Recruit may choose to make any public announcement, Recruit will have no obligation to communicate any public announcement other than as described above.

4.12 Restrictions

The Offer is being made with due observance of the statements, conditions and restrictions included in this Offer Memorandum. Recruit reserves the right to accept any tender of Shares

under the Offer that is made by or on behalf of a Shareholder, even if it has not been effected in the manner as set out in Section 4.2 (*Acceptance by Shareholders*).

4.13 Indicative timetable

Expected date and time (all times are CET)	Event
31 March 2016	Press release announcing the availability of this Offer Memorandum and the commencement of the Offer
09:00 hours CET on 1 April 2016	Commencement of the Acceptance Period
14:00 hours CET on 12 May 2016	AGM, at which meeting, among other matters, the Offer will be discussed and the Resolutions will be voted on
17:40 hours CET on 30 May 2016, unless extended	Acceptance Closing Date: Deadline for Shareholders wishing to tender Shares, unless the Offer is extended in accordance with article 15 of the Decree and certain applicable provisions of the Exchange Act
No later than (2) Dutch Business Days after the Acceptance Closing Date	Results of the Offer: The date on which Recruit will publicly announce the percentage of Shares tendered for acceptance pursuant to the Offer on the Acceptance Closing Date
No later than three (3) Dutch Business Days after the Acceptance Closing Date	Unconditional Date: The date on which Recruit will publicly announce whether the Offer is declared unconditional (<i>gestand wordt gedaan</i>) in accordance with article 16 of the Decree
No later than three (3) Dutch Business Days after the Unconditional Date	Post Closing Acceptance Period: If the Offer is declared unconditional, Recruit will announce a Post Closing Acceptance Period for a period of up to two (2) weeks, in accordance with article 17 of the Decree
No later than five (5) Dutch Business Days after the Unconditional Date	Settlement Date: The date on which, in accordance with the terms and conditions of the Offer, Recruit will pay the Offer Price for each Tendered Share
Promptly and in any event within five (5) Dutch Business Days of the end of any Post Closing Acceptance Period	Settlement Date for Shares tendered during the Post Closing Acceptance Period: The date on which Recruit shall pay the Offer Price to the Shareholders who have validly tendered (or defectively tendered, provided that such defect has been waived by Recruit) and transferred their Shares during any Post Closing Acceptance Period

5 Explanation and background of the Offer

5.1 Background

This Section 5.1 contains a description of material contacts between representatives of Recruit and representatives of USG People that resulted in the signing of the Merger Protocol.

In October 2015, Recruit and USG People engaged in discussions in respect of a potential acquisition by Recruit of all Shares. Prior to such approach, senior executives of Recruit and USG People have had first exploratory meetings and had entered into a confidentiality and standstill agreement on the basis of which certain confidential information relating to a potential acquisition was exchanged.

On 19 October 2015, Recruit submitted to the Boards a non-binding indicative proposal for an acquisition of USG People. After subsequent correspondence between Recruit and the Boards, Recruit submitted a revised non-binding indicative proposal on 4 November 2015.

On 5 November 2015, USG People formally responded to the non-binding indicative proposal dated 4 November 2015, and agreed to further discuss a potential transaction and to grant Recruit the opportunity to conduct a limited due diligence investigation.

From 9 November 2015 until 30 November 2015, Recruit conducted its due diligence investigation (the “**Due Diligence**”). As part of this due diligence investigation, delegates from Recruit and USG People engaged in a series of due diligence meetings and management interviews. Following the Due Diligence, Recruit submitted a revised and improved non-binding proposal on 2 December 2015.

In December 2015, representatives of Recruit, USG People, and their respective legal advisers Linklaters and Allen & Overy, convened in Amsterdam to discuss the material terms of the draft merger protocol. These discussions continued the following days.

On 21 December 2015, the Boards approved the transaction. On the same day, Recruit and the Committed Shareholder agreed on the material terms and conditions of the Irrevocable.

On 22 December 2015, in Tokyo, Japan, the board of directors of Recruit also granted its approval. Subsequently on that date, the Merger Protocol and the Irrevocable were signed.

5.2 Public Announcements

On 22 December 2015, preceding the start of trading on Euronext Amsterdam, Recruit and USG People jointly announced that they had reached a conditional agreement on the terms and conditions of the Offer, as set out in this Offer Memorandum, which values USG People at EUR 17.50 per Share (the “**First Announcement**”).

On 19 January 2016, Recruit and USG People jointly announced that timely progress on the preparations for the Offer was being made.

On 1 March 2016 Recruit announced that it has sufficient funds available to fulfil its obligations under the Offer.

All of the foregoing press releases are included in Section 11 (*Press releases*).

5.3 The Offer

Recruit is making an offer to purchase from the Shareholders all the Shares on the terms and subject to the conditions and restrictions contained in this Offer Memorandum.

Subject to the Offer being declared unconditional (*gestanddoening*), the Shareholders tendering their Shares under the Offer will receive the Offer Price in respect of each Tendered Share. Please see Section 5.4.2 (*Bid premia*) for an overview of the bid premia and the implied value of the Offer Price.

If, between the date of the Merger Protocol and the Settlement Date, USG People, by any means whatsoever declares or pays any (interim) cash or share dividend or other distribution on the Shares and the record date for such dividend or distribution will occur on or prior to the Settlement

Date, then the Offer Price will be reduced by the amount of such dividend or distribution per Share (before any applicable withholding tax). On the date of this Offer Memorandum, no such dividend or distribution has been declared or made since the date of the Merger Protocol.

5.4 Substantiation of the Offer

In establishing the Offer Price, Recruit carefully considered the history and prospects of USG People, analyses of historical financial information derived from USG People's financial statements, market reports and press releases as well as possible long-term developments in profitability, cash flows and balance sheet. Recruit also took into account historical market values of the Shares, as set forth below.

5.4.1 Analysis

Furthermore, in establishing the Offer Price, the following analyses were taken into consideration by Recruit:

- (i) an analysis of the closing prices and volume weighted average closing prices of the Shares for the twelve (12) months prior to and including the Reference Date (the last trading date prior to the First Announcement). During this period, the closing price of the Shares ranged from EUR 8.28 to EUR 14.90. The volume weighted average closing prices per Share for the three (3) and twelve (12) month periods prior to and including the Reference Date were EUR 13.40 and EUR 12.40, respectively;
- (ii) an analysis of price targets for the Shares issued prior to the Reference Date by eight (8) research analysts who follow USG People's developments and regularly issue research reports on USG People. The considered analysts comprise ABN AMRO Bank, ING, Theodoor Gilissen, KBC Securities, Kepler Cheuvreux, HSBC Bank, Rabobank and Degroof Petercam. The target prices of the considered analysts ranged from EUR 14.50 to EUR 17.50, with an average of EUR 16.17;
- (iii) a trading multiple analysis based on the expected financial performance of USG People and the closing prices of the Shares compared with those of selected publicly-traded companies and their securities. Companies selected for comparison with USG People comprise Randstad Holding N.V., Adecco S.A. and ManpowerGroup, Inc., whereby:
 - (a) for this group of selected companies, earnings before interest, taxes and amortisation ("**EBITA**") and earnings per share estimates were based on Factset average estimates on the Reference Date. For this group of selected companies the average ratio of enterprise value to estimated EBITA for the Financial Year 2015 and the Financial Year 2016 were approximately 10.3x and 9.3x, respectively on the Reference Date. For this group of selected companies the average ratio of price to estimated earnings per Share for the Financial Year 2015 and the Financial Year 2016 were approximately 16.4x and 14.3x, respectively on the Reference Date; and
 - (b) by comparison, the ratio of the enterprise value of USG People (based on net financial debt as per 30 September 2015 of EUR 195 million), as implied by the Offer Price, to estimated EBITA of EUR 106 million for the Financial Year 2015 and estimated EBITA of EUR 137 million for the Financial Year 2016 were approximately 15.3x and 11.8x, respectively on the Reference Date. The ratio of the Offer Price for the Shares to estimated earnings per Share of EUR 64 million for the Financial Year 2015 estimated earnings per Share of EUR 89 million for the Financial Year 2016 were approximately 22.4x and 15.9x, respectively on the Reference Date;

- (iv) an analysis of selected precedent transactions, including enterprise value to EBITA multiples, to the extent publicly available, of certain acquisitions of businesses comparable to USG People in terms of size, geographic presence and business activity mix;
 - (a) based on net financial debt as per 30 September 2015 of EUR 195 million, the Offer Price represents an enterprise value for USG People of 16.0x the last twelve (12) months (ending 30 September 2015) underlying EBITA of EUR 101 million and 15.3x the average expected calendar year EBITA for the Financial Year 2015 of EUR 106 million for USG People based on the average of selected analysts' estimates available as per the Reference Date (ABN AMRO Bank, ING, KBC Securities, Kepler Cheuvreux, HSBC Bank and Rabobank); and
 - (b) by comparison, the median ratio of enterprise value to last reported twelve (12) months EBITA is 15.1x for the selected, relevant industry transactions. Selected transactions comprise the acquisitions of DIS by Adecco, MPS Group by Adecco, Tuja by Adecco, Vedor by Randstad, SFN by Randstad and Solvus by USG People.

In addition, financial information as derived from annual and interim accounts, analysts' presentations, market reports and press releases have been reviewed to arrive at the Offer Price.

5.4.2 Bid premia

The Offer Price of EUR 17.50 (cum dividend) per Share in cash represents a premium of:

- (i) 31% (thirty-one per cent) to the closing price of the Shares of EUR 13.40 on the Reference Date;
- (ii) 31% (thirty-one per cent) to the volume weighted average price of the Shares of EUR 13.40 over the three (3) month period up to and including the Reference Date;
- (iii) 41% (forty-one per cent) to the volume weighted average price of the Shares of EUR 12.40 over the twelve (12) month period up to and including the Reference Date; and
- (iv) 8% (eight per cent) to the average of the latest analyst price targets for the Shares, issued before the Reference Date (selected analysts' average target price of EUR 16.17). The analysts considered comprise ABN AMRO Bank, ING, Theodoor Gilissen, KBC Securities, Kepler Cheuvreux, HSBC Bank, Rabobank and Degroof Petercam. The target prices ranged from EUR 14.50 to EUR 17.50, with an average of EUR 16.17.

5.5 Rationale for the Offer

The combination of Recruit and USG People will create a leading global specialised provider of staffing and innovative human resources services. USG People provides Recruit with an established entry point into the continental European staffing market from which it can further realise its ambitions of becoming the world leader in human resources by around 2020.

USG People's current leading positions in local markets are fully complementary to Recruit's existing operations. At the same time, Recruit provides USG People the opportunity to realise its growth ambitions and its current strategy aimed at strengthening existing leadership positions, expanding exposure to growth markets, and expanding high added-value concepts. Together, the companies will be able to adapt faster to new market developments.

Recruit also provides USG People the opportunity to accelerate its dual track strategy, which is to improve its commercial and operational excellence of the core staffing activities, whilst continuing the development of technology-driven and innovative services that provide high added value to its customers.

Following a combination with Recruit, USG People will benefit from access to a global pool of expertise in staffing, managerial and operational excellence, as well as greater financial resources for potential future investment opportunities in its existing or new markets to deliver on the strategic growth objectives.

With its global reach and strong value proposition, the combined company will provide employees with expanded opportunities for development and growth.

As of the date of this Offer Memorandum, no investment opportunities have been identified by Recruit, nor has Recruit been able to quantify growth opportunities and benefits that would arise from a combination.

5.6 Financing of the Offer

With reference to article 7, paragraph 4 of the Decree, Recruit announced on 1 March 2016 that it has sufficient funds available to fulfil its obligations under the Offer. Recruit confirms that it will be able to pay the aggregate amount of the Offer with cash available from its own available resources. The funding of the Offer will not be subject to third party conditions or contingencies.

Reference is made to Section 11 (*Press releases*).

5.7 Offer Conditions, waiver and satisfaction

5.7.1 Offer Conditions

The obligation of Recruit to declare the Offer unconditional (*het bod gestand doen*) shall be subject to the satisfaction or waiver, as the case may be, of each of the conditions set out in this Section 5.7.1 (the “**Offer Conditions**”) on or before the Unconditional Date:

Acceptance Level

- (a) the number of Shares, tendered for acceptance pursuant to the Offer on the Acceptance Closing Date, together with:
 - (i) any Shares directly or indirectly held by Recruit or any of its Affiliates at the Acceptance Closing Date; and
 - (ii) any Shares committed to Recruit, or any of its Affiliates, in writing;represents at least 95% (ninety-five per cent) of USG People’s aggregate issued and outstanding ordinary share capital (*geplaatst en uitstaand kapitaal*) on a fully diluted basis as at the Acceptance Closing Date;

USG People AGM

- (b) the AGM having adopted the Resolutions and the Resolutions being in full force and effect;

No breach

- (c) USG People not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for USG People, Recruit or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days of receipt by USG People of a written notice from Recruit (or, if earlier, before the Acceptance Closing Date) or has not been remedied by USG People within ten (10) Business Days of receipt by USG People of a written notice from Recruit (or, if earlier, before the Acceptance Closing Date);
- (d) Recruit not having breached the terms of the Merger Protocol to the extent that any such breach (i) has or could reasonably be expected to have material adverse consequences for USG People, Recruit or the Offer; and (ii) is incapable of being remedied within ten (10) Business Days of receipt by Recruit of a written notice from USG People (or, if earlier, before the Acceptance Closing Date) or has not been remedied by Recruit within ten (10) Business Days of

receipt by Recruit of a written notice from USG People (or, if earlier, before the Acceptance Closing Date);

- (e) the Committed Shareholder not having breached the Irrevocable to the extent that any such breach is incapable of being remedied within ten (10) Business Days of a written notice from Recruit (or, if earlier, before the Acceptance Closing Date) or has not been remedied within ten (10) Business Days of receipt of a written notice from Recruit (or, if earlier, before the Acceptance Closing Date);

No Material Adverse Effect

- (f) no Material Adverse Effect having occurred;

No Competing Offer

- (g) no public announcement having been made of a Competing Offer;

No revocation of Recommendation

- (h) neither of the Boards having revoked, modified, amended or qualified the Recommendation and neither of the Boards having taken or authorised any action that prejudices or frustrates the Offer;

Protective Preference Shares

- (i) the Foundation not having exercised, either in whole or in part, its Call Option to have Protective Preference Shares issued to it, and having agreed to terminate the Foundation Option Agreement, subject only to the Offer being declared unconditional (*gestanddoening*);

No suspension of trading

- (j) on or prior to the Unconditional Date, trading in the Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure (*noteringsmaatregel*) taken by Euronext Amsterdam in accordance with Article 6901/2 or any other relevant provision of the Euronext Rulebook I (Harmonised Rules);

Restraint orders

- (k) on or prior to the Unconditional Date, no notification having been received from the AFM stating that pursuant to article 5:80 paragraph 2 of the DFSA, investment firms are not allowed to cooperate with the Offer; and
- (l) no order, stay, judgment or decree having been issued by any court, arbitral tribunal, government, governmental authority or other regulatory or administrative authority that remains in force and effect, and no statute, rule, regulation, governmental order or injunction having been enacted, which in any such case prohibits the making and/or consummation of the Offer in accordance with the Merger Protocol in any material respect.

5.7.2 Waiver

If the Offer Conditions are satisfied, Recruit has agreed to declare the Offer unconditional. If certain Offer Conditions are not satisfied, Recruit or USG People may waive some, but not all, Offer Conditions, in accordance with this Section 5.7.2 (*Waiver*).

The Offer Conditions set out in Sections 5.7.1(b), 5.7.1(c), 5.7.1(e), 5.7.1(f), 5.7.1(g), 5.7.1(h), 5.7.1(i) and 5.7.1(j) are for the sole benefit of Recruit and may be waived (either in whole or in part) by Recruit at any time by written notice to USG People.

The Offer Condition set out in Section 5.7.1(a) may be waived by Recruit in its sole discretion by written notice to USG People, if the aggregate number of Shares having been tendered for acceptance on the Acceptance Closing Date, together with (i) any Shares directly or indirectly held by Recruit or any of its Affiliates at the Closing Date, and (ii) any Shares committed to Recruit or any of its Affiliates, in writing, represent at least

80% (eighty per cent) of USG People's aggregate issued and outstanding share capital (*geplaatst en uitstaand kapitaal*).

The Offer Condition set out in Section 5.7.1(d) is for the sole benefit of USG People and may be waived (either in whole or in part) by USG People at any time by written notice to Recruit.

The Offer Conditions set out in Sections 5.7.1(k) and 5.7.1(l) cannot be waived.

5.7.3 Satisfaction

The satisfaction of each of the Offer Conditions does not solely depend on the will of Recruit as prohibited by article 12, paragraph 2 of the Decree.

Each of Recruit and USG People shall use its reasonable best efforts to procure satisfaction of the Offer Conditions as soon as reasonably possible. If at any time either Recruit or USG People becomes aware of any event or circumstance which would be likely to have a significant adverse impact on the satisfaction of an Offer Condition, it shall promptly notify the other in writing.

With respect to the Offer Condition set out in Clause 5.7.1(f), Recruit and USG People have agreed on a binding advice procedure in the event the either of them considers this Offer Condition not satisfied and the other disagrees. In such event, a binding adviser shall decide on the matter within ten (10) Business Days of the dispute having been referred to the binding adviser or such shorter period as Recruit and USG People may agree, it being understood that a decision shall be rendered no later than noon Amsterdam time on the Business Day before the Unconditional Date. The binding adviser shall be the President of the Dutch Enterprise Chamber or, if this person is not able (for whatever reason) to provide the binding advice on time, another independent lawyer appointed by the President of the District Court of Amsterdam upon request of either Recruit or USG People. The binding advice shall be final and binding upon Recruit and USG People and each of Recruit and USG People shall fully comply with the binding advice and the content thereof.

In accordance with the Applicable Rules, if it is ascertained by Recruit that an Offer Condition is not satisfied or is incapable of being satisfied and the relevant Offer Condition is not or cannot be waived, Recruit shall forthwith publicly announce this.

5.8 Decision-making and recommendation by the Boards

The Boards have throughout the process taken into account the interest of all stakeholders and the maximisation of value creation. In reaching their recommendation, the Boards have made careful consideration of Recruit's offer and extensively evaluated the offer in light of USG People's strategic options for its future, including stand-alone scenarios and explored the interest to pursue a combination transaction with selected competitors or other potential partners. Throughout the discussions with Recruit the Management Board and the Supervisory Board (with and without the Management Board being present) met frequently to discuss the preparations and developments in the process, as well as the considerations underlying key decisions in connection therewith.

The members of the Boards considered whether any of them has a conflict of interest and have established proper decision-making procedures to avoid any possible conflicts of interest in the decision-making process. Considering the substantial shareholding of Mr. A.D. Mulder and the perception which may arise regarding a possible conflict of interest, Mr. A.D. Mulder did not participate in any discussions regarding the Offer Price, including any negotiations with Recruit regarding the Offer Price. Also Mr. A.D. Mulder did not participate in any internal discussions between the members of the Supervisory Board regarding the Offer Price. In particular, in the various meetings between delegates of USG People and Recruit after the Due Diligence, the negotiations with Recruit regarding the Offer Price were primarily handled by Mr. C. Veerman (chairman of the Supervisory Board), without the participation of Mr. A.D. Mulder.

After careful consideration, the Boards believe that the Offer represents a fair price for Shareholders and have come to the conclusion that the contemplated transaction is in the best

interests of USG People, its Shareholders and its other stakeholders. Each of the Boards has received extensive financial and legal advice. In addition, on 21 December 2015, Bank of America Merrill Lynch issued a fairness opinion to the Management Board and ING issued a fairness opinion to the Supervisory Board of USG People (each a “**Fairness Opinion**”), as to the fairness as of that date, from a financial point of view, of the Offer Price to be paid to the Shareholders in the Offer.

With reference to the above, and without prejudice to the terms and conditions of this Offer Memorandum, the Boards (i) fully support the Offer, (ii) unanimously recommend to the Shareholders to accept the Offer and to tender their Shares pursuant to the Offer, and (iii) unanimously recommend voting in favour of all Resolutions referred to in Section 6 (*Annual General Meeting of USG People Shareholders*) (the “**Recommendation**”).

USG People has prepared a Position Statement pursuant to article 18 of the Decree, which sets forth the Recommendation. The full text of each Fairness Opinion, which sets forth the assumptions made, procedures followed, matters considered and limitations on the review undertaken in connection with each Fairness Opinion, is included in the Position Statement.

5.9 Irrevocable

The Committed Shareholder has signed an irrevocable undertaking to support and accept the Offer, subject to customary conditions. The Committed Shareholder currently holds (directly and indirectly) approximately 19.87% (nineteen point eighty-seven per cent) of the Shares.

The irrevocable undertaking dated 22 December 2015 (the “**Irrevocable**”) contains customary terms and conditions, including that the Irrevocable shall terminate (as a consequence of which the Committed Shareholder will not be obliged to tender his Shares or shall be entitled to withdraw his acceptance of the Offer) in the event a Competing Offer is made and Recruit has not revised its Offer and matched the Competing Offer within ten (10) Business Days and the Boards have revoked, modified, amended or qualified their Recommendation.

Furthermore, the Irrevocable shall terminate, amongst others, in the event that (i) the Merger Protocol is terminated, (ii) the Offer is not declared unconditional (*gestand wordt gedaan*) in accordance with its terms and conditions or (iii) the Offer is withdrawn or the Offer lapses.

The Committed Shareholder did not receive any information relevant for a Shareholder in connection with the Offer other than contained in this Offer Memorandum and shall tender his Shares against the Offer Price and against the same terms and conditions of the Offer as set out in this Offer Memorandum.

5.10 Shareholdings of the members of the Boards

5.10.1 Information on Shares

As of the date of this Offer Memorandum, Shares are held by members of the Boards as shown in the following table.

Name	Number of Shares	Amount to be received	Percentage
Mr. A.D. Mulder	16,119,758	EUR 282,095,765	19.87%
Mr. R. Zandbergen	153,323	EUR 2,683,152.50	0.19%
Ms. L. Geirnaerd	41,793	EUR 731,377.50	0.05%
Total	16,314,874	EUR 285,510,295	20.11%

Reference is made to Section 5.9 (*Irrevocable*) in relation to the Shares directly or indirectly held by Mr. A.D. Mulder. Further, USG People has undertaken to ensure that each member of the Boards shall, for as long as the Boards support and recommend the Offer, tender any Shares directly or indirectly held by such member.

5.10.2 Information on rights to Shares

As of the date of this Offer Memorandum, the number of conditional rights to performance shares held by members of the Boards are shown in the table below. The

rights to performance shares granted in 2015 will be settled in cash and the rights to performance shares granted in 2016 will be settled in cash on a *pro rata parte* basis up to the Settlement Date. The settlement mechanism of these rights to performance shares is described in Section 7.10 (*Incentive Plans*). The statutory claw-back regulations (*afroomregeling*) will be applied in accordance with article 2:135 of the DCC as a result of which the performance shares (referred to in this Section 5.10.2 and Section 5.10.1 (*Information on Shares*)) to the extent that Section refers to the shares of Mr. Zandbergen and Ms. Geirnaerd) will not be settled on the basis of the Offer Price.

Management Board	2015*	2016**	Total number of rights 2015 and 2016***
Mr. R. Zandbergen	43,842	30,000	73,842
Ms. L. Geirnaerd	29,228	20,000	49,228

* Actual number of performance shares based on the results for the Financial Year 2015 plus 20% (twenty per cent) as a result of the decrease of the performance period from four (4) years to eighteen (18) months.

** Target number of performance shares for the full Financial Year 2016, to be recalculated on a *pro rata parte* basis up to the Settlement Date and the financial performance over 2016 up to the Settlement Date.

*** Maximum total number of rights 2015 and 2016, whereby the number for 2016 is to be adjusted (see ** above).

No options on or rights to Shares are held by other members of the Boards.

5.10.3 Transactions by members of the Boards

It is noted that:

- (i) Mr. A.D. Mulder, member of the Supervisory Board, acquired 525 Shares through a dividend reinvestment plan on 9 June 2015;
- (ii) Mr. R. Zandbergen, member of the Management Board, acquired 57,094 Shares as part of the settlement of the Unique Share Plan 2011-2014 on 13 May 2015; and
- (iii) Ms. L. Geirnaerd, member of the Management Board, acquired 37,402 Shares as part of the settlement of the Unique Share Plan 2011-2014 on 13 May 2015.

No other transactions were performed by the members of the Boards in respect of securities in USG People during the calendar year preceding the date of this Offer Memorandum.

5.11 Respective cross-shareholdings Recruit – USG People

As at the date of this Offer Memorandum, neither Recruit, nor any of its Affiliates, directly or indirectly, hold any Shares.

USG People and/or any of its Affiliates do not, directly or indirectly, hold any shares in Recruit.

5.12 Implications of the Offer being declared unconditional

It is likely that the Offer, if and when it is declared unconditional (*gestand wordt gedaan*), has implications for the Shareholders who did not tender their Shares. Therefore, Shareholders who do not tender their Shares under the Offer should carefully review the sections of this Offer Memorandum that further explain the intentions of Recruit, such as (but not limited to) Section 5.13 (*Intentions following the Offer being declared unconditional*) up to and including Section 5.16 (*Legal structure and corporate structure following the Offer*), which describes certain implications or risks to which such Shareholders will be subject if the Offer is declared unconditional (*gestand wordt gedaan*) and settled. These risks are in addition to the exposure of such Shareholders to the risks inherent to the business of USG People, as such business and the structure of USG People as well as economic trends affecting its markets may change from time to time after the Settlement Date.

5.13 Intentions following the Offer being declared unconditional

If the Offer is declared unconditional (*gestand wordt gedaan*), Recruit and USG People intend to as soon as possible:

- (i) procure delisting of the Shares from Euronext Amsterdam and terminate the listing agreement between USG People and Euronext Amsterdam in relation to the listing of the Shares;
- (ii) convert USG People into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) in accordance with article 2:18 of the DCC (the “**Conversion**”) after a buy-out proceeding as described in Section 5.16.2 (*Buy-Out*) has been initiated; and
- (iii) implement a post-Settlement legal restructuring resulting in USG People becoming a wholly-owned indirect subsidiary of Recruit or Recruit otherwise becoming 100% (one hundred per cent) owner of the USG People business, and cause USG People to operate as a wholly owned indirect subsidiary within the Recruit Group (see Section 5.16.3 (*Other Post Closing Measures*)).

5.14 Liquidity

The purchase of Shares by Recruit pursuant to the Offer will, among other things, reduce the number of Shareholders and the number of Shares that might otherwise be traded publicly, and (i) will thus adversely affect the liquidity and (ii) may affect the market value of the remaining Shares not tendered.

Furthermore, Recruit may initiate any of the procedures set out in Sections 5.15 (*Delisting*) and 5.16 (*Legal structure and corporate structure following the Offer*) following completion of the Offer, which will further adversely affect the liquidity and may affect market value of the Shares.

As a result, the size of the free float in Shares will be substantially reduced following completion of the Offer and trading volumes and liquidity of Shares will be adversely affected. Recruit does not intend to set up a liquidity mechanism for the Shares that are not tendered following the Settlement Date, other than that it may maintain a standard order on Euronext Amsterdam to purchase remaining Shares held by minority Shareholders against the Offer Price for a period of at least two (2) weeks following the expiry of the Post Closing Acceptance Period. The announcement thereof, if pursued, is subject to prior regulatory clearance in accordance with the Applicable Rules.

5.15 Delisting

As soon as possible following the Offer being declared unconditional (*gestanddoening*), Recruit and USG People intend to procure that USG People’s listing of its Shares (including the Shares not being tendered) on Euronext Amsterdam and the listing agreement between USG People and Euronext Amsterdam in relation to the listing of the Shares will be terminated.

Delisting may be achieved on the basis of 95% (ninety-five per cent) or more of the issued share capital of USG People having been acquired by Recruit either in or outside of the Offer or on the basis of a Statutory Merger or an asset restructuring followed by dissolution of USG People.

As long as the Shares remain listed on Euronext Amsterdam, USG People shall continue to comply with the Dutch Corporate Governance Code except for (i) current deviations from the code and (ii) deviations from the code that find their basis in the Merger Protocol, in accordance with the “explain” requirement in respect of such deviations. Reference is made to Section 5.20.2 (*Dutch Corporate Governance Code*).

In the event that USG People or any merging entity will no longer be listed and its Shares will no longer be publicly traded, the provisions applicable to the governance of listed companies will no longer apply and the rights of remaining minority Shareholders may be limited to the statutory minimum.

5.16 Legal structure and corporate structure following the Offer

5.16.1 General

Without prejudice to Recruit's obligation to declare the Offer unconditional in accordance with its terms, it is the intention of Recruit to ultimately acquire 100% (one hundred per cent) of the Shares and/or full ownership of USG People and Recruit's willingness to pay the Offer Price is predicated on the acquisition of 100% (one hundred per cent) of the Shares. Recruit and USG People anticipate that full integration of Recruit and USG People will deliver substantial operational, commercial, organisational and financial benefits which could not be fully achieved if USG People were to continue as a legal entity with a minority shareholder base. To achieve such benefits, following Settlement, Recruit may propose (where applicable) and implement (or cause to be implemented) certain measures, including, but not limited to, those mentioned in Section 5.16.2 (*Buy-Out*) and Section 5.16.3 (*Other Post Closing Measures*).

5.16.2 Buy-Out

In the event that Recruit (together with its group companies (*groepsmaatschappijen*)) holds 95% (ninety-five per cent) or more of the issued share capital of USG People following the Settlement Date, Recruit will, as soon as possible, initiate buy-out proceedings (*uitkoopprocedure*) in accordance with article 2:92a or 2:201a of the DCC ("**Statutory Buy-Out**") or takeover buy-out proceedings in accordance with article 2:359c of the DCC ("**Takeover Buy-Out**" and together with the Statutory Buy-Out, "**Buy-Out**") in order to acquire the remaining Shares not tendered and not held by Recruit or USG People.

No Dutch dividend withholding tax (*dividendbelasting*) is due upon a disposal of the Shares under the Buy-Out. The Dutch income tax consequences of the Buy-Out are the same as the Dutch income tax consequences of the Offer. For more information reference is made to Section 10 (*Tax aspects of the Offer*).

5.16.3 Other Post Closing Measures

If Recruit declares the Offer unconditional, Recruit shall have the right to effect or cause to effect any other restructuring of the USG People Group for the purpose of achieving an optimal operational, legal, financial and/or fiscal structure in accordance with the Applicable Rules and Dutch law in general, some of which may have the (side) effect of diluting the interest of any remaining minority Shareholders (the "**Post Closing Measures**"), including, without limitation, but subject to the Non-Financial Covenants set out in Section 5.22.3 (*Minority Shareholders*):

- (i) a sale and transfer of all, or substantially all, of the assets and liabilities of USG People to Recruit or any of its Affiliates;
- (ii) a subsequent public offer for any Shares held by minority Shareholders;
- (iii) a statutory cross-border or domestic (bilateral or triangular) legal merger (*juridische (grensoverschrijdende) (driehoeks-)fusie*) in accordance with article 2:309 et seq of the DCC between USG People and/or one or more Affiliates of Recruit (a "**Statutory Merger**");
- (iv) a statutory legal demerger (*juridische splitsing*) of USG People in accordance with article 2:334a et seq of the DCC;
- (v) a contribution of cash and/or assets by Recruit or by any Affiliate of Recruit in exchange for Shares or a new class of preference shares in USG People's share capital;
- (vi) a distribution of proceeds, cash and/or assets to the Shareholders, which may take the form, but not exclusive, of a distribution out of reserves, an interim dividend, a dividend, reduction of capital or a liquidation or other distribution;

- (vii) a sale and transfer of assets and liabilities by Recruit or any of its Affiliates to any member of the USG People Group, or a sale and transfer of assets and liabilities by any member of the USG People Group to Recruit or any of its Affiliates;
- (viii) the conversion of USG People into a private company with limited liability (*besloten vennootschap met beperkte aansprakelijkheid*), which may, amongst others, cause all Shares to become subject to transfer restrictions, if so provided in the Articles of Association;
- (ix) any combination of the foregoing; or
- (x) any transactions, restructurings, issuance of securities of any kind, procedures, actions, processes and/or proceedings in relation to USG People and/or one or more of its Affiliates required to effect the aforementioned objectives.

Any or all of the Post Closing Measures may be applied cumulatively, alternatively, or not at all, subject to applicable provisions of Dutch law. The Post Closing Measures do not prevent Recruit from seeking a termination of USG People's listing on Euronext Amsterdam when it is entitled to do so under the Euronext Amsterdam listing rules.

Any Post-Closing Measure will be structured and implemented taking into account relevant circumstances and the Applicable Rules.

5.16.4 Statutory Merger

In the event Recruit decides to effectuate a Statutory Merger between USG People and a Dutch Affiliate of Recruit, with USG People being the disappearing entity and the Dutch Affiliate of Recruit being the surviving entity, Shareholders who have not tendered their Shares under the Offer will become, by operation of law, shareholders in the surviving entity, alongside Recruit's shareholder(s), which surviving entity may not be listed.

5.16.5 Other measures

Recruit reserves the right to submit proposals to the Shareholders in order to change the corporate structure and the capital structure of USG People and/or to achieve an optimal financial or other structuring, including further amendments to the Articles of Association, changes in the accounting policies applied by the USG People Group and a liquidation of USG People, all in accordance with Dutch law and the Articles of Association.

5.17 Proposed amendments of the Articles of Association

5.17.1 Introduction

Recruit intends to have the Articles of Association amended in the following instances: (i) following Settlement and (ii) following termination of the listing of the Shares on Euronext Amsterdam and the subsequent Conversion.

5.17.2 Following Settlement

For the first amendment it is proposed that at the AGM it will be resolved to amend the Articles of Association as from Settlement, subject to the Offer being declared unconditional (*gestanddoening*) and Settlement having taken place, which amendment will *inter alia* relate to:

- (i) the introduction of a new board structure with a one-tier board (the “**New Board**”);
- (ii) the deletion of all references to preference shares;
- (iii) the deletion of all references to the Dutch large company regime (*structuurregime*); and
- (iv) certain legislative changes having taken effect.

Drafts of the proposed amended Articles of Association are enclosed under Part B of this Offer Memorandum.

5.17.3 Following delisting and pursuant to the Conversion

For the second amendment it is proposed that at the AGM it will be resolved to amend the Articles of Association as per the day of termination of the listing of the Shares on Euronext Amsterdam, subject to the Offer being declared unconditional (*gestanddoening*) and Settlement having taken place, which amendment will *inter alia* relate to:

- (i) the inclusion of non-listed registered shares;
- (ii) provisions that either mandatorily apply to non-listed entities or provisions that are more suitable for USG People's new status; and
- (iii) the Conversion.

This proposed amendment of the Articles of Association will only be subject to delisting of the Shares from Euronext Amsterdam.

Drafts of the proposed amended Articles of Association are enclosed under Part B of this Offer Memorandum.

5.18 Composition of New Board

As from the Settlement Date, the New Board of USG People will comprise of three executive directors and four non-executive directors. The New Board will as of the Settlement Date be composed as follows:

- (i) Mr. Zandbergen, member of the current Management Board, will remain in office as an executive director with the title of Chief Executive Officer;
- (ii) Ms. Geirnaerdt, member of the current Management Board, will remain in office as an executive director with the title of Chief Financial Officer;
- (iii) Mr. Sakamoto will be the third executive director, with the title of Chief Integration Officer; and
- (iv) Mr. Motohara, Mr. Oka, Mr. Maude and Mr. Nishimura will be non-executive directors, and Mr. Motohara will also be the Chairman of the New Board.

All non-executive directors shall monitor and protect the interests of USG People and all of its stakeholders.

5.19 Compensation for the members of the Boards

The resigning members of the Supervisory Board will be duly compensated in accordance with USG People's current remuneration policy. There are no other payments to be made to, nor compensation arrangements made with, members of the Boards in connection with the declaration of the offer unconditional.

5.20 Corporate governance post Settlement

5.20.1 Dutch large company regime (*structuurregime*) and Central Works Council

As per the Settlement Date:

- (i) the Articles of Association shall be amended as to reflect that the rules of the Dutch large company regime (*structuurregime*) shall no longer be applicable to USG People;
- (ii) the articles of association of a newly to be incorporated company named USG People Holdings B.V. ("**Dutch Holdco**"), which will be a wholly owned subsidiary of USG People and intermediary holding company for the Dutch activities of the USG People Group, shall be amended as to apply the rules of the Dutch large company regime (*structuurregime*); and
- (iii) the Central Works Council will be relocated to the level of Dutch Holdco.

5.20.2 Dutch Corporate Governance Code

Following Settlement, as long as Shares are listed on Euronext Amsterdam, USG People shall continue to adhere to the Dutch Corporate Governance Code except for (i) current deviations from the Dutch Corporate Governance Code in accordance with the 'explain' requirement in respect of such deviations as set out on page 32 of USG People's annual report of 2015 (under the heading 'Deviations from the Code'), and (ii) deviations from the Dutch Corporate Governance Code that find their basis in the Merger Protocol (subject to explanation at such time, as may be required and as permitted by Applicable Rules and the Articles of Association). Foreseeable deviations concern principles and best practice provisions relating to the independence of the majority of the directors in the New Board, in view of the specific arrangements in this respect between Recruit and USG People in the Merger Protocol. This includes deviations from (i) best practice provision III.3.1 (composition of the New Board and independence of the non-executive directors, as referred to in the notes to the Dutch Corporate Governance Code), (ii) best practice provision III.5.1 (independence of committee members), principle III.8 (independent supervision by non-executive directors) and best practice provision III.8.4 (independence of majority of the directors).

Upon delisting of the Shares from Euronext Amsterdam, the Dutch Corporate Governance Code will no longer be applicable to USG People.

5.21 Employee consultation

The trade unions involved with USG People and the secretariat of the Social Economic Council (*Sociaal Economische Raad*) have been informed in writing of the Offer in accordance with the *SER Fusiegedragsregels 2015* (the Dutch code in respect of informing and consulting of trade unions).

The Central Works Council has been informed regarding the Merger and has been requested for its advice. On the basis thereof, the Central Works Council has given its unconditional positive advice in respect of the Merger.

To the extent that intended decisions regarding any future integration or restructuring will be subject to the Central Works Council's advice, the proper procedures shall be followed pursuant to the WOR and in accordance with standard practice within USG People.

5.22 Non-Financial Covenants

Recruit has committed to certain non-financial covenants in the Merger Protocol, as summarised in this Section 5.22 (*Non-Financial Covenants*) (the "**Non-Financial Covenants**"):

5.22.1 Strategy

- (i) The joint strategy underpinning the business rationale of the Merger (the "**Strategy**") is as follows:
 - (a) USG People will become the continental European platform for the staffing business of the Recruit Group;
 - (b) the head office of USG People will function as the continental European head office of the Recruit Group for the staffing business;
 - (c) through working partnership with Recruit, and in order to achieve pre-agreed financial performance that will result from annual financial planning and management target setting, the USG People Group will adopt and implement Recruit's management philosophy known as "Unit Management";
 - (d) USG People will be the holding company of the existing and future USG People companies and Recruit companies for the staffing business in continental Europe; and

- (e) USG People will continue to explore and implement business development activities, in line with the Strategy, in continental Europe.
- (ii) Recruit shall respect the Strategy and shall support USG People in the realisation of the Strategy, as set out under Section 5.22.1(i) above and also in respect of the following items:
 - (a) innovations including active business solutions, provided such innovations deliver an appropriate return; and
 - (b) further develop the Solvus VMS and MSP product and offering.
- (iii) Recruit shall procure that, subject to pre-agreed financial performance:
 - (a) the core businesses and services of the USG People Group shall be maintained substantially intact; and
 - (b) the major brand names of the USG People Group in all relevant markets shall remain consistent with the USG People Group's current branding and marketing strategy.

5.22.2 Governance

Recruit shall procure that the identity and integrity of the USG People Group shall be maintained in form and substance substantially in the state as at the date of the Merger Protocol and shall, without limiting the generality of the foregoing, procure that:

- (i) the USG People Group shall maintain its corporate identity and its culture;
- (ii) USG People's headquarters, central management and its key support functions will remain at its current headquarters in Almere, the Netherlands; and
- (iii) USG People will remain a separate legal entity, and will remain the ultimate holding company of its current and future subsidiaries and operations as further described under Section 5.22.1(i).

5.22.3 Minority Shareholders

- (i) Recruit shall procure that as long as USG People has minority shareholders, no member of the USG People Group shall take any of the following actions:
 - (a) issue additional shares for a cash consideration to any person (other than members of the USG People Group) without offering pre-emption rights to minority shareholders;
 - (b) agree to and enter into a related party transaction with any material shareholder which is not at arm's length;
 - (c) enter into any transaction with any person, other than on terms that are at arm's length, or agree to do so; and
 - (d) without prejudice to Section 5.16 (*Legal structure and corporate structure following the Offer*), take any other action which disproportionately prejudices the value of, or the rights relating to the minority's shareholding.
- (ii) Without prejudice to Section 5.16 (*Legal structure and corporate structure following the Offer*), Recruit shall not take any action or vote in favour of any resolution which disproportionately prejudices the value of, or the rights relating to the minority's shareholding.

5.22.4 Employees

Recruit shall procure that:

- (i) the existing arrangements with the Central Works Council and relevant trade unions shall be respected and not changed, except for the Central Works Council solely being authorised in respect of the Dutch business in accordance

with the WOR (reference is made to Section 5.20.1 (*Large company regime (structuurregime) and Central Works Council*);

- (ii) there shall be no material reorganisation or restructuring plan resulting in job losses in the USG People Group as a direct result of the Merger;
- (iii) neither USG People Group's approved business plan for 2016 nor the future Strategy envisages any significant job losses;
- (iv) the existing rights and benefits of the employees of the USG People Group shall be respected, including existing rights and benefits under their individual employment agreements, collective labour agreements and social plans, and including existing rights and benefits under existing covenants made to the works councils and trade unions;
- (v) subject to the USG People Group's current and future review and amendments of the existing pension arrangements, the pension rights of current and former employees of the USG People Group shall be respected; and
- (vi) a culture of excellence requires highly talented employees and employees will be appropriately trained and provided with clear career progression.

5.22.5 Duration

The Non-Financial Covenants set out in Section 5.22.3 (*Minority Shareholders*) will apply as long as third parties not being Affiliates of Recruit hold any Shares.

All other Non-Financial Covenants will continue to apply until four (4) years after the Settlement Date.

5.22.6 Benefit and Enforcement

Any deviation from the Non-Financial Covenants requires the prior approval of the Boards or the New Board, as the case may be, including the affirmative vote of at least one officer not being a Recruit nominee. USG People will enforce the Non-Financial Covenants against Recruit, where USG People may only be represented by an officer not being a Recruit nominee. USG People will bear all costs and expenses relating to the enforcement of the Non-Financial Covenants by such officer not being a Recruit nominee.

5.23 Certain Arrangements between Recruit and USG People

5.23.1 Exclusivity

During the period commencing on 22 December 2015 and ending on the earlier of the Settlement Date and the date of termination of the Merger Protocol (the "**Exclusivity Period**"):

- (i) USG People shall not, and shall ensure that none of its Affiliates, nor any of their respective directors, officers, employers, agents, advisers or representatives, including without limitation, the members of the Boards (together, the "**Relevant Persons**"), shall, directly or indirectly, initiate, enter into or continue discussions or negotiations with, or provide non-public information relating to the USG People Group or its business or assets or personal to, or otherwise approach, solicit, encourage, induce or assist any third party to make an offer or proposal for a potential offer for all or part of the Shares or for the whole or part of the businesses or assets of the USG People Group or any proposal involving the potential acquisition of a substantial interest in USG People, a legal merger or demerger involving USG People, a reverse takeover of USG People or a reorganisation or re-capitalisation of USG People and/or the USG People Group (each an "**Alternative Proposal**").
- (ii) USG People will notify Recruit promptly (and in any event within 24 (twenty-four) hours) if any communication, invitation, approach or enquiry, or any request for

information is received by USG People or any of its Affiliates or any Relevant Person in relation to an Alternative Proposal.

USG People and the members of the Boards have confirmed that at the date of signing the Merger Protocol they were not in discussions and/or negotiations with any third party about any Alternative Proposal.

USG People may provide to an offeror that has made an unsolicited Alternative Proposal which can reasonably be expected to become a Competing Offer such due diligence information as it has provided to Recruit in the Due Diligence.

In the event of a Competing Offer, the following shall apply:

- (i) USG People shall keep Recruit informed of any material developments in relation to such Competing Offer;
- (ii) if a Competing Offer is announced, Recruit shall have a period of ten (10) Business Days following such announcement to decide whether or not it wants to revise its Offer and match the Competing Offer (the “**Matching Right**”); and
- (iii) if Recruit exercises its Matching Right and its revised Offer is determined by the Boards, having consulted their financial and legal advisers and acting in good faith and observing their obligations under Dutch law and the Dutch Corporate Governance Code, to be at least equally beneficial to USG People and its stakeholders as the Competing Offer within the period of ten (10) Business Days referred to in (ii) (a “**Matching Revised Offer**”), USG People shall not be entitled to accept the Competing Offer and/or to terminate the Merger Protocol.

If Recruit has matched any Competing Offer, the consideration per Share of any other, consecutive or amended offer made by any bona fide third party for all of the issued and outstanding Shares or all or substantially all of the assets of the USG People Group or a merger of USG People (a “**Subsequent Higher Offer**”) must exceed the most recently offered consideration per Share by Recruit after having exercised its Matching Right by at least 7.5% (seven and a half per cent), in order for any such Subsequent Higher Offer to qualify as a Competing Offer.

The provisions of Section 5.23 (*Exclusivity*) (including, but not limited to, the Matching Right) apply *mutatis mutandis* to any Subsequent Higher Offer constituting a Competing Offer.

If Recruit has not made a Matching Revised Offer, USG People shall be entitled to accept the Competing Offer and the Boards may revoke the Recommendation, in which case each Party may terminate the Merger Protocol in accordance with the provisions Section 5.23.2 (*Termination of the Merger Protocol*).

5.23.2 Termination of the Merger Protocol

The Merger Protocol may only be terminated:

- (i) if Recruit and USG People so agree in writing;
- (ii) by notice in writing given by either of Recruit or USG People to the other party if any of the Offer Conditions has not been satisfied or waived by the relevant party by 22 June 2016 (the “**Long Stop Date**”), and (ii) the non-satisfaction of the relevant Offer Condition(s) is not due to a breach by the terminating party of any of its obligations under the Merger Protocol or any agreement resulting therefrom;
- (iii) by notice in writing given by either of Recruit or USG People to the other party in case of the other party having breached the terms of the Merger Protocol to the extent that any such breach:
 - (a) has or could reasonably be expected to have material adverse consequences for USG People or the Offer; and

- (b) is incapable of being remedied within ten (10) Business Days of receipt by the other party of a written notice from the terminating party (or, if earlier, before the Long Stop Date) or has not been remedied by the other Party within ten (10) Business Days of receipt by the other Party of a written notice from the terminating party (or, if earlier, before the Long Stop Date); or
- (iv) by notice in writing given by either of Recruit or USG People in case:
 - (a) the Boards, acting jointly, revoke, modify, amend or qualify the Recommendation if any material event, development, circumstance or change in circumstances or facts (including any material change in probability or magnitude of circumstances) occurs or becomes known which was not foreseen by the Boards, and they determine, acting in good faith and having consulted their financial and legal advisers, that failure to do so would be a breach of their fiduciary duties under Dutch law, provided that in making their determination to revoke, modify, amend or qualify the Recommendation the Boards will ignore any Alternative Proposal; or
 - (b) Recruit has not made a Matching Revised Offer and USG People accepts the Competing Offer and the Board revokes the Recommendation as further set out in the Merger Protocol.

5.23.3 Termination fees

To induce Recruit to enter into the Merger Protocol and to compensate Recruit and its Affiliates for loss of opportunity, management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, USG People must pay to Recruit a termination fee of €10.5 million in cash, immediately upon first written request thereto from Recruit and without defences or set-off of any kind, if the Merger Protocol is terminated:

- (i) by Recruit as terminating party pursuant to Section 5.23.2(iii), it being understood that Recruit's entitlement to the termination fee pursuant to this Section 5.23.3 (*Termination fees*) is without prejudice to any other rights or remedies of Recruit, including a claim for specific performance (*nakoming*) or damages if these exceed the amount of that termination fee; or
- (ii) pursuant to Section 5.23.2(iv).

To induce USG People to enter into the Merger Protocol and to compensate USG People for loss of opportunity, management time and other costs and expenses it has already incurred and will continue to incur in connection with the (preparation of the) Offer, (in)direct loss and damages to USG People's business due to the announcement of the (potential) Offer and its effects on, among other things, employees, customers and suppliers, Recruit must pay to USG People immediately upon first written request thereto from USG People a termination fee of €10.5 million in cash, if the Merger Protocol is terminated by USG People as terminating party pursuant to Section 5.23.2(iii), it being understood that USG People's entitlement to the termination fee pursuant to this Section 5.23.3 (*Termination fees*) is without prejudice to any other rights or remedies of USG People, including a claim for specific performance (*nakoming*) or damages, if these exceed the amount of that termination fee.

6 Annual General Meeting of USG People Shareholders

USG People shall convene its annual general meeting of shareholders in which, among other things, the Offer will be discussed in accordance with article 18, paragraph 1 of the Decree. The AGM shall be held at 14:00 hours CET on 12 May 2016, at the offices of USG People at P.J. Oudweg 61 in Almere, the Netherlands.

USG People has agreed with Recruit that the Shareholders shall be requested at the AGM to:

- (i) resolve on the amendments of the Articles of Association substantially in accordance with the draft of the amended Articles of Association (*Amended Articles of Association after Settlement*) (as enclosed under Part B of this Offer Memorandum), as per the Settlement Date;
- (ii) resolve on the conversion of USG People into a Dutch private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) and on the amendment of the Articles of Association substantially in accordance with the draft of the amended Articles of Association (*Amended Articles of Association after delisting and pursuant to conversion into a Dutch private limited liability company*) (as enclosed under Part B of this Offer Memorandum), as per the day of termination of the listing of the Shares on Euronext Amsterdam (the “**Conversion Resolution**”);
- (iii) appoint Mr. Zandbergen as executive director (Chief Executive Officer) to the New Board, effective as per the Settlement Date;
- (iv) appoint Ms. Geirnaerd as executive director (Chief Financial Officer) to the New Board, effective as per the Settlement Date;
- (v) appoint Mr. Sakamoto as executive director (Chief Integration Officer) to the New Board, effective as per the Settlement Date;
- (vi) appoint Mr. Motohara as non-executive director (Chairman) to the New Board, effective as per the Settlement Date;
- (vii) appoint Messrs. Oka, Maude and Nishimura as non-executive directors to the New Board, effective as per the Settlement Date;
- (viii) accept the resignation of, and grant full and final discharge from liability to, all resigning members of the Supervisory Board for their functioning until the date of the AGM, effective as per the Settlement Date;

(collectively the “**Resolutions**”).

Each of the Resolutions is subject to the conditions precedent that the Offer has been declared unconditional (*gestanddoening*) and Settlement has taken place. The Conversion Resolution is also subject to the delisting of the Shares from Euronext Amsterdam.

7 Information on USG People

7.1 Introduction

Every day approximately 100,000 people are working through USG People at companies and institutions in continental Europe. This makes USG People one of the larger human resource services providers in Europe, with its activities focused on the Netherlands, Belgium, Germany and France. USG People achieved revenues of approximately EUR 2.6 billion in 2015.

The current organisation, with its staff of around 6,000, originates from Unique Uitzendburo which was established in the Netherlands in 1972 by Mr. A.D. Mulder. USG People has been listed on the stock market since 1997 and the organisation has since grown through organic growth and acquisitions, including the acquisition of Start Holding in the Netherlands in 2002 and Solvus Resource Group in Belgium in 2005. USG People's second home market – after the Netherlands – is Belgium, where the organisation has been active since 1989. USG People is the second largest human resources services provider in the Dutch and Belgian markets in terms of revenues.

7.2 History of USG People

1972	Unique is established
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	Mr. A.D. Mulder started Unique Uitzendburo. The company's first employees came up with the name 'Unique'.
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1997	Stock market listing
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	Unique International acquired Goudsmit N.V., a listed company, which resulted in a (reverse) listing on the Amsterdam stock exchange of Unique. The listing increased brand recognition and provides more opportunities to invest in scale, services and build up an international network.
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2001	Acquisition of Secretary Plus
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	The acquisition of Secretary Plus expands the company's specialist services. That same year the name of Unique International changed to United Services Group.
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2002	Acquisition of Start
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	United Services Group acquired staffing group Start. This expanded the range of services with general staffing services in the Netherlands, Spain and Italy.
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	Group revenue exceeded EUR 1 billion.
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2005	Acquisition of Solvus
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	Belgian peer Solvus Resource Group is acquired. The combined entity continues under the name USG People N.V.
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2008	Expansion in Germany (Acquisition of Allgeier DL)
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	USG People strengthened its position on the German market by acquiring the staffing operations of Allgeier DL.
--	--

2013	Focus
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	USG People increased the focus of the organisation by divesting USG Energy and the general staffing activities in six countries and by unifying the brands into the star brands Start People, Unique, Secretary Plus and USG Professionals.
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2014	United
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	USG People completed its brand unification into the four star brands and further expanded its range of business solutions and online business solutions.
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7.3 Business overview

7.3.1 Introduction

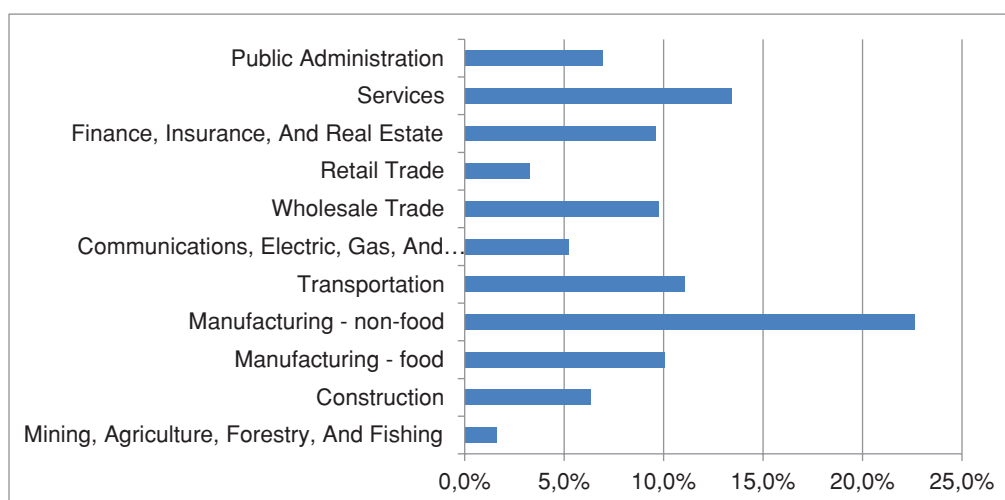
USG People is active in three business segments: general staffing, specialist staffing and professionals. In 2015, general staffing was the largest segment (62% (sixty-two per cent) of total group revenue) followed by specialist staffing (32% (thirty-two per cent) of total group revenue). Professionals accounts for approximately 6% (six per cent) of total group revenue. In addition to these core business segments USG People recently invested in online business solutions. The activities are concentrated in four countries: the Netherlands, Belgium, France and Germany. In the Netherlands and Belgium, USG People holds a number two (2) position.

7.3.2 Market developments

Currently the staffing markets in the countries where USG People is active are developing favourably. In USG People's most important countries, the Netherlands and Belgium – where USG People recorded 70% (seventy per cent) of its group revenue in 2015 – demand for human resource services accelerated in 2015. In the Netherlands and Belgium the staffing market grew by approximately 10% (ten per cent). In France and Germany the pace of growth was more modest. In France the economic growth is still fragile and in Germany the labour market is increasingly becoming tight. With a rate of unemployment of below 5% (five per cent) in Germany in 2015 it is the country with the lowest unemployment in the western continental European countries. The French staffing market grew by 4.0% (four point zero per cent) in 2015 and only a slight growth has been predicted for the German market.

7.3.3 USG People's client base

USG People has a broad range of customers. Its services contribute across almost the whole breadth of the labour market and its client network is broadly spread across a wide range of sectors. An effective spread of clients and sectors is important in order to be able to present candidates with an attractive spectrum of employers and to mitigate the impact of cyclical movements in certain sectors. The network has the widest spread in the Netherlands and Belgium, where USG People can also access the public sector with its services; in France and Germany the level of penetration of flexible working in the public sector is still low. At group level manufacturing is the largest sector, accounting for 33% (thirty three per cent) of total group revenue, followed by services (14% (fourteen per cent)) and the transportation sector (11% (eleven per cent)).



7.4 Strategy

USG People aims to grow by further developing its strong business units and by investing in expanding promising concepts, this by a dual track strategy, i.e. improving its commercial and

operational excellence of the core activities, whilst investing in the development of technology-driven services that provided high added value to its customers.

The activities of USG People are grouped into four star brands – Start People, Unique, Secretary Plus and USG Professionals – each focused on a specific market segment. The positioning is concentrated in four countries, with markets that offer fundamentally good opportunities for growth and attractive returns.

Strategic objectives

- Strengthen existing leadership positions
- Increase exposure in growth markets
- Expand high value-generating concepts

Profitability target

USG People's profitability target has been an average EBITA margin for the entire group of 6% (six per cent) throughout the economic cycle. This target is achieved by means of effective capacity utilisation, efficient operational processes, a flexible cost structure and a relative increase in the activities that provide high added value.

7.5 Recent developments

The execution of the dual track strategy led to a satisfying return in 2015. The chosen strategy with focus on two tracks resulted in above average growth and strong improvement of the actual results. In 2015 USG People autonomously increased its market share in all four countries.

Furthermore, the development of business solutions and online business solutions, in which USG People has recently invested, is progressing quite promising. Recently, many new initiatives were started and several projects have already been executed successfully.

Besides the satisfactory progress in the actual results, the dynamic potential of the business solution services has been embraced by USG People's clients which provides a good perspective for the organisations' development in the years to come.

7.6 Governance Structure

USG People currently has a two-tier board structure, consisting of the Management Board (*raad van bestuur*) and the Supervisory Board (*raad van commissarissen*).

7.6.1 Management Board

The Management Board is responsible for the day-to-day management of USG People under the supervision of the Supervisory Board and is responsible for the strategy, for setting and realising targets and for achieving results. The Management Board is required to keep the Supervisory Board informed, consult with the Supervisory Board on important matters and submit certain important decisions to the Supervisory Board for its approval.

The Management Board may perform all acts necessary or useful for achieving USG People's corporate purpose, save for those acts that are prohibited by law or by the Articles of Association. The Management Board as a whole is authorised to represent USG People, as are any two members of the Management Board acting jointly.

The Articles of Association provide that the number of members of the Management Board will be determined by the Supervisory Board, and that the Management Board will consist of at least two members.

7.6.2 Composition of the Management Board

The Management Board consists of two members. Each Management Board member has an employment agreement with USG People. The employment agreements with the Management Board members have an indefinite term.

The Management Board is composed of the following members:

Name	Position	Member Since
Mr. R. Zandbergen	Chief Executive Officer	9 May 2006
Ms. L. Geirnaerd	Chief Financial Officer	20 December 2010

Mr. R. Zandbergen – Chief Executive Officer

Mr. R. Zandbergen (1958) has been Chief Executive Officer of USG People since 1 July 2010 and has been active in the temporary employment sector since early 2003. In addition to his work at USG People, Mr. Zandbergen is a member of the supervisory board of the Dutch Flower Group and Eneco, and he is a member of the governing board of The Netherlands Study Centre for Technology Trends (*Stichting Toekomstbeeld der Techniek*). He is also a member of the advisory council of the School of Economics and Management (*Tilburg University*). Mr. Zandbergen graduated from the Royal Netherlands Military Academy in Breda, after which he studied business economics at the University of Amsterdam. Mr. Zandbergen has held various national and international executive and supervisory positions at publicly listed companies. Mr. Zandbergen holds Dutch nationality.

Ms. L. Geirnaerd – Chief Financial Officer

Ms. L. Geirnaerd (1974) joined the Management Board of USG People as Chief Financial Officer on 1 November 2010. Ms. Geirnaerd started her career at PricewaterhouseCoopers, where she worked as an auditor and manager for six years before moving to Solvus Resource Group in the position of Corporate Controller. After the acquisition of Solvus NV by USG People, Ms. Geirnaerd held various senior management positions, including that of General Manager of USG People Belgium's Shared Service Center Transactions & Support from 2008. Ms. Geirnaerd studied Applied Economics with an Accountancy option at the University of Antwerp. Ms. Geirnaerd holds Belgian nationality.

7.6.3 Supervisory Board

The Supervisory Board is responsible for supervising the conduct of and providing advice to the Management Board and supervising USG People's business generally. In performing its duties, the Supervisory Board is required to act in the interests of USG People's business as a whole. The members of the Supervisory Board are not, however, authorised to represent USG People in dealings with third parties.

The Articles of Association provide that the number of Supervisory Board members will be determined by the General Meeting of Shareholders, and that the Supervisory Board will consist of at least three members.

Reference is made to the proposed changes to the governance structure of the USG People Group pursuant to the Resolutions, as set out in Section 6 (*Annual General Meeting of USG People Shareholders*).

7.6.4 Composition of the Supervisory Board

The Supervisory Board is composed of the following members:

Name	Position	Member Since
Mr. C. Veerman	Chairman	2 March 2010
Mr. R. de Jong	Member	20 December 2010
Ms. W.J. Maas	Member	8 May 2014
Mr. A.D. Mulder	Member	9 May 2006
Mr. J.F.F.E. Thijs	Member	8 May 2014

Mr. C. Veerman – Chairman

Mr. C. Veerman has chaired the Supervisory Board since 1 March 2010. He was the Dutch minister of Agriculture, Nature and Food Quality from 2002 to 2007 and chief executive officer of Bracamonte B.V. until September 2013. Mr. Veerman currently holds professorships at the universities of both Tilburg and Wageningen. In addition, he is a member of the supervisory boards of companies, including Royal Reesink N.V., Holding Nationale Goede Doelen Loterij N.V. and Bestuurskantoor Fagoed B.V. He is also a member of the Governing Board of the Netherlands Organisation for Scientific Research (NWO) and chairman of the foundations Stichting Groenfonds and Stichting Protestants Christelijk Ziekenhuis Ikazia and of the Association of Water Companies in the Netherlands (*Vewin*).

Mr. R. de Jong

Mr. R. de Jong joined the Supervisory Board on 20 December 2010. A registered accountant, Mr. de Jong was most recently employed as chief financial officer of Essent, where he was also responsible for risk management and IT. He is chairman of the supervisory board of N.V. Nederlandse Gasunie and is a member of the supervisory board and chairs the audit committee of Enexis Holding N.V. He is also chairman of the supervisory board of Bakeplus Holding B.V. and of the supervisory board of Rabobank Arnhem en omstreken. He is a member of the board of supervision of Hogeschool van Amsterdam and an adviser to the board of supervision of the University of Amsterdam. He is also a member of the board of supervision of Toneelgroep Oostpool. Mr. de Jong is an executive committee member of the foundation Stichting Aandelenbeheer BAM Groep and of the Foundation for the holding of priority shares in the public limited liability company Wereldhave.

Ms. W.J. Maas

Ms. W.J. Maas joined the Supervisory Board on 8 May 2014. Prior to her appointment she was the general director of Dutch broadcasting organisation AVRO for eight years, a position she resigned from following the merger of AVRO with fellow broadcasting organisation TROS. Prior to that Ms. Maas had a long association with Amsterdam University of Applied Sciences, where she started teaching before holding various management positions and eventually becoming a member of the executive board of the University, first at the Institute of Laboratory Education and later at the Institute of Management and Economics. In the latter job she co-managed the merger with the HES Higher School of Economics and the cooperation agreement with the Economics faculty of the University of Amsterdam. Ms. Maas' last-held position at Amsterdam University of Applied Sciences was chairman of the board of the merged Economics Institutes and she has been an independent consultant and interim manager since September 2014. She is also a member of the supervisory board of the Amsterdam Port Authority and a member of the supervisory committees of the Prins Bernard Cultuurfonds cultural fund and Unicef Netherlands. She has chaired the Nationaal Restauratiefonds since December 2014.

Mr. A.D. Mulder

Mr. A.D. Mulder founded Unique Uitzendburo in 1972, therefore being the founder of USG People, of which he was chairman and chief executive officer until 2006. At the General Meeting of Shareholders in 2006 Mr. Mulder was appointed to the Supervisory Board. Additionally he is also a delegated director of Amerborgh International N.V., a management company with investments and stakes in companies, in the field of asset management, cross-media expenditure, property development, and art and culture. Mr. Mulder is also a board member of Stichting Start Foundation.

Mr. J.F.F.E. Thijs

Mr. J.F.F.E. Thijs joined the Supervisory Board on 8 May 2014. He obtained a degree in Business Engineering from Belgium's Limburg Business School in 1974. After various management positions at large multinationals, including AB InBev, Kraft-Jacobs-

Suchard and Mars Inc., he held the post of chief executive officer of bpost – the Belgian post company which obtained a stock market listing in June 2013 under his guidance – until the end of February 2014. Mr. Thijs is chairman of the executive boards of Spadel NV, Recticel NV, and Betafence NV and a member of the executive boards of Delhaize Group, the Red Cross Flanders, logistics services provider H. Essers and of developer Ghelamco NV. He is also an adviser to Lazard Frères Benelux and CVC Belgium.

7.7 Major Shareholders

The table below sets out the holders of notifiable interest (*substantiële deelneming*, a holding of at least 3% (three per cent)) in the share capital or voting rights in USG People, according to the AFM registers as at 21 March 2016.

Shareholder	Shareholding	Voting rights
Mr. A.D. Mulder	19.87%	19.87%
J O Hambro Capital Management Limited	5.03%	5.03%
Norges Bank	4.47%	4.47%
UBS Group AG	4.02%	4.02%
Dimensional Fund Advisors LP	0%	3.61%
Carlson Capital, L.P.	3.05%	3.05%

7.8 Foundation

USG People has entered into an agreement with Stichting Preferente Aandelen USG People (the “**Foundation**”) dated 29 April 2009 (the “**Foundation Option Agreement**”), pursuant to which the Foundation has been granted (i) a call option to acquire from USG People such number of preference shares with a nominal value of EUR 0.50 each (the “**Protective Preference Shares**”) as is equal to the total number of Shares representing 30% (thirty per cent) of the voting rights in USG People minus one and minus any Shares or Protective Preference Shares already issued to the Foundation and (ii) a call option to acquire from USG People such number of Protective Preference Shares as is equal to the total number of Shares minus one and minus any Shares or Protective Preference Shares already issued to the Foundation (each a “**Call Option**”). With reference to the Offer Condition set out in Section 5.7.1(i), the Offer is conditional upon (i) the Foundation not having exercised, either in whole or in part, its Call Option and (ii) the Foundation having agreed to terminate the Foundation Option Agreement, subject only to the Offer being declared unconditional (*gestand wordt gedaan*).

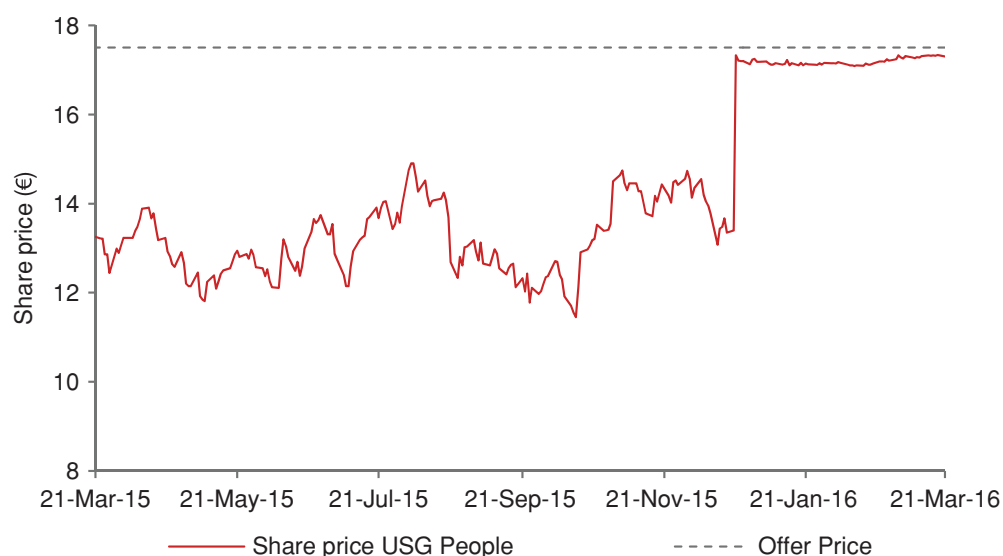
7.9 Capital and Shares

7.9.1 Authorised and issued Share Capital

At the date of this Offer Memorandum, the authorised share capital of USG People amounts to EUR 100 million and is divided in 100 million ordinary shares and 100 million preference shares, with a nominal value of EUR 0.50 each. The issued and outstanding share capital of USG People amounts to EUR 40,559,380.50 divided into 81,118,761 ordinary shares. Except for 3,369 ordinary shares in bearer form (*aandelen aan toonder*), all ordinary shares are in registered form (*aandelen op naam*). All ordinary shares are traded through the book-entry facilities of Euroclear Netherlands. No depositary receipts have been issued.

7.9.2 Share Price Development

The graph below sets out the closing price development of the Shares from 21 March 2015 to 21 March 2016.



7.10 Incentive Plans

7.10.1 Existing Incentive Plans

At the date of this Offer Memorandum, USG People's key management and other employees have rights outstanding under:

- (i) the Unique Share Plan 2015 - 2018 (the **"Unique Share Plan 2015 - 2018"**);
- (ii) the USG People SAR Plan 2011 - 2014 (the **"USG People SAR Plan 2011 - 2014"**);
- (iii) the USG People SAR Plan 2015 - 2018 (the **"USG People SAR Plan 2015 - 2018"**); and
- (iv) the Long Term Variable Plan Executive Board 2015 - 2018 (the **"Long Term Variable Plan Executive Board 2015 - 2018"**),

collectively, the **"Incentive Plans"** and the rights thereunder the **"Employee Share Rights"**.

7.10.2 Settlement of Employee Share Rights

Employee Share Rights outstanding under the Incentive Plans immediately prior to the Settlement Date will vest (as defined in the Incentive Plans) on the Settlement Date, provided that any grants under the Incentive Plans for the year 2016 will vest and become payable on a *pro rata parte* basis up to the Settlement Date. Such Employee Share Rights shall be settled by payment of the cash equivalent of the Shares comprising the Employee Share Rights based on the closing market quotation of a Share as derived from the Official Price List of Euronext Amsterdam on the Reference Date.

Without prejudice to the foregoing, Recruit shall pay the Offer Price for each Share that has been (i) granted to, or acquired by, directors and (senior) employees under the Incentive Plans, and (ii) validly tendered under the Offer. The statutory claw-back regulations (*de afroomregeling*) will be applied to the members of the Management Board pursuant to article 2:135 of the DCC.

7.10.3 Lapse of Incentive Plans

Recruit and USG People have agreed that as per Settlement the Incentive Plans will lapse and the relevant USG People employees are offered an alternative with rights that

in reward value are similar to the Employee Share Rights, provided that such alternative shall be settled in cash and shall focus on key performance indicators focused more on profit.

In particular it was agreed that:

- (i) the Employee Share Rights under the Unique Share Plan 2015 - 2018 (except for the members of the Management Board) will be valued and integrated to the existing short term incentives of the relevant employees;
- (ii) the Employee Share Rights under the USG People SAR Plan 2011 - 2014 and the USG People SAR Plan 2015 - 2018 will be valued and integrated to the fixed salary of the relevant employees; and
- (iii) the Long Term Variable Plan Executive Board 2015 - 2018 will be valued and replaced by a long term variable cash plan.

8 Information on Recruit

8.1 Introduction

Recruit Holdings Co., Ltd. is a company incorporated under the laws of Japan and having its principal place of business at 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan. Recruit is a public company listed on the Tokyo Stock Exchange.

8.2 Management structure of Recruit

Recruit has a one-tier board of directors. Recruit's board of directors consists of the following individuals:

- (i) Mr. Masumi Minegishi (*President, CEO and Representative Director*);
- (ii) Mr. Shogo Ikeuchi (*Board Director, Senior Managing Corporate Executive Officer*);
- (iii) Mr. Shigeru Kusahara (*Board Director, Senior Managing Corporate Executive Officer*);
- (iv) Mr. Keiichi Sagawa (*Board Director, Senior Managing Corporate Executive Officer*);
- (v) Mr. Shigeo Ohyagi (*External Board Director*); and
- (vi) Mr. Yasushi Shingai (*External Board Director*).

8.3 Business description

Founded in 1960, Recruit is a leading information services and human resources company in Japan. Through a wide range of services, the Recruit Group is focused on a variety of areas, including recruitment advertisement, employment placement, staffing, education, housing and real estate, bridal, travel, dining, beauty, automobiles and others. The Recruit Group has more than 36,000 employees and operates all over the world.

8.4 Business domains

Recruit operates a number of platforms for matching clients (enterprises) and users (people). Centering on this business model, Recruit has expanded into various business domains with the aim of realising a world in which each and every user can efficiently collect information and make optimal decisions. Recruit's main operations are in Staffing and Media business. In the Staffing business, Recruit operates in Japan and overseas. The overseas Staffing activities are based in North America and Australia. Recruit's Media business comprises of human resources media and Marketing media, both operated in Japan and overseas. Human resources media services focuses on offering employment information to job seekers. The Marketing media activities consists of life event operations and lifestyle operations. Within the life event operations, Recruit provides information on housing and real estate, bridal, and others. Within lifestyle operations, Recruit provides information on, among other things, travel, dining and beauty.

8.5 Main shareholders

Recruit is a public company listed on the Tokyo Stock Exchange. As a listed public company its shareholder basis is subject to continuous changes. According to the quarterly report of the shareholders' record as of 30 September 2015, the Recruit shareholder base was as follows.

Shareholders	Number of shares	Percentage of shares
TOPPAN PRINTING CO., LTD.	37,700,000	6.66%
Dai Nippon Printing Co., Ltd.	35,700,000	6.31%
DENTSU INC.	30,000,000	5.30%
The Recruit Group Employees Shareholding Association	24,553,960	4.34%
NTT DATA Corporation	20,500,000	3.62%
JP MORGAN CHASE BANK 380055	14,205,147	2.51%
Mizuho Bank, Ltd.	12,000,000	2.12%
Sumitomo Mitsui Banking Corporation	12,000,000	2.12%
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	12,000,000	2.12%
The Dai-ichi Life Insurance Company, Limited	12,000,000	2.12%
MITSUI & CO., LTD.	12,000,000	2.12%
Subtotal	222,659,107	39.39%
Others/public float	342,660,903	60.61%
Total number of shares issued and outstanding	565,320,010	100.00%

9 Further declarations pursuant to the Decree

9.1 Declarations

In addition to the other statements set out in this Offer Memorandum, (i) Recruit with regard to subjects referred to in Sections 9.1.2 and 9.1.5 (ii) USG People with regard to Section 9.1.6 and (iii) Recruit and the Boards jointly with regard to subjects referred to in Sections 9.1.1, 9.1.3 and 9.1.4 hereby declare as follows.

- 9.1.1 There have been consultations between Recruit and USG People regarding the Offer, which have resulted in (conditional) agreement regarding the Offer. Discussions regarding the Offer, including, but not limited to, the Offer Price, the financing of the Offer, the Offer Conditions and the future strategy of the Combined Group, took place between Recruit and the Boards and their respective advisers.
- 9.1.2 With due observance of and without prejudice to Sections 1 (*Restrictions*) and 2 (*Important information*), the Offer concerns all outstanding Shares in the capital of USG People and applies on an equal basis to all Shares and Shareholders.
- 9.1.3 With reference to Annex A, paragraph 2, sub-paragraph 5 of the Decree, neither Recruit, nor any of the members of Recruit's board of directors and the members of the Boards, nor any of these members' spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) nor any entities over which these persons have control (*zeggenschap hebben over*) whether directly or indirectly, hold any securities in USG People at the date on which the request for approval of this Offer Memorandum has been sent, other than the Shares held by members of the Boards as described in Section 5.10 (*Shareholdings of the members of the Boards*).
- 9.1.4 With reference to Annex A, paragraph 2, sub-paragraphs 6 and 7 of the Decree, no transactions or agreements in respect of securities in USG People have been effected or concluded and no similar transactions have been effected or concluded in respect of securities in USG People by Recruit or any of its Affiliates, any of the members of Recruit's board of directors or the members of the Boards, any of these members' spouses (*echtgenoten*), registered partners (*geregistreerde partners*), minor children (*minderjarige kinderen*) or any entities over which these persons have control (*zeggenschap hebben over*) in the year preceding the date of public announcement of the availability of this Offer Memorandum, other than the following agreements and arrangements in connection with the Offer: (i) the Irrevocable agreed by Recruit with the Committed Shareholder as described in Section 5.9 (*Irrevocable*), (ii) in respect of the Shares held by members of the Boards as described in Section 5.10 (*Shareholdings of the members of the Boards*) and (iii) in respect of directors (including the Management Board) and employees of USG People as described in Section 7.10 (*Incentive Plans*).
- 9.1.5 The costs Recruit has incurred and expects to incur in relation to the Offer amount to approximately EUR 9.9 million and relate to financial adviser fees, exchange agent fees, broker commissions, legal adviser fees, financial and tax due diligence fees, public relations and communications advice and printing. These costs will be borne by Recruit.
- 9.1.6 The costs USG People has incurred and expects to incur in relation to the Offer amount to approximately EUR 12 million and relate to fees of financial advisers, legal advisers, tax advisers, strategic advisers, auditor and communications advisers. These costs will be borne by USG People.
- 9.1.7 No remunerations will be paid to Recruit's directors and executive officers in connection with the Offer being declared unconditional (*gestanddoening*).
- 9.1.8 Other than as described in Sections 5.10.1 (*Information on Shares*), 7.10 (*Incentive Plans*) and 5.19 (*Compensation for the members of the Boards*) no remunerations will be paid to members of the Boards of USG People in connection with the Offer being declared unconditional (*gestanddoening*).

10 Tax aspects of the Offer

10.1 Netherlands

10.1.1 General

The following summary of material Netherlands tax considerations with respect to the acceptance of the Offer is based upon Netherlands tax laws in effect at the date of this document. Legislative changes may, however, be forthcoming that could alter or modify the statements and conclusions set out herein. Any such changes may be retroactive and could affect the Netherlands tax considerations as addressed. This summary does not purport to be a legal opinion or to address all Netherlands tax considerations that may be relevant with respect to the acceptance of the Offer. Each holder of Shares is urged to consult its own tax adviser as to the particular Netherlands tax considerations to such holder of the acceptance of the Offer, including the applicability and effect of any other tax laws or tax treaties, and of pending or proposed changes in applicable tax laws as of the date of this document, and of any actual changes in applicable tax laws after such date. For the purpose of this summary, the terms “the Netherlands” and “Dutch” refer solely to the part of the Kingdom of the Netherlands in Europe.

10.1.2 Scope

Regardless of whether or not a holder of Shares is, or is (deemed to be) treated as being, a resident of the Netherlands, this summary does not address the Netherlands tax considerations for such a holder:

- (i) having a substantial interest (*aanmerkelijk belang*) in USG People (such a substantial interest is generally present if an equity stake of at least 5% (five per cent), or a right to acquire such a stake, is directly or indirectly held, together with his or her partner, in each case by reference to USG People’s total issued share capital, or the issued capital of a certain class of shares);
- (ii) who is a private individual and may be taxed for the purposes of Netherlands income tax (*inkomstenbelasting*) as an entrepreneur (*ondernemer*) having an enterprise (*onderneming*) to which the Shares are attributable, or who may otherwise be taxed with respect to benefits derived from the Shares being treated as income derived from work and home (*werk en woning*), including but not limited to, income from miscellaneous activities (*resultaat uit overige werkzaamheden*);
- (iii) is a (resident or non-resident) corporate entity, and for the purposes of Netherlands corporate income tax (*vennootschapsbelasting*) and Netherlands dividend tax (*dividendbelasting*), has, or is deemed to have, a participation (*deelname*) in USG People (such a participation is generally present in the case of an interest of at least 5% (five per cent) of USG People’s nominal paid-in capital);
- (iv) which is a corporate entity and an exempt investment institution (*vrijgestelde beleggingsinstelling*) or investment institution (*beleggingsinstelling*) for the purposes of Netherlands corporate income tax, a pension fund, or otherwise not a taxpayer or exempt for tax purposes;
- (v) which receives or received the Shares as income from employment or deemed employment or otherwise as compensation;
- (vi) which is deemed to hold the Shares on the basis of the attribution rules of article 2.14a of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*);
- (vii) which is a corporate entity and resident of Aruba, Curaçao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius and Saba and the Shares

are attributable to such permanent establishment or permanent representative;
or

- (viii) which is not considered the beneficial owner (*uiteindelijk gerechtigde*) of the Shares and/or the benefits derived from the Shares.

10.1.3 Acceptance of the Offer

- (i) Withholding tax

A gain realised upon the disposal of the Shares in connection with the Offer, including disposal of the Shares by means of the Buy-Out, will not be subject to any withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

- (ii) Income tax

- (a) Resident holders

A holder who is a private individual and a resident, or treated as being a resident of the Netherlands for the purposes of Netherlands income tax, must record the Shares as assets that are held in box 3. Taxable income with regard to the Shares is then determined on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return is fixed at a rate of 4% (four per cent) of the holder's yield basis (*rendementsgrondslag*) at the beginning of the calendar year, insofar as the yield basis exceeds a certain threshold. Such yield basis is determined as the fair market value of certain qualifying assets held by the holder of the Shares, less the fair market value of certain qualifying liabilities at the beginning of the calendar year. The fair market value of the Shares will be included as an asset in the holder's yield basis. The deemed return on income from savings and investments is taxed at a rate of 30% (thirty per cent).

Therefore, acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by such holders of Shares, does not give rise to Netherlands income tax.

- (b) Non-resident holders

A holder who is a private individual and neither a resident, nor treated as being a resident of the Netherlands for the purposes of Netherlands income tax, will not be subject to Netherlands income tax in respect of benefits derived from the Shares.

Therefore, acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by such holders of Shares, does not give rise to Netherlands income tax.

- (iii) Corporate income tax

- (a) Resident holders or non-resident holders having a Netherlands permanent establishment

A holder which is a corporate entity and for the purpose of Netherlands corporate income tax a resident (or treated as being a resident) of the Netherlands, or a non-resident having (or treated as having) a permanent establishment in the Netherlands to which the Shares are attributable, is taxed in respect of benefits derived from the Shares at rates of up to 25% (twenty-five per cent).

Therefore, any gain realised by such holder as a result of acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by such holders

of Shares, is subject to Netherlands corporate income tax at rates of up to 25% (twenty-five per cent).

(b) Non-resident holders

A holder which is a corporate entity and for the purposes of Netherlands corporate income tax is neither a resident, nor treated as being a resident, of the Netherlands, nor having a permanent establishment in the Netherlands (and not treated as having such a permanent establishment), will not be subject to Netherlands corporate income tax in respect of benefits derived from the Shares.

Therefore, acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by such holders of Shares, does not give rise to Netherlands corporate income tax.

10.1.4 Gift and inheritance tax

Acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by holders of Shares, does not give rise to Netherlands gift and inheritance tax, neither for resident holders nor for non-resident holders.

10.1.5 Other taxes

No Netherlands turnover tax (*omzetbelasting*) will arise for holders of Shares in respect of the acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by holders of Shares. Furthermore, no Netherlands registration tax, capital tax, transfer tax or stamp duty (nor any other similar Dutch tax or duty other than court fees) will be payable in connection with the acceptance of the Offer itself, i.e. acceptance of the Offer Price in cash by holders of Shares.

10.2 United States

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS OF SHARES ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFER MEMORANDUM IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS OF SHARES UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS OF SHARES SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

10.2.1 General

The following is a summary of certain U.S. federal income tax consequences of the sale of Shares by a U.S. Holder (as defined below) pursuant to the Offer. This summary deals only with holders of the Shares that are U.S. Holders and hold the Shares as capital assets. The discussion does not cover all aspects of U.S. federal income taxation that may be relevant to, or the actual tax effect that any of the matters described herein will have on, the disposition of Shares by particular investors, and does not address state, local, foreign or other tax laws. This summary also does not address tax considerations applicable to investors that own (directly or indirectly) 10% (ten per cent) or more of the voting stock of USG People, nor does this summary discuss all of the tax considerations that may be relevant to certain types of investors subject to special treatment under the U.S. federal income tax laws (such as financial institutions, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, tax-exempt organisations, dealers in securities or currencies, investors that hold the Shares as part of straddles, hedging transactions or conversion transactions for U.S. federal income tax purposes or investors whose functional currency is not the U.S. dollar).

As used herein, the term “U.S. Holder” means a beneficial owner of Shares that is, for U.S. federal income tax purposes, (i) an individual citizen or resident of the United States, (ii) a corporation created or organised under the laws of the United States or any State thereof, (iii) an estate the income of which is subject to U.S. federal income tax without regard to its source or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes.

The U.S. federal income tax treatment of a partner in an entity treated as a partnership for U.S. federal income tax purposes that holds Shares will depend on the status of the partner and the activities of the partnership. Prospective purchasers that are entities treated as partnerships for U.S. federal income tax purposes should consult their tax advisers concerning the U.S. federal income tax consequences to their partners of the sale of Shares by the partnership pursuant to the Offer.

The summary assumes that USG People is not and has never been a passive foreign investment company (a “PFIC”) for U.S. federal income tax purposes. If USG People were to be, or have been, a PFIC for the current or any past taxable year, materially adverse consequences could result for U.S. Holders.

The summary as set out in in this Section 10.2 is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL INVESTORS SHOULD CONSULT THEIR TAX ADVISERS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF PARTICIPATING IN THE OFFER, INCLUDING THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

10.2.2 Sale of Shares pursuant to the Offer

A U.S. Holder's sale of Shares pursuant to the Offer will be a taxable transaction. A U.S. Holder generally will recognise capital gain or loss for U.S. federal income tax purposes equal to the difference, if any, between the amount realised on the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares. This capital gain or loss will be long-term capital gain or loss if the U.S. Holder's holding period in the Shares exceeds one (1) year.

A U.S. Holder's tax basis in a Share will generally be its U.S. dollar cost. The U.S. dollar cost of a Share purchased with foreign currency will generally be (i) the U.S. dollar value of the purchase price on the date of purchase, or (ii) in the case of Shares traded on an established securities market (within the meaning of the applicable U.S. Treasury Regulations), the settlement date for the purchase, with respect to a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects). An election by an accrual basis U.S. Holder to utilise the settlement date for the determination of tax basis must be applied consistently from year to year and cannot be revoked without the consent of the Internal Revenue Service (IRS).

The amount realised on a sale or other disposition of Shares for an amount in foreign currency will generally be the U.S. dollar value of this amount on the date of sale or disposition. To the extent the settlement date occurs after the date of sale, the U.S. Holder will recognise U.S. source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the U.S. dollar value of the amount received based on the exchange rates in effect on the date of sale (or other disposition) and the settlement date. However, in the case of Shares traded on an established securities market that are sold by a cash basis U.S. Holder (or an accrual basis U.S. Holder that so elects), the amount realised will be based on the exchange rate

in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

10.2.3 Disposition of foreign currency

Foreign currency received on the sale or other disposition of a Share will have a tax basis equal to its U.S. dollar value on the Settlement Date. Any gain or loss recognised on a sale or other disposition of a foreign currency (including upon exchange for U.S. dollars) will be U.S. source ordinary income or loss.

10.2.4 Backup withholding and information reporting

Proceeds from the Offer paid by a U.S. paying agent or other U.S. intermediary will be reported to the IRS and to the U.S. Holder as may be required under applicable regulations. Backup withholding may apply to these payments if the U.S. Holder fails to provide an accurate taxpayer identification number or certification of exempt status or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. Certain U.S. Holders are not subject to backup withholding. U.S. Holders should consult their tax advisers as to their qualification for exemption from backup withholding and the procedure for obtaining an exemption.

11 Press releases

11.1 Initial joint press release by Recruit and USG People dated 22 December 2015



press release

This is a joint press release by Recruit Holdings Co., Ltd. and USG People N.V., pursuant to the provisions of Section 5 Paragraph 1 and Section 7 Paragraph 4 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) in connection with the intended public offer by Recruit Holdings Co., Ltd. for all the issued ordinary shares in the capital of USG People N.V.

This announcement does not constitute an offer, or any solicitation of any offer, to sell or request to purchase or subscribe to any securities in USG People N.V. Any offer will be made only by means of a separate offer memorandum specifically published for this purpose, subject to the applicable rules and regulations in the Netherlands. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Australia, Canada or the United States of America.

RECRUIT AND USG PEOPLE AGREE ON RECOMMENDED ALL-CASH OFFER FOR ALL USG PEOPLE SHARES

- Recruit and USG People reach conditional agreement on an all-cash tender offer of € 17.50 per USG People share.
- The offer price represents a 31% premium over the closing price of 21 December 2015, a 31% premium over USG People's 3 month volume weighted average price ("VWAP") and a 41% premium over USG People's 12 month VWAP preceding 21 December 2015.
- The offer represents an equity value for USG People of € 1.42bn and an enterprise value of € 1.61bn¹ valuing USG People at 16.0x Enterprise Value / EBITA over the last twelve months².
- The offer is unanimously recommended and supported by USG People's Executive and Supervisory Boards.
- USG People's founding shareholder Mr. Alex Mulder has irrevocably committed to support the offer and tender his shareholding of approximately 19.8% in USG People.
- The transaction will create a leading specialised provider of Staffing and innovative HR services with true global presence in Japan, continental Europe, the United Kingdom, the United States of America and Australia.
- The transaction provides Recruit with an established entry platform into the continental European staffing market supporting future growth of Recruit's activities in the region.
- Present USG People management will lead the continental European staffing business.
- USG People's star brands will remain in place, recognising the strong offering and service to customers.

Tokyo, Japan and Amsterdam, the Netherlands, 22 December 2015

Recruit Holdings Co., Ltd. ("Recruit") (Tokyo Stock Exchange: 6098) and USG People N.V. ("USG People") (Euronext Amsterdam: USG) jointly announce today that they have reached conditional agreement on a merger protocol (the "Merger Protocol") related to a recommended all cash offer by Recruit for all issued ordinary shares of USG People (the "Shares") at an offer price of € 17.50 (the "Offer Price") per ordinary USG People share, subject to customary conditions (the "Offer"). Through this transaction both Recruit and USG People will realise important strategic objectives, creating a truly global specialised provider of Staffing and innovative HR services.

¹ Based on latest reported net financial debt of € 195m as per 30 September 2015.

² Based on last twelve months underlying EBITA of € 101m as per 30 September 2015.

This Offer represents a 31% premium to the closing share price of USG People of € 13.40 on 21 December 2015, the day before this announcement, a 31% premium over the USG People's 3 month volume weighted average price of € 13.40 and a 41% premium over USG People's 12 month volume weighted average price of € 12.40 preceding 21 December 2015. The Offer values USG People at 16.0x Enterprise Value / EBITA over the last twelve months ending 30th of September. USG People has agreed not to pay or declare any (interim) dividend or to make any distribution in kind until completion of the transaction.

Masumi Minegishi, Chairman of the Board of Directors and Chief Executive Officer of Recruit: "Recruit's midterm vision is to become the world leader in human resources by around 2020, in terms of number of positions filled. To achieve this, we are seeking to grow our business platforms in Japan and abroad organically and through acquisitions. The acquisition of USG People is perfectly aligned with this strategy. Recruit has proven its ability to drive profitable growth through mergers and the Board of Directors is deeply committed to supporting the continuation of this journey. Following our acquisitions in the United States, the United Kingdom and Australia we are now taking the next step by entering the continental European market. We are excited by USG People, which we see as a strong business that operates fantastic brands and has a deep understanding and expertise of the markets it operates in. Together with USG People, we aim to become a recognised industry leader in Europe. The time has now come to take another significant step forward. We see great long-term potential in combining USG People with Recruit."

Rob Zandbergen, Chief Executive Officer of USG People: "Recruit's offer to join forces with our organisation brings attractive perspectives for all our stakeholders. A combination with Recruit, a successful global organisation, provides the opportunity to accelerate our growth and innovation development and to strengthen our position in continental Europe considerably, all this being in the interest of our customers and employees. Together we have the ability to accelerate the execution of our strategy. Recruit and USG People share common ambitions and similar company cultures and values. Also geographically, the companies are highly complementary with no overlap with the current operations of Recruit in staffing activities, hence the current USG People organisation will serve as the basis for the realisation of our joint growth ambition in the continental European market, giving ample opportunities to USG People's employees."

Cees Veerman, Chairman of the Supervisory Board of USG People: "The Supervisory Board has thoroughly discussed and reviewed USG People's strategic options over the past year. The proposal to team up with Recruit has been considered carefully. Following the divestments of USG People Energy and the General Staffing activities in 2013 USG People has brought back the multibrand to four distinct star brands in our four core geographies in 2014. Geared towards commercial and operational excellence and the investments undertaken in innovative companies and digitisation, we are convinced that the best way forward for USG People and all its stakeholders is to join forces with Recruit. The employees and management of USG People have done a great job in improving the operational and financial performance. The merger affords the opportunity to provide access to greater resources to ensure the realisation of our strategy."

STRATEGIC RATIONALE

The combination of Recruit and USG People will create a leading global specialised provider of Staffing and innovative HR Services. USG People provides Recruit with an established entry point into the continental European staffing market from which it can further realise its ambitions of becoming the world leader in human resources by around 2020.

USG People's current leading positions in local markets are fully complementary to Recruit's existing operations. At the same time, Recruit provides USG People the opportunity to realise its growth ambitions. Together, the companies will be able to adapt faster to new market developments. Recruit also provides USG People the opportunity to accelerate its dual track strategy, which is to improve its commercial and operational excellence of the core staffing activities, whilst continuing the development of technology-driven services that provide high added value to its customers.

With its global reach and strong value proposition, the combined company will provide employees with expanded opportunities for development and growth.

UNANIMOUSLY RECOMMENDED BY USG PEOPLE'S EXECUTIVE & SUPERVISORY BOARDS

The executive board (the "Executive Board") and supervisory board (the "Supervisory Board") of USG People, (together the "Boards") have throughout the process taken into account the interest of all stakeholders and the maximisation of value creation. In reaching their recommendation, the Boards have made careful consideration of Recruit's offer and extensively evaluated the offer in light of USG People's strategic options, including stand-alone scenarios and explored the interest to pursue a combination transaction with selected competitors. Throughout the discussions with Recruit the Boards met frequently to discuss the developments in the process and the key decisions in connection therewith.

After careful consideration, the Boards believe that the Offer represents a fair price for shareholders and have come to the conclusion that the contemplated transaction is in the best interests of USG People and all of its stakeholders.

On 21 December 2015, Bank of America Merrill Lynch International Ltd. Amsterdam Branch issued an opinion to the Executive Board, and ING Bank N.V. issued an opinion to the Supervisory Board of USG People, as to the fairness as of that date, from a financial point of view, of the Offer Price to be paid to the USG People shareholders in the Offer.

Having taken all of these considerations into account, the Boards fully support and unanimously recommend the Offer for acceptance to the shareholders. The Boards believe that the Offer will deliver significant benefits to the shareholders, employees, customers and other stakeholders of USG People.

IRREVOCABLE UNDERTAKING

Mr. Alex Mulder, directly and indirectly holder of approximately 19.8% of the issued ordinary shares of USG People, has irrevocably committed to accept the Offer and tender the shares directly and indirectly controlled by him under the Offer if and when made, and to vote in favour of the resolutions proposed at the EGM. The irrevocable undertaking contains certain customary terms and conditions.

TRANSACTION FUNDING

The Offer values 100% of the Shares at approximately € 1.42 billion, which excludes transaction and other costs. Recruit currently intends to fund the Offer through its cash balances and by utilising debt facilities at the level of Recruit Holdings. As of today Recruit has sufficient funds available to fund the Offer.

NON-FINANCIAL COVENANTS

Recruit and USG People have agreed on certain non-financial covenants with regard to the strategy, governance, and employees of USG People as well as other matters. Recruit and USG People have similar corporate cultures and values which will govern the future success of the combined company. USG People will continue to run as a stand-alone company operating under its existing name and operating the existing star brands.

STRATEGY

Recruit will support USG People in the realisation and acceleration of the current strategy aimed at improving its commercial and operational excellence of its core activities, whilst developing profitable innovative services that provide high added value in the field of human capital. USG People will become the continental European platform for the staffing business of the Recruit Group, with USG People's current head office serving as the continental European staffing head office of the Recruit Group. USG People will continue to explore and implement business development activities in continental Europe in line with its current strategy, with USG People being the holding company of the existing and future USG People and Recruit companies in continental Europe for staffing activities. USG People group will adopt and implement Recruit's management philosophy.

The core businesses and services of the USG People group shall be maintained and the major brand names of the USG People group in all relevant markets shall remain consistent with the USG People group's current branding and marketing strategy.

USG People group will retain its corporate identity and culture. Its headquarters, central management and its key support functions will remain at its current location in Almere, the Netherlands. USG People will remain a separate legal entity, and will remain the ultimate holding company of its current and future subsidiaries and operations.

EMPLOYEES

Recruit recognises that USG People's management and employees will be vital to the future success of the company and expects to rely on their experience and expertise going forward. Recruit will respect the existing employment rights and benefits of employees of USG People, including under any existing social plans, pension plans, profit sharing schemes, covenants (including covenants with USG People's works council) and collective labour agreements, as well as the terms of individual employment agreements between USG People and its employees, for the agreed duration of these arrangements and agreements. There shall neither be any material reorganisation or restructuring resulting in job losses in the USG People group as a direct result of the Offer. No significant job losses are foreseen in the current business plan of USG People group or in its future strategy.

GOVERNANCE

Following settlement of the Offer, USG People will introduce a one-tier board system, consisting of three executive directors and four non-executive directors.

Mr. Rob Zandbergen will remain in office as an executive director with the title of CEO and Ms. Leen Geirnaerdt will remain in office as an executive director with the title of CFO. A third executive director will be nominated by Recruit.

Mr. Cees Veerman, currently Chairman of the Supervisory Board of USG People (the “Continuing Member”) will remain in office as of settlement of the Offer as a non-executive director until USG People will no longer be subject to the large company regime.

Mr. Hitoshi Motohara, Managing Corporate Executive Officer of Recruit, will be one of the non-executive directors nominated by Recruit and will be the Chairman of the new one-tier board. Two other non-executive directors will be identified by Recruit. All non-executive directors, including the Continuing Member, shall monitor and protect the interests of USG People and all of its stakeholders.

After delisting from Euronext Amsterdam, USG People will be converted into a Dutch private limited liability company (*besloten vennootschap*).

COMMENCEMENT AND OFFER CONDITIONS

The commencement of the Offer is subject to the satisfaction or waiver of the following conditions customary for a transaction of this kind:

- i. all relevant competition filings having been made or requested;
- ii. no material breach by USG People or Recruit of the Merger Protocol or Mr. Alex Mulder of his irrevocable undertaking having occurred;
- iii. no revocation or change of the recommendations of the Offer by any of the Boards having occurred;
- iv. no protective preference shares having been issued;
- v. no material adverse effect having occurred;
- vi. the Netherlands Authority for the Financial Markets (“AFM”) having approved the offer memorandum;
- vii. no public announcement of a Competing Offer (as defined below) having been made;
- viii. trading in the USG People Shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure;
- ix. no notification having been received from the AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- x. no order, stay, judgment or decree having been issued by a court or governmental authority prohibiting the making of the Offer.

If and when made, the completion of the Offer will be subject to the satisfaction or waiver of the following Offer conditions customary for transactions of this kind:

- i. minimum acceptance level of at least 95% of the Shares;
- ii. all required competition clearances having been obtained;
- iii. the EGM having adopted certain resolutions to amend the articles of association of USG People to implement certain changes to the corporate governance structure of USG People;
- iv. no material breach by USG People or Recruit of the Merger Protocol or Mr. Alex Mulder of his irrevocable undertaking having occurred;
- v. clearance from USG People’s work council having been obtained;
- vi. no material adverse effect having occurred;
- vii. no public announcement of a Competing Offer (as defined below) having been made;
- viii. no revocation or change of the recommendations of the Offer by any of the Boards having occurred;
- ix. no protective preference shares having been issued and the relevant foundation having agreed to terminate its rights in relation to any such issuance;
- x. trading in the USG People shares on Euronext Amsterdam not having been suspended or ended as a result of a listing measure;
- xi. no notification having been received from the AFM stating that investment firms will not be allowed to cooperate with the Offer; and
- xii. no order, stay, judgment or decree having been issued by a court or governmental authority prohibiting the transaction.

TERMINATION FEES

In case of termination of the Merger Protocol because of a material breach of the Merger Protocol, the breaching party shall pay to the other party a termination fee of € 10.5 million. In case of termination of the Merger Protocol because of a Competing Offer (as defined below), USG People shall pay Recruit a termination fee of € 10.5 million. The foregoing termination fees are without prejudice to each party's rights under the Merger Protocol, including the right to demand specific performance.

COMPETING OFFER

Recruit and USG People may each terminate the Merger Protocol in the event that an offer is made by a third party, which offer is launched, or binding on the offering party, and shall exceed the Offer Price by 7.5%, and which in the reasonable opinion of the Boards is more beneficial to USG People and its stakeholders than the Offer (a "Competing Offer").

In the event of a Competing Offer, Recruit has the right to match such offer, in which case the Merger Protocol shall not be terminated by USG People. As part of the agreement, USG People has entered into customary undertakings not to solicit third party offers. If Recruit has matched any Competing Offer, the consideration of any consecutive offer must exceed the most recently offered consideration by 7.5% in order to qualify as a Competing Offer.

Recruit has agreed with USG People not to purchase any Shares outside the Offer, until settlement of the Offer, or until a competitor buys a stake of 3% or more.

INDICATIVE TIMETABLE

Recruit and USG People have completed their preparatory work on the required competition filings and Recruit plans to file a Form CO with the European Commission as soon as practicable. Recruit is confident that it will secure all relevant competition approvals and has agreed to offer any required remedies. In addition, the customary, pre-requisite advice and consultation procedures with USG People's works council will be continued, with the intention to have the procedures completed prior to commencement of the Offer.

It is Recruit's intention to submit a request for approval of the offer memorandum to the AFM within 12 weeks from today and to publish the offer memorandum shortly after approval from the AFM, in accordance with the applicable statutory timetable.

USG People will hold an extraordinary general meeting of shareholders (the "EGM") at least six business days before closing of the offer period in accordance with Section 18 Paragraph 1 of the Decree on Public Takeover Bids (Besluit Openbare Biedingen Wft) to inform the shareholders about the Offer. The USG People shareholders shall be requested to accept the resignation of the resigning members of the Supervisory Board, provide discharge to each resigning member of the Supervisory Board, to amend the articles of association of USG People to implement certain changes to the corporate governance structure of USG People and to appoint one new executive director and three new non-executive directors to the new one-tier board.

Based on the required steps and subject to the necessary approvals, Recruit and USG People anticipate that the Offer will close in the second quarter of 2016.

TRANSACTION ADVISORS

Nomura is acting as financial advisor to Recruit. Bank of America Merrill Lynch is acting as financial advisor to USG People. ING is acting as financial advisor to the Supervisory Board of USG People.

Linklaters LLP is acting as legal advisor to Recruit; Allen & Overy LLP is acting as legal advisor to USG People.

Hill+Knowlton Strategies is acting as communications advisor to Recruit and USG People.

FURTHER INFORMATION

The information in this press release is not intended to be complete and for further information explicit reference is made to the offer memorandum, which is expected to be published during the first quarter of 2016. The offer memorandum will contain details of the Offer. The USG People shareholders are advised to review the offer memorandum in detail and to seek independent advice where appropriate in order to reach a reasoned judgment in respect of the content of the offer memorandum and the Offer itself.

GENERAL RESTRICTIONS

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of USG People in any jurisdiction.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain “forward-looking statements” and language indicating trends, such as “anticipated” and “expected”.

Any forward-looking statements apply only on the date of this press release and are based on current expectations and convictions and, by their nature, are subject to a number of known and unknown risks and uncertainties as a result of which the actual results and performance may differ substantially from expected future results or performance expressed or implied in the forward-looking statements. The information and views contained in this press release may change without prior notice, and neither Recruit nor USG People has the intention nor the obligation to update forward-looking statements in this communication, except insofar as it is obliged to do so by any applicable legislation or by the rules of any stock exchange on which their respective shares may be traded.

Although Recruit and USG People believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Recruit nor USG People, nor any of their advisors accepts any responsibility for any financial or other information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

DISCLAIMER

The distribution of this press release may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Recruit and USG People disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Recruit nor USG People, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any holder of Shares who is in any doubt as to his position should consult an appropriate professional advisor without delay.

Nomura International plc (“Nomura”) is acting exclusively for Recruit in connection with the Offer and will not be responsible to anyone other than Recruit for providing the protections afforded to its clients or for providing advice in relation to the Offer.

Bank of America Merrill Lynch International Limited, Amsterdam Branch (“Bank of America Merrill Lynch”), a subsidiary of Bank of America Corporation, is acting exclusively for USG People N.V. in connection with the Offer and for no one else and will not be responsible to anyone other than USG People N.V. for providing the protections afforded to its clients or for providing advice in relation to the Offer.

ING Bank N.V. (ING) is acting exclusively for the Supervisory Board of USG People N.V. in connection with the Offer and for no one else and will not be responsible to anyone other than the Supervisory Board of USG People N.V. for providing the protections afforded to its clients or for providing advice in relation to the Offer.

CONFERENCE CALL

USG People will host an analyst call at 9:30 CET, which can be joined by dialling +31 (0)20 531 58 71. Also webcasted via <https://www.kpnwebshow.nl/fk9fs88e>.

Today at 10:30 CET a media call of USG People will take place. The call can be joined by dialling +31 (0)20 531 58 61. Also webcasted via <https://www.kpnwebshow.nl/5m8cc85b>.

Replays of the conference calls will be available afterwards on www.usgpeople.com.

FOR MORE INFORMATION, PLEASE CONTACT:

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Disclaimer

This press release is available in Dutch and English. In the event of ambiguities, the English text shall prevail.

About Recruit

Founded in 1960, Recruit Holdings is a leading information services and human resources company in Japan. Through a wide range of services, Recruit is focused on a variety of areas, including employment, education, housing, marriage, travel, restaurants, beauty, cars, hobbies, and lifestyles. Recruit has more than 30,000 employees and operates all over the world.

For further information, visit <http://www.recruit-rgf.com>.

About USG People

With revenue of € 2.4 billion in 2014 USG People is one of the largest providers of HR services in Europe with established and recognisable international brands. The brand portfolio comprises Start People, Unique, Secretary Plus, USG Professionals and Solvus.

Headquartered in the Dutch city of Almere, USG People is active in Belgium, France, Germany and the Netherlands. USG People is listed on the Euronext Amsterdam stock exchange and is included in the AMX Index.

For more information on USG People or any of its operating companies, please visit our website at www.usgpeople.com.



This is a joint press release by Recruit Holdings Co., Ltd. and USG People N.V., pursuant to the provisions of Section 4, paragraph 1 and Section 7, paragraph 1 sub a of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*) in connection with the intended public offer by Recruit Holdings Co., Ltd. for all the issued ordinary shares in the capital of USG People N.V.

This announcement does not constitute an offer, or any solicitation of any offer, to sell or request to purchase or subscribe to any securities in USG People N.V. Any offer will be made only by means of a separate offer memorandum specifically published for this purpose, subject to the applicable rules and regulations in the Netherlands. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Australia, Canada or the United States of America.

STATUS UPDATE ON THE INTENDED OFFER BY RECRUIT HOLDINGS CO., LTD. FOR USG PEOPLE N.V.

Tokyo, Japan and Almere, the Netherlands, 19 January 2016 – On 22 December 2015 Recruit Holdings Co., Ltd. (“Recruit”) (Tokyo Stock Exchange: 6098) and USG People N.V. (“USG People”) (Euronext Amsterdam: USG) issued a joint press release in respect of the intended recommended all cash offer by Recruit for all issued ordinary shares of USG People at an offer price of € 17.50 per ordinary USG People share, subject to customary conditions (the “Offer”).

Pursuant to the provisions of Section 7, paragraph 1 sub a of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*) which require a public announcement containing a status update within four weeks following the announcement of an intended public offer, Recruit and USG People provide the following joint status update.

Recruit and USG People confirm that they are making timely progress on the preparations for the Offer. Recruit expects to submit a request for review and approval of the offer memorandum with the Netherlands Authority for the Financial Markets (“AFM”) in any event by 15 March 2016, which is the date by which under Dutch law a request for approval must be submitted to the AFM. Recruit will publicly announce the availability of the offer memorandum and commencement of the offer period which is currently expected to commence in April 2016.

GENERAL RESTRICTIONS

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of USG People in any jurisdiction.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This press release contains certain “forward-looking statements” and language indicating trends, such as “anticipated” and “expected”.

Any forward-looking statements apply only on the date of this press release and are based on current expectations and convictions and, by their nature, are subject to a number of known and unknown risks and uncertainties as a result of which the actual results and performance may differ substantially from expected future results or performance expressed or implied in the forward-looking statements. The information and views contained in this press release may change without prior notice, and neither Recruit nor USG People has the intention nor the obligation to update forward-looking statements in this communication, except insofar as it is obliged to do so by any applicable legislation or by the rules of any stock exchange on which their respective shares may be traded.

Although Recruit and USG People believe that the assumptions upon which their respective financial information and their respective forward-looking statements are based are reasonable, they can give no assurance that these assumptions will prove to be correct. Neither Recruit nor USG People, nor any of their advisors accepts any responsibility for any financial or other information contained in this press release relating to the business or operations or results or financial condition of the other or their respective groups.

DISCLAIMER

The distribution of this press release may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Recruit and USG People disclaim any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Neither Recruit nor USG People, nor any of their advisors assumes any responsibility for any violation by any person of any of these restrictions. Any holder of shares of USG People who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Australia, Canada or the United States of America.

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Disclaimer

This press release is available in Dutch and English. In the event of ambiguities, the English text shall prevail.

About Recruit

Founded in 1960, Recruit Holdings is a leading information services and human resources company in Japan. Through a wide range of services, Recruit is focused on a variety of areas, including employment, education, housing, marriage, travel, restaurants, beauty, cars, hobbies, and lifestyles. Recruit has more than 30,000 employees and operates all over the world.

For further information, visit <http://www.recruit-rgf.com>.

About USG People

With revenue of € 2.4 billion in 2014 USG People is one of the largest providers of HR services in Europe with established and recognisable international brands. The brand portfolio comprises Start People, Unique, Secretary Plus, USG Professionals and Solvus.

Headquartered in the Dutch city of Almere, USG People is active in Belgium, France, Germany and the Netherlands. USG People is listed on the Euronext Amsterdam stock exchange and is included in the AMX Index.

For more information on USG People or any of its operating companies, please visit our website at www.usgpeople.com.

11.3 Certainty of funds and submission of draft Offer Memorandum press release by Recruit dated 1 March 2016



This is a press release by Recruit Holdings Co., Ltd. pursuant to the provisions of Section 4, paragraphs 1 and 3 and Section 7, paragraph 4 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*) in connection with the intended public offer by Recruit Holdings Co., Ltd. for all the issued ordinary shares in the capital of USG People N.V.

This announcement does not constitute an offer, or any solicitation of any offer, to sell or request to purchase or subscribe to any securities in USG People N.V. Any offer will be made only by means of a separate offer memorandum specifically published for this purpose, subject to the applicable rules and regulations in the Netherlands and the United States of America. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada.

Update on the intended offer by Recruit Holdings Co., Ltd. for USG People N.V.

Tokyo, Japan 1 – March 2016

Reference is made to the joint press releases by Recruit Holdings Co., Ltd. ("**Recruit**") (Tokyo Stock Exchange: 6098) and USG People N.V. ("**USG People**") (Euronext Amsterdam: USG) dated 22 December 2015 and 19 January 2016 in respect of the intended recommended all cash offer by Recruit for all issued ordinary shares of USG People at an offer price of € 17.50 per ordinary USG People share, subject to customary conditions (the "**Offer**").

Pursuant to the provisions of Section 4, paragraphs 1 and 3 and Section 7, paragraph 4 of the Decree on Public Takeover Bids (*Besluit Openbare Biedingen Wft*), Recruit provides the following status update.

Necessary funding for the Offer in place

The Offer values 100% of the issued and outstanding ordinary shares of USG People at approximately € 1.42 billion. Recruit confirms that it will be able to pay the aggregate amount of the Offer with cash available from its own available resources. The funding of the Offer will not be subject to third party conditions or contingencies.

Draft offer memorandum submitted for review and approval

Recruit today submitted a request for review and approval of its draft offer memorandum regarding the Offer with the Netherlands Authority for the Financial Markets (*Stichting Autoriteit Financiële Markten*, "**AFM**"). Recruit will publicly announce the availability of the offer memorandum and commencement of the offer period, which is currently expected to commence in April 2016.

General restrictions

This announcement is for information purposes only and does not constitute an offer or an invitation to acquire or dispose of any securities or investment advice or an inducement to enter into investment activity. This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or acquire the securities of USG People in any jurisdiction.

Cautionary statement regarding forward-looking statements

This press release contains certain "forward-looking statements" and language indicating trends, such as "expected".

Any forward-looking statements apply only on the date of this press release and are based on current expectations and convictions and, by their nature, are subject to a number of known and unknown risks and uncertainties as a result of which the actual results and performance may differ substantially from

expected future results or performance expressed or implied in the forward-looking statements. The information and views contained in this press release may change without prior notice, and Recruit does not have the intention nor the obligation to update forward-looking statements in this communication, except insofar as it is obliged to do so by any applicable legislation or by the rules of any stock exchange on which their respective shares may be traded.

Although Recruit believes that the assumptions upon which its financial information and forward-looking statements are based are reasonable, it can give no assurance that these assumptions will prove to be correct. Recruit, nor any of its advisors accepts any responsibility for any financial or other information contained in this press release relating to the business or operations or results or financial condition of its group.

Disclaimer

The distribution of this press release may in some countries be restricted by law or regulation. Accordingly, persons who come into possession of this document should inform themselves of and observe these restrictions. To the fullest extent permitted by applicable law, Recruit disclaims any responsibility or liability for the violation of any such restrictions by any person. Any failure to comply with these restrictions may constitute a violation of the securities laws of that jurisdiction. Recruit, nor any of its advisors assumes any responsibility for any violation by any person of any of these restrictions. Any holder of shares of USG People who is in any doubt as to his position should consult an appropriate professional advisor without delay. This announcement is not for release, publication or distribution, in whole or in part, in or into, directly or indirectly, Canada.

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About Recruit

Founded in 1960, Recruit is a leading information services and human resources company in Japan. Through a wide range of services, the Recruit Group is focused on a variety of areas, including recruitment advertisement, employment placement, staffing, education, housing and real estate, bridal, travel, dining, beauty, automobiles and others. The Recruit Group has more than 30,000 employees and operates all over the world.

For more information, please visit the company's website at <http://www.recruit-rgf.com/>

12 Dutch language summary (*Nederlandstalige samenvatting*)

In dit Hoofdstuk 12 wordt een Nederlandstalige samenvatting gegeven van het Biedingsbericht dat is uitgegeven ter zake van het Bod dat door Recruit is uitgebracht op alle Aandelen in het geplaatste kapitaal van USG People, met inachtneming van de voorwaarden zoals beschreven in het Biedingsbericht.

De gedefinieerde termen in dit Hoofdstuk 12 (Dutch language summary (Nederlandstalige samenvatting)) hebben de betekenis die daaraan in Hoofdstuk 12.3 (Definitions) is gegeven. Deze Nederlandstalige samenvatting maakt deel uit van het Biedingsbericht, maar vervangt deze niet. Deze Nederlandstalige samenvatting is niet volledig en bevat niet alle informatie die voor Aandeelhouders van belang is om zich een afgewogen oordeel te kunnen vormen over het Bod. Het lezen van deze Nederlandstalige samenvatting mag derhalve niet worden beschouwd als een alternatief voor het bestuderen van het volledige Biedingsbericht. Aandeelhouders worden geadviseerd het volledige Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (incorporation by reference) zijn opgenomen) zorgvuldig te bestuderen en zo nodig onafhankelijk advies in te winnen teneinde zich een afgewogen oordeel te kunnen vormen over het Bod en de beschrijving daarvan in het Biedingsbericht. Daarnaast zullen Aandeelhouders mogelijk hun belastingadviseur willen raadplegen met betrekking tot de fiscale gevolgen van het aanmelden van Aandelen onder het Bod.

In geval van verschillen tussen deze Nederlandstalige samenvatting en de Engelse tekst van het Biedingsbericht prevaleert de Engelse tekst van het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (incorporation by reference) zijn opgenomen).

12.1 Restricties

Het uitbrengen van het Bod en/of de verkrijgbaarstelling van het Biedingsbericht kunnen (in bepaalde jurisdicties) aan bepaalde restricties onderhevig zijn. Deze restricties zijn opgenomen in Hoofdstukken 1 (*Restrictions*) en 2 (*Important Information*) en zijn ook van toepassing op deze Nederlandstalige samenvatting. Het Bod wordt direct noch indirect uitgebracht in, en mag niet worden aanvaard door of namens Aandeelhouders vanuit, een jurisdictie waarin het uitbrengen van het Bod of het aanvaarden van het Bod niet in overeenstemming is met de in die jurisdictie geldende wet- en regelgeving of waarvoor enige registratie, goedkeuring of neerlegging bij enige toezichthoudende instantie vereist is die niet uitdrukkelijk in dit Biedingsbericht is voorzien. Het niet in acht nemen van deze restricties kan resulteren in een overtreding van de Toepasselijke Regelgeving in de desbetreffende jurisdictie. Recruit, USG People en hun respectievelijke adviseurs aanvaarden geen enkele aansprakelijkheid in verband met het overtreden van voornoemde restricties. Aandeelhouders dienen waar nodig onafhankelijk advies in te winnen over hun positie dienaangaande. Recruit behoudt zich het recht voor om in het kader van het Bod de aanmelding van Aandelen te accepteren, zelfs indien dit niet gebeurt in overeenstemming met de bepalingen zoals uiteengezet in dit Biedingsbericht.

12.2 Belangrijke informatie

De informatie opgenomen in Hoofdstukken 1 (*Restrictions*) tot en met 5 (*Explanation and background of the Offer*) (met uitzondering van de informatie opgenomen in Hoofdstukken 5.1 (*Background*), 5.7.1 (*Offer Conditions*), 5.8 (*Decision-making and recommendation by the Boards*), 5.10 (*Shareholdings of the members of the Boards*), 5.11 (*Respective cross-shareholdings Recruit – USG People*), 5.16 (*Legal structure and corporate structure following the Offer*), 5.18 (*Composition of New Board*), 5.19 (*Compensation for the members of the Boards*), 5.21 (*Employee consultation*), 5.22 (*Non-Financial Covenants*), 5.23.1 (*Exclusivity*), 5.23.2 (*Termination of the Merger Protocol*) en 5.23.3 (*Termination fees*)), 8 (*Information on Recruit*), 9.1.5, 9.1.7, 10 (*Tax aspects of the Offer*) en 12 (*Nederlandstalige samenvatting*) is uitsluitend door Recruit verstrekt.

De informatie opgenomen in Hoofdstukken 5.8 (*Decision-making and recommendation by the Boards*), 5.19 (*Compensation for the members of the Boards*), 6 (*Annual General Meeting of USG People Shareholders*), 7 (*Information on USG People*), 9.1.6 en 13 (*Selected Financial Information of USG People*) is uitsluitend door USG People verstrekt.

De informatie opgenomen op bladzijden 1 en 2, in Hoofdstukken 5.1 (*Background*), 5.7.1 (*Offer Conditions*), 5.10 (*Shareholdings of the members of the Boards*), 5.11 (*Respective cross-shareholdings Recruit – USG People*), 5.16 (*Legal structure and corporate structure following the Offer*), 5.18 (*Composition of New Board*), 5.21 (*Employee consultation*), 5.22 (*Non-Financial Covenants*), 5.23.1 (*Exclusivity*), 5.23.2 (*Termination of the Merger Protocol*), 5.23.3 (*Termination fees*), 9 (*Further declarations pursuant to the Decree*) (met uitzondering van de informatie opgenomen in Hoofdstukken 9.1.5, 9.1.6, en 9.1.7), 11 (*Press releases*) en 14 (*Advisers*) en in Deel B (*Articles of Association*) is door Recruit en USG People gezamenlijk verstrekt.

Uitsluitend Recruit en USG People zijn verantwoordelijk voor de juistheid en volledigheid van de informatie die in het Biedingsbericht is verstrekt, ieder afzonderlijk met betrekking tot de informatie die door henzelf is verstrekt, en gezamenlijk voor de informatie die door hen gezamenlijk is verstrekt.

Recruit en USG People verklaren beiden, elk afzonderlijk met betrekking tot de informatie waarvoor zij zelf verantwoordelijk zijn en gezamenlijk met betrekking tot de informatie waarvoor zij gezamenlijk verantwoordelijk zijn, dat de informatie in het Biedingsbericht, voor zover hen redelijkerwijs bekend is en na het treffen van alle redelijke maatregelen om ervoor zorg te dragen dat zulks het geval is, overeenstemt met de werkelijkheid en dat geen gegevens zijn weggelaten als gevolg waarvan de strekking van het Biedingsbericht zou wijzigen.

De informatie opgenomen in Hoofdstuk 13 (*Selected Financial Information of USG People*) is door USG People ontleend aan de gecontroleerde jaarrekeningen voor de boekjaren van USG People eindigend op 31 december 2015, 31 december 2014 en 31 december 2013, respectievelijk, zoals gepubliceerd in de jaarverslagen van USG People van respectievelijk 2015, 2014 en 2013. Het accountantsverslag opgenomen in Hoofdstuk 13 (*Selected Financial Information of USG People*) is door USG People verkregen van PricewaterhouseCoopers Accountants N.V. ("**PwC**"), de onafhankelijke accountant van USG People. USG People bevestigt dat de informatie opgenomen in Hoofdstuk 13 (*Selected Financial Information of USG People*) correct is gereproduceerd en dat er geen feiten zijn weggelaten waardoor de gereproduceerde informatie onjuist of misleidend zou worden. Recruit en USG People zijn niet verantwoordelijk voor enige accountantsverklaring opgenomen in het Biedingsbericht.

De informatie opgenomen in het Biedingsbericht geeft de situatie weer ten tijde van de datum van het Biedingsbericht, tenzij anders vermeld. De uitgave en verspreiding van het Biedingsbericht impliceert geenszins dat de hierin opgenomen informatie juist en volledig zal blijven na de datum van het Biedingsbericht of dat er geen wijzigingen hebben plaatsgevonden met betrekking tot de informatie opgenomen in het Biedingsbericht of met betrekking tot de aangelegenheden van Recruit, USG People en/of hun respectievelijke dochtermaatschappijen sinds de datum van het Biedingsbericht. Het voorgaande is niet van invloed op de verplichtingen van zowel Recruit als USG People om een openbare mededeling te doen uit hoofde van artikel 5:25i Wft dan wel artikel 4 lid 1 en lid 3 Bob, indien van toepassing.

Geen andere persoon dan Recruit en USG People, zonder enige afbreuk te doen aan de accountantsverslagen afgegeven door PwC zoals opgenomen in het Biedingsbericht en de Fairness Opinie afgegeven door Bank of America Merrill Lynch International Limited, Amsterdam branch ("**Bank of America Merrill Lynch**") aan de Raad van Bestuur en de Fairness Opinie afgegeven door ING Bank N.V. ("**ING**") aan de Raad van Commissarissen, is bevoegd om enige informatie te verstrekken of enige mededeling te doen namens Recruit of USG People in verband met het Bod of de informatie opgenomen in het Biedingsbericht. Indien dergelijke informatie is verstrekt of een mededeling is gedaan door andere partijen dan Recruit of USG People, dient er niet te worden vertrouwd op zulke informatie of mededelingen als ware die zouden zijn afgegeven door of namens Recruit of USG People.

Het Biedingsbericht bevat informatie inzake het Bod zoals vereist uit hoofde van artikel 5:76 Wft en artikel 8 lid 1 Bob en is beoordeeld en goedgekeurd door de AFM als biedingsbericht uit hoofde van artikel 5:76 Wft. De informatie zoals vereist uit hoofde van artikel 18 lid 2 Bob inzake het bod is opgenomen in de standpuntbepaling van USG People (de "**Standpuntbepaling**"), welke beschikbaar wordt gesteld en kan worden verstuurd naar Aandeelhouders in hetzelfde fysieke pakket als dit Biedingsbericht maar geen onderdeel van dit Biedingsbericht uitmaakt. De

Standpuntbepaling is niet onderworpen aan voorafgaande beoordeling door en goedkeuring van de AFM, echter wel onderworpen aan beoordeling door de AFM na publicatie daarvan.

Getallen in het Biedingsbericht kunnen naar boven of beneden zijn afgerond en dienen derhalve niet als exact te worden beschouwd.

12.3 Definities

“**Aanbeveling**” heeft de betekenis die hieraan is toegekend in Hoofdstuk 12.12 (*Besluitvorming en Aanbeveling van de Raad van Bestuur en de Raad van Commissarissen*);

“**Aandeelhouders**” betekent de houders van één of meer Aandelen;

“**Aandelen**” betekent de gewone aandelen in het kapitaal van USG People, met een nominale waarde van EUR 0,50 per aandeel;

“**Aangemeld Aandeel**” betekent elk Aandeel dat voorafgaand aan, of op, de Uiterste Dag van Aanmelding op geldige wijze is aangemeld (of op ongeldige wijze, indien Recruit de aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod;

“**Aanmeldingstermijn**” betekent de periode gedurende welke Aandeelhouders hun Aandelen kunnen aanmelden aan Recruit, die aanvangt om 09:00 uur CET op 1 april 2016 en eindigt op, behoudens verlenging in overeenstemming met artikel 15 lid 2 Bob of nadat Recruit ontheffing heeft verkregen van de AFM voor een verdere verlenging in overeenstemming met artikel 5:81 lid 3 Wft, het Uiterste Tijdstip van Aanmelding;

“**AFM**” betekent de Stichting Autoriteit Financiële Markten;

“**Alternatief Voorstel**” betekent een Alternative Proposal, zoals gedefinieerd in Hoofdstuk 5.23.1 (*Exclusivity*);

“**AVA**” betekent de jaarlijkse vergadering van aandeelhouders van USG People, die wordt gehouden op 12 mei 2016 om 14:00 uur CET op het kantoor van USG People aan de P.J. Oudweg 61 in Almere, Nederland, in welke vergadering, onder meer, overeenkomstig het bepaalde in artikel 2:107a Burgerlijk Wetboek en artikel 18 lid 1 Bob het Bod zal worden besproken en zal worden gestemd over de Besluiten;

“**Beschermingspreferente Aandelen**” heeft de betekenis die daaraan is toegekend in de definitie van Stichting Optieovereenkomst;

“**Besluiten**” betekent de Resolutions, zoals gedefinieerd in Hoofdstuk 6 (*Annual General Meeting of USG People Shareholders*);

“**Biedingsbericht**” betekent dit biedingsbericht dat de voorwaarden en beperkingen van het Bod beschrijft en waar de Standpuntbepaling geen deel van uitmaakt;

“**Biedprijs**” betekent een bedrag in contanten van EUR 17,50 per Aangemeld Aandeel (cum dividend);

“**Bob**” betekent het Besluit openbare biedingen Wft;

“**Bod**” betekent het bod zoals uiteengezet in het Biedingsbericht;

“**Burgerlijk Wetboek**” betekent het Nederlands Burgerlijk Wetboek (BW);

“**Call Optie**” heeft de betekenis die daaraan is toegekend in de definitie van Stichting Optieovereenkomst;

“**CET**” betekent Central European Time;

“**Concurrerend Bod**” betekent een ongevraagd Alternatief Voorstel indien:

- (i) het is uitgebracht, of bindend is voor de betreffende biedende partij in de zin dat deze biedende partij (a) zich voorwaardelijk heeft verbonden om een Concurrerend Bod uit te brengen binnen het tijdsbestek zoals uiteengezet in het Bob en de Wft, indien van toepassing en (b) de intentie tot het uitbrengen van een Concurrerend Bod openbaar heeft gemaakt inclusief de voorgenomen prijs per Aandeel en de relevante opschortende voorwaarden in verband met het bod en het uitbrengen daarvan;

- (ii) de geboden vergoeding per Aandeel gewaardeerd is op een bedrag hoger dan de Biedprijs onder het Bod, welk verschil 7.5% of meer bedraagt en welk bedrag in contanten is of in publiek verhandelbare effecten met een aandelenkarakter (voor dit doeleinde gewaardeerd op de dag van de verplichting zoals genoemd onder (i) hierboven). Voor zover een potentieel Concurrerend Bod een bod betreft op alle of nagenoeg alle activa van de USG People Groep, zal de betekening worden gemaakt op basis van de netto opbrengst uit te keren aan de Aandeelhouders als gevolg van een dergelijke transactie, berekend per Aandeel;
- (iii) de Raad van Commissarissen en de Raad van Bestuur hebben vastgesteld dat, handelend te goeder trouw na raadpleging van hun financiële en juridische adviseurs, het Alternatief Voorstel substantieel gunstiger is voor USG People en haar stakeholders dan het Bod; en
- (iv) USG People direct (en in ieder geval binnen 24 uur) Recruit schriftelijk heeft geïnformeerd over en voor zover het daarover beschikt op de hoogte heeft gesteld van de details van, een dergelijk bod.

“Dag van Gestanddoening” betekent de datum waarop Recruit aankondigt of het Bod gestand wordt gedaan;

“Deel” betekent Part, zoals gedefinieerd in Hoofdstuk 3 (*Definitions*);

“Due Diligence Onderzoek” betekent Due Diligence, zoals gedefinieerd in Hoofdstuk 5.1 (*Background*);

“Euronext Amsterdam” betekent de effectenbeurs van Euronext in Amsterdam, de gereguleerde markt van Euronext Amsterdam N.V.;

“Fairness Opinions” betekent de verklaringen gedateerd op 21 december 2015 afgegeven door (i) Bank of America Merrill Lynch aan de Raad van Bestuur en (ii) ING aan de Raad van Commissarissen, beiden zoals opgenomen in de Standpuntbepaling;

“Fusie” betekent het Bod en alle transacties die daaruit volgen;

“Fusieprotocol” betekent het fusieprotocol tussen Recruit en USG People gedateerd op 22 december 2015;

“Gebonden Aandeelhouder” betekent dhr. A.D. Mulder;

“Gelieerde Ondernemingen” betekent in relatie tot Recruit en/of USG People, elke persoon behorende tot dezelfde groep als Recruit of USG People zoals gedefinieerd in artikel 2:24b Burgerlijk Wetboek, met dien verstande dat op geen moment USG People als Gelieerde Onderneming van Recruit dient te worden beschouwd of vice versa;

“Gezamenlijke Verklaring” betekent de gezamenlijke verklaring van Recruit en USG People op 22 december 2015, waarin Recruit en USG People hebben aangekondigd dat overeenstemming was bereikt ten aanzien van de belangrijkste voorwaarden van het Bod;

“Hoofdstuk” betekent een hoofdstuk van het Biedingsbericht, tenzij anders aangegeven;

“Intermediair” betekent een intermediair, zoals bedoeld in artikel 1 van de Wet giraal effectenverkeer;

“Materieel Nadelig Effect” betekent Material Adverse Effect, zoals gedefinieerd in Hoofdstuk 3 (*Definitions*);

“Na-aanmeldingstermijn” betekent een periode van niet meer dan twee (2) weken na de Aanmeldingstermijn, gedurende welke Aandeelhouders die hun Aandelen nog niet hebben aangemeld onder het Bod de mogelijkheid wordt geboden dit alsnog te doen, op dezelfde wijze en op basis van dezelfde voorwaarden als opgenomen in het Biedingsbericht;

“Nederlands recht” betekent het recht geldend in het Europese deel van Nederland;

“Nederlandse Werkdag” betekent een dag (anders dan een zaterdag of een zondag) waarop banken en Euronext Amsterdam normaal gesproken open zijn in Nederland;

“Omwisselkantoor” betekent ING Bank N.V.;

“Onherroepelijke Toezegging” betekent de onherroepelijke toezegging (*irrevocable*) van de Gebonden Aandeelhouder om alle Aandelen in zijn bezit (zowel direct als indirect) aan te melden onder het Bod, zoals verder omschreven in Hoofdstuk 12.7 (*Onherroepelijke Toezegging (Irrevocable)*);

“Overdrachtsdatum” betekent de datum waarop, overeenkomstig de Voorwaarden, Recruit de Biedprijs zal betalen aan de Aandeelhouders voor elk Aangemeld Aandeel, niet later dan vijf Nederlandse Werkdagen na de Dag van Gestanddoening;

“Overheidsbevel” betekent een bevel, uitspraak, vonnis of besluit gewezen door een rechtbank, arbitrage instituut, overheid, overheidsinstantie of een ander toezichthoudend of bestuursrechtelijk orgaan dat geldig en van kracht is;

“Peildatum” betekent 21 december 2015, de laatste handelsdag voor de dag van de Gezamenlijke Verklaring;

“Raad van Bestuur” betekent de raad van bestuur van USG People;

“Raad van Commissarissen” betekent de raad van commissarissen van USG People;

“Recruit” betekent Recruit Holdings Co., Ltd., een vennootschap opgericht naar Japans recht, gevestigd te 1-9-2 Marunouchi, Chiyoda-ku, Tokyo, Japan;

“Standpuntbepaling” betekent de standpuntbepaling van USG People omvattende de informatie zoals vereist uit hoofde van artikel 18 lid 2 Bob inzake het Bod, welke beschikbaar wordt gesteld en kan worden verstuurd naar Aandeelhouders in hetzelfde pakket als dit Biedingsbericht maar geen onderdeel van dit Biedingsbericht uitmaakt;

“Stichting” betekent Stichting Preferente Aandelen USG People;

“Stichting Optieovereenkomst” betekent de overeenkomst gedateerd 29 April 2009, ingevolge welke aan de Stichting (i) een calloptie is verstrekt om van USG People een zodanig aantal preferente aandelen met een nominale waarde van EUR 0,50 elk (de **“Bescherminingspreferente Aandelen”**) te verkrijgen gelijk aan een hoeveelheid Aandelen die 30% (dertig procent) vertegenwoordigt van de stemrechten in USG People minus één en minus Aandelen of Bescherminingspreferente Aandelen die reeds zijn uitgegeven aan de Stichting en (ii) een calloptie is verstrekt om van USG People een zodanig aantal Bescherminingspreferente Aandelen te verkrijgen gelijk aan de totale hoeveelheid Aandelen minus één en minus Aandelen of Bescherminingspreferente Aandelen die reeds zijn uitgegeven aan de Stichting (elk, een **“Call Optie”**);

“Toepasselijke Regelgeving” betekent alle toepasselijke wet- en regelgeving, inclusief maar niet beperkt tot de toepasselijke bepalingen van en alle nadere regelgeving en beleidsregels die zijn vastgesteld of anderszins gelding hebben onder de Wft, het Bob, de beleidsregels en instructies van de AFM, de Wet op de ondernemingsraden, de SER Fusiegedragsregels 2015, de regelgeving en beleidsregels van Euronext Amsterdam, voor zover toepasselijk, het Burgerlijk Wetboek, en de relevante effecten- en medezeggenschapswetgeving in andere relevante jurisdicties;

“Uiterste Dag van Aanmelding” betekent de datum waarop het uiterste Tijdstip van Aanmelding plaatsvindt, behoudens verlenging overeenkomstig artikel 15 Bob;

“Uiterste Tijdstip van Aanmelding” betekent het tijdstip en de datum waarop de Aanmeldingstermijn eindigt, te weten 17:40 uur CET op 30 mei 2016, behoudens verlenging overeenkomstig artikel 15 Bob;

“USG People” betekent USG People N.V. een naamloze vennootschap met statutaire zetel in Almere, Nederland en gevestigd te P.J. Oudweg 61, 1314 CK Almere; geregistreerd in het Handelsregister van de Kamer van Koophandel onder nummer 39066013;

“USG People Groep” betekent USG People en haar Gelieerde Ondernemingen, van tijd tot tijd;

“Voorwaarden” betekent de voorwaarden met betrekking tot het Bod zoals uiteengezet in Hoofdstuk 12.9.1 (*Voorwaarden*);

“**Werkdag**” betekent een dag die zowel (i) een Nederlandse Werkdag is als ook (ii) een dag (niet zijnde een zaterdag of een zondag) waarop banken en de Tokyo Stock Exchange open zijn in Japan; en

“**Wft**” betekent de Wet op het financieel toezicht.

12.4 Het Bod en uitnodiging aan Aandeelhouders

Recruit brengt hierbij een openbaar bod in contanten uit om alle geplaatste en uitstaande Aandelen te verwerven onder de voorwaarden en conform de restricties zoals beschreven in het Biedingsbericht. Aandeelhouders wordt geadviseerd om het Biedingsbericht (inclusief alle documenten die daarin door middel van verwijzing (*incorporation by reference*) zijn opgenomen) en in het bijzonder Hoofdstukken 1 (*Restrictions*) en 2 (*Important Information*) grondig en volledig te bestuderen en voor zover nodig om tot een evenwichtig oordeel te komen ten aanzien van het Bod en de inhoud van het Biedingsbericht, onafhankelijk financieel, juridisch of belastingadvies in te winnen. Aandeelhouders die overwegen hun Aandelen niet aan te melden, worden geadviseerd in het bijzonder Hoofdstukken 12.13 (*Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering*) en 12.14 (*Juridische en corporate structuur na Overdracht*) door te nemen.

Aandeelhouders worden hierbij uitgenodigd om hun Aandelen onder het Bod aan te melden op de wijze en onder de voorwaarden zoals beschreven in het Biedingsbericht.

12.5 Vergoeding

12.5.1 Biedprijs

Voor ieder Aandeel dat op geldige wijze is aangemeld (of op ongeldige wijze, indien Recruit de aanmelding desalniettemin heeft aanvaard) en geleverd onder het Bod, en niet op geldige wijze is ingetrokken, onder de voorwaarde dat Recruit het Bod gestand doet, biedt Recruit een vergoeding van EUR 17,50 in contanten (de “**Biedprijs**”).

12.5.2 Uitkeringen

De Biedprijs is *cum dividend*. Indien enige dividenduitkering of andere uitkering op de Aandelen wordt vastgesteld of uitgekeerd door USG People, zal de Biedprijs worden verminderd met het volledige bedrag van een dergelijke uitkering gedaan door USG People per Aandeel (vóór enige toepasselijke belastinginhouding).

12.5.3 Premies

De Biedprijs vertegenwoordigt een premie van:

- (i) 31% (eenendertig procent) ten opzichte van de slotkoers van de Aandelen van EUR 13,40 op de Peildatum;
- (ii) 31% (eenendertig procent) ten opzichte van de gewogen gemiddelde slotkoers van de Aandelen van EUR 13,40 gedurende een periode van drie (3) maanden eindigend op (en inclusief) de Peildatum;
- (iii) 41% (eenenvertig procent) ten opzichte van de gewogen gemiddelde slotkoers van de Aandelen van EUR 12,40 gedurende een periode van twaalf (12) maanden eindigend op (en inclusief) de Peildatum; en
- (iv) 8% (acht procent) ten opzichte van het gemiddelde van de meest recente koersdoelen van de Aandelen, afgegeven door analisten voorafgaand aan de Peildatum (de koersdoelen varieerden van EUR 14,50 tot EUR 17,50, met een gemiddeld koersdoel van EUR 16,17).

12.6 Rationale van het Bod

Door het samengaan van Recruit en USG People zal een wereldwijd opererende en leidende speler ontstaan op het gebied van uitzending en innovatieve human resources dienstverlening. USG People biedt Recruit een gevestigde positie in de continentaal Europese uitzendmarkt

vanuit waar Recruit haar ambitie om rond 2020 wereldleider te worden op het gebied van human resources verder zal kunnen realiseren.

Zie tevens Hoofdstuk 5.5 (*Rationale for the Offer*).

12.7 Onherroepelijke Toezegging (*Irrevocable*)

De Gebonden Aandeelhouder heeft een onherroepelijke toezegging getekend om het Bod te ondersteunen en te aanvaarden, onderhevig aan gebruikelijke voorwaarden. De Gebonden Aandeelhouder houdt momenteel (zowel direct als indirect) ongeveer 19,87% van de Aandelen

De onherroepelijke toezegging gedateerd op 22 december 2015 (de “**Onherroepelijke Toezegging**”) bevat gebruikelijke voorwaarden, waaronder de bepaling dat de Onherroepelijke Toezegging zal eindigen (ten gevolge waarvan de Gebonden Aandeelhouder niet gehouden zal zijn om zijn Aandelen aan te melden of gerechtigd zal zijn om zijn aanvaarding van het Bod in te trekken) indien een Concurrerend Bod is uitgebracht en Recruit niet binnen tien (10) Werkdagen dit Concurrerend Bod heeft geëvenaard, als gevolg waarvan de Raad van Bestuur en Raad van Commissarissen hun Aanbeveling hebben ingetrokken, gewijzigd of gekwalificeerd.

De Onherroepelijke Toezegging wordt, onder andere, tevens beëindigd indien (i) het Fusieprotocol wordt beëindigd, (ii) het Bod niet gestand wordt gedaan in overeenstemming met haar voorwaarden of (iii) het Bod wordt ingetrokken of verloopt.

De Gebonden Aandeelhouder heeft geen voor een Aandeelhouder relevante informatie verkregen welke niet in dit Biedingsbericht is opgenomen en zal zijn Aandelen aanmelden tegen de Biedprijs en onder dezelfde voorwaarden zoals uiteengezet in het Biedingsbericht.

12.8 Financiering van het Bod

Onder verwijzing naar artikel 7 lid 4 Bob, heeft Recruit op 1 maart 2016 aangekondigd over voldoende middelen te beschikken om aan haar verplichtingen onder het Bod te kunnen voldoen. Recruit bevestigt dat het in staat is om de gehele vergoeding voor het Bod te betalen door middel van contanten beschikbaar uit haar eigen beschikbare middelen. De financiering van het Bod zal niet afhankelijk zijn van instemming van, of voorwaarden overeengekomen met, een derde partij.

Zie tevens Hoofdstuk 11 (*Press releases*).

12.9 Voorwaarden, afstand en vervulling

12.9.1 Voorwaarden

De verplichting van Recruit om het Bod gestand te doen is voorwaardelijk aan het vervullen of afstand doen van, elk van de voorwaarden uiteengezet in dit Hoofdstuk 12.9.1 (*Voorwaarden*) (de “**Voorwaarden**”) op of voorafgaand aan de Dag van Gestanddoening:

- (a) dat het aantal Aandelen dat ter aanvaarding is aangemeld onder het Bod op of voorafgaand aan de Dag van Gestanddoening, samen met:
 - (i) Aandelen die direct of indirect worden gehouden door Recruit en of een Gelieerde Onderneming op de Uiterste Dag van Aanmelding; en
 - (ii) Aandelen die schriftelijk zijn toegezegd aan Recruit of een van de aan haar Gelieerde Ondernemingen;ten minste 95% (vijf-en-negentig procent) vertegenwoordigt van USG People's gehele geplaatste en uitstaande aandelenkapitaal op een volledig verwaterde basis per de Uiterste Dag van Aanmelding;
- (b) de AVA haar goedkeuring gegeven heeft aan de Besluiten en deze Besluiten volledig van kracht zijn;
- (c) dat op of voor de Dag van Gestanddoening USG People geen inbreuk heeft gemaakt op enige bepaling uit het Fusieprotocol, voor zover deze inbreuk (a) materieel nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te

hebben voor USG People, Recruit of het Bod en (b) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door USG People van een schriftelijke aanmaning van Recruit (of, in geval eerder, voor de Uiterste Dag van Aanmelding) of niet is hersteld binnen tien (10) Werkdagen na ontvangst door USG People van een schriftelijke aanmaning van Recruit (of, in geval eerder, voor de Uiterste Dag van Aanmelding);

- (d) dat op of voor de Dag van Gestanddoening Recruit geen inbreuk heeft gemaakt op enige bepaling uit het Fusieprotocol, voor zover deze inbreuk (a) materieel nadelige gevolgen heeft of redelijkerwijs verwacht kan worden te hebben voor USG People, Recruit of het Bod en (b) niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door Recruit van een schriftelijke aanmaning van USG People (of, in geval eerder, voor de Uiterste Dag van Aanmelding) of niet is hersteld binnen tien (10) Werkdagen na ontvangst door Recruit van een schriftelijke aanmaning van USG People (of, in geval eerder, voor de Uiterste Dag van Aanmelding);
- (e) dat de Gebonden Aandeelhouder geen inbreuk heeft gemaakt op de Onherroepelijke Toezegging, voor zover deze inbreuk niet kan worden hersteld binnen tien (10) Werkdagen na ontvangst door de Gebonden Aandeelhouder van een schriftelijke aanmaning van Recruit (of, in geval eerder, voor de Uiterste Dag van Aanmelding) of niet is hersteld binnen tien (10) Werkdagen na ontvangst door de Gebonden Aandeelhouder van een schriftelijke aanmaning van Recruit (of, in geval eerder, voor de Uiterste Dag van Aanmelding);
- (f) dat zich geen Materieel Nadelig Effect heeft voorgedaan;
- (g) dat er geen openbare mededeling is gedaan inzake een Concurrerend Bod;
- (h) dat de Raad van Bestuur noch de Raad van Commissarissen de Aanbeveling heeft ingetrokken, gewijzigd of gekwalificeerd en dat de Raad van Bestuur noch de Raad van Commissarissen een handeling heeft verricht of toegestaan die het Bod benadeelt of frustreert;
- (i) dat de Stichting niet geheel of gedeeltelijk zijn Call Optie heeft uitgeoefend om Beschermingspreferente Aandelen te verkrijgen en dat de Stichting akkoord is gegaan met de beëindiging van de Stichting Optieovereenkomst, onder de enkele voorwaarde van gestanddoening van het Bod;
- (j) dat op of voorafgaand aan de Dag van Gestanddoening de handel in Aandelen op Euronext Amsterdam niet geschorst of beëindigd zal zijn als het gevolg van een noteringsmaatregel van Euronext Amsterdam in overeenstemming met artikel 6901/2 of enige andere bepaling uit het Euronext Rulebook I (Harmonised Rules);
- (k) dat op of voor de Dag van Gestanddoening, geen mededeling is ontvangen van de AFM, waarin wordt gesteld dat, ingevolge artikel 5:80 lid 2 Wft, beleggingsondernemingen het niet is toegestaan deel te nemen in het Bod; en
- (l) geen rechtbank, arbitrale instantie, overheid, overheidsinstantie of andere instantie heeft een bevel, rechterlijke uitspraak of besluit uitgevaardigd dat van kracht blijft en geen wet, regel, regeling, overheidsbesluit of verbod is van kracht, welke het uitbrengen en/of het gestand doen van het Bod in overeenstemming met het Fusieprotocol op enige wezenlijke wijze verbiedt.

12.9.2 Afstand

Indien aan de Voorwaarden is voldaan, heeft Recruit toegezegd het Bod gestand te doen. Indien bepaalde Voorwaarden niet zijn voldaan, mogen Recruit of USG People afstand doen van sommige, maar niet alle, Voorwaarden, in overeenstemming met dit Hoofdstuk 12.9.2 (*Afstand*).

De Voorwaarden opgenomen in Hoofdstukken 12.9.1(b), 12.9.1(c), 12.9.1(e), 12.9.1(f), 12.9.1(g), 12.9.1(h), 12.9.1(i) en 12.9.1(j) zijn uitsluitend ten gunste van Recruit en van

deze Voorwaarden mag (geheel of gedeeltelijk) worden afgezien door Recruit, op elk moment, door een schriftelijke mededeling aan USG People.

Recruit mag alleen afstand doen van de Voorwaarde opgenomen in Hoofdstuk 12.9.1(a) door een schriftelijke mededeling aan USG People, indien het aantal Aandelen aangemeld voor aanvaarding op de Uiterste Dag van Aanmelding, samen met (i) Aandelen die direct of indirect worden gehouden door Recruit of een Gelieerde Onderneming op de Uiterste Dag van Aanmelding; en (ii) Aandelen die schriftelijk zijn toegezegd aan Recruit of een Gelieerde Onderneming, tenminste 80% (tachtig procent) van het geplaatste en uitstaande kapitaal van USG People vertegenwoordigen.

De Voorwaarde opgenomen in Hoofdstuk 12.9.1(d) is uitsluitend ten gunste van USG People en van deze Voorwaarde mag (geheel of gedeeltelijk) worden afgezien door USG People, op elk moment, door een schriftelijke mededeling aan Recruit.

Van de Voorwaarden opgenomen in Hoofdstukken 12.9.1(k) en 12.9.1(l) kan geen afstand worden gedaan.

12.9.3 Vervulling

De vervulling van elk van de Voorwaarden hangt niet enkel af van de wil van Recruit, overeenkomstig de in artikel 12 lid 2 Bob opgenomen verbodsbepaling.

Zowel Recruit als USG People zullen zich redelijkerwijze inspannen om zo snel als redelijkerwijs mogelijk zorg te dragen voor de vervulling van de Voorwaarden. Wanneer op enig moment Recruit of USG People kennis neemt van een gebeurtenis of omstandigheid waarvan het aannemelijk is dat deze een significante nadelige invloed heeft op de vervulling van een Voorwaarde, zal Recruit respectievelijk USG People de ander daarvan onmiddellijk schriftelijk op de hoogte stellen.

Ten aanzien van Voorwaarde 12.9.1(f), zijn Recruit en USG People een bindende adviesprocedure overeengekomen, voor het geval dat een van de partijen meent dat de Voorwaarde niet is vervuld en de andere partij het daar niet mee eens is.

Wanneer Recruit zich ervan heeft verzekerd dat een Voorwaarde niet is vervuld of dat een Voorwaarde niet kan worden vervuld en van deze Voorwaarde geen afstand is of kan worden gedaan, zal Recruit hiervan onverwijld een openbare mededeling doen, overeenkomstig de Toepasselijke Regelgeving.

12.10 Aanmelding

12.10.1 Aanmeldingstermijn

De Aanmeldingstermijn vangt aan om 09:00 uur CET op 1 april 2016 en eindigt op 30 mei 2016 om 17:40 uur CET, tenzij de Aanmeldingstermijn is verlengd in overeenstemming met Hoofdstuk 12.10.3 (*Verlenging*).

Indien één of meer van de Voorwaarden niet is vervuld of daarvan afstand is gedaan vóór het einde van de initiële Aanmeldingstermijn en in overeenstemming met Hoofdstuk 12.9.2 (*Afstand*), kan Recruit de initiële Aanmeldingstermijn verlengen voor een minimale periode van twee (2) weken en een maximale periode van 10 (tien) weken zodat in deze periode de Voorwaarden kunnen worden vervuld of, voor zover toegestaan ingevolge de Toepasselijke Regelgeving, daarvan afstand kan worden gedaan in overeenstemming met Hoofdstuk 12.9.2 (*Afstand*).

Indien aan alle Voorwaarden is voldaan of, voor zover toegestaan ingevolge de Toepasselijke Regelgeving, daarvan afstand is gedaan, zal Recruit alle Aandelen aanvaarden die op geldige wijze zijn aangemeld (of op ongeldige wijze, voor zover Recruit de aanmelding desalniettemin heeft aanvaard) en niet geldig zijn ingetrokken met inachtneming van de toepasselijke procedures.

12.10.2 Gestanddoening

De verplichting van Recruit om het Bod gestand te doen wordt gedaan onder voorbehoud van vervulling of afstandsverklaring van de Voorwaarden zoals uiteengezet

in Hoofdstuk 12.9 (*Voorwaarden, afstand en vervulling*). Van de Voorwaarden kan afstand worden gedaan, voor zover toegestaan ingevolge de Toepasselijke Regelgeving en overeenkomst, zoals uiteengezet in Hoofdstuk 12.9 (*Voorwaarden, afstand en vervulling*). Indien Recruit en/of USG People (geheel of gedeeltelijk, op enig moment) afstand doet van één of meerdere Voorwaarden in overeenstemming met het bepaalde in Hoofdstuk 12.9 (*Voorwaarden, afstand en vervulling*), zal Recruit de Aandeelhouders op de hoogte brengen, zoals vereist door de Toepasselijke Regelgeving.

Recruit zal niet later dan op de derde (3^e) Nederlandse Werkdag na de Uiterste Dag van Aanmelding, zijnde de Dag van Gestanddoening, vaststellen of aan de Voorwaarden is voldaan dan wel daarvan afstand is gedaan zoals beschreven in Hoofdstuk 12.9 (*Voorwaarden, afstand en vervulling*), voor zover toegestaan ingevolge de Toepasselijke Regelgeving. Bovendien zal Recruit op de Dag van Gestanddoening een openbare mededeling doen inhoudende dat ofwel:

- (i) het Bod gestand wordt gedaan; ofwel
- (ii) de Aanmeldingstermijn wordt verlengd in overeenstemming met artikel 15 Bob; ofwel
- (iii) het Bod is beëindigd omdat niet is voldaan aan de Voorwaarden en daarvan geen afstand is gedaan,

alles met inachtneming van artikel 16 Bob. Indien het Bod niet gestand wordt gedaan, zal Recruit dit besluit motiveren.

Indien Recruit aankondigt dat het Bod gestand wordt gedaan, zal Recruit alle Aangemelde Aandelen accepteren en het Bod voortzetten gedurende een Na-aanmeldingstermijn die zal worden aangekondigd zoals uiteengezet in Hoofdstuk 12.10.4 (*Na-aanmeldingstermijn*).

12.10.3 Verlenging

Indien één of meer van de Voorwaarden zoals uiteengezet Hoofdstuk 12.9 (*Voorwaarden, afstand en vervulling*) niet is vervuld op de Uiterste Dag van Aanmelding, kan Recruit in overeenstemming met artikel 15 leden 1 en 2 Bob, de Aanmeldingstermijn verlengen voor een minimale periode van twee (2) weken en een maximale periode van tien (10) weken teneinde deze Voorwaarden alsnog in vervulling te doen gaan of daarvan afstand te doen. In aanvulling hierop mag de Aanmeldingstermijn verlengd worden indien de omstandigheden zoals bedoeld in artikel 15 leden 5 of 9 Bob zich voordoen. Verdere verlenging van de Aanmeldingstermijn is onderhevig aan het verkrijgen van een ontheffing van de AFM, welke alleen in uitzonderlijke omstandigheden gegeven zal worden. Ingeval van een dergelijke verlenging zullen, tenzij de context anders vereist, alle verwijzingen in dit Biedingsbericht naar 17:40 uur CET op de Uiterste Dag van Aanmelding wijzigen naar de laatste datum en tijd van de verlengde Aanmeldingstermijn.

Indien de Aanmeldingstermijn wordt verlengd, met als gevolg dat de verplichting uit hoofde van artikel 16 Bob om aan te kondigen of het Bod al dan niet gestand wordt gedaan, wordt uitgesteld, zal dit uiterlijk op de derde (3^e) Nederlandse Werkdag na de Dag van Gestanddoening worden aangekondigd, met inachtneming van het bepaalde in de artikel 15 leden 1 en 2 Bob. Als Recruit de Aanmeldingstermijn verlengt, zal het Bod eindigen op de laatste datum en tijdstip van de verlengde Aanmeldingstermijn.

Gedurende een verlenging van de Aanmeldingstermijn blijft elk Aandeel dat is aangemeld en niet is ingetrokken in overeenstemming met artikel 15 lid 3 Bob of op een andere wijze in overstemming met het Bob is ingetrokken, onderworpen aan het Bod.

12.10.4 Na-aanmeldingstermijn

Indien Recruit aankondigt dat het Bod gestand wordt gedaan, zal Recruit in overeenstemming met artikel 17 Bob binnen drie (3) Nederlandse Werkdagen na gestanddoening van het Bod een Na-aanmeldingstermijn aankondigen van maximaal twee (2) weken, gedurende welke Aandeelhouders die hun Aandelen nog niet hebben

aangemeld onder het Bod de mogelijkheid wordt geboden om dit alsnog te doen, op dezelfde wijze en op basis van dezelfde voorwaarden als opgenomen in het Biedingsbericht. De Na-aanmeldingstermijn zal aanvangen op de eerste (1^e) Nederlandse Werkdag na de dag waarop deze is aangekondigd.

Recruit zal de resultaten van de Na-aanmeldingstermijn en het totale aantal en percentage van de door Recruit gehouden Aandelen uiterlijk op de derde (3^e) Nederlandse Werkdag na de laatste dag van de Na-aanmeldingstermijn publiekelijk mededelen, in overeenstemming met artikel 17 lid 4 Bob. Recruit zal gedurende de Na-aanmeldingstermijn doorgaan met het aanvaarden van alle op geldige wijze (of op ongeldige wijze, voor zover Recruit de aanmelding desalniettemin heeft aanvaard) aangemelde Aandelen. Betaling voor de Aandelen die zijn aangemeld gedurende de Na-aanmeldingstermijn zal plaatsvinden binnen vijf (5) Nederlandse Werkdagen na de laatste dag van de Na-aanmeldingstermijn.

Gedurende de Na-aanmeldingstermijn hebben Aandeelhouders niet het recht om de aanmelding van hun Aandelen in te trekken, ongeacht of de Aandelen gedurende de Aanmeldingstermijn geldig zijn aangemeld (of op ongeldige wijze, voor zover Recruit de aanmelding desalniettemin heeft aanvaard) of gedurende de Na-aanmeldingstermijn.

12.10.5 Overdracht

Indien Recruit aankondigt het Bod gestand te doen, zullen Aandeelhouders die hun Aandelen hebben aangemeld en aan Recruit hebben geleverd binnen vijf (5) Nederlandse Werkdagen volgend op de Dag van Gestanddoening, zijnde de Overdrachtsdatum, de Biedprijs ontvangen voor elk Aangemeld Aandeel. Vanaf dat moment is ontbinding of vernietiging van de aanbidding of levering van Aandelen niet meer toegestaan. Recruit kan niet garanderen dat de Aandeelhouders binnen deze periode betaald worden. Overdracht vindt enkel plaats indien het Bod gestand is gedaan.

12.11 Aanvaarding van het Bod en aanmeldingsprocedure

12.11.1 Algemeen

Het aanmelden van een Aandeel door een Aandeelhouder zal gelden als een aanvaarding door die Aandeelhouder van het Bod. Alvorens enige actie te ondernemen, dienen Aandeelhouders zorgvuldig na te gaan hoe zij hun aandelen houden: via een Intermediair of rechtstreeks.

12.11.2 Aandelen gehouden via een Intermediair

Aandeelhouders die hun Aandelen houden via een Intermediair worden verzocht om hun aanmelding via hun bewaarder, bank of commissionair niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur CET bekend te maken, tenzij de Aanmeldingstermijn is verlengd overeenkomstig Hoofdstuk 12.10.3 (*Verlenging*). De bewaarder, bank of commissionair kan een eerdere deadline vaststellen voor aanmelding door Aandeelhouders teneinde zichzelf in de gelegenheid te brengen om de aanmelding op tijdige wijze door te geven aan het Omwisselkantoor. Dienovereenkomstig dienen Aandeelhouders die Aandelen houden via een financiële intermediair zich te houden aan de data gecommuniceerd door de relevante intermediair aangezien zulke data kunnen verschillen van de tijden en data in het Biedingsbericht.

Intermediairs mogen de aanmeldingen enkel indienen bij het Omwisselkantoor en enkel in schriftelijke vorm. Bij het indienen van de aanmeldingen dienen de Intermediairs te verklaren dat: (i) zij de Aangemelde Aandelen in hun administratie hebben opgenomen; (ii) iedere Aandeelhouder die het Bod accepteert, onherroepelijk verklaart en garandeert dat de Aangemelde Aandelen worden aangemeld in overeenstemming met de restricties die worden genoemd in Hoofdstuk 1 (*Restrictions*) en de informatie opgenomen in Hoofdstuk 2 (*Important information*) en de effectenwetgeving en overige Toepasselijke Regelgeving van de jurisdictie waarin de betrokken Aandeelhouder zich bevindt of waarvan hij ingezetene is, is nageleefd en geen registratie, goedkeuring of deponering

bij enige toezichthoudende instantie van die jurisdictie vereist is in verband met de Aangemelde Aandelen; en (iii) zij zich verplichten om de Aangemelde Aandelen te leveren aan Recruit voor of uiterlijk op de Overdrachtsdatum, onder de voorwaarde dat Recruit het Bod gestand doet.

Behoudens geldige intrekking van een aanmelding van Aandelen dient het aanmelden van Aandelen ter aanvaarding van het Bod te gelden als een onherroepelijke instructie (i) tot het blokkeren van enigerlei poging de Aangemelde Aandelen over te dragen, zodat op of voorafgaand aan de Overdrachtsdatum niet tot levering van zulke Aandelen kan worden overgegaan (anders dan aan het Omwisselkantoor op of voorafgaand aan de Overdrachtsdatum als Recruit het Bod gestand doet en de Aandelen voor koop zijn geaccepteerd of indien intrekkingen van toepassing zijn vanwege een verlenging van de Aanmeldingstermijn) en (ii) om de effectenrekening waar zulke Aandelen op gehouden worden te debiteren op de Overdrachtsdatum ten aanzien van alle Aangemelde Aandelen tegen betaling door het Omwisselkantoor van de Biedprijs met betrekking tot deze Aandelen.

12.11.3 Houders van Aandelen die individueel zijn geregistreerd in het aandeelhoudersregister van USG People

Aandeelhouders die individueel zijn geregistreerd in het aandeelhoudersregister van USG People en die hun Aandelen willen aanmelden onder het Bod, dienen een compleet en getekend aanmeldingsformulier te overhandigen aan het Omwisselkantoor in overeenstemming met de voorwaarden van het Bod, niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur CET. De aanmeldingsformulieren zijn op verzoek verkrijgbaar bij het Omwisselkantoor. Het aanmeldingsformulier zal tevens dienen als een akte van levering met betrekking tot de Aandelen waarnaar daarin wordt verwezen.

12.11.4 Houders van Aandelen aan toonder

Houders van Aandelen aan toonder die hun Aandelen aan toonder ter aanvaarding willen aanmelden onder het Bod, dienen de fysieke aandeelbewijzen aan toonder te overhandigen aan het Omwisselkantoor. Overhandiging dient te geschieden op het adres van het Omwisselkantoor vermeld in Hoofdstuk 2.6 (*Contact details*) of, indien overhandiging geschiedt per (aangetekende) post, dient deze te worden gericht aan het adres van het Omwisselkantoor aan het Bijlmerplein 888, 1102 MG Amsterdam, locatie-code AMP D.01.028, in overeenstemming met de voorwaarden van het Bod, en zulke aandelen moeten door het Omwisselkantoor zijn ontvangen niet later dan op de Uiterste Dag van Aanmelding om 17:40 uur CET.

12.11.5 Verklaringen, verplichtingen en garanties door Aandeelhouders die hun Aandelen aanmelden

Iedere Aandeelhouder die Aandelen aanmeldt onder het Bod, verklaart en garandeert daarmee jegens Recruit, op de dag dat die Aandelen worden aangemeld en tot en met de Overdrachtsdatum, behoudens geldige intrekking van een aanmelding, dat:

- (i) de aanmelding van Aandelen door de Aandeelhouders een aanvaarding inhoudt van het Bod onder de voorwaarden van het Bod zoals uiteengezet in het Biedingsbericht;
- (ii) de betrokken Aandeelhouder volledig gerechtigd en bevoegd is de Aandelen aan te melden, te verkopen en te leveren, en geen andere overeenkomst is aangegaan tot aanmelding, verkoop of levering van de volgens opgave Aangemelde Aandelen met derden anders dan aan Recruit (zults tezamen met alle bijbehorende rechten) en dat, wanneer deze Aandelen door Recruit worden verworven onder het Bod, Recruit die Aandelen in volledige en onbezwaarde vorm verworft, vrij van rechten van derden en beperkingen van welke aard dan ook;
- (iii) bij aanmelding van dergelijke Aandelen, Hoofdstuk 1 (*Restrictions*) en Hoofdstuk 2 (*Important information*) en de effectenwetgeving en overige Toepasselijke Regelgeving van de jurisdictie waarin de betrokken

Aandeelhouder zich bevindt of waarvan hij ingezetene is, is nageleefd en geen registratie, goedkeuring of deponering bij enige toezichthoudende instantie van die jurisdictie vereist is in verband met de aanmelding van die Aandelen; en

- (iv) deze Aandeelhouder jegens Recruit en USG People erkent en ermee instemt dat met het aanbieden van zijn Aandelen, de Aandeelhouder, vanaf de Overdrachtsdatum, zal afzien van welke rechten of aanspraken dan ook die de Aandeelhouder zou kunnen hebben in zijn hoedanigheid als Aandeelhouder of op enige andere wijze in verband met zijn aandeelhouderschap in USG People ten opzichte van enig lid van de USG People Groep en alle vroegere en huidige leden van de Raad van Bestuur en de Raad van Commissarissen.

12.12 Besluitvorming en Aanbeveling van de Raad van Bestuur en de Raad van Commissarissen

De Raad van Bestuur en de Raad van Commissarissen hebben gedurende het proces rekening gehouden met de belangen van alle stakeholders en het maximaliseren van waardecreatie. Bij de totstandkoming van hun aanbeveling hebben de Raad van Bestuur en de Raad van Commissarissen een zorgvuldige afweging gemaakt van Recruit's aanbod en uitgebreid het aanbod geëvalueerd in het kader van USG People's strategische opties voor haar toekomst, inclusief standalone scenario's, alsook de interesse verkend om een combinatie transactie met geselecteerde concurrenten of andere potentiële partners aan te gaan. De Raad van Bestuur en de Raad van Commissarissen (zowel met als zonder aanwezigheid van de Raad van Bestuur) zijn gedurende de gesprekken met Recruit regelmatig bijeengekomen om de voorbereidingen en ontwikkelingen in het proces te bespreken, alsmede de overwegingen die in dat kader aan belangrijke beslissingen ten grondslag lagen.

De leden van de Raad van Bestuur en van de Raad van Commissarissen hebben voorafgaand aan hun deelname in het besluitvormingsproces afgewogen of zij ter zake een conflicterend belang hadden. Overwegende het substantiële belang van dhr. A.D. Mulder en de perceptie van een mogelijk tegenstrijdig belang die mogelijk zou kunnen ontstaan, heeft dhr. A.D. Mulder niet deelgenomen aan enige onderhandeling met Recruit met betrekking tot de Biedprijs. Dhr. A.D. Mulder heeft evenmin deelgenomen aan interne discussies tussen de leden van de Raad van Commissarissen over de Biedprijs. Meer in het bijzonder heeft dhr. C. Veerman (voorzitter van de Raad van Commissarissen) in de verschillende vergaderingen tussen vertegenwoordigers van USG People en Recruit die plaatsvonden na het Due Diligence Onderzoek primair de onderhandelingen met Recruit over de Biedprijs verricht, zonder deelname van dhr. A.D. Mulder.

Na zorgvuldige overweging zijn de Raad van Bestuur en de Raad van Commissarissen van mening dat het Bod een billijke prijs voor de Aandeelhouders vertegenwoordigt en zijn zij tot de conclusie gekomen dat de voorgenomen transactie in het belang is van USG People, haar Aandeelhouders en haar andere stakeholders. Zowel de Raad van Bestuur als de Raad van Commissarissen heeft uitgebreid financieel en juridisch advies ingewonnen. Daarnaast heeft op 21 december 2015 Bank of America Merrill Lynch een Fairness Opinie afgegeven aan de Raad van Bestuur en op dezelfde datum heeft ING een Fairness Opinie afgegeven aan de Raad van Commissarissen, beiden met de strekking dat per die datum, vanuit een financieel oogpunt, de aan Aandeelhouders te betalen Biedprijs onder het Bod billijk was jegens de Aandeelhouders.

Onder verwijzing naar het bovenstaande, (i) ondersteunen de Raad van Bestuur en de Raad van Commissarissen het Bod volledig, (ii) bevelen zij de Aandeelhouders unaniem aan om het Bod te aanvaarden en hun Aandelen aan te melden onder het Bod en (iii) bevelen zij unaniem aan om voor de Besluiten te stemmen (de "**Aanbeveling**").

Zie tevens de Standpuntbepaling.

12.13 Gevolgen van het Bod met betrekking tot liquiditeit en beëindiging beursnotering

12.13.1 Liquiditeit

Door de aankoop van Aandelen door Recruit als gevolg van het Bod zal, onder andere, het aantal Aandeelhouders en het aantal openbaar verhandelbare Aandelen afnemen,

als gevolg waarvan de liquiditeit en mogelijk de marktwaarde van de resterende niet aangemelde Aandelen negatief zal worden beïnvloed.

Recruit heeft niet de intentie te voorzien in een liquiditeitsmechanisme voor de Aandelen die niet worden aangemeld onder het Bod, anders dan dat Recruit een standaard order kan plaatsen op Euronext Amsterdam om Aandelen van minderheidsaandeelhouders in te kopen tegen een prijs gelijk aan de Biedprijs gedurende een periode van ten minste twee (2) weken na afloop van de Na-aanmeldingstermijn. Voor zover dit doorgang vindt, is de aankondiging daarvan voorwaardelijk aan voorafgaande regulatoire goedkeuring in overeenstemming met de Toepasselijke Regelgeving.

12.13.2 Beëindiging notering

Indien het Bod gestand wordt gedaan is Recruit voornemens om, voor zover toegestaan onder de Toepasselijke Regelgeving, zo spoedig als redelijkerwijs mogelijk de notering van de Aandelen (inclusief de niet aangemelde Aandelen) aan Euronext Amsterdam en de noteringsovereenkomst tussen USG People en Euronext te beëindigen.

Wanneer ten minste 95% van het geplaatste aandelenkapitaal van USG People in handen is van één enkele Aandeelhouder geldt als algemene regel, dat beëindiging van de notering van de Aandelen aan de Euronext Amsterdam is toegestaan. Echter, de notering van de Aandelen aan de Euronext Amsterdam kan ook worden beëindigd als gevolg van bijvoorbeeld een juridische fusie.

Zie tevens Hoofdstuk 12.14 (*Juridische en corporate structuur na Overdracht*).

12.14 Juridische en corporate structuur na Overdracht

Het is de intentie van Recruit om uiteindelijk 100% (honderd procent) van de Aandelen en/of de volledige eigendom van USG People te verwerven. Zonder afbreuk te doen aan de verplichting van Recruit om het Bod gestand te doen in overeenstemming met haar voorwaarden, is de bereidheid van Recruit om de Biedprijs te betalen gebaseerd op de verkrijging door Recruit van 100% (honderd procent) van de Aandelen. Recruit en USG People verwachten dat volledige integratie van Recruit en USG People substantiële operationele, commerciële, organisatorische en financiële voordelen heeft, welke niet volledig behaald kunnen worden indien USG People zou voortbestaan als juridische entiteit met minderheidsaandeelhouders. Om die voordelen te behalen, behoudt Recruit zich iedere juridisch toegestane methode voor om alle Aandelen te verwerven (of de volledige eigendom van de onderneming van USG People) en/of om de juridische, financiële of fiscale structuur van USG People te optimaliseren als onderdeel van de groep van Recruit.

12.14.1 Uitkoopprocedure

In het geval dat na de Dag van Gestanddoening Recruit (gezamenlijk met zijn Gelieerde Ondernemingen) meer dan 95% van het geplaatste kapitaal van USG People houdt, zal Recruit zo snel mogelijk een uitkoopprocedure op grond van artikel 2:92a, 2:201a of 2:359c van het Burgerlijk Wetboek starten teneinde de resterende Aandelen die niet zijn aangemeld en niet gehouden worden door Recruit of USG People te verkrijgen.

12.14.2 Overige Herstructureringsmaatregelen na Overdracht

Indien Recruit het Bod gestand doet, heeft Recruit het recht om andere herstructureringen van de USG People Groep te (doen) bewerkstelligen met als doel een optimale operationele, juridische, financiële en/of fiscale structuur te bereiken in overeenstemming met de Toepasselijke Regelgeving en Nederlands recht in het algemeen. Sommige van deze maatregelen kunnen de verwatering van achtergebleven minderheidsaandeelhouders van USG People als (bij-)effect hebben. Onder voorbehoud van de Non-Financial Covenants als omschreven in Hoofdstuk 5.22.3 (*Minority Shareholders*) omvatten deze maatregelen onder meer:

- (i) een verkoop van alle of wezenlijk alle activa en passiva van USG People aan Recruit of een Gelieerde Onderneming;

- (ii) een opvolgend openbaar bod op de Aandelen die nog door minderheidsaandeelhouders worden gehouden;
- (iii) een juridische (grensoverschrijdende) (driehoeks-)fusie in overeenstemming met artikel 2:309 et seq. Burgerlijk Wetboek tussen USG People en/of één of meer Gelieerde Ondernemingen van Recruit;
- (iv) een juridische splitsing van USG People in overeenstemming met artikel 2:334q et seq. Burgerlijk Wetboek;
- (v) de inbreng van contanten of andere activa door Recruit of een Gelieerde Onderneming in ruil voor Aandelen of een nieuwe klasse preferente aandelen in het kapitaal van USG People;
- (vi) de uitkering van winst, reserves of activa aan de Aandeelhouders, ontbinding en vereffening van USG People;
- (vii) een verkoop en levering van activa en passiva door Recruit of een Gelieerde Onderneming aan een lid van de USG People Groep, of een verkoop en levering van activa en passiva door een lid van de USG People Groep aan Recruit of een Gelieerde Onderneming;
- (viii) omzetting van USG People in een besloten vennootschap met beperkte aansprakelijkheid;
- (ix) een combinatie van het voorgaande; of
- (x) iedere transactie, herstructurering, uitgifte van effecten, handelingen of procedures ten aanzien van USG People of haar Gelieerde Ondernemingen die nodig zijn om de hierboven genoemde doelstelling te behalen.

12.15 Aankondigingen

Iedere aankondiging in het kader van het Biedingsbericht zal door middel van een persbericht worden uitgebracht. Ieder gezamenlijk persbericht van Recruit en USG People zal worden gepubliceerd op de website van USG People (<http://www.usgpeople.com>). Onder voorbehoud van de wettelijke vereisten op grond van de Toepasselijke Regelgeving en zonder afbreuk te doen aan de wijze waarop Recruit een publieke aankondiging wenst te doen, zal op Recruit geen enkele verplichting rusten om een publieke aankondiging te doen anders dan zoals hierboven uiteengezet.

12.16 Indicatief tijdschema

Verwachte datum en tijd	Gebeurtenis
31 maart 2016	Publicatie van het persbericht met betrekking tot de verkrijgbaarstelling van het Biedingsbericht en de aanvang van het Bod
09:00 uur CET op 1 april 2016	Aanvang van de Aanmeldingstermijn
14:00 uur CET op 12 mei 2016	AVA, op welke vergadering onder meer het Bod zal worden besproken en gestemd zal worden over de Besluiten
17:40 uur CET 30 mei 2016, tenzij verlengd	Uiterste Dag van Aanmelding: Uiterste datum waarop Aandeelhouders hun Aandelen kunnen aanmelden, tenzij de termijn is verlengd in overeenstemming met artikel 15 Bob
Uiterlijk twee (2) Nederlandse Werkdagen na de Uiterste Dag van Aanmelding	Resultaten van het Bod: De dag waarop Recruit zal aankondigen welk percentage van de Aandelen is aangemeld voor aanvaarding onder het Bod op de Uiterste Dag van Aanmelding
Uiterlijk drie (3) Nederlandse Werkdagen na de Uiterste Dag van Aanmelding	Dag van Gestanddoening: De dag waarop Recruit zal aankondigen of het Bod al dan niet gestand wordt gedaan in overeenstemming met artikel 16 Bob
Uiterlijk drie (3) Nederlandse Werkdagen na de Dag van Gestanddoening	Na-aanmeldingstermijn: Indien het Bod gestand is gedaan, zal Recruit een Na-aanmeldingstermijn aankondigen voor een periode van niet meer dan twee (2) weken in overeenstemming met artikel 17 Bob
Uiterlijk vijf (5) Nederlandse Werkdagen na de Dag van Gestanddoening	Overdrachtsdatum: De dag waarop, overeenkomstig de Voorwaarden, Recruit de Biedprijs zal betalen voor elk Aangemeld Aandeel
Zo snel mogelijk en in ieder geval binnen vijf (5) Nederlandse Werkdagen na afloop van de Na-aanmeldingstermijn	Overdrachtsdatum voor Aandelen die zijn aangemeld tijdens de Na-aanmeldingstermijn: De dag waarop, overeenkomstig de voorwaarden van het Bod, Recruit de Biedprijs zal betalen voor elk Aandeel dat is aangemeld tijdens de Na-aanmeldingstermijn

12.17 USG People en Recruit

De Raad van Bestuur van USG People bestaat uit dhr. R. Zandbergen (*Chief Executive Officer*) en mw. L. Geirnaerdts (*Chief Financial Officer*).

De Raad van Commissarissen van USG People bestaat uit dhr. C. Veerman, dhr. R. de Jong, mw. W.J. Maas, dhr. A.D. Mulder en dhr. J.F.F.E. Thijs.

Het bestuur van Recruit bestaat uit dhr. Masumi Minegishi (*President, Chief Executive Officer en Representative Director*), dhr. Shogo Ikeuchi (*Board Director en Senior Managing Corporate Executive Officer*), dhr. Shigeru Kusahara (*Board Director en Senior Managing Corporate Executive Officer*), dhr. Keiichi Sagawa (*Board Director en Senior Managing Corporate Executive Officer*), dhr. Shigeo Ohyagi (*External Board Director*) en dhr. Yasushi Shingai (*External Board Director*).

13 Selected Financial Information of USG People

13.1 General

The following financial information is made available in this Section 13:

Section 13.2	Basis of Preparation
Section 13.3	Selected comparative financial information for the Financial Years 2015, 2014 and 2013
Section 13.4	Independent auditor's report in respect of comparative consolidated statement of income, comparative consolidated statement of comprehensive income, comparative consolidated balance sheet and comparative consolidated statement of cash flows for the Financial Year 2015, the Financial Year 2014 and the Financial Year 2013
Section 13.5	Financial statements for the Financial Year 2015, including explanatory notes
Section 13.6	Independent auditor's report relating to the Financial statements for the Financial Year 2015

Reference is made to pages 85 and 86 of the financial statements for the Financial Year 2015 with regard to the impact of the Offer on the recognition, valuation and notes pertaining to various line items in those financial statements for the Financial Year 2015, as included in Section 13.5 (*Financial statements for the Financial Year 2015, including explanatory notes*).

13.2 Basis of Preparation

This selected consolidated financial information of USG People comprises the consolidated income statement, the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of cash flows for the Financial Years 2015, 2014 and 2013 only.

These selected consolidated financial statements are presented in thousands of euros (EUR), except when otherwise indicated.

The selected consolidated financial information for the Financial Year 2015 has been derived from the consolidated financial statements for the Financial Year 2015 as audited by PwC, which issued an independent auditor's report thereon, without qualification on 24 February 2016.

The selected consolidated financial information for the Financial Year 2014 has been derived from the consolidated financial statements for the Financial Year 2014 as audited by PwC, which issued an independent auditor's report thereon, without qualification on 25 February 2015.

The selected consolidated financial information for the Financial Year 2013 has been derived from the consolidated financial statements for the Financial Year 2013 as audited by PwC, which issued an independent auditor's report thereon, without qualification on 26 February 2014.

The consolidated financial statements from which the selected consolidated financial information has been derived were prepared in accordance with IFRS.

The selected consolidated financial information set out below contains only the consolidated income statement, the consolidated statement of comprehensive income, consolidated balance sheet and consolidated statement of cash flows, excluding related note disclosures and a description of significant accounting policies. For a better understanding of USG People's income, financial position and cash flows, the selected consolidated financial information should be read in conjunction with the unabbreviated audited consolidated financial statements for the Financial Years 2015, 2014 and 2013, including the related note disclosures and a description of significant accounting policies applied for each of these years.

13.3 Selected comparative financial information for the Financial Years 2015, 2014 and 2013

13.3.1 Comparative consolidated statement of income for the Financial Years 2015, 2014 and 2013

amounts in thousands of euros	For the years ended 31 December		
	2015	2014	2013
Revenue	2,550,667	2,355,032	2,270,031
Cost of sales	-2,033,239	-1,862,932	-1,783,088
Exceptional cost of sales relating to URSSAF assessment	-14,862	-	-
Total cost of sales	-2,048,101	-1,862,932	-1,783,088
Gross profit	502,566	492,100	486,943
Selling expenses	-341,351	-338,911	-355,133
Amortisation and impairments of acquisition-related intangible assets	-7,881	-6,371	-14,244
Total selling expenses	-349,232	-345,282	-369,377
General and administrative expenses	-85,770	-79,645	-104,954
Exceptional other costs	-3,771	-	-
Total operating expenses	-438,773	-424,927	-474,331
Net income from divestments	-	-	28,688
Operating income	63,793	67,173	41,300
Finance costs	-11,302	-12,275	-16,491
Exceptional finance costs relating to URSSAF assessment	-4,640	-	-
Finance income	578	2,736	6,909
Net finance costs	-15,364	-9,539	-9,582
Share of income of associates	-2,528	-19	14
Income before tax	45,901	57,615	31,732
Income tax expense	-25,373	-29,501	-19,513
Net income from continuing operations	20,528	28,114	12,219
Net income from discontinued operations	-166	-1,751	-38,290
NET INCOME	20,362	26,363	-26,071
ATTRIBUTABLE TO:			
Equity holders of the company	19,845	25,855	-26,058
Non-controlling interests	517	508	-13
	20,362	26,363	-26,071

	For the years ended 31 December		
	2015	2014	2013
EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY (in euros, per share of €0.50 nominal)			
Basic earnings per share			
From net income from continuing operations	€0.24	€0.34	€0.15
From net income from discontinued operations	€0.00	-€0.02	-€0.48
From net income	€0.24	€0.32	-€0.33
Diluted earnings per share			
From net income from continuing operations	€0.24	€0.34	€0.15
From net income from discontinued operations	€0.00	-€0.02	-€0.48
From net income	€0.24	€0.32	-€0.33

13.3.2 Comparative consolidated statement of comprehensive income for the Financial Years 2015, 2014 and 2013

amounts in thousands of euros	For the years ended 31 December		
	2015	2014	2013
Net income	20,362	26,363	-26,071
Other comprehensive income after tax:			
Items that will not be reclassified to the income statement:			
- Remeasurement of pension liability	411	-566	203
	411	-566	203
Items that may be reclassified to the income statement:			
- Cash flow hedge	102	-322	-34
- Currency translation differences	44	-7	456
	146	-329	422
Other comprehensive income after tax	557	-895	625
TOTAL COMPREHENSIVE INCOME	20,919	25,468	-25,446
ATTRIBUTABLE TO:			
Equity holders of the company	20,402	24,960	-25,433
Non-controlling interests	517	508	-13
	20,919	25,468	-25,446

13.3.3 Comparative consolidated balance sheet for the Financial Years 2015, 2014 and 2013

amounts in thousands of euros	31 December 2015	31 December 2014	31 December 2013
ASSETS			
Property, plant and equipment	17,101	16,257	16,329
Goodwill	679,168	683,084	678,171
Other intangible assets	52,929	57,995	59,974
Financial fixed assets	23,692	52,675	26,954
Deferred tax assets	45,186	49,877	62,507
Non-current assets	818,076	859,888	843,935
Trade and other receivables	382,206	294,383	279,903
Current tax receivables	291	2,211	1,793
Cash and cash equivalents	81,354	64,691	63,965
Current assets	463,851	361,285	345,661
TOTAL ASSETS	1,281,927	1,221,173	1,189,596
EQUITY AND LIABILITIES			
Paid-up and called-up capital	40,559	40,479	40,242
Share premium	365,921	365,921	366,148
Reserves	78,298	70,704	51,945
Equity attributable to holders of the company	484,778	477,104	458,335
Non-controlling interests	2,328	1,824	1,249
Total equity	487,106	478,928	459,584
Borrowings	215,218	214,515	209,327
Derivate financial instruments	567	583	46
Pension-related liabilities	4,018	5,928	6,201
Provisions	12,051	31,433	36,298
Deferred tax liabilities	6,655	7,333	7,747
Non-current liabilities	238,509	259,792	259,619
Bank overdrafts and borrowings	550	7,630	32,532
Trade and other payables	501,746	424,896	396,000
Current tax liabilities	23,005	22,508	9,900
Provisions	31,011	27,419	31,961
Current liabilities	556,312	482,453	470,393
Total liabilities	794,821	742,245	730,012
TOTAL EQUITY AND LIABILITIES	1,281,927	1,221,173	1,189,596

13.3.4 Comparative consolidated statement of cash flows for the Financial Years 2015, 2014 and 2013

amounts in thousands of euros	For the years ended 31 December		
	2015	2014	2013
CASH FLOW FROM OPERATING ACTIVITIES			
Income before tax	45,901	57,615	31,732
Adjustments:			
Depreciation, amortisation and impairments of tangible and intangible assets	26,915	25,553	33,162
Result on disposal of tangible and intangible assets	490	447	1,755
Net income from divestments	-	-	-28,688
Other non-cash flow receivables, offset against sales proceeds	27,202	-18,588	-13,186
Net finance costs	15,364	9,539	9,582
Share plan expenses processed via equity	145	89	-180
Currency translation differences	32	-10	-181
Share of income of associates	2,528	19	14
Change in pension-related liabilities and provisions	-11,156	-12,310	10,830
Changes in working capital:			
- trade and other receivables	-91,880	-12,680	14,864
- trade and other payables	73,545	27,855	-19,407
Operating cash flow from continuing activities	89,086	77,529	40,297
Income tax paid	-19,076	-6,431	-16,915
Net cash flow from continuing operating activities	70,010	71,098	23,382
Net cash flow from discontinued operating activities	-	-	2,818
Net cash flow from operating activities	70,010	71,098	26,200
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisitions of subsidiaries	-3,844	-3,722	-4,209
Acquisition of associates	-450	-3,400	-
Investments in property, plant and equipment	-6,460	-6,498	-3,570
Investments in intangible assets	-12,417	-11,955	-13,566
Disposals of tangible and intangible assets	153	91	450
Divestment of subsidiaries	-2,553	-669	81,443
Payment on loans and guarantee deposits	-1,744	-1,639	-1,122
Net cash flow from continuing investing activities	-27,315	-27,792	59,426
Net cash flow from discontinued investing activities	-	-	-742
Net cash flow from investing activities	-27,315	-27,792	58,684

amounts in thousands of euros	For the years ended 31 December		
	2015	2014	2013
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	80	10	-
Payments on derivative financial instruments	-188	-165	-6,211
Proceeds from borrowings	60,026	77	62
Repayments of borrowings	-61,500	-17,513	-36,595
Refinancing transaction expenses paid	-1,993	-	-2,037
Interest paid	-6,151	-7,763	-7,172
Interest received	353	55	692
Dividend paid to holders of non-controlling interests	-13	-25	-74
Dividend paid	-12,953	-6,290	-4,976
Net cash flow from continuing financing activities	-22,339	-31,614	-56,311
Net cash flow from discontinued financing activities	-	-	-1,028
Net cash flow from financing activities	-22,339	-31,614	-57,339
INCREASE CASH AND CASH EQUIVALENTS	20,356	11,692	27,545
CHANGE IN CASH AND CASH EQUIVALENTS			
Cash and cash equivalents and bank overdrafts as at 1 January	60,639	48,947	21,402
Increase in cash and cash equivalents	20,356	11,692	27,545
BALANCE CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AS AT 31 DECEMBER	80,995	60,639	48,947

13.4 Independent auditor's report in respect of comparative consolidated statement of income, comparative consolidated statement of comprehensive income, comparative consolidated balance sheet and comparative consolidated statement of cash flows for the Financial Year 2015, the Financial Year 2014 and the Financial Year 2013

Independent auditor's report

To: the executive board of USG People N.V.

We refer to the selected consolidated financial information of USG People N.V., Almere, as included in section 13.3 of this Offer Memorandum. The financial information for the years 2013, 2014 and 2015 of this selected consolidated financial information, comprising summaries of the consolidated balance sheets as at 31 December 2013, 2014 and 2015, the consolidated income statement, the consolidated statements of comprehensive income and the consolidated statements of cash flows for the years then ended, are derived from the audited consolidated financial statements of USG People N.V. of the years 2013, 2014 and 2015. We expressed an unqualified audit opinion on the consolidated financial statements of the years 2013, 2014 and 2015 in our independent auditor's reports dated 26 February 2014, 25 February 2015 and 24 February 2016. Those consolidated financial statements, and the selected consolidated financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The selected consolidated financial statements as included in section 13.3 of this Offer Memorandum do not contain all the disclosures required by International Financial Reporting Standards as adopted by the European Union and by Part 9 of Book 2 of the Dutch Civil Code. Reading the selected consolidated financial information, therefore, is not a substitute for reading the audited financial statements of USG People N.V.

Executive board's responsibility

The executive board of USG People N.V. is responsible for the preparation of the selected consolidated financial information in accordance with the criteria as set out in the basis for preparation paragraph in section 13.2 of the Offer Memorandum.

Auditor's responsibility

Our responsibility is to express an opinion on the financial information for the years 2013, 2014 and 2015 of the selected consolidated financial information of USG People N.V. based on our procedures, which we conducted in accordance with Dutch Law, including the Dutch Standard 810 'Engagements to report on summary financial statements'.

Opinion

In our opinion, the financial information for the years 2013, 2014 and 2015 of the selected consolidated financial information as included in section 13.3 of this Offer Memorandum derived from the audited consolidated financial statements of USG People N.V. for the years 2013, 2014 and 2015, is consistent, in all material respects, with those financial statements in accordance with the criteria as set out in the basis for preparation paragraph in section 13.2 of this Offer Memorandum.

Restriction on use

The selected consolidated financial information and our auditor's report thereon are intended solely for enclosure in the Offer Memorandum in connection with the recommended cash offer of Recruit Holdings Co. Ltd. and cannot be used for other purposes.

Amsterdam, 31 March 2016

PricewaterhouseCoopers Accountants N.V.

Original signed by drs. E. Hartkamp RA

13.5 Financial statements for the Financial Year 2015, including explanatory notes

The original financial statements for the Financial Year 2015 were prepared in the Dutch language and are available on the website of USG People (<http://www.usgpeople.com>). An English translation of these original financial statements for the Financial Year 2015 is reproduced in this Section 13.5. In the event of any differences between the English and the Dutch text, the latter shall prevail.

FINANCIAL STATEMENTS



The annual report is available in Dutch and English. In the event of ambiguities, the Dutch text shall prevail.

CONTENTS

FINANCIAL STATEMENTS

	78		
Consolidated financial statements	80	25 Related parties	124
Consolidated income statement	80	26 Commitments	127
Consolidated statement of comprehensive income	81	27 Contingent assets and liabilities	127
Consolidated balance sheet as at 31 December	82	28 Events after balance sheet date	127
Consolidated statement of changes in equity	83	29 Principal subsidiaries	128
Consolidated statement of cash flows	84	Company financial statements	129
Notes to the consolidated financial statements	85	Company income statement	129
01 General information	85	Company balance sheet as at 31 December (before profit appropriation)	129
02 Summary of significant accounting policies	85	Notes to the company income statement and balance sheet	130
03 Financial risk management	93	01 Accounting policies	130
04 Acquisitions and divestments	98	02 Intangible assets	130
05 Operating segments	100	03 Property, plant and equipment	130
06 Cost of sales	104	04 Subsidiaries	131
07 Operating expenses	104	05 Other financial fixed assets	131
08 Net finance costs	105	06 Deferred tax assets	131
09 Income tax expense	106	07 Other current receivables	132
10 Property, plant and equipment	108	08 Current income tax receivables	132
11 Goodwill	109	09 Equity	132
12 Other intangible assets	111	10 Provisions	133
13 Financial fixed assets	112	11 Non-current liabilities	133
14 Trade and other receivables	113	12 Current liabilities	133
15 Cash and cash equivalents and bank overdrafts	114	13 Employees	133
16 Total equity	114	14 Liability	134
17 Earnings per share attributable to equity holders	115	15 Fees independent external auditors	134
18 Borrowings	115	16 Remuneration of the Executive Board and Supervisory Board	134
19 Derivative financial instruments	116	Other data	135
20 Pension-related liabilities	117	Events after balance sheet date	135
21 Provisions	120	Provisions in the articles of association regarding profit appropriation	135
22 Bankoverdrafts and borrowings	121	Profit appropriation	136
23 Trade and other payables	121	Independent auditor's report	137
24 Share-based remunerations	121		

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

amounts in thousands of euros

note:

2015

2014

Revenue		2,550,667	2,355,032
Cost of sales		-2,033,239	-1,862,932
Exceptional cost of sales relating to URSSAF assessment	6	-14,862	-
Total cost of sales	6	-2,048,101	-1,862,932
Gross profit		502,566	492,100
Selling expenses		-341,351	-338,911
Amortisation and impairments of acquisition-related intangible assets		-7,881	-6,371
Total selling expenses		-349,232	-345,282
General and administrative expenses		-85,770	-79,645
Exceptional other costs	7	-3,771	-
Total operating expenses	7	-438,773	-424,927
Operating income		63,793	67,173
Finance costs	8	-11,302	-12,275
Exceptional finance costs relating to URSSAF assessment	8	-4,640	-
Finance income	8	578	2,736
Net finance costs		-15,364	-9,539
Share of income of associates	13	-2,528	-19
Income before tax		45,901	57,615
Income tax expense	9	-25,373	-29,501
Net income from continuing operations		20,528	28,114
Net income from discontinued operations	4	-166	-1,751
NET INCOME		20,362	26,363
ATTRIBUTABLE TO:			
Equity holders of the company		19,845	25,855
Non-controlling interests		517	508
		20,362	26,363

EARNINGS PER SHARE FROM CONTINUING AND DISCONTINUED OPERATIONS

ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY

(in euros, per share of € 0.50 nominal)

Basic earnings per share	17		
From net income from continuing operations		€ 0.24	€ 0.34
From net income from discontinued operations		€ 0.00	- € 0.02
From net income		€ 0.24	€ 0.32
Diluted earnings per share	17		
From net income from continuing operations		€ 0.24	€ 0.34
From net income from discontinued operations		€ 0.00	- € 0.02
From net income		€ 0.24	€ 0.32

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

amounts in thousands of euros	note:	2015	2014
Net income		20,362	26,363
Other comprehensive income after tax:			
Items that will not be reclassified to the income statement:			
- Remeasurement of pension liability	20	411	-566
		411	-566
Items that may be reclassified to the income statement:			
- Cash flow hedge	19	102	-322
- Currency translation differences		44	-7
		146	-329
Other comprehensive income after tax		557	-895
TOTAL COMPREHENSIVE INCOME		20,919	25,468
ATTRIBUTABLE TO:			
Equity holders of the company		20,402	24,960
Non-controlling interests		517	508
		20,919	25,468

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER

amounts in thousands of euros	note:	2015	2014
ASSETS			
Property, plant and equipment	10	17,101	16,257
Goodwill	11	679,168	683,084
Other intangible assets	12	52,929	57,995
Financial fixed assets	13	23,692	52,675
Deferred tax assets	9	45,186	49,877
Non-current assets		818,076	859,888
Trade and other receivables	14	382,206	294,383
Current tax receivables		291	2,211
Cash and cash equivalents	15	81,354	64,691
Current assets		463,851	361,285
TOTAL ASSETS		1,281,927	1,221,173
EQUITY AND LIABILITIES			
Paid-up and called-up capital		40,559	40,479
Share premium		365,921	365,921
Reserves		78,298	70,704
Equity attributable to holders of the company		484,778	477,104
Non-controlling interests		2,328	1,824
Total equity	16	487,106	478,928
Borrowings	18	215,218	214,515
Derivate financial instruments	19	567	583
Pension-related liabilities	20	4,018	5,928
Provisions	21	12,051	31,433
Deferred tax liabilities	9	6,655	7,333
Non-current liabilities		238,509	259,792
Bank overdrafts and borrowings	22	550	7,630
Trade and other payables	23	501,746	424,896
Current tax liabilities		23,005	22,508
Provisions	21	31,011	27,419
Current liabilities		556,312	482,453
Total liabilities		794,821	742,245
TOTAL EQUITY AND LIABILITIES		1,281,927	1,221,173

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

amounts in thousands of euros	note:	ATTRIBUTABLE TO EQUITY HOLDERS OF THE COMPANY				NON- CONTROLLING INTERESTS	TOTAL EQUITY
		PAID-UP AND CALLED-UP CAPITAL	SHARE PREMIUM	RESERVES	SUB-TOTAL		
Balance as at 1 January 2014		40,242	366,148	51,945	458,335	1,249	459,584
Net income		-	-	25,855	25,855	508	26,363
Remeasurement of pension liability	20	-	-	-566	-566	-	-566
Cash flow hedge	19	-	-	-322	-322	-	-322
Currency translation differences		-	-	-7	-7	-	-7
Total comprehensive income		-	-	24,960	24,960	508	25,468
Change from settlement of share plan	24	10	-	-	10	-	10
Change share plan	24	-	-	89	89	-	89
Acquisition of subsidiary	4	-	-	-	-	92	92
Stock dividend 2013	16	227	-227	-	-	-	-
Cash dividend 2013	16	-	-	-6,290	-6,290	-	-6,290
Dividend paid to holders of non-controlling interests		-	-	-	-	-25	-25
		237	-227	-6,201	-6,191	67	-6,124
BALANCE AS AT 31 DECEMBER 2014		40,479	365,921	70,704	477,104	1,824	478,928
Balance as at 1 January 2015		40,479	365,921	70,704	477,104	1,824	478,928
Net income		-	-	19,845	19,845	517	20,362
Remeasurement of pension liability	20	-	-	411	411	-	411
Cash flow hedge	19	-	-	102	102	-	102
Currency translation differences		-	-	44	44	-	44
Total comprehensive income		-	-	20,402	20,402	517	20,919
Change from settlement of share plan	24	80	-	-	80	-	80
Change share plan	24	-	-	145	145	-	145
Cash dividend 2014	16	-	-	-12,953	-12,953	-	-12,953
Dividend paid to holders of non-controlling interests		-	-	-	-	-13	-13
		80	-	-12,808	-12,728	-13	-12,741
BALANCE AS AT 31 DECEMBER 2015		40,559	365,921	78,298	484,778	2,328	487,106

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF CASH FLOWS

amounts in thousands of euros

note:

2015

2014

CASH FLOW FROM OPERATING ACTIVITIES

Income before tax		45,901	57,615
Adjustments:			
Depreciation, amortisation and impairments of tangible and intangible assets	10,11,12	26,915	25,553
Result on disposal of tangible and intangible assets	10,12	490	447
Other non-cash flow receivables, offset against sales proceeds	13	27,202	-18,588
Net finance costs	8	15,364	9,539
Share plan expenses processed via equity	24	145	89
Currency translation differences		32	-10
Share of income of associates		2,528	19
Change in pension-related liabilities and provisions	20,21	-11,156	-12,310
Changes in working capital:			
- trade and other receivables		-91,880	-12,680
- trade and other payables		73,545	27,855
Operating cash flow from continuing activities		89,086	77,529
Income tax paid		-19,076	-6,431
Net cash flow from operating activities		70,010	71,098

CASH FLOW FROM INVESTING ACTIVITIES

Acquisitions of subsidiaries	4	-3,844	-3,722
Acquisition of associates	4	-450	-3,400
Investments in property, plant and equipment	10	-6,460	-6,498
Investments in intangible assets	12	-12,417	-11,955
Disposals of tangible and intangible assets	10,12	153	91
Divestment of subsidiaries	4	-2,553	-669
Payment on loans and guarantee deposits		-1,744	-1,639
Net cash flow from investing activities		-27,315	-27,792

CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issuance of shares	16	80	10
Payments on derivative financial instruments		-188	-165
Proceeds from borrowings	18,22	60,026	77
Repayments of borrowings	18,22	-61,500	-17,513
Refinancing transaction expenses paid		-1,993	-
Interest paid		-6,151	-7,763
Interest received		353	55
Dividend paid to non-controlling interests		-13	-25
Dividend paid		-12,953	-6,290
Net cash flow from financing activities		-22,339	-31,614

INCREASE CASH AND CASH EQUIVALENTS

20,356 11,692

CHANGE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents and bank overdrafts as at 1 January		60,639	48,947
Increase in cash and cash equivalents		20,356	11,692
BALANCE CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS AS AT 31 DECEMBER	15	80,995	60,639

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

01 | GENERAL INFORMATION

The corporate structure of USG People N.V. is a legal entity with limited liability (public limited company). USG People N.V. has its registered office in Almere, the Netherlands. The shares of the company are listed on the Euronext Amsterdam stock exchange. The address of the company is:

P.J. Oudweg 61
1314 CK Almere
Nederland

USG People provides all types of flexible employment services and a range of other services in the area of human resources, education, training and customer care. The group operates in four countries.

The consolidated financial statements of the company for the year ended 31 December 2015 comprise the company and its subsidiaries (together referred to as 'the group'). An overview of the main subsidiaries can be found in note 29.

The financial statements were prepared by the Executive Board. The financial statements were signed by the Supervisory Board on 24 February 2016 and will be submitted to the General Meeting of Shareholders on 12 May 2016 for adoption.

02 | SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of preparation of the financial statements

The consolidated financial statements for 2015 have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted within the European Union.

The euro (€) is the functional currency of most group companies. The presentation currency of the group in the financial statements is therefore the euro. Amounts are shown in thousands of euros unless otherwise indicated. The consolidated financial statements are based on historical cost unless otherwise stated.

The accounting policies have been applied consistently by the group companies during the periods presented in these consolidated financial statements.

Comparative figures

No events occurred that resulted in an amendment of the comparative figures.

Announced intended public offer by Recruit Holdings Co., Ltd.

The intended public offer announced by Recruit Holdings Co., Ltd. on 22 December 2015 is expected to be launched in the course of 2016. The intended public offer has impact on the recognition, valuation and notes pertaining to various line items in these financial statements which have been prepared in accordance with IFRS. The main consequences are:

- Goodwill (note 11): for the impairment test performed at the end of 2015 the carrying amount of the cash-generating units was compared to the recoverable amount. In accordance with IAS 36 and the applied accounting principles, the recoverable amount is the higher of the fair value and the value in use. Assumption for the impairment test performed at the end of 2015 was the fair value derived from the intended public offer less costs of disposal.
- Share-based remuneration (note 24): existing entitlements relating to the variable long-term remuneration of key management and other senior management will be settled in cash instead of shares once the intended public offer is declared unconditional. As a consequence the variable long-term remuneration has been accounted as a cash settlement plan in accordance with IFRS 2 with an adjusted vesting period. As regards the SAR plan, settlement of the outstanding SARs will take place at the moment that the public offer is declared unconditional at the share price immediately preceding the announcement of the intended public offer. The result is a change in both the valuation and the moment of unconditional allocation. The aforementioned has resulted in an additional charge of € 1,925 in the income statement for 2015.
- Consultancy fees: USG People was assisted by external advisors during the process that led to the intended public offer. This has resulted in the recognition of additional consultancy fees of € 1,020 in the income statement for 2015.
- Income tax expense (note 9): under tax legislation in Germany the settlement of the tax losses would most likely no longer be permitted as a result of the intended public offer being declared unconditional, unless certain conditions are met. In accordance with IAS 12 the respective losses are valued at an amount of € 16.6 million at the end of 2015.
- Contingent liabilities (note 27): with regard to the intended public offer by Recruit Holdings Co., Ltd., in the event of irregular termination of the merger protocol the party that is to blame for the termination will pay a termination fee of € 10.5 million.
- Contingent liabilities (note 27): the group was assisted by external advisors during the process that led to the intended public offer by Recruit Holdings Co., Ltd. These advisors are entitled to compensation only if the public offer is declared unconditional. This fee is expected to amount to € 10.5 million

and is recognised as a contingent liability in view of the fact that the offer being declared unconditional among others depends on shareholders tendering their shares.

- The merger protocol as agreed with Recruit Holdings Co., Ltd. on 22 December 2015 stipulates that USG People will not declare or distribute any dividend (or interim dividend), nor any payment in kind. Therefore the Executive Board will not propose to distribute a dividend for 2015.

Estimates and assumptions

Preparing the financial statements in accordance with IFRS means that management is required to make assessments and estimates when applying the accounting policies. Estimates and judgements are constantly assessed and are based on historical experience and other factors, including expectations of future events which, under the given circumstances, are considered to be reasonable. Estimates and assumptions that which could lead to material adjustments in the carrying value of assets and liabilities in the future are disclosed in these financial statements as Income tax expense (note 9), Goodwill (note 11), Pension-related liabilities (note 20), Provisions (note 21) and Contingent assets and liabilities (note 27).

Standards, amendments and interpretations effective from the 2015 financial year

Changes to standards effective from 2015 and the possible impact on the earnings, equity and notes of USG People are stated below.

IFRIC 21 'Levies'. This interpretation of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' sets out criteria for the moment at which a government levy should be recognised as a liability on the balance sheet. The government levy is considered to be a liability at the moment that the obligating event that gives rise to the liability takes place and not the moment that the economic benefit ensuing from this liability is gained. IFRIC 21 applies within the European Union for financial years commencing after 17 June 2014. The group has applied this standard with effect from the financial year commencing on 1 January 2015.

The aforementioned interpretation does not have a material impact on the amount and composition of group equity and earnings, nor on the disclosures.

Standards, amendments and interpretations not effective in the 2015 financial year but applicable to the group

IFRS 9 'Financial Instruments'. The standard defines the conditions for the classification and valuation of financial assets initially set out in IAS 39 'Financial Instruments: Recognition and Measurement'. Application is mandatory for financial years commencing on or after 1 January 2018. This amendment is not expected to have a material impact on the amount and composition of group equity and earnings. The group will apply this standard with effect from the financial year commencing on 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'. This standard defines the accounting policy for the recognition of revenue and provisions as regards the timing of the recognition of revenue. Application is mandatory for financial years commencing on or after 1 January 2018. This amendment is not expected to have a material impact on the amount and composition of group equity and earnings. The group will apply this standard with effect from the financial year commencing on 1 January 2018.

IFRS 16 'Leases'. This standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. Operational lease contracts must be recognised in the balance sheet based on this standard through the measurement of the right of use, on the one hand, and the lease obligation, on the other. Application is mandatory for financial years commencing on or after 1 January 2019. The group is assessing the impact of this change on the amount and composition of group equity and earnings, which is assumed to be material. The group will apply this standard with effect from the financial year commencing on 1 January 2019.

Other amendments of standards and interpretations which are not yet in effect are not expected to have a material impact on the amount and composition of group equity and earnings, nor on the notes.

2.2. Consolidation of subsidiaries

Subsidiaries are fully consolidated from the date on which the group is exposed or entitled to changing proceeds ensuing from its involvement in the entity and whereby the group has the possibility to influence that proceeds by virtue of its control in the entity. Deconsolidation occurs from the moment this is no longer the case.

The acquisition method applies to the initial recognition of subsidiaries by the group. The consideration transferred for the acquired company is based on the fair value of the assets transferred, the equity instruments issued and liabilities incurred or assumed at the transaction date, including contingent considerations. Contingent considerations (such as earn-outs and future expansion of interest in subsidiaries through options or deferred acquisition) are owed if pre-determined conditions laid down in a contract have been met. Subsidiaries are recognised at fair value (level 3). The probability of a contingent consideration being paid is considered in the measurement on the transaction date and is reconsidered at each balance sheet date. Changes in the value of contingent considerations are recognised in the income statement as well as the transaction-related costs.

In the event of a gradual acquisition the interest of the acquired company which was already in the group's ownership prior to the time of acquisition is recognised at fair value. Changes in the value are recognised as finance costs or finance income in the income statement.

Identifiable assets, liabilities and contingent liabilities assumed in a business combination are initially recognised in the financial statements at their fair value on the date of acquisition. The group recognises any non-controlling interest in the acquired entity at fair value or at the proportional interest of the non-controlling interest in the acquired net assets.

Goodwill is recognised as the positive difference between the consideration transferred and the fair value of the identifiable assets, liabilities and contingent liabilities at the date of acquisition. If the consideration transferred is lower than the fair value, the difference is recognised in the income statement.

Transactions with minority shareholders, whereby decision-making control does not cease to exist, are recognised as transactions with group shareholders. In the event of purchases of interests held by minority shareholders, the difference between the amount paid and the acquired share of the net asset value (recognised as non-controlling interests under shareholders' equity) is added or charged to shareholders' equity.

Transactions, balance sheet items and unrealised results on transactions between group companies are eliminated. Where necessary, the accounting policies of subsidiaries are brought into line with those applied by the group.

2.3. Operating segments

Operating segments are reported in accordance with internally reported information to the chief operating decision-maker. The Executive Board is regarded as the chief operating decision-maker responsible for the allocation of funds to and the assessment of the operating segments.

The group is structured into countries and further analysed on a segment basis. The Executive Board bases its decisions on this. Disclosure on the operating segments is in keeping with this grouping, with a number of countries and segments being combined due to their size.

2.4. Foreign currency

2.4.1. General

Line items in the financial statements of the various group companies are measured in the currency of the primary economic environment in which each entity operates (the functional currency).

2.4.2. Foreign currency transactions and translation

Transactions in foreign currency are translated into the functional currency at the exchange rate applicable at the date of the transactions. Currency translation differences resulting from the settlement of these transactions and the translation of the monetary assets and liabilities denominated in foreign currency at the balance sheet date are recognised as net finance costs in the income statement.

2.4.3. Group companies

The results and financial positions of group companies with a functional currency other than the euro are calculated as follows:

- assets and liabilities, including goodwill and fair-value adjustments arising on consolidation, are translated into euros at the exchange rates applicable at the balance sheet date. Currency translation differences are recognized in other comprehensive income;
- income and expenses are translated into euros at rates approximate to the exchange rates applicable at the date of the transaction.

In the event of the complete or partial divestment of foreign group companies with a currency other than the euro, currency translation differences are recognised in the income statement as net income from divestments.

2.5. Property, plant and equipment

Property, plant and equipment are carried at historical cost less depreciation, determined on the basis of estimated useful life and impairment losses. Historical cost consists of all expenses directly attributable to the acquisition of the asset.

Depreciation expenses are charged to the income statement using the straight-line method based on the estimated useful life of an asset according to the component method. There is no depreciation on land.

The estimated useful life of property, plant and equipment varies according to category, as shown below:

	YEARS
Buildings	40
Furnishings and conversions	5 - 10
Computer and peripherals	3 - 5
Other fixed assets	5

The residual value, method of depreciation and depreciation period are reviewed annually at the balance sheet date and adjusted if necessary by a change in the estimate for the financial year and subsequent periods.

2.6. Goodwill

Goodwill arises from the acquisition of subsidiaries and is calculated as the difference between the consideration transferred and the fair value at acquisition date of the identifiable assets, liabilities and contingent liabilities acquired. For the purpose of impairment testing, goodwill is allocated to those groups of cash-generating units expected to benefit from the acquisition.

Goodwill is not amortised. Please refer to 2.8 'Impairment of non-financial assets' for further information.

If an entity is divested, the carrying amount of its goodwill is recognised in income. If the divestment concerns part of a cash-generating unit, the amount of goodwill written off and recognised in income is determined on the basis of the relative value of the part divested compared to the value of the entire cash-generating unit.

2.7. Other intangible assets

2.7.1. Intangible assets obtained through acquisitions

Intangible assets obtained through acquisitions consist of trademarks, customer relationships and software. These are initially recognised at fair value and subsequently at cost. Intangible assets have a finite useful life and are carried at cost less amortisation and impairments. Amortisation is charged to the income statement using the straight-line method based on the following estimated useful life:

	YEARS
Trademarks	5 - 10
Customer relationships	4 - 8
Software	5 - 10

2.7.2. Software

Software licences are capitalised on the basis of the costs incurred to acquire the software and make it ready for use. Software developed in-house is capitalised insofar as its cost price arises from the development and test phase of a project and insofar as it can be demonstrated that:

- the project is technically feasible and suitable for use;
- it is the intention to complete the project and use the software;
- the software will generate proven economic benefits in the future;
- technical, financial and other means are in place to complete and use the software, and
- it is possible to determine the expenses attributable to the software developed in a reliable manner.

Expenses directly attributable to the software developed in-house consist of personnel expenses and an appropriate allocation of general expenses. Finance costs are also allocated to software developed in-house insofar as the development phase is longer than one year, using an interest rate equal to the average interest rate paid by the group in the financial year.

Software has a finite useful life and is carried at cost less amortisation and impairment. Amortisation is charged to the income statement using the straight-line method based on the estimated useful life. Due to a number of technical adjustments the projected useful life of the financial information system in the Netherlands has been extended by five years. Consequently the depreciation charge for 2015 has decreased by € 750.

2.8. Impairment of non-financial assets

Assets that have an indefinite useful life, such as goodwill, are not subject to amortisation but to annual impairment testing or more often if events or circumstances may necessitate an impairment. Assets subject to depreciation are assessed at such time as events or changes may necessitate an impairment.

An impairment loss is the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's value in use and its fair value less selling expenses. The value in use is determined by calculating the present value of estimated future cash flows using a pre-tax discount rate which reflects both the current market assessment of the time value of money and the specific risk connected with the asset. The basis of the impairment test performed at the end of 2015 was the fair value derived from the intended public offer less the associated costs of disposal.

For the purpose of impairment testing on goodwill, assets of cash-generating units are grouped at the lowest level within the group at which goodwill is monitored for internal purposes. Non-financial assets other than goodwill that have been subject to impairment are assessed at each reporting date for possible reversal of the impairment charge.

2.9. Financial fixed assets

2.9.1. Loans and receivables

Loans and receivables are financial assets (not being derivative financial instruments) that are not quoted in an active market and have fixed or determinable repayment terms. They are initially recognised at fair value based on the date of payment and subsequently at amortised cost. Loans and receivables are recognised as current assets, except if the maturity date is more than 12 months after the balance sheet date, in which case they are classified as non-current assets. Current loans and receivables consist of trade and other receivables (note 2.10.) and cash and cash equivalents (note 2.12.). Loans and receivables are no longer recognised as soon as the group has transferred the risks and rewards relating to the loans and receivables to a third party or if the right to receive repayments has ceased to exist.

2.9.2. Guarantee deposits

Guarantee deposits (mainly rental guarantees and guarantees connected with the running of a temporary staffing business) are initially recognised at fair value based on the date of payment and subsequently at amortised cost using the effective interest method.

2.9.3. Associates

Associates are interests which expose or entitle the group to variable proceeds as a result of the group's involvement in these entities and which enable the group to exercise influence over those proceeds as a result of its interest in these entities, not being subsidiaries. In general the interest held is 20% to 50% of the voting rights. Associates are recognised using the equity method. They are initially recognised at cost in the financial statements. Changes in valuation as a result of attributable results from the associates are recognised in the income statement.

Investments in associates are subject to impairment testing at such time that events or changes in circumstances indicate a possible impairment. The group calculates the difference between the recoverable amount and the carrying amount of the associates and recognises any impairment in the income statement.

2.10. Trade and other receivables

Trade and other receivables are initially recognised at fair value based on the payment date and subsequently at amortised cost using the effective interest method (often nominal value) less impairment for doubtful receivables. Reasons for recognising a provision for doubtful receivables include the bankruptcy of a debtor, major financial problems on the part of the debtor or the passing of more than 365 days after the payment due date. The amount of the provision is the difference between the carrying amount of the receivable and the present value of expected future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced by the amount of the provision for doubtful receivables and the associated expenses are included in selling expenses in the income statement. If a trade receivable or other receivable is uncollectible, it is charged to the provision for doubtful receivables. Reversal of any amounts previously written off goes towards reducing the amount of selling expenses in the income statement.

Trade receivables are not recognised in the balance sheet if they are sold to a factoring company and the contractual rights to and the cash flows from these receivables have been transferred. The criterion applicable in this context is the substantial transfer of risks and rewards. Factoring fees are recognised as selling expenses.

2.11. Derivative financial instruments

Derivative financial instruments are initially recognised in the financial statements at fair value on the date the contract is concluded and are subsequently recognised at fair value at each reporting date. Changes in the fair value of derivative financial instruments are recognised directly in the income statement, unless hedge accounting is applied.

In the event the group applies hedge accounting, its effectiveness is documented when hedging. The effectiveness of the hedge is subsequently determined at regular intervals, either by comparing the critical features of the hedging instrument with the hedged position, or by comparing the fair value change of the hedging instrument and the hedged position.

The group applies hedge accounting to interest rate derivatives entered into to hedge future cash flows from interest on its non-current borrowings.

When applying hedge accounting the effective portion of the revaluation of the hedging instrument is directly recognised in comprehensive income. At such time as the results of the hedged position are recognised as net finance costs in the income statement, the associated result is transferred from equity to the same item in the income statement.

The fair value of the derivative financial instrument is classified as a fixed asset or a non-current liability if the derivative financial instrument has a remaining maturity of more than 12 months, or as a current asset or liability if the remaining maturity is less than 12 months.

To be able to recognise the ineffective part of the revaluation in the correct period in the income statement the group at each balance sheet date recognises the lowest absolute amount of either of the following two valuations changes in equity:

- the cumulative revaluation of the hedging instrument since the hedge relationship was indicated; and
- the cumulative change in the value of future hedged cash flows insofar as it can be attributed to the hedged risk.

The hedge accounting is terminated when:

- the hedging instrument is sold, ended or exercised. The cumulative result on the hedging instrument that was recognised directly in equity when it was still deemed to be an effective hedge continues to be recognised in equity until the initially hedged future transaction takes place; or
- the hedge relationship no longer complies with the criteria for hedge accounting. If the hedged future transaction has yet to take place, the associated cumulative result on the hedging instrument is recognised in equity. If the transaction will no longer take place the cumulative result recognised in equity is recognised in the income statement.

2.12. Cash and cash equivalents

Cash and cash equivalents, including cash in hand, bank balances and readily available deposits are recognised at nominal value. Bank overdrafts are classified as borrowings under current liabilities.

2.13. Share capital

Share capital is defined as equity attributable to equity holders of the company. Costs directly connected to the issuance of new shares are deducted from the proceeds recognised in equity. If the group purchases USG People N.V. shares, the amount paid including any associated costs (after income tax) is charged to equity attributable to equity holders of the company until such time as the shares are cancelled or reissued. The amount received on the issue of shares previously purchased, less any associated costs (after income tax), is added to the equity attributable to equity holders of the company.

2.14. Dividend

Dividend is recognised as a liability for the period in which the distribution is approved by the shareholders.

2.15. Non-current borrowings

Borrowings are initially recognised in the financial statements at fair value, net of transaction costs incurred, and are subsequently recognised at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowing using the effective interest method.

Borrowings are classified as current liabilities unless the group has the intention and an unconditional right to postpone settlement of the liability for at least 12 months after the balance sheet date.

2.16. Lease

When entering into a lease contract it is assessed whether the lease classifies as a financial or operating lease.

Lease contracts whereby the risks and rewards associated with ownership lie wholly or primarily with the lessor are classified as operating leases.

Payments made under operating leases are charged to the income statement for the duration of the lease using the straight-line method. Lease contracts whereby the risks and rewards associated with ownership actually lie with the group are classified as financial leases. The group did not have any financial lease contracts in 2015.

2.17. Income tax expense

Income-based tax on the income for the financial year comprises current and deferred income taxes for the period under review. Income-based tax is recognised in the income statement except where it relates to items booked in comprehensive income or directly in equity. In the latter case, the associated tax is also recognised in comprehensive income or equity.

Current income tax consists of income-based tax on the taxable income, calculated on the basis of tax rates and legislation that has been enacted or substantially enacted at the balance sheet date. Management periodically monitors the positions taken when filing tax returns, taking into account various legal interpretations. If necessary, liabilities are recognised based on expected payments.

Deferred income tax is recognised for temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the amounts used for taxation purposes. Deferred tax liabilities are not carried when initially recognising goodwill. Deferred income tax is calculated using tax rates and legislation that has been enacted or substantially enacted at the balance sheet date and are expected to apply when the deferred income tax asset concerned is realised or the deferred tax liability is settled.

Deferred tax assets are recognised insofar as it is probable that future taxable profit will be available to offset the temporary differences and available tax losses.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to do so and if the taxes are levied by the same authority.

2.18. Pension-related liabilities

2.18.1. Defined contribution pension schemes

A defined contribution scheme is a pension scheme whereby the group makes fixed contributions to a pension insurer or pension fund.

Liabilities regarding contributions to pension and pension-related schemes based on defined contributions are recognised as expenses in the income statement in the period to which they pertain. The group has no obligations other than the payment of premiums.

2.18.2. Defined benefit pension schemes

A defined benefit scheme is a pension scheme whereby the employee receives an amount in pension benefits on retirement, usually dependent on factors such as age, years of service and remuneration.

The group's net liability in regard to granted pension rights is determined separately for each scheme, on the basis of the present value of the liability under the defined benefit pension scheme at balance sheet date, less the fair value of the plan assets (defined as the present value of the related liability as described in IAS 19.115). The discount rate is the return at balance sheet date on solid corporate or government bonds with a maturity similar to the term of the group's liabilities. The calculations are performed by certified actuaries using the projected unit credit method.

Actuarial gains and losses arising from changes in actuarial assumptions are added or charged to comprehensive income. In the event of changes in the pension scheme, unrecognised pension costs for years of service completed are recognised directly in the income statement.

In 2015 the most important Dutch pension scheme ended and was therefore adjusted. The participants will migrate to the defined contribution scheme. The commitments and plan assets of this pension scheme are no longer included.

2.19. Share-based remuneration

The fair value of shares granted conditionally (settled in shares) under the group's share plans, including the group-paid wage tax relating to these shares (settled in cash), is recognised as an expense in the income statement. Performance conditions such as revenue and profitability and expected staff turnover are included in the estimate of the ultimate total number of shares to be granted. The estimate of the ultimate total number of shares to be granted is revised at balance sheet date on the basis of the performance conditions. The actual performance conditions and staff turnover are determined at the end of the performance period and on the date that the granting becomes unconditional. Any effect of this revision and final determination is recognised in the income statement. The expenses are recognised on a time-weighted basis over the period to which the performance pertains. In the event of cancellation, either at the initiative of the staff member or of the employer, unrealised expenses pertaining to the period between the cancellation and the end of the performance period are recognised at once as an expense in the income statement.

The expenses based on the fair value of the shares to be distributed, as determined on the day of granting, is recognised directly in equity. The expenses relating to the tax commitments for participants in the share plan payable by the group are recognised at fair value, as determined on the reporting date and at the time of settlement. These expenses are recognised on a time-weighted basis over the period to which the performance pertains and the financial liability is recognised under the provisions in the financial statements.

In addition to the aforementioned share plan, the group has issued Stock Appreciation Rights (SARs).

The fair value of the granted SARs (settled in cash) is recognised as an expense in the income statement during the performance period. This amount is determined by the fair value of the (conditionally) granted SARs. The USG People N.V. share price is a market-related condition which partly determines the fair value. Expected staff turnover is included in the estimate of the ultimate amount to be paid. This estimate is revised at balance sheet date. Actual staff turnover is determined on the date on which granting becomes unconditional. The effect of this revision and final determination is recognised in the income statement. Expenses are recognised on a time-weighted basis over the conditional period of the SARs. A provision is maintained for this purpose.

The intended public offer announced by Recruit Holdings Co., Ltd. will have an impact on the timing as well as the manner of settlement of both the share plans and SAR scheme. This has an effect on the recognition and timing of unconditional allocation, both of which are recognised in accordance with IFRS 2.

2.20. Provisions

2.20.1. General

A provision is recognised on the balance sheet where the group has a legally enforceable or constructive obligation relating to an event in the past and where it is probable that settlement of that obligation will involve an outflow of funds and that the amount can be estimated reliably. Where the effect of this is material, provisions are determined by calculating the present value of estimated future cash flows using a pre-tax discount rate which reflects the current market assessment of the time value of money and, if necessary, specific risks connected with the commitment. Future losses are not accounted for.

2.20.2. Restructuring provisions

Provisions are made for restructuring if the group has finalised a detailed restructuring plan and the restructuring has been either started or announced publicly. The restructuring provision does not include costs relating to future operations.

2.20.3. Personnel-related provisions

The group recognises provisions for future benefit payments to employees. Where applicable, these provisions take into account any future wage increases and staff turnover. The provisions include long-service awards and continuation of wage payment during extended periods of sickness.

2.21. Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently at amortised cost using the effective interest method.

2.22. Revenue

Income is recognised insofar as it is probable that the economic benefits will flow to the group and insofar as the income can be measured reliably. The group's income is derived from the provision of services to third parties after deduction of value added tax and discounts granted. These services mainly concern:

- Temporary employment and secondment services: provision of temporary staff whereby hours worked at agreed rates during the reporting period are recognised as revenue;
- Recruitment and selection services: recruitment and selection of employees for third parties whereby revenue is booked once the service has been completed as agreed;
- Call centre services: handling of telephone operations for third parties. The revenue consists of units (call units or conversations) relating to the reporting period and at an agreed rate;
- Reintegration services: supporting of reintegration services for third parties based on an hourly rate, for hours worked during the reporting period;
- HR, IT and engineering projects: fees based on a set price are recognised as revenue based on the number of hours worked during the reporting period compared to the estimated total number of hours needed for the project, and
- Outplacement: provision of coaching to jobseekers. Revenue is determined on the basis of the amount of time to be declared during the reporting period for each person being coached compared to the estimated total amount of time to be spent on each person being coached.

If the group is the principal in a contract and the risks and rewards lie with the group, the transactions are recognised gross in the income statement. Revenue is recognised net if the group acts as an agent, e.g. as an intermediary.

No revenue is recognised if there is major uncertainty as to whether the funds owing can be collected at the moment that the services are provided.

2.23. Selling, general and administrative expenses

The division of costs is based on the functional division. Selling expenses are the selling and marketing costs allocated to the branches. General and administrative expenses are administrative support costs.

2.24. Net finance costs

Finance costs comprise interest due on funds drawn, calculated using the effective interest method, negative adjustments to the value of non-current receivables, downward adjustments to the fair value and realised value of non-current derivative financial instruments and interest recognised with respect to accrued interest on contingent considerations relating to acquisitions and other liabilities.

Finance income comprises interest received on outstanding monies, positive adjustments to the value of non-current receivables and upward adjustments to the fair value and realised value of derivative financial instruments.

2.25. Earnings per share

Earnings per share are calculated as the net income attributable to shareholders divided by the weighted average number of outstanding shares for the relevant period. Diluted earnings per share are calculated as net income divided by the weighted average number of outstanding shares including shares

granted but not yet distributed under share plans. Dividend distributed in shares, whereby there is no option for a cash settlement, is recognised as allocation of bonus shares. Earnings per share are adjusted accordingly in the comparative figures.

2.26. Basis of preparation for the statement of cash flows

The statement of cash flows is compiled using the indirect method. The statement of cash flows distinguishes between cash flows from operating, investing and financing activities. Cash flows in foreign currencies are translated at the rate at the transaction date. Receipts and expenditure before income tax are recognised as cash flows from operating activities. Interest paid and received is included under cash flow from financing activities. Cash flows arising from the acquisition or divestment of subsidiaries and associates are recognised as cash flows from investing activities, taking into account any cash and cash equivalents in these interests. Dividends paid are recognised as cash flows from financing activities.

Cash and cash equivalents in the statement of cash flows equals cash and cash equivalents on the balance sheet minus bank overdrafts.

03 | FINANCIAL RISK MANAGEMENT

3.1. Financial risk factors

Due to the nature of its activities, the group is exposed to various financial risks: market risks (interest rate risks and exchange rate risks), credit risks and liquidity risks. The risk management and control model helps identifying and analysing the different risks.

The financial and economic conditions of the past few years demand permanent attention for financial risks. The group is constantly focused on cost control. Specific attention is being paid to credit management, both in terms of managing credit risks and reducing the number of days sales outstanding. Risks are further reduced by insuring most trade receivables and selling a portion of the trade receivables to factoring companies.

Group risk management focuses on minimising the potential negative effects of developments on the financial markets on the group's performance. If deemed necessary, the group uses financial instruments to hedge certain risks. The treasury department identifies and assesses financial risks and hedges them subject to approval by the Executive Board.

The group recognises the following categories of financial instruments.

31 DECEMBER 2015	CARRYING AMOUNT	FAIR VALUE	MAXIMUM CREDIT EXPOSURE
Financial fixed assets	22,010	14,446	23,377
Trade receivables	366,934	366,934	100,750
Other receivables	4,005	4,005	4,005
Cash and cash equivalents	81,354	81,354	81,354
	474,303	466,739	209,486
Syndicated credit facility	208,458	210,028	
Acquisition-related contingent considerations	6,182	6,182	
Other non-current credit facilities	769	1,031	
Bank overdrafts	359	359	
Trade payables	487,350	487,350	
Derivative financial instruments	567	567	
	703,685	705,517	

31 DECEMBER 2014	CARRYING AMOUNT	FAIR VALUE	MAXIMUM CREDIT EXPOSURE
Financial fixed assets	48,889	41,491	50,282
Trade receivables	275,103	275,103	82,858
Other receivables	3,901	3,901	3,901
Cash and cash equivalents	64,691	64,691	64,691
	392,584	385,186	201,732
Syndicated credit facility	149,416	150,015	
Subordinated credit facility	58,749	59,216	
Acquisition-related contingent considerations	7,685	7,685	
Other non-current credit facilities	2,243	2,551	
Bank overdrafts	4,052	4,052	
Trade payables	411,314	411,314	
Derivative financial instruments	583	583	
	634,042	635,416	

The method used to estimate fair value is disclosed in note 3.2.

3.1.1. Market risks

Interest rate risks

Funds drawn from borrowings granted at variable interest rates expose the group to interest rate risks. On the one hand the group, as a provider of employment services, views variable interest rates as a natural hedge for fluctuations in operating income while, on the other hand, it wants to remain vigilant and be able to respond to any opportunities that arise.

The group regularly uses various simulated scenarios to ascertain whether existing measures to hedge interest rate risks remain adequate. The analysis focuses on the effects of interest rate changes on income, due to the fact that the vast majority of the loans were granted at a variable interest rate, with the risk partly hedged by derivative financial instruments (note 19).

As the group has no significant interest-bearing assets, group income is therefore largely unaffected by interest rate fluctuations.

An increase of 50 basis points in the EURIBOR rate has a negative impact of € 0.9 million on income before tax (2014: negative impact of € 1.5 million) and a decrease in equity of € 0.3 million (2014: decrease of € 0.8 million), taking hedging measures into account and with all other factors being equal. A decrease of 50 basis points in the EURIBOR rate has a positive impact of € 0.3 million (2014: positive impact of € 1.5 million) on income before tax and a decrease in equity of € 0.2 million (2014: increase of € 0.8 million), taking hedging measures into account and with all other factors being equal.

Currency exchange risks

In view of the fact that group activities in currencies other than the euro are very limited, exchange rate risks are not hedged. No loans are issued in a currency other than the euro.

3.1.2. Credit risks

Credit risks arise from trade receivables, cash and cash equivalents, financial derivatives and deposits held at banks.

Trade receivables are generally insured by insurance companies (with at least an A rating S&P, Moody's, Fitch or A.M. Best). Receivables from governments and financial institutions in the Netherlands are not insured. Where a trade receivable is not insured, the client's creditworthiness is assessed prior to the service being supplied, taking past experiences and other considerations into account. Credit limits are assigned to clients based on information supplied by insurance companies or internal guidelines approved by the Executive Board. Credit limits are assessed regularly.

The treasury department maintains contacts with insurance companies and monitors the application of the main credit procedures. The group has an information system to closely track the creditworthiness of its customers. The system complements the services provided by the insurance company, making the credit risks more transparent. It combines the group's own information, purchased business information and credit reports issued by the credit insurer. Good results are achieved through periodical discussions with the insurance company and internal monitoring of the credit risks. Credit meetings are held monthly in all countries to discuss important aspects of the trade receivables. The Executive Board is informed regularly and extensively on developments in its credit management policy. Note 14 'Trade and other receivables' provides a further analysis of the credit risks on trade receivables.

The group only uses the banks which issued the syndicated loan for financial receivables such as cash and cash equivalents, derivative financial instruments and deposits.

3.1.3. Liquidity risks

The objective of liquidity risk management is to safeguard the continuity of the group, to ensure returns for shareholders and rewards for other stakeholders and to maintain the best possible capital structure with a view to reducing the costs of capital. To maintain or adjust the capital structure the group can adjust dividend payments, repay share capital, issue new shares or sell assets to reduce its liabilities. Working capital is monitored and the investment policy is aimed at generating positive cash flows from earnings.

To optimise the financing structure and lower the interest expenses the group repaid the € 60 million subordinated loan prematurely in 2015. Furthermore the existing syndicated credit facility was extended for five years and the group has the opportunity to extend the facility no more than two more times for a period of up to one year. At the same time the available facility was reduced from € 500 million to € 450 million. In addition the group sold the amount receivable resulting from the CICE tax measure in France to a financial institution for an amount of € 48.8 million and reduced the factoring of trade receivables by a net amount of € 32.1 million (receivables sold at the end of 2015: € 92.0 million, end-2014: € 124.1 million).

The treasury department ensures that there are sufficient cash and cash equivalents and credit facilities available to manage liquidity risks. The Executive Board uses cash flow reports including forecasts to assess the liquidity risk. In addition, the group's liquidity is safeguarded through compliance with the terms and conditions of the syndicated credit facility and other borrowings.

The principal conditions of the syndicated credit facility concern the senior leverage ratio (which needed to be kept equal to or below 3.0) and the interest cover ratio (equal to or above 3.5). An additional condition, the total leverage ratio, applied until the subordinated credit facility was repaid early. This total leverage ratio would not exceed 3.5 from 1 January 2015 up to and including 30 June 2015 and would not exceed 3.25 from 1 July 2015 up to and including 31 December 2015. The syndicated credit facility also stipulates a maximum on the value of acquisitions per year and during the entire term. The method of calculating ratios is defined in the covenant with the banks. The adjustments resulting from the terms and conditions of the covenant in the calculation of the interest cover ratio, the senior leverage ratio and the total leverage ratio concern adjustments ensuing from the agreements made with the banks in the covenant with respect to the valuation of non-operating expenses, the unrealised valuation result on derivatives, extraordinary adjustments with regard to defined benefit pension schemes and the impact of the application of the amended IFRS 3 on investments in subsidiaries. The ratios are reported to the banks on a quarterly basis.

The group aims a long-term debt position with a senior leverage ratio equal to or below 1.0.

The unutilised part of the syndicated credit facility was € 154 million at the end of 2015 (2014: € 267 million).

Possible effects of the intended public offer announced by Recruit Holdings Co., Ltd. on group financing has been further investigated but do not influence group liquidity.

Total and senior leverage ratio

The following table specifies the total and senior leverage ratios as at 31 December.

	2015	2014
Bank overdrafts and borrowings	215,768	222,145
Minus: cash and cash equivalents	-81,354	-64,691
Plus: adjustments in accordance with terms and conditions of covenant	6,356	11,107
Total net debt position in accordance with terms and conditions of covenant	140,770	168,561
Minus: subordinated credit facility	-	-58,749
Total net senior debt position in accordance with terms and conditions of covenant	140,770	109,812
Operating income	63,793	67,173
Plus: depreciation, amortisation and impairments	26,915	25,553
Plus: adjustments in accordance with terms and conditions of covenant	30,432	7,252
EBITDA	121,140	99,978
Total leverage ratio (net debt position / EBITDA)	1.2	1.7
Senior leverage ratio (net senior debt position / EBITDA)	1.2	1.1

CONSOLIDATED FINANCIAL STATEMENTS

The total leverage ratio in recent quarters until the moment of early repayment of the subordinated credit facility are disclosed below:

	COVENANT	ACTUAL
31 March 2014	≤ 3.75	2.2
30 June 2014	≤ 3.75	2.3
30 September 2014	≤ 3.75	2.0
31 December 2014	≤ 3.75	1.7
31 March 2015	≤ 3.75	1.7
30 June 2015	≤ 3.75	2.0

The senior leverage ratio in recent quarters are disclosed below:

	COVENANT	ACTUAL
31 March 2014	≤ 3.0	1.6
30 June 2014	≤ 3.0	1.7
30 September 2014	≤ 3.0	1.4
31 December 2014	≤ 3.0	1.1
31 March 2015	≤ 3.0	1.1
30 June 2015	≤ 3.0	1.5
30 September 2015	≤ 3.0	1.8
31 December 2015	≤ 3.0	1.2

Interest cover ratio

The method of calculating the interest cover ratio as at 31 December is specified below.

	2015	2014
Net finance costs	15,364	9,539
Minus: amortisation of costs of syndicated and subordinated credit facility	-2,025	-1,437
Minus: adjustments in accordance with terms and conditions of covenant	-6,870	-219
Interest	6,469	7,883
Interest cover ratio (EBITDA / interest)	18.7	12.7

The evolution of the interest cover ratio in recent quarters was as follows:

	COVENANT	ACTUAL
31 March 2014	≥ 3.5	6.9
30 June 2014	≥ 3.5	8.5
30 September 2014	≥ 3.5	11.4
31 December 2014	≥ 3.5	12.7
31 March 2015	≥ 3.5	13.9
30 June 2015	≥ 3.5	14.8
30 September 2015	≥ 3.5	16.7
31 December 2015	≥ 3.5	18.7

Repayment terms

The table below states the repayment terms of the group's financial commitments. The amounts listed in the table are contractually agreed cash flows which have not been discounted and therefore do not coincide with the carrying amount. The term of the syndicated credit facility ends in 2020.

Repayment terms at end-2015 based on the nominal value including interest due are disclosed below:

	TOTAL	< 3 MTH	3-6 MTH	6-12 MTH	1-2 YEARS	2-5 YEARS	> 5 YEARS
Syndicated credit facility	218,050	419	419	847	1,680	214,685	-
Acquisition-related contingent considerations	6,226	188	-	-	-	6,038	-
Other credit facilities	1,072	3	-	-	-	-	1,069
Bank overdrafts and borrowings	359	359	-	-	-	-	-
Trade and other payables	487,350	487,350	-	-	-	-	-
Derivative financial instruments	339	81	85	173	-	-	-
	713,396	488,400	504	1,020	1,680	220,723	1,069

Repayment terms at end-2014 based on the nominal value including interest due are disclosed below:

	TOTAL	< 3 MTH	3-6 MTH	6-12 MTH	1-2 YEARS	2-5 YEARS	> 5 YEARS
Syndicated credit facility	152,891	450	455	921	151,065	-	-
Subordinated credit facility	67,905	973	984	1,990	63,958	-	-
Acquisition-related contingent considerations	8,031	75	3,347	150	-	4,459	-
Other credit facilities	2,647	6	-	60	1,590	-	991
Bank overdrafts and borrowings	4,052	4,052	-	-	-	-	-
Trade and other payables	411,316	411,316	-	-	-	-	-
Derivative financial instruments	474	58	59	123	234	-	-
	647,316	416,930	4,845	3,244	216,847	4,459	991

3.2. Estimating fair value

The group uses the following hierarchy for the disclosure of financial instruments recognised at fair value:

- Level 1: market prices for financial instruments traded on an active market;
- Level 2: information other than market prices for the fair value of financial instruments that are not traded on an active market. The group uses various methods and makes assumptions based on market conditions at the balance sheet date. For non-current debt it uses market prices or market prices given by traders for comparable instruments, and
- Level 3: other methods, including estimated present value calculations, are used to determine the valuation of other financial instruments.

The acquisition related contingent considerations and derivative financial instruments (note 19) are recognised on the balance sheet at fair value (level 2 and level 3).

The principal methods and assumptions used to estimate the fair values as stated in 3.1 are summarised below:

- Financial fixed assets: the fair value is calculated based on the expected future cash inflows arising from repayments and interest payments. The fair value of non-interest bearing guarantee deposits with no fixed maturity is equal to nil. The fair value of interest-bearing guarantee deposits with a fixed maturity is estimated using the discounted cash flow method (level 2).
- Trade receivables, trade payables, other receivables and payables, cash and cash equivalents: for current receivables and payables with a maturity of less than one year the fair value is equal to the nominal value. The fair value of other receivables and payables is calculated using the discounted cash flow method (level 2).
- Interest-bearing borrowings, debts and acquisition related contingent considerations: the fair value is calculated using the present value of expected future cash outflows arising from repayments and interest payments (level 2).
- Derivatives: the value of derivatives is determined based on expected future cash flows (level 2).

The group discounts its financial instruments using the effective return relevant to its risk profile and the maturity of the financial instrument at the balance sheet date. The fair value is determined by discounting the relevant cash flows using a market discount rate applicable to comparable instruments.

04 | ACQUISITIONS AND DIVESTMENTS

The acquisitions and divestments of subsidiaries and associates are described below.

4.1. Acquisitions

Acquisitions in 2015: subsidiaries

On 11 September 2015 the acquisition of 100% of the shares of Zorgzuster Nederland B.V. took place.

Zorgzuster Nederland B.V. plays a connecting and facilitating role between individual care recipients and healthcare institutions, on the one hand, and independent healthcare providers, on the other hand. Zorgzuster works predominantly with independent healthcare professionals who provide home care.

The consideration transferred amounted to € 573 and a contingent consideration depending on future revenue was also agreed. This contingent consideration relates to an earn-out commitment and is recognised at fair value at level 3. At the end of 2015 this commitment was valued at zero.

As from the date of the acquisition the assets and liabilities ensuing from the acquisition were valued at real value. The intangible assets identified separately relate to the trademark (€ 112) and customer relationships (€ 97). The fair value of the trademark is based on the expected royalty percentage payable by a third party of use of the brand (level 3). The fair value of the customer relationships was determined based on the expected discounted cash flows achieved with the asset (level 3). The fair value of the other assets and liabilities is equal to the carrying amount. The trade and other receivables were deemed to be fully recoverable as at the date of acquisition.

Goodwill is valued at € 181 and is attributable to the possibility to further expand the existing services in a changing healthcare sector in the Netherlands. The goodwill is not tax deductible.

In 2015 the acquisition contributed € 173 to group revenue and € -119 to group net income. If the acquisition had taken place on 1 January 2015, the contribution would have been € 567 to group revenue and € -344 to group net income.

The transaction fees for the acquisition amounted to € 8 and have been recognised in the income statement as general and administrative expenses.

The acquisition is reported in the General Staffing operating segment in the Netherlands.

The amount of the outflow of cash and cash equivalents in the statement of cash flows as a result of acquisitions is disclosed below:

	2015
Consideration transferred	573
Minus: cash and cash equivalents in acquired subsidiary	-8
Outflow of cash and cash equivalents from acquisitions	565
Contingent consideration paid	3,279
OUTFLOW OF CASH AND CASH EQUIVALENTS AS A RESULT OF ACQUISITIONS	3,844

The contingent considerations paid (€ 3,279) relate to acquisitions realised in 2013 and 2014.

Acquisitions in 2015: associates

The following acquisitions in associates took place:

ASSOCIATE	ACQUIRED % OF SHARES	DATE OF ACQUISITION
Speakap Holding B.V.	20%	30 March 2015
Co.Station Brussels NV	25%	21 October 2015

Speakap Holding B.V. is based in the Netherlands and is active in the field of online communications aimed at internal communications using the Speakap platform. Co.Station Brussels NV provides start-up companies with an environment in which they can benefit from the presence of and cooperation with other start-ups. This happens by making office space available where entrepreneurs can work together and learn from each other and by providing targeted courses.

The costs of both investments totaled € 450 and is recognised under financial fixed assets (note 13). When initially recognising these investments goodwill was set at € 892 while on balance the assets and liabilities were set at € - 442.

Acquisitions in 2014: subsidiaries

The following acquisitions in subsidiaries took place:

SUBSIDIARY	ACQUIRED % OF SHARES	DATE OF ACQUISITION
Netwerven B.V.	51%	1 October 2014
Connecting Expertise NV	51%	9 December 2014

Netwerven B.V. advises and helps build and deploy recruitment strategies and optimise recruitment processes. Connecting Expertise NV is an online software services provider of Vendor Management System solutions including an online market place. The financial information provided below is combined and reflects both acquisitions. Agreement was reached with the owners of the companies regarding simultaneous call and put options or a deferred acquisition of the remaining 49% of the shares. These transactions will take place in 2018 and 2019, respectively. Accordingly the risks and rights relating to the companies, with the exception of dividends still payable before transfer of the remaining shares, are borne by the group. The non-controlling interests equal the stake of the non-controlling shareholders in net income.

The consideration transferred for both acquisitions totaled € 9,139, of which € 5,209 is contingent. The contingent costs of acquisition depend on future results achieved and are recognised at fair value according to level 3. They partly consist of earn-out commitments of € 1,275 relating to the acquisition of 51% of the shares. The remaining amount of € 3,934 relates to the call and put option respectively the deferred acquisition. During 2014 the earn-out commitment was increased by € 1,392 as a result of a revaluation based on results achieved in 2014. This adjustment is recognised in the income statement under finance costs.

In the course of 2015 the earn-out commitment was settled for an amount of € 2,413, after which a contingent liability of € 75 remains. At the end of 2015 the contingent costs of acquisition relating to the call and put option and the deferred acquisition of the remaining 49% of the shares, respectively, were valued at € 5,994.

The valuation of the assets and liabilities from acquisitions as at the date of acquisition is disclosed below:

	FAIR VALUE 2014
Trademarks	776
Customer relationships	2,546
Software	2,052
Property, plant and equipment	62
Trade and other receivables	1,799
Cash and cash equivalents	208
Deferred tax liabilities	-1,541
Current tax liabilities	-125
Trade and other payables	-1,459
Non-controlling interests	-92
Acquired assets and liabilities	4,226
Goodwill	4,913
Consideration transferred	9,139

The intangible assets identified separately relate to trademarks, customer relationships and software. The fair value of the trademarks is based on the expected royalty percentage payable by a third party for use of the brand (level 3). The fair value of the customer relationships and software is determined based on the expected discounted cash flows achieved with the asset (level 3). The fair value of the other assets and liabilities is equal to the carrying value. Trade and other receivables mainly consists of trade receivables and were deemed to be fully recoverable as from the date on which they were acquired.

The goodwill is attributable to the possibilities that the acquisitions offer the group to expand its online HR services strategy and to the possibilities they offer to increase their added value for their clients. The goodwill is not deductible for tax purposes.

The reconciliation of the outflow of cash and cash equivalents in the statement of cash flows is disclosed below:

	2014
Consideration transferred	9,139
Minus: contingent consideration	-5,209
Consideration transferred paid	3,930
Minus: cash and cash equivalents in acquired subsidiary	-208
OUTFLOW OF CASH AND CASH EQUIVALENTS AS A RESULT OF ACQUISITIONS	3,722

In 2014 both acquisitions contributed € 1,431 to group revenue and € 390 to group net income. The contribution would have been € 4,461 to group revenue and € 536 to net income if the acquisitions had taken place on 1 January 2014.

The transaction fees for the acquisitions amounted to € 151 and were recognised in the income statement under general and administrative expenses.

The acquisitions are recognised in the operating segment Online Business Solutions in the Netherlands or Belgium.

Acquisitions in 2014: associate

The following acquisition in an associate took place:

ASSOCIATE	ACQUIRED % OF SHARES	DATE OF ACQUISITION
BC Beheer B.V.	20%	31 October 2014

BC Beheer B.V. (Blue Carpet) is a Dutch company that helps employers and regional and sector-wide HR platforms develop intelligent HR communities for recruitment and selection, the organisation of a flexible shell, the exchange of knowledge and talent, mobility, talent pools and talent development. The acquisition price was € 3,400 and is recognised as financial fixed assets (note 13).

Furthermore a simultaneous call and put option was agreed with a fellow shareholder for the acquisition of another 20% of the shares. These can be exercised for a period of a year as from 31 October 2017. The option is not recognised as a liability from a contingent consideration on the balance sheet as it concerns an associate. The option qualifies as a derivative financial instrument and is recognised on the balance sheet accordingly (note 19).

4.2. Divestments

Divestments in 2015

On 1 August 2015 the activities of Vakcollege were transferred to Stichting Vakmanschap in het Beroepsonderwijs for 1 euro. As a result goodwill was impaired by € 4,097.

Divestments in 2014

No subsidiaries were divested in 2014.

4.2.1. Net income from discontinued activities

The breakdown of net income from discontinued activities in the income statement is disclosed below:

	2015	2014
Net income from divestment of General Staffing activities	-166	-1,751
NET INCOME FROM DISCONTINUED OPERATIONS	-166	-1,751

Net income for 2015 and 2014 relates to the settlement of various guarantees issued at the time of the divestment of the General Staffing activities (in June 2013) in Spain, Italy, Austria, Switzerland, Poland and Luxembourg. A cash outflow of € 2,553 took place in 2015 on account of this.

05 | OPERATING SEGMENTS

In mid-2015 the group adjusted its organisational structure. The organisation adopted a country structure relating to the countries within which the group operates (the structure previously focused on the applicable product-market combinations). The monthly information reported to the Executive Board, as chief operating decision maker, is in line with this. Group results are divided into the countries and are then further analysed by segment (General Staffing, Specialist Staffing, Professionals and Online Business Solutions). The Executive Board bases its decisions on this information.

As a result the explanatory notes on the operating segments have been adjusted compared to the 2014 financial statements. The comparative figures for the 2014 financial year have also been adjusted.

The Executive Board evaluates the segments mainly on their revenue and EBITA. Finance results are not attributed to the segments due to the fact that cash resources are managed by the central Treasury department. The breakdown of the finance results and net income are therefore not provided. A number of operating segments, including Online Business Solutions, have been incorporated in 'other' due to their size. Revenue between operating segments is not material and is therefore not stated separately.

5.1. Segmentation of income

2015	REVENUE	DEPRECIATION	EBITA	AMORTISATION AND IMPAIRMENT	OPERATING INCOME
General Staffing	620,813	-6,040	15,250	-4,388	10,862
Specialist Staffing	388,431	-3,984	23,725	-	23,725
Professionals	93,146	-1,001	1,327	-773	554
Other	8,395	-576	533	-625	-92
The Netherlands	1,110,785	-11,601	40,835	-5,786	35,049
General Staffing	435,809	-3,594	19,874	-	19,874
Specialist Staffing	203,854	-1,520	21,282	-139	21,143
Other	45,991	-490	-502	-231	-733
Belgium	685,654	-5,604	40,654	-370	40,284
General Staffing	514,647	-826	9,498	-	9,498
Other	4,662	-18	-527	-96	-623
France	519,309	-844	8,971	-96	8,875
Specialist Staffing	231,594	-634	5,771	-1,255	4,516
Other	1,013	-26	-2,596	-	-2,596
Germany	232,607	-660	3,175	-1,255	1,920
Other	2,312	-164	-1,368	-373	-1,741
Corporate	-	-161	-20,593	-1	-20,594
TOTAL	2,550,667	-19,034	71,674	-7,881	63,793

CONSOLIDATED FINANCIAL STATEMENTS

2014	REVENUE	DEPRECIATION	EBITA	AMORTISATION AND IMPAIRMENT	OPERATING INCOME
General Staffing	550,240	-5,701	17,484	-277	17,207
Specialist Staffing	366,025	-4,720	15,736	-	15,736
Professionals	93,445	-1,055	4,385	-904	3,481
Other	6,098	-305	1,379	-364	1,015
The Netherlands	1,015,808	-11,781	38,984	-1,545	37,439
General Staffing	386,013	-3,351	13,435	-	13,435
Specialist Staffing	188,260	-1,457	18,723	-208	18,515
Other	44,548	-372	469	-20	449
Belgium	618,821	-5,180	32,627	-228	32,399
General Staffing	482,823	-897	23,153	-	23,153
Other	3,689	-25	-740	-287	-1,027
France	486,512	-922	22,413	-287	22,126
Specialist Staffing	225,649	-621	2,501	-4,284	-1,783
Other	292	-6	-1,182	-	-1,182
Germany	225,941	-627	1,319	-4,284	-2,965
Other	7,950	-85	-4,602	-27	-4,629
Corporate	-	-587	-17,197	-	-17,197
TOTAL	2,355,032	-19,182	73,544	-6,371	67,173

The various types of services distinguished, as described in the accounting policies in note 2.22, are provided in every segment. No clients have a material share of revenue.

The reconciliation of results per operating segment to net income from continuing operations is disclosed below:

	2015	2014
Operating result in segmentation of income	63,793	67,173
Net finance costs	-15,364	-9,539
Share of income of associates	-2,528	-19
Income tax expense	-25,373	-29,501
NET INCOME FROM CONTINUING OPERATIONS	20,528	28,114

5.2. Segmentation of balance sheet

2015	PROPERTY, PLANT AND EQUIPMENT	GOODWILL	INTANGIBLE ASSETS	NET WORKING CAPITAL	TOTAL
General Staffing	3,399	98,935	17,650	711	120,695
Specialist Staffing	3,928	217,184	9,489	-10,889	219,712
Professionals	909	66,598	3,789	-4,173	67,123
Other	213	7,104	3,842	170	11,329
The Netherlands	8,449	389,821	34,770	-14,181	418,859
General Staffing	3,159	141,500	9,623	-35,390	118,892
Specialist Staffing	1,401	36,716	4,084	7,255	49,456
Other	165	13,092	2,733	2,423	18,413
Belgium	4,725	191,308	16,440	-25,712	186,761
General Staffing	2,102	-	688	-76,343	-73,553
Other	26	1,056	24	-179	927
France	2,128	1,056	712	-76,522	-72,626
Specialist Staffing	1,480	96,983	728	2,560	101,751
Other	121	-	12	-71	62
Germany	1,601	96,983	740	2,489	101,813
Other	1	-	2	138	141
Corporate	197	-	265	-5,752	-5,290
TOTAL	17,101	679,168	52,929	-119,540	629,658
2014	PROPERTY, PLANT AND EQUIPMENT	GOODWILL	INTANGIBLE ASSETS	NET WORKING CAPITAL	TOTAL
General Staffing	3,545	102,851	18,231	-10,605	114,022
Specialist Staffing	3,604	217,184	11,380	-13,119	219,049
Professionals	900	66,598	4,883	1,731	74,112
Other	128	7,104	4,663	545	12,440
The Netherlands	8,177	393,737	39,157	-21,448	419,623
General Staffing	2,319	141,500	7,902	-30,288	121,433
Specialist Staffing	1,052	36,716	3,854	-13,044	28,578
Other	164	13,092	3,124	-920	15,460
Belgium	3,535	191,308	14,880	-44,252	165,471
General Staffing	2,018	-	755	-55,442	-52,669
Other	22	1,056	135	-322	891
France	2,040	1,056	890	-55,764	-51,778
Specialist Staffing	1,634	96,983	1,956	-9,332	91,241
Other	8	-	9	28	45
Germany	1,642	96,983	1,965	-9,304	91,286
Other	176	-	393	643	1,212
Corporate	687	-	710	-388	1,009
TOTAL	16,257	683,084	57,995	-130,513	626,823

CONSOLIDATED FINANCIAL STATEMENTS

The reconciliation of assets per operating segment to the balance sheet is disclosed below:

	2015	2014
Property, plant and equipment	17,101	16,257
Goodwill	679,168	683,084
Intangible assets	52,929	57,995
Trade and other receivables	382,206	294,383
Trade and other payables	-501,746	-424,896
TOTAL	629,658	626,823

06 | COST OF SALES

The breakdown of the cost of sales is disclosed below:

	2015	2014
Wage and salary costs	1,606,827	1,454,407
Social security contributions	322,745	314,058
Premiums for defined contribution pension schemes	13,418	11,815
Other costs	90,249	82,652
TOTAL	2,033,239	1,862,932
EXCEPTIONAL COST OF SALES RELATING TO URSSAF ASSESSMENT	14,862	-
TOTAL COST OF SALES	2,048,101	1,862,932

Social securities contributions for 2015 include an amount of € 14,862 relating to the assessment received from French social security authority URSSAF. The matter concerns an assessment for 2009 and 2010 in connection with a social security investigation imposed in 2011. In February 2012 the group lodged an appeal against the assessment with the Commission de Recours Amiable which was dismissed on 21 June 2012. The group subsequently lodged an appeal with the Tribunal des Affaires de Sécurité Sociale at the end of July 2012 and the court ruled in the group's favour on 3 September 2014. URSSAF subsequently appealed. In view of the ruling by the Tribunal des Affaires de Sécurité Sociale and based on the group's position that the payments were in accordance with the law, the amount was recognised as a contingent liability in the previous year. Now that the French court has ruled in favour of URSSAF's appeal, the total costs for the assessment including interest (€ 14,862 included in cost of sales, € 826 included in other costs and € 4,640 included in finance income for a total of € 20,328) are charged to the income statement. The group has appealed this ruling with the highest court.

07 | OPERATING EXPENSES

The breakdown of the operating expenses is disclosed below:

	2015	2014
Employee costs	313,611	300,130
Depreciation, amortisation and impairments	26,915	25,553
Other costs	98,247	99,244
TOTAL	438,773	424,927

The item 'exceptional other expenses' totalling € 3,771, as shown in the income statement, includes an amount of € 2,945 relating to the costs of share-based remuneration and consultancy fees ensuing from the intended public offer announced by Recruit Holdings Co., Ltd. and € 826 pertaining to the URSSAF assessment disclosed in note 6.

The breakdown of employee costs is disclosed below:

	2015	2014
Wages and salaries of indirect employees	215,385	208,034
Social security contributions	45,823	45,815
Premiums for defined contribution pension schemes	4,917	4,413
Costs of defined benefit pension schemes	534	876
Costs of share-based payments	4,880 ¹⁾	404
Other employee expenses	42,072	40,588
TOTAL	313,611	300,130

¹⁾ These costs are disclosed in note 24

The number of indirect employees (FTE) totals:

	2015	2014
Number as at 31 December	4,740	4,918
Average throughout the financial year	4,861	4,821

08 | NET FINANCE COSTS

	2015	2014
Interest on borrowings	6,425	7,695
Payments on derivate financial instruments	188	165
Commitment and utilisation fee syndicated credit facility	1,099	1,309
Revaluation of French government loan	354	-
Revaluation of receivable resulting from CICE tax measure	-	127
Valuation changes relating to acquisition related contingent considerations	590	2,252
Other interest expenses	2,626	727
Currency translation differences	20	-
TOTAL FINANCE COSTS	11,302	12,275
EXCEPTIONAL FINANCE COSTS RELATING TO URSSAF ASSESSMENT	4,640	-
Interest received	350	35
Revaluation of receivable resulting from CICE tax measure	228	-
Revaluation of French government loan	-	2,684
Currency translation differences	-	17
TOTAL FINANCE INCOME	578	2,736
NET FINANCE COSTS	15,364	9,539

More information on the determination of finance costs on loans can be found in note 18. The valuation changes to acquisition-related contingent considerations is the result of a reconsideration of the earn-outs which are to be paid for former investments in subsidiaries.

The other interest expenses include € 1,583 expenses on the sale of the receivables from the CICE tax measure (note 13) and interest on current accounts held with banks.

Exceptional finance costs relates to the interest expense on the URSSAF liability (note 6).

The revaluation of the loan issued to the French government relates to the change in the market interest rate against which the cash flows from this loan are discounted. The interest received on this loan is lower than the market interest rate.

09 | INCOME TAX EXPENSE

	2015	2014
Current taxes	21,493	18,498
Deferred taxes	3,880	11,003
CHARGE IN FINANCIAL STATEMENT FROM CONTINUING OPERATIONS	25,373	29,501

Taxation on group profit before taxes differs as disclosed below from the charge as calculated using the weighted average standard tax rate for the group:

	2015	2015 %	2014	2014 %
Income before tax	45,901		57,615	
Taxation based on weighted average tax rates	15,991	34.8%	20,834	36.2%
Non tax-deductible costs	6,674	14.5%	4,454	7.7%
Tax-deductible tax on added value	-2,670	-5.8%	-2,502	-4.3%
Tax-exempt revenue	-9,251	-20.1%	-11,602	-20.1%
Additional unrecognised losses	14,629	31.9%	14,545	25.2%
Unrecognised temporary differences	-	-	1,964	3.4%
Reassessed income tax charge from previous years	-1,425	-3.1%	-623	-1.1%
Tax on added value	7,044	15.3%	6,595	11.4%
Settlement of loss on subsidiary	-5,619	-12.2%	-4,164	-7.2%
CHARGE IN FINANCIAL STATEMENT FROM CONTINUING OPERATIONS	25,373	55.3%	29,501	51.2%

The weighted average nominal tax rate was 34.8% (2014: 36.2%). This rate is composed of the results of subsidiaries in the various countries.

In France a tax is charged on added value which is recognised as income tax. This tax is deductible for the calculation of the result for tax purposes and is recognised in the above table as tax-deductible tax on added value. Tax-exempt revenue mainly relates to the notional interest allowance in Belgium and the CICE tax measure in France. The item additional unrecognised losses mainly relate to the impairment of deferred tax assets in France, Germany and Austria. In the Netherlands and Belgium deferred tax assets are recognised with respect to the settlement of losses on subsidiaries on future results for tax purposes.

Deferred tax assets and liabilities are specified according to maturity as disclosed below:

	2015	2014
Deferred tax assets:		
- Deferred tax asset recoverable after 12 months	31,762	41,593
- Deferred tax asset recoverable within 12 months	13,424	8,284
	45,186	49,877
Deferred income tax liabilities:		
- Deferred tax liability recoverable after 12 months	5,634	5,233
- Deferred tax liability recoverable within 12 months	1,021	2,100
	6,655	7,333
NET DEFERRED ASSET	38,531	42,544

Changes in deferred income taxes are as disclosed below:

CHANGE IN DEFERRED TAXES	2015	2014
Balance as at 1 January	42,544	54,760
To income statement as continuing operations	-3,880	-11,003
To income statement as discontinued operations	-	341
Remeasurement of pension liability in comprehensive income	-47	-120
Cash flow hedge in comprehensive income	-34	107
Acquisition of subsidiaries	-52	-1,541
BALANCE AS AT 31 DECEMBER	38,531	42,544

Deferred tax assets consist of:

DEFERRED TAX ASSETS	2015	2014
Tax losses carried forward	31,040	38,622
Other temporary differences	14,146	11,255
BALANCE AS AT 31 DECEMBER	45,186	49,877

The tax losses carried forward relates to Germany, Belgium and the Netherlands. The other temporary differences include € 7,289 for tax losses relating to subsidiaries (2014: € 4,164), € 2,319 for software depreciation (2014: € 1,082), € 1,050 for tax-deductible goodwill (2014: € 1,125) and € 2,449 for restructuring provisions (2014: € 3,876).

Based on earnings forecasts for the coming years, the Executive Board has made an estimation of the probability of these assets being used in the coming years, taking into account country-specific recoverability possibilities. The forecasts are in line with the assumptions used in the impairment test (note 11), supplemented with specific elements for the determination of the result for tax purposes.

In the event the intended public offer announced by Recruit Holdings Co., Ltd. is declared unconditional, the settlement of the tax losses would most likely no longer be permitted under tax legislation in Germany unless certain conditions are met. At the end of 2015 the respective losses, in accordance with IAS 12, were valued at an amount of € 16.6 million and an amount of € 18.7 million was not valued.

Deferred tax liabilities consist of:

DEFERRED TAX LIABILITIES	2015	2014
Intangible assets	5,965	6,700
Other temporary differences	690	633
BALANCE AS AT 31 DECEMBER	6,655	7,333

The other temporary differences in the deferred tax liabilities include capitalised costs of the syndicated credit facility.

Changes in unrecognised deferred tax assets resulting from losses carried forward are as disclosed below:

UNRECOGNISED DEFERRED TAX ASSETS	2015	2014
Balance as at 1 January	33,457	18,912
Additional unrecognised deferred tax assets	14,629	14,545
Permanently unrecognisable losses	-2,187	-
BALANCE AS AT 31 DECEMBER	45,899	33,457

Additional taxes on unrecognised losses comprises losses that are not expected to be offset in the foreseeable future (ten years). Of these unrecognised losses, an amount of € 39,283 (2014: € 28,020) has an unlimited settlement period with future taxable profits.

The measurement of deferred taxes is based on growth and profitability assumptions which may differ from actual results. A 10% deviation from the revenue projections for 2016 and therefore also for revenue in the years that follow can result in a € 1.2 million decrease or a € 1.2 million increase in deferred tax assets. A 0.5% decrease or increase in projections for EBITA as a percentage of revenue can result in a € 1.2 million decrease or a € 2.6 million increase in deferred tax assets.

10 | PROPERTY, PLANT AND EQUIPMENT

	BUILDINGS AND LAND	FURNISHINGS AND CONVERSIONS	COMPUTER AND PERIPHERALS	OTHER FIXED ASSETS	TOTAL
BREAKDOWN OF CARRYING AMOUNT AS AT 1 JANUARY 2014					
Cost	804	56,944	14,761	30,437	102,946
Accumulated depreciation and impairments	-68	-48,997	-11,406	-26,146	-86,617
Carrying amount as at 1 January 2014	736	7,947	3,355	4,291	16,329
CHANGES IN CARRYING AMOUNT					
Acquisition of subsidiaries	-	-	2	60	62
Investments	-	3,846	1,343	1,309	6,498
Disposals	-	-218	-52	-188	-458
Depreciation	-31	-2,986	-1,556	-1,602	-6,175
Currency translation differences	-	-	-	1	1
Balance	-31	642	-263	-420	-72
BREAKDOWN OF CARRYING AMOUNT AS AT 31 DECEMBER 2014					
Cost	804	52,076	13,537	25,578	91,995
Accumulated depreciation and impairments	-99	-43,487	-10,445	-21,707	-75,738
Carrying amount as at 31 December 2014	705	8,589	3,092	3,871	16,257
CHANGES IN CARRYING AMOUNT					
Acquisition of subsidiaries	-	-	4	9	13
Investments	-	3,491	1,584	1,385	6,460
Disposals	-	-69	-29	-111	-209
Depreciation	-31	-2,451	-1,457	-1,492	-5,431
Currency translation differences	-	-	3	8	11
Balance	-31	971	105	-201	844
BREAKDOWN OF CARRYING AMOUNT AS AT 31 DECEMBER 2015					
Cost	804	47,021	13,599	24,478	85,902
Accumulated depreciation and impairments	-130	-37,461	-10,402	-20,808	-68,801
CARRYING AMOUNT AS AT 31 DECEMBER 2015	674	9,560	3,197	3,670	17,101

An amount of € 2,540 (2014: € 2,351) of the depreciation of property, plant and equipment has been included in the general and administrative expenses. The remainder has been included in the selling expenses.

11 | GOODWILL

	2015	2014
Cost	879,990	875,077
Accumulated impairments	-196,906	-196,906
Carrying amount as at 1 January	683,084	678,171
Acquisition of subsidiaries	181	4,913
Amortisation relating to divestments of subsidiaries	-4,097	-
Balance	-3,916	4,913
Carrying amount as at 31 December	679,168	683,084
Cost	876,074	879,990
Accumulated impairments	-196,906	-196,906
CARRYING AMOUNT AS AT 31 DECEMBER	679,168	683,084

The acquisition of subsidiaries is specified in more detail in note 4.

Goodwill is allocated to cash-generating units. The following allocation is based on the country-focused reporting structure used by the Executive Board to monitor goodwill in 2015:

	2015	2014
The Netherlands General Staffing	98,935	102,851
The Netherlands Specialist Staffing	211,335	211,335
The Netherlands Secretary Plus	5,849	5,849
The Netherlands Professionals	66,598	66,598
The Netherlands Online Business Solutions	7,104	7,104
Belgium General Staffing	141,500	141,500
Belgium Specialist Staffing	21,893	21,893
Belgium Secretary Plus	14,823	14,823
Belgium Professionals	11,389	11,389
Belgium Online Business Solutions	1,703	1,703
France Professionals	1,056	1,056
Germany Specialist Staffing	96,983	96,983
	679,168	683,084

Impairment for cash-generating units where goodwill is capitalised

The cash-generating units are subject to impairment testing annually and in case of a triggering event. Impairment testing involves comparing the carrying amount of the cash-generating units concerned with their recoverable amount. This recoverable amount is the higher of the fair value and the value in use.

The fair value is based on the intended public offer announced by Recruit Holdings Co., Ltd. on 22 December 2015, plus the net financial debt position at the end of 2015 less costs of disposal linked to the public offer. The offer of € 17.50 per ordinary share represents a total share value of € 1,419,578 based on 81,118,761 issued shares. After adding the debt position of € 134,414 and deducting the possible costs of disposal of € 12,168 linked to the public offer, the fair value amounts to € 1,541,824. The fair value is allocated to the cash-generating units based on the relative share in the value in use of USG People N.V. as a whole because it is assumed that the synergies which Recruit Holdings Co., Ltd. expects to achieve (as evidenced by the control premium stated in the intended public offer) will be divided equally among the cash-generating units pro rata their relative share in the value in use. The value in use is calculated based on future cash flows discounted using a pre-tax discount rate. For the different cash-generating units this resulted in a pre-tax discount rate between 12.4% and 16.2% (2014: between 10.7% and 18.0%).

The recoverable amount is based on the fair value because this is higher than the value in use. The post-tax discount rate was between 9.1% and 9.6%. Future cash flows of cash-generating units are estimated based on actual income from operations and projected future performance, which are based on past performance, management expectations and assumptions about revenue growth, the gross margin and cost developments for a period of seven years (2014: seven years). This is tested against external data. Cash flow projections after this period are extrapolated using a growth rate of 0% (2014: 0.6%) for the entire group. The growth rate is based on factors including the current low risk-free interest rate.

CONSOLIDATED FINANCIAL STATEMENTS

The divergence from the maximum five-year projection required under IAS 36 reflects the fact that a full market cycle in this sector lasts around seven years. The residual value is based on the average level of the projection and is adjusted for inflation.

The main assumptions for the value in use in the impairment test calculations are:

- Expected average annual group revenue growth of 5% to 8% during the first three years and 3% to 5% in the following four years. Projections for average annual revenue growth in mature markets range from 5% to 8% during the first three years and 3% to 5% in the following four years. In the growth markets the calculations are based on expected average annual revenue growth of 4% to 5% in the first three years and 3% to 4% in the following four years. The calculations take into account improved economic growth projections in the various countries, bearing in mind the cyclical nature of the business.
- Group EBITA of 5% to 5.5% of revenue over a 7-year period.
- Revenue and EBITA growth rates will vary for each cash-generating unit and depend largely on economic forecasts and the various types of services.

The expected average revenue growth and discount rate of the cash-generating units where a significant part of the goodwill is allocated are on an annual basis as disclosed below:

2015	ASSUMED PROJECTED AVERAGE REVENUE GROWTH 2016-2022	PRE-TAX DISCOUNT RATE	POST-TAX DISCOUNT RATE ¹⁾
The Netherlands General Staffing	4.7%	12.6%	9.2%
The Netherlands Specialist Staffing	4.3%	12.6%	9.2%
The Netherlands Professionals	5.7%	12.5%	9.2%
Belgium General Staffing	3.8%	16.2%	9.6%
Germany Specialist Staffing	3.2%	13.0%	9.1%

¹⁾ Information included to reflect use of fair value as recoverable amount

2014	ASSUMED PROJECTED AVERAGE REVENUE GROWTH 2015-2021	PRE-TAX DISCOUNT RATE
The Netherlands General Staffing	3.8%	12.8%
The Netherlands Specialist Staffing	4.5%	12.8%
The Netherlands Professionals	6.4%	12.8%
Belgium General Staffing	4.6%	15.8%
Germany Specialist Staffing	5.5%	13.2%

The expected average revenue growth of the cash-generating units is in line with last year's expectations taking into account the development of gross domestic product in the most important countries for USG People. In the medium term all cash-generating units are expected to benefit from the investments made in innovations and ICT and the scalability of existing business models.

Based on the projections no impairments were taken on goodwill, property, plant and equipment, and other intangible assets (2014 € 0). The available headroom, ranging from 31% to 513% at the end of 2015, is of such a magnitude that no sensitivity analyses were performed on possible situations that could result in an impairment.

At the end of 2014 the recoverable amount was based on the value in use because it was higher than the fair value. Sensitivity analyses were performed to assess possible situations that could lead to an impairment. The outcome of these sensitivity analyses for the cash-generating units to which a significant part of the goodwill is allocated was as follows:

- A 50 basis points rise in the pre-tax discount rate could lower the amount by which the value in use exceeds the carrying value by 12%, resulting in an impairment of € 4 million.
- If revenue projections for 2015 were lowered by 10% and therefore also revenue levels for the years that follow, this could lower the amount by which the value in use exceeds the carrying amount by 36% and could result in a total impairment of € 24 million.
- If the projections for EBITA as a percentage of revenue for the period 2015 to 2021 were lowered by 50 basis points the amount by which the value in use exceeds the carrying amount could fall by 36% and result in a total impairment of € 18 million.

Specialist Staffing Germany was the most sensitive cash-generating unit while General Staffing Belgium and Professionals The Netherlands were less sensitive. It should be noted that the headroom of Specialist Staffing Germany was limited, making this cash-generating unit very sensitive to fluctuations in applicable projections for 2015. If actual EBITA or revenue achieved in 2015 were 0.1% below the figures projected in the model applicable for impairment testing, this would have resulted in an impairment. The other input variables used in sensitivity analysis calculations have been kept the same as the initial projections. In reality the various input variables will influence each other, meaning that the outcome of the analysis provided merely an indication of the impact of unilateral changes.

12 | OTHER INTANGIBLE ASSETS

	TRADEMARKS	CUSTOMER RELATIONSHIPS	CANDIDATE DATABASES	SOFTWARE	TOTAL
BREAKDOWN OF CARRYING AMOUNT AS AT 1 JANUARY 2014					
Cost	10,782	123,981	3,824	105,150	243,737
Accumulated amortisation and impairments	-9,846	-113,445	-3,824	-56,648	-183,763
Carrying amount as at 1 January 2014	936	10,536	-	48,502	59,974
CHANGES IN CARRYING AMOUNT					
Acquisition of subsidiaries	776	2,546	-	2,052	5,374
Investments	-	400	-	11,705	12,105
Disposals	-	-	-	-80	-80
Amortisation	-353	-6,018	-	-9,052	-15,423
Impairments	-	-	-	-3,955	-3,955
Balance	423	-3,072	-	670	-1,979
BREAKDOWN OF CARRYING AMOUNT AS AT 31 DECEMBER 2014					
Cost	5,546	65,395	-	115,967	186,908
Accumulated amortisation and impairments	-4,187	-57,931	-	-66,795	-128,913
Carrying amount as at 31 December 2014	1,359	7,464	-	49,172	57,995
CHANGES IN CARRYING AMOUNT					
Acquisition of subsidiaries	112	97	-	129	338
Investments	-	-	-	12,417	12,417
Disposals	-	-	-	-434	-434
Amortisation	-419	-3,366	-	-9,259	-13,044
Impairments	-	-	-	-4,343	-4,343
Balance	-307	-3,269	-	-1,490	-5,066
BREAKDOWN OF CARRYING AMOUNT AS AT 31 DECEMBER 2015					
Cost	1,572	12,412	-	100,669	114,653
Accumulated amortisation and impairments	-520	-8,217	-	-52,987	-61,724
CARRYING AMOUNT AS AT 31 DECEMBER 2015	1,052	4,195	-	47,682	52,929

Investments in software includes an amount of € 5,263 with respect to software in development (2014: € 6,770).

An amount of € 3,785 (2014: € 6,371) for amortisation of trademarks and customer relationships is recognised as selling costs. An amount of € 7,432 (2014: € 7,667) arising from the amortisation of software is included in general and administrative expenses; an amount of € 1,827 (2014: € 1,385) is included in selling expenses.

The impairments in 2015 and 2014 relate to software that is no longer in use. The impairments are recognised as selling expenses and relate to the Netherlands and both years.

The remaining useful life of the trademarks is between two and six years, the remaining useful life of the customer relationships is between one and five years. The remaining useful life of software is between one and ten years.

13 | FINANCIAL FIXED ASSETS

	2015	2014
Long-term loans	16,859	15,570
Guarantee deposits	1,152	1,027
Capitalised transaction fees relating to syndicated credit facility	909	645
Receivable resulting from CICE tax measure	3,090	31,647
Associates	1,682	3,786
BALANCE AS AT 31 DECEMBER	23,692	52,675

The long-term loans mainly relate to a legally required loan to the French government with a payment period of 20 years. The nominal value of this loan is € 17,748 (2014: € 16,322). The amortised cost of this loan is calculated based on the interest on French 10-year government bonds. This interest rate rose from 0.83% at the end of 2014 to 0.95% at the end of 2015, resulting in an adjustment in the carrying value of € -354 (2014: € 2,684 as a result of a decrease in the interest rate from 2.49% at the end of 2013 to 0.83% at the end of 2014). This is recognised as finance income.

Guarantee deposits are intended as security for the lessor of leased premises and for payment of social security premiums and taxes.

Capitalised transaction fees relate to the syndicated credit facility that was concluded in 2011 and extended in 2015.

Receivables resulting from the CICE tax measure in France are discounted. This is in line with both the expected settlement period (three years) and applicable legislation. The amount of the receivable is calculated as a percentage of the salary and is offset against the amount of income tax payable. If the amount of the receivable exceeds the amount of income tax payable, the amount receivable is paid out no later than three years after it was awarded.

The gain is recognised as cost of sales. The adjustment of the carrying value as a result of the discounting of € 228 (2014: € -127) is recognised as net finance costs. In view of the expected settlement period the change in the amount receivable is recognised in the consolidated statement of cash flows as other non-cash flow receivables, offset against sales proceeds.

In 2015 the receivables accrued in 2013, 2014 and largely in 2015 totalling € 48,814, after deduction of costs of € 1,583, were sold for € 47,231. The material risks associated with the respective receivables were transferred. These costs were recognised as finance costs. The other non-cash flow receivable, offset against sales proceeds of € 27,202 in the consolidated statement of cash flows, relates to the balance of the net sales proceeds of € 47,231 minus the receivables of € 20,029 that came into being in 2015.

The movement in the receivable relating to the CICE tax measure is as disclosed below:

	2015
Balance as at 1 January 2015	31,647
New receivable in 2015	20,029
Receivable sold in 2015	-48,814
Discounting of receivables	228
BALANCE AS AT 31 DECEMBER 2015	3,090

The payment period of the financial fixed assets has not expired and no provision for non-payment has been made.

Associates relates to the following interests:

	% OF SHARES	CARRYING AMOUNT 31 DECEMBER 2015	2015	
			RESULT IN INCOME STATEMENT	REVENUE NET INCOME
BC Beheer B.V.	20%	646	-2,634	1,200 -1,108
Other	20% - 49%	1,036	106	11,740 28
		1,682	-2,528	

In 2015 the value of the interest in BC Beheer B.V. was impaired by € 2,412.

		CARRYING AMOUNT 31 DECEMBER 2014	2014 RESULT IN INCOME STATEMENT	REVENUE	NET INCOME
	% OF SHARES				
BC Beheer B.V.	20%	3,279	-120	94	-603
Other	49%	507	101	9,496	207
		3,786	-19		

14 | TRADE AND OTHER RECEIVABLES

	2015	2014
Trade receivables	370,837	279,645
Minus: provision for doubtful receivables	-3,903	-4,542
Trade receivables minus provision for doubtful receivables	366,934	275,103
Other current receivables	4,005	3,901
Accrued income	11,267	15,379
BALANCE AS AT 31 DECEMBER	382,206	294,383

The age analysis of the trade receivables is as disclosed below:

	2015	2014
Payment period has not yet expired	321,326	228,364
Payment period has expired:		
- < 90 days	43,909	44,983
- 91 – 180 days	1,413	969
- > 180 days	286	787
Total trade receivables not impaired	366,934	275,103
Plus: provision for doubtful receivables	3,903	4,542
Total trade receivables	370,837	279,645

A portion of the trade receivables in Belgium and France are sold (in 2014 Belgium, France and Germany). The risks and rewards related to the receivables were transferred to factoring companies. At the end of 2015 the group sold € 92.0 million (2014: € 124.1 million) in trade receivables. The decline was mainly the result of a partial scaling back of the factoring programme. The group may sell up to € 175 million in trade receivables at any given time.

Of the trade receivables invoiced of € 370.8 million (including VAT), an amount of € 270.1 million was insured and € 100.7 million was not. Of the uninsured amount € 35.1 million concerns trade receivables from government authorities. Of the trade receivables invoiced at the end of 2014 of € 279.6 million (including VAT), an amount of € 196.8 million was insured and € 82.8 million was not. Of the uninsured amount € 23.7 million concerned trade receivables from government authorities.

In 2015 an amount of € 0.3 million (2014: € 0.3 million) was received from the insurance company as compensation for damages.

Movement in the provision for doubtful receivables is as disclosed below:

	2015	2014
Balance as at 1 January	4,542	6,087
Additions	552	822
Trade receivables written-off	-384	-817
Reversals	-807	-1,550
BALANCE AS AT 31 DECEMBER	3,903	4,542

The addition of provisions for doubtful receivables and releases from such provisions are recognised as selling expenses in the income statement.

15 | CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS

	2015	2014
Cash and cash equivalents as stated in the balance sheet	81,354	64,691
Bank overdrafts	-359	-4,052
BALANCE CASH AND CASH EQUIVALENTS AND BANK OVERDRAFTS IN THE CASH FLOW STATEMENT	80,995	60,639

An amount of € 1,246 (2014: € 937) is not freely available and is intended exclusively to cover guaranteed wage tax payments in the Netherlands. Cash and cash equivalents are kept exclusively with financial institutions rated no lower than A (S&P, Moody's, Fitch or A.M. Best).

16 | TOTAL EQUITY

16.1. Share capital and share premium

	NUMBER OF SHARES (X 1,000)	PAID-UP AND CALLED-UP	SHARE PREMIUM	TOTAL
Balance as at 1 January 2014	80,484	40,242	366,148	406,390
Stock dividend	454	227	-227	-
Change from settlement of share plan	19	10	-	10
Balance as at 31 December 2014	80,957	40,479	365,921	406,400
Balance as at 1 January 2015	80,957	40,479	365,921	406,400
Change from settlement of share plan	162	80	-	80
BALANCE AS AT 31 DECEMBER 2015	81,119	40,559	365,921	406,480

The authorised share capital as at 31 December 2015 and 2014 comprised 200 million shares with a nominal value of € 0.50. Holders are entitled to one vote per share at the company's shareholders' meetings.

On 2 June 2015 a dividend of € 0.16 per share was distributed in cash, totalling € 12,953.

On 13 May 2015 161,401 ordinary shares were issued for the purpose of the final granting of shares under the Unique Share Plan 2011-2014 (note 24).

On 3 June 2014 a dividend of € 0.14 per share was distributed in cash or shares. The number of shares giving entitlement to one new ordinary share with a nominal value of € 0.50 was set at 78,302, while 35,552,496 shares were registered for the payment of stock dividend. 454,043 new ordinary shares were issued for this purpose. An amount of € 6,290 was distributed in cash for the remaining shares.

On 19 May 2014 19,640 ordinary shares were issued for the final granting of shares under the Unique Share Plan 2008-2010.

16.2. Reserves

The following breakdown of reserves applies:

	2015	2014
Legal reserves:		
- Revaluation reserve	-	1,258
- Currency translation differences	7	-36
- Cash flow hedge	-254	-356
- Software development costs	10,556	12,541
	10,309	13,407
Other reserves:		
- Retained earnings	67,989	57,297
BALANCE AS AT 31 DECEMBER	78,298	70,704

Reference is made to note 9 of the company financial statements for more information on the distribution of dividend and repayment of capital.

16.3. Non-controlling interests

Non-controlling interests reflect the entitlement of third parties to the equity of consolidated group companies in which the group does not hold a 100% interest. In 2015 non-controlling interests amounted to € 2,328 (2014: € 1,824).

17 | EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS

Average earnings per share in 2015 amounted to € 0.24 (2014: € 0.32). Average diluted earnings per share in 2015 were also € 0.24 (2014: € 0.32).

The calculation of average earnings per share at 31 December is based on net income attributable to equity holders, equalling € 19,845 (2014: € 25,855) and the weighted average number of outstanding shares, equalling 81,060 (2014: 80,756). The weighted average number of shares is calculated as disclosed below:

in thousands of shares	2015	2014
Issued as at 1 January	80,957	80,484
Stock dividend	-	260
Change from settlement of share plan	103	12
Weighted average number of shares during the year	81,060	80,756

At the end of 2015 there was no dilution of shares (2014: 163,090 shares) due to the adjustment of the variable long-term share remuneration, after which settlement will be effected in cash instead of in shares (note 24).

The merger protocol agreed with Recruit Holdings Co., Ltd. on 22 December 2015 stipulates that no dividend (or interim dividend) will be declared or distributed, nor any payment in kind. Therefore the Executive Board will not propose to distribute a dividend for 2015.

18 | BORROWINGS

This note contains information on the contractual terms of the non-current interest-bearing borrowings and liabilities. For more information on the interest risk exposure, reference is made to note 3.

	2015	2014
Carrying amount of non-current interest-bearing borrowings	215,409	218,093
Current portion of the borrowings	-191	-3,578
BALANCE AS AT 31 DECEMBER	215,218	214,515

Repayment terms at end-2015 based on carrying value are as disclosed below:

	TOTAL	< 1 YEAR	1-2 YEARS	2-5 YEARS	> 5 YEARS
Syndicated credit facility	208,458	-	-	208,458	-
Acquisition related contingent considerations	6,182	188	-	5,994	-
Other non-current credit facilities	769	3	-	-	766
	215,409	191	-	214,452	766

Repayment terms at end-2014 based on carrying value are as disclosed below:

	TOTAL	< 1 YEAR	1-2 YEARS	2-5 YEARS	> 5 YEARS
Syndicated credit facility	149,416	-	149,416	-	-
Subordinated credit facility	58,749	-	58,749	-	-
Acquisition related contingent considerations	7,685	3,572	-	4,113	-
Other non-current credit facilities	2,243	6	1,500	-	737
	218,093	3,578	209,665	4,113	737

On 14 October 2015 the group amended the syndicated credit facility (revolving and standby facility) and extended it for a period of five years. The facility expires on 14 October 2020 and can be extended no more than two times for up to one year. The ratio covenants agreed with the banks for the

CONSOLIDATED FINANCIAL STATEMENTS

syndicated facility are disclosed in note 3. The subordinated credit facility that was entered into in 2013 and expired on 31 December 2016 was repaid early on 23 September 2015.

The syndicated credit facility came into effect in 2015 and consists of the following two tranches:

- Tranche A (€ 360 million): revolving credit facility (€ 160 million) of which € 150 million was utilised at the end of 2015 and ancillary credit facilities (€ 200 million), available in the form of short-term loans and bank guarantees from the syndicate of banks; and
- Tranche B (€ 90 million): revolving credit facility (€ 90 million) of which € 60 million was utilised at the end of 2015 and/or backstop facility reserved for a commercial paper programme. This commercial paper programme was not utilised at the end of 2015.

The interest expenses on the portion of the syndicated credit facility that is utilised are calculated based on the one-month to six-month EURIBOR rate with a floor of 0%, increased by an interest margin of between 55 and 165 basis points (an interest margin of between 95 and 165 basis points applied until 14 October when the facility was amended and extended). The interest expenses on the subordinated credit facility are calculated based on the three-month or six-month EURIBOR rate increased by an interest margin of between 625 and 700 basis points.

Movement in the syndicated credit facility is as disclosed below:

	2015	2014
Carrying amount of liability as at 1 January	149,416	149,042
Withdrawn	60,000	-
Refinancing transaction expenses	-1,347	-
Interest expenses	1,963	2,395
Interest paid	-1,574	-2,021
Carrying amount of liability as at 31 December	208,458	149,416

Movement in the subordinated credit facility is as disclosed below:

	2015	2014
Carrying amount of liability as at 1 January	58,749	58,118
Interest expenses	4,047	4,618
Interest paid	-2,796	-3,987
Repaid	-60,000	-
Carrying amount of liability as at 31 December	-	58,749

Interest expenses and commitment and utilisation fee

The average interest rate on the syndicated credit facility was 0.9% (2014: 1.3%). The commitment and utilisation fee amounted to € 1,099 (2014: € 1,309) and is recognised as net finance costs in the income statement. The average interest rate paid on the subordinated credit facility was 6.4% (2014: 6.6%). In 2015 an accelerated amortisation of € 738 took place as a result of the early repayment of the subordinated credit facility.

19 | DERIVATIVE FINANCIAL INSTRUMENTS

The group has concluded three interest rate derivative contracts to mitigate the interest rate risk. Hedge accounting in accordance with IAS 39 is applied to these interest rate derivative contracts. The interest rate derivatives are viewed to be effective. The derivatives have been agreed with the banks that issued the syndicated credit facility.

The three interest rate derivatives came into effect on 31 December 2013 for a period of three years for a total nominal value of € 42 million. The variable interest rate based on the 3-month EURIBOR is hedged at a fixed rate of 0.63% per year. At the end of 2015 the derivatives had a value of € -340 (2014: € -475). The change in value of € 102 after income tax (2014: € -322) is recognised in comprehensive income and the impact (after tax) on equity was € -254 (2014: € -356). The counterparties did not demand or provide any guarantees for the derivatives.

The balance sheet item also contains the valuation of an option of € -227 (2014: € -108) which the group has on 20% of the shares in BC Beheer B.V. The change is recognised as net finance costs in the income statement.

20 | PENSION-RELATED LIABILITIES

The group contributes to a number of defined benefit pension schemes which provide for pensions for employees when they leave the company or reach the age of retirement. These schemes apply to a limited part of the workforce. Defined contribution schemes and/or retirement provisions apply to the other employees in accordance with applicable regulations.

The insured fully-financed obligations have a limited contractual term. The main contract expired on 31 December 2015 and is disclosed below. The only risk remaining pertains to value transfers.

20.1. Movement in pension liabilities and investments

PENSION-RELATED LIABILITIES	2015	2014
Present value of fully financed obligations	18,532	222,746
Minus: fair value of plan assets	17,996	-220,390
Net liability of fully financed obligations	536	2,356
Present value of non-fully financed obligations	3,482	3,572
NET LIABILITY	4,018	5,928

The following schemes applied at end-2015.

- In France a scheme was qualified as a defined benefit pension scheme with limited payment entitlement after termination of the employment contract. A provision for this has been taken for € 3,482
- The pension schemes set up in Belgium as defined contribution pension schemes qualify as defined benefit pension schemes. The Supplementary Pensions Act (Wet Aanvullende Pensioenen) requires employers to guarantee a minimum return of 3.75% on employee contributions and 3.25% on employer contributions over the entire term of the contract. In the past the pension schemes were not recognised as such because results achieved in the past exceeded the minimum return required. The ongoing low interest rates achievable on European financial markets increase the risk for employers. As from 2014 this pension scheme has been recognised in liabilities and investments for an amount of € 3,368. The provision amounted to € 0 at the end of 2015.
- In Germany a frozen scheme was qualified as a defined benefit pension scheme for an amount of € 372.
- In the Netherlands a pension scheme is qualified as a defined benefit pension scheme carrying solely the risks of indexation costs and value transfers. A provision of € 164 has been taken for these indexation costs; the risk of value transfers is assumed to be € 0.

CONSOLIDATED FINANCIAL STATEMENTS

	LIABILITIES	PLAN ASSETS	TOTAL BALANCE	TOTAL CHANGE INCOME STATEMENT	TOTAL CHANGE COMPREHENSIVE INCOME
Balance as at 1 January 2014	169,388	-163,187	6,201		
Service costs	1,502	85	1,587	1,587	
Interest expenses	5,673	-5,387	286	286	
Adjustment relating to restructuring and change to scheme	-997	-	-997	-997	
Remeasurement:					
- Return on investments, excluding interest expenses	-	-49,509	-49,509		-49,509
- Actuarial gains/losses as a result of changes in financial assumptions	44,939	-	44,939		44,939
- Actuarial gains/losses as a result of changes in demographic assumptions	846	-	846		846
- Actuarial gains/losses as a result of experiences	4,170	-	4,170		4,170
	49,955	-49,509	446		446
Employers' contribution	-	-1,595	-1,595		
Participants' contribution	51	-51	-		
Benefits paid	-2,622	2,622	-		
Initial recognition	3,368	-3,368	-		
Balance as at 31 December 2014	226,318	-220,390	5,928	876	446
Balance as at 1 January 2015	226,318	-220,390	5,928		
Service costs	2,200	80	2,280	2,280	
Interest expenses	5,009	-4,879	130	130	
Adjustment relating to change to scheme	-1,876	-	-1,876	-1,876	
Remeasurement:					
- Return on investments, excluding interest expenses	-	8,701	8,701		8,701
- Actuarial gains/losses as a result of changes in financial assumptions	-9,215	-	-9,215		-9,215
- Actuarial gains/losses as a result of experiences	56	-	56		56
	-9,159	8,701	-458		-458
Employers' contribution	-	-1,986	-1,986		
Participants' contribution	40	-40	-		
Benefits paid	-2,795	2,795	-		
Last recognition due to scheme change	-197,723	197,723	-		
BALANCE AS AT 31 DECEMBER 2015	22,014	-17,996	4,018	534	-458

The adjustment relating to change to scheme in 2015 relates to the termination of the main Dutch scheme as from 31 December 2015. The participants are transferring to a defined contribution scheme. The only risk remaining pertains to value transfers, which is assumed to be € 0. Therefore the liabilities and plan assets of this pension scheme are no longer included in the above overviews. The adjustment relating to restructuring and change to scheme in 2014 mainly pertains to an adaptation of the Dutch scheme to legislation as from 1 January 2015.

The costs of € 534 (2014: € 876) are included in the income statement as personnel expenses.

Actuarial gains/losses of € -458 (2014: € 446), € -411 (2014: € 566) net of income tax, are recognised in comprehensive income.

20.2. Principal actuarial assumptions

Because the commitments of the pension insurer are virtually the same with respect to the amount and term as the payment commitments ensuing from the defined benefit pension plan, fair value of the investments is defined as the present value of the relevant commitment as set out in IAS 19.115. This accounting policy is known as the 'fair value principle' and both methods fit in this principle.

The principal actuarial assumptions at the balance sheet date expressed as a margin spread are as disclosed below:

	2015	2014
Discount rate as at 31 December	2.0%-2.5%	1.65%-2.5%
Expected return on assets as at 31 December	2.0%-2.5%	1.65%-2.5%
Future salary increases	0.6%-4.0%	0.6%-4.0%
Future pension increases	0.5%-1.0%	0.5%-1.0%
Future inflation	1.75%-2.0%	1.75%-2.0%

Calculations of the mortality rate at year-end 2015 for the Netherlands are based on the AG prognosis tables 2014 (-1/-1) (2014: AG 2014 (-1/-1)) and calculations for France are based on INSEE 2011-2013 (2014: 2010-2012).

The size and remaining risks of the liabilities outstanding at the balance sheet date is limited, accordingly the explanation below is also limited.

The employers' contribution is estimated at € 200 in 2016.

The sensitivity of the present value at year end of the fully-financed obligations to the main assumptions applied is as disclosed below:

2015	CHANGE IN ASSUMPTION	IMPACT OF INCREASE OF ASSUMPTION	IMPACT OF DECREASE OF ASSUMPTION
Discount rate	0.5%	-8%	+9%
2014	CHANGE IN ASSUMPTION	IMPACT OF INCREASE OF ASSUMPTION	IMPACT OF DECREASE OF ASSUMPTION
Discount rate	0.5%	-10%	+11%
Future salary increases	0.5%	0%	0%
Future pension increases	0.5%	+11%	-10%
Life expectancy	1 year	+3%	-3%

The sensitivity of the liabilities and plan assets is calculated in the event of a change in the respective assumption whereby the other assumptions remain unchanged. The method of sensitivity analysis of the discount rate was the same as in the previous year.

21 | PROVISIONS

	RESTRUCTURING PROVISION	PERSONNEL- RELATED PROVISIONS	OTHER PROVISIONS	TOTAL
Balance as at 1 January 2014	30,173	12,624	25,462	68,259
Additions	4,255	3,596	5,921	13,772
Usage	-12,714	-832	-2,683	-16,229
Reversals	-2,759	-1,912	-2,286	-6,957
Currency translation differences	7	-	-	7
Balance as at 31 December 2014	18,962	13,476	26,414	58,852
Non-current	10,431	5,785	15,217	31,433
Current	8,531	7,691	11,197	27,419
Balance as at 31 December 2014	18,962	13,476	26,414	58,852
Balance as at 1 January 2015	18,962	13,476	26,414	58,852
Additions	7,581	7,479	4,207	19,267
Usage	-11,602	-6,540	-10,842	-28,984
Reversals	-2,115	-1,898	-2,144	-6,157
Currency translation differences	84	-	-	84
Balance as at 31 December 2015	12,910	12,517	17,635	43,062
Non-current	6,358	4,384	1,309	12,051
Current	6,552	8,133	16,326	31,011
BALANCE AS AT 31 DECEMBER 2015	12,910	12,517	17,635	43,062

At the end of 2015 an amount of € 10,531 (2014: € 17,018) of the restructuring provision relates to lease commitments on buildings that are no longer in use, while € 2,379 (2014: € 1,944) concerned employee severance arrangements.

In the course of 2015 parts of the restructuring provision were reversed as a result of the update of projected variable expenses. In 2014 parts of the restructuring provision were reversed as less of the provision was required for employee severance arrangements and due to better than initially expected prospects for letting vacant premises. The amount of the restructuring provision for vacant premises largely depends on the prospect of reletting these premises. The amount of the provision is amended if the prospects for letting vacant premises change.

The personnel-related provisions include continuation of wage payments during extended periods of sickness, long-term service awards and share plans settled in cash and cash equivalents. The provisions were determined on the basis of expectations concerning the recovery of sick employees, staff turnover and expected wage increases. € 4,426 of the usage of the provision in 2015 relates to the agreement reached with respect to pension contributions payable.

The other provisions include an amount of € 13,945 relating to the settlement of the CGZP/AMP case in Germany. The labour court in Berlin ruled on 30 May 2011, following a legal ruling in December 2010, that the collective labour agreements concluded by CGZP/AMP in previous years were invalid, resulting in the possibility of claims against the group for these earlier years. These claims relate to the collection of social security contributions and subsequent payments to temporary employees. The authorities further examined the case in 2012 and 2013 and the outcome became known in 2013. The group appealed the size of the claim at the end of 2013 and a suspension of payment is in place pending the ruling. It is expected that the claim will have to be paid in the third quarter of 2016. € 6,605 of the usage of others provisions relates to the settlement of guarantees issued during the sale of subsidiaries in 2013.

The other remaining provisions relate to among other things the settlement of several legal proceedings.

Expected projected future cash flows are discounted using a rate of 0.32% (2014: 0.27%) if the impact is material. A change of 100 basis points in the discount rate results in a € 263 change in the existing value of the provision.

22 | BANKOVERDRAFTS AND BORROWINGS

	2015	2014
Current portion of non-current borrowings	191	3,578
Bank overdrafts	359	4,052
BALANCE AS AT 31 DECEMBER	550	7,630

Both USG People N.V. and USG People Interservices N.V., a subsidiary of USG People N.V., are able to issue treasury bills under the € 100 million commercial paper programme. USG People N.V. acts as guarantor for the treasury bills issued by USG People Interservices N.V. A sum of € 90 million from tranche B of the syndicated credit facility is reserved as a backstop to cover this programme. At the end of 2015 the commercial paper programme had not been utilised.

23 | TRADE AND OTHER PAYABLES

	2015	2014
Trade payables	46,112	35,860
Personnel-related liabilities	294,062	243,951
VAT payable	104,077	90,275
Other payables	14,396	13,582
Accrued liabilities	43,099	41,228
BALANCE AS AT 31 DECEMBER	501,746	424,896

Accrued liabilities also include € 11.3 million (2014: € 17.9 million) relating to undue payments by the factoring company.

24 | SHARE-BASED REMUNERATIONS

Wages and salaries includes an amount of € 4,880 (2014: € 404) relating to share-based remuneration for key management and other employees. An amount of € 145 (2014: € 89) in costs relating to share-settled remuneration was directly recognised in equity. The costs of cash-settled remuneration were € 4,735 (2014: € 315). The costs are largely influenced by the intended public offer announced by Recruit Holdings Co., Ltd. The provisions include an amount of € 3,991 (2014: € 1,363) for share-based payments settled in cash.

Unique Share Plan 2011 – 2014

The Unique Share Plan 2011–2014 covered the period from 1 January 2011 to 1 January 2015. The unconditional granting of shares took place in May 2015, after which a holding period of one year came into effect. The intrinsic value at the date the shares were unconditionally granted was € 12.26. In addition to the participant still being in the employment of the group at the time of unconditional granting, the performance criteria were based on the extent to which targets relating to financial results were met. Based on the financial results realised a matrix applied to each performance year that could result in a maximum of 140% times and a minimum of zero times the norm number of shares being granted conditionally. Additional non-financial performance targets were agreed for key management which could result in a maximum of 30.0% of the norm number of shares being granted conditionally in each performance year. As a result the maximum factor applicable to key management was 170.0% of the norm number of shares. The wage tax of key management is payable by the group, which is recognised as a transaction settled in cash. The gross value of the shares conditionally granted each year is set at a maximum of the fixed annual remuneration for both key management and other senior management. The fair value was determined based on a Monte Carlo model to express the valuation of the maximum amount conditionally granted.

The movement was as follows:

2015	KEY-MANAGEMENT		OTHER
	SETTLED IN SHARES	SETTLED IN CASH	SETTLED IN SHARES
Number of participants	2		53
Balance as at 1 January	94,496		68,594
Withdrawn	-		-1,689
Unconditionally granted	-94,496		-66,905
Balance as at 31 December	-		-

In 2014 the movement and parameters were as disclosed below:

2014	KEY-MANAGEMENT		OTHER
	SETTLED IN SHARES	SETTLED IN CASH	SETTLED IN SHARES
Number of participants	2		56
Balance as at 1 January	126,278		139,207
Conditionally granted	-		9,143
Withdrawn	-31,782		-79,756
Balance as at 31 December	94,496		68,594
Fair value	€ 6.24 - € 8.93	€ 9.33	€ 4.37 - € 11.99
Average share price for the determination of fair value	€ 7.70 - € 12.47	€ 9.33	€ 5.00 - € 12.09
Dividend yield	3% - 5%	0%	0% - 6%
Volatility	47% - 49%	42%	36% - 49%
Risk-free interest rate	0.8% - 2.3%	0.0%	0.0% - 2.2%

The number of shares stated in the table is based on performance factors achieved.

Variable long-term remuneration 2015-2018

The existing arrangements are described below, followed by the consequences of the intended public offer announced by Recruit Holdings Co., Ltd.

Key management

A variable long-term remuneration has been set for key management for the period 2015-2018. The remuneration is conditionally settled in shares. In addition to the participant still being in the employment of the group at the time of unconditional granting, part (2/3) of the granting of the variable long-term remuneration is contingent on the financial targets of EBITA as a percentage of revenue and EBITA as a percentage of the gross margin. These can be reduced by up to 10% in the event that the DSO performance target is not met. The other part (1/3) of the remuneration is linked to qualitative targets relating to leadership, culture and sustainability.

The shares are conditionally granted after the first performance year. Final granting is postponed for a period of three years. The number of shares ultimately to be allocated at the end of the fourth year can increase or decrease by 20% based on a second performance assessment. This assessment takes place based on long-term sustainable value creation for shareholders. This sustainable value creation is measured against innovation and market share growth criteria. Innovation is measured against the return on investments in, and integration of, new applications for the group's business model. This is assessed annually based on pre-determined targets. A three-year average determines the ultimate result for the long-term remuneration. Growth in market share is measured annually for each country and segment and consolidated at group level based on a three-year average.

The wage tax owed is payable by the group, which will be recognised as a transaction settled in cash.

The movement and the parameters were as disclosed below:

2015	KEY-MANAGEMENT	
	SETTLED IN SHARES	SETTLED IN CASH
Number of participants	2	
Balance as at 1 January	-	
Conditionally granted	90,000	
Withdrawn	-16,930	
Balance as at 31 December	73,070	
Fair value	€ 11.54	€ 12.21
Average share price for the determination of fair value	€ 12.85	€ 13.40
Dividend yield	3%	3%
Volatility	42%	35%
Risk-free interest rate	0.0%	0.0%

The number of shares stated in the table is based on performance factors achieved in 2015.

Other senior management

The Unique Share Plan for other senior management members also relates to the 2015-2018 period. The unconditional granting of shares will take place in May 2019. In addition to the participant still being in the employment of the group at the time of unconditional granting, the performance criteria are based on the extent to which targets relating to financial results are met. The number of shares conditionally granted in each performance year varies from 0% to 200% of the norm number of shares and depends on the extent to which group revenue in a country grows compared to the growth of the market in the respective country.

In determining the costs of this share plan the 2015 performance criteria take into account an average factor of 120%.

The movement and the parameters were as disclosed below:

2015	OTHER SETTLED IN SHARES
Number of participants	51
Balance as at 1 January	-
Conditionally granted	467,834
Withdrawn	-58,854
Balance as at 31 December	408,980
Fair value	€ 11.09 - € 13.63
Average share price for the determination of fair value	€ 12.34 - € 14.90
Dividend yield	2% - 3%
Volatility	40%
Risk-free interest rate	0.0%

The number of shares stated in the table is based on performance factors achieved in 2015 and the maximum performance factors set for 2016 - 2018.

Determination of fair value

The fair value of both share plans was determined using the Black-Scholes model, with expected volatility being based on historic volatility over a period equal to the remaining term of the share plans and the risk-free interest rate being based on the AAA-rated euro area government bonds applying to the remaining term of the share plans. In determining fair value while taking into account a grossing up of the settlement due to the wage tax to be paid by the group, the intrinsic value of share-based payments settled in cash is equal to the share price.

Adjustment of variable long-term remuneration

As a result of the intended public offer announced by Recruit Holdings Co., Ltd. on 22 December 2015 existing entitlements relating to the variable long-term remuneration of both key management and other senior management will be settled in cash instead of in shares if the offer is declared unconditional which, for the measurement of the liability, is expected to be in the second quarter of 2016. As a result the variable long-term remuneration has been recognised as a cash-settled remuneration plan in accordance with IFRS 2. The settlement of the variable long-term remuneration will be effected at € 13.40 per share, the closing share price on the day prior to the announcement of the intended public offer.

The above has resulted in a change in both the measurement and moment of unconditional granting. For valuation purposes the actual value of the shares granted is determined at the moment immediately before and after the granting is adjusted to determine the incremental actual value, which is set at € 1.10 per share. This determines the adjusted actual value of the granting. The costs were then accounted for proportionally in the income statement. In addition the initial period after which the shares are unconditionally granted will be shortened from four years to 18 months. The liability for the variable long-term remuneration settled in cash, including the wage tax payable by the group relating to these shares, has also been adjusted proportionally. This resulted in an additional charge of € 1,458 in the income statement for 2015.

USG People SAR plan

At the end of 2015 the USG People SAR plan 2011 - 2014 and the USG People SAR plan 2015 - 2018 came into effect. The only performance criterion for unconditional settlement after three years is that the participant is still employed by the group at the time of settlement. The USG People SAR plan is granted to the management that does not take part in the aforementioned share plans. Settlement will take place in cash and will equate to the difference between the share price in May 2013 (€ 5.91), May 2014 (€ 11.33) and May 2015 (€ 11.81), respectively, and the share price at the moment of unconditional settlement. Settlement after three years will be postponed by six months if the distributable amount for each SAR is less than € 1. If after this six-month period the distributable amount is still less than € 1, settlement will once again be postponed for six months. If the distributable amount is still less than € 1 after this period, no settlement will take place.

During 2015 the SARs relating to May 2011 were withdrawn without being settled and € 550 was distributed relating to the SARs from May 2012. At the end of 2015 the number of outstanding SARs was 384,330 (2014: 476,800). In the course of the year 152,030 SARs were granted, 139,410 SARs were withdrawn and 105,090 SARs were settled.

As a result of the intended public offer announced by Recruit Holdings Co., Ltd., settlement of all outstanding SARs will take place at a share price of € 13.40 as from the moment that the offer is declared unconditional. The value of the SARs is determined in line with the conditions stated above. At the end of 2015 the measurement of the liability relating to the SAR plan was adjusted accordingly. This resulted in an additional charge of € 467 in the income statement for 2015.

The total costs of the SAR plan in 2015 totaled € 1,472 (2014: € 248). An amount of € 1,570 (2014: € 640) is included in the provisions.

25 | RELATED PARTIES

25.1. Remuneration of key management

Key management consists of the members of the Executive Board and the Supervisory Board.

	2015	2014
Salaries and variable remuneration short-term	2,033	1,989
Pensions	270	249
Variable remuneration long-term	1,843	249
Remuneration of Supervisory Board	300	257
	4,446	2,744

No loans or guarantees have been issued to the members of the Executive Board and Supervisory Board.

25.2. Remuneration of Executive Board

The remuneration of the members of the Executive Board is recognised in the income statement as disclosed below:

			LONG-TERM VARIABLE REMUNERATION						
								</	

¹⁾ Fixed remuneration as adopted by the General Meeting of Shareholders every four years, most recently for the 2015-2018 period

²⁾ A shift took place from variable short-term to variable long-term remuneration in accordance with the remuneration policy for 2015-2018. This serves the interests of stakeholders and the retention of Executive Board members in a balanced way

³⁾ The amounts for each Executive Board member vary depending on the applicable tax conditions

The variable remuneration is based on realisation of financial and qualitative performance criteria.

The modification variable long-term remuneration for 2015-2018 in the above table relates to the shares conditionally granted for which a performance period of four years applies under the variable remuneration plan, meaning that the costs would be recognised over a four-year period in accordance with IFRS 2. In view of the intended public offer by Recruit Holdings Co., Ltd. the performance period has been reduced to 18 months for the purpose of the valuation, thus allocating the costs over a shorter period. This is the main reason for the increase in the charge for the variable long-term remuneration in the income statement for 2015 compared to 2014.

If the intended public offer by Recruit Holdings Co., Ltd. is declared unconditional, the granting of the long term variable remuneration 2015 will be settled in cash. The associated costs are recognised in the income statement for 2015 in accordance with IFRS 2 (note 24).

The variable long-term share remuneration is shown for the full year and can be broken down as follows:

Unique Share Plan 2008-2010

The charge in the 2014 income statement with respect to the Unique Share Plan 2008-2010 was € 18 for Rob Zandbergen and € 1 for Leen Geirnaerdtd.

Unique Share Plan 2011-2014

	CONDITIONALLY GRANTED BASED ON NORM NUMBERS	FACTOR FOR COST CALCULATION	UNCONDITIONAL NUMBER BASED ON PERFOR- MANCE IN FINANCIAL YEAR	CHARGE IN 2015 INCOME STATEMENT	CHARGE IN 2014 IN INCOME STATEMENT
ROB ZANDBERGEN					
2011	22,500	30.0%	6,750	35	28
2012	22,500	55.5%	12,488	65	53
2013	22,500	83.0%	18,675	98	79
2014	22,500	85.3%	19,181	101	39
	90,000		57,094	299	199
LEEN GEIRNAERDT					
2011	12,500	30.0%	3,750	27	6
2012	15,000	56.1%	8,415	60	13
2013	15,000	83.0%	12,450	90	19
2014	15,000	85.3%	12,787	92	-7
	57,500		37,402	269	31

Variable long-term remuneration plan 2015-2018

	CONDITIONALLY GRANTED BASED ON NORM NUMBERS	FACTOR FOR COST CALCULATION	CONDITIONAL NUMBER BASED ON PERFOR- MANCE IN FINANCIAL YEAR	CHARGE IN INCOME STATEMENT 2015		
				LT VARIABLE REMUNERATION 2015 - 2018	MODIFICATION LT VARIABLE REMUNERATION 2015 - 2018	TOTAL
ROB ZANDBERGEN 2015	30,000	146.1%	43,842	246	519	765
LEEN GEIRNAERDT 2015	20,000	146.1%	29,228	164	346	510

25.3. Remuneration of the Supervisory Board

The remuneration of the Supervisory Board is as disclosed below:

	2015 ¹⁾	2014
Cees Veerman	72	67
Rinse de Jong	57	52
Marika van Lier Lels	-	18
Willemijn Maas	57	34
Alex Mulder	57	52
Johnny Thijs	57	34
	300	257

¹⁾ Remuneration as adopted by the General Meeting of Shareholders every four years, most recently for the 2015-2018 period

The term of Marika van Lier Lels ended in May 2014. No option rights are granted to members of the Supervisory Board and no operating assets are made available to them.

25.4. Other

In 2015 a number of transactions took place between USG People N.V. and its majority shareholder and between USG People N.V. and its associates. These transactions relate to the provision of goods and services and were made at arm's length. The transactions with the majority shareholder amount to € 20 (2014: € 156). € 768 of goods and services were provided to and € 367 of goods and services were received from associates.

26 | COMMITMENTS

Third-party lease commitments relating to property, cars and other assets totals around € 121.8 million at the end of 2015 (2014: € 103.6 million). The maturity of these commitments is disclosed below:

	2015	2014
Less than one year	35,093	31,639
Between one to five years	62,386	47,203
More than five years	24,353	24,755
	121,832	103,597

The commitments entered into by the group relating to property and cars amount to € 77,191 and € 43,633, respectively.

Lease expenses of € 41,329 (2014: € 42,481) were recognised in the income statement for property and cars.

27 | CONTINGENT ASSETS AND LIABILITIES

Due to the nature of the group's activities, bank guarantees for a total amount of € 88,643 (2014: € 83,014) have been issued.

In 2011 USG People in Germany filed lawsuits against former directors for reasons including a breach of a non-competition clause. The ruling is expected to be favourable and lead to substantial compensation for USG People. The time required to complete the lawsuits is currently unknown. The estimated damage as a result of the aforementioned cases amounts to €19,000 (2014: € 22,000). The ultimate amount of possible claims is not yet known.

With regard to the intended public offer announced by Recruit Holdings Co., Ltd., in the event of irregular termination of the merger protocol the party that is to blame for the termination will pay a termination fee of € 10.5 million.

The group was assisted by external advisors during the process that led to the intended public offer announced by Recruit Holdings Co., Ltd. These advisors are entitled to compensation only if the offer is declared unconditional. This fee is expected to amount to € 10.5 million and is recognised as a contingent liability in view of the fact that the offer being declared unconditional among others depends on shareholders tendering their shares.

28 | EVENTS AFTER BALANCE SHEET DATE

No events of any material interest to the group as a whole took place after the balance sheet date.

29 | PRINCIPAL SUBSIDIARIES

The main subsidiaries in which USG People N.V. holds a direct or indirect interest are listed below. The services provided by the subsidiaries consist mainly of staffing and secondment services.

SUBSIDIARY	% SHARES OWNED	CITY, COUNTRY
Call-IT Belgium NV	100	Antwerp, Belgium
Connecting-Expertise NV	51	Dikkelvenne, Belgium
Express Medical NV	100	Antwerp, Belgium
Receptel NV	100	Antwerp, Belgium
Secretary Plus Management Support NV	100	Antwerp, Belgium
Secretary Plus Outsourcing Solutions NV	100	Antwerp, Belgium
Start People NV	100	Antwerp, Belgium
Start People Services NV	100	Antwerp, Belgium
Unique NV	100	Antwerp, Belgium
Unique Career NV	100	Antwerp, Belgium
USG People Belgium NV	100	Antwerp, Belgium
USG People Interservices NV	100	Antwerp, Belgium
USG Professionals NV	100	Antwerp, Belgium
USG Professionals Temping NV	100	Antwerp, Belgium
Technicum GmbH	100	Merkers-Kieselbach, Germany
Secretary Plus Management Support GmbH	100	Munich, Germany
Unique Personalservices GmbH	100	Munich, Germany
Start People SAS	100	Saint-Julien-lès-Metz, France
USG Professionals SAS	100	Paris, France
Adver-Online B.V.	51	Heemstede, The Netherlands
Call-IT International B.V.	100	Weert, The Netherlands
USG Finance Professionals B.V.	100	Utrecht, The Netherlands
Netwerven B.V.	51	Amsterdam, The Netherlands
Secretary Plus Management Support B.V.	100	The Hague, The Netherlands
Start People B.V.	100	Almere, The Netherlands
Start People Diensten B.V.	100	Almere, The Netherlands
Start People Zuivel B.V.	100	Almere, The Netherlands
Unique Diensten B.V.	100	Almere, The Netherlands
Unique Nederland B.V.	100	Almere, The Netherlands
USG Marketing, Communication & Sales Professionals B.V.	100	Almere, The Netherlands
USG Engineering Professionals B.V.	100	Almere, The Netherlands
USG Legal Professionals B.V.	100	Utrecht, The Netherlands
USG People The Netherlands B.V.	100	Almere, The Netherlands
USG Restart B.V.	100	Utrecht, The Netherlands

COMPANY FINANCIAL STATEMENTS

COMPANY INCOME STATEMENT

amounts in thousands of euros	2015	2014
Income of subsidiaries after taxes	37,732	42,457
Income of USG People N.V. after taxes	-17,887	-16,602
NET INCOME	19,845	25,855

COMPANY BALANCE SHEET AS AT 31 DECEMBER (BEFORE PROFIT APPROPRIATION)

amounts in thousands of euros	note:	2015	2014
ASSETS			
Intangible assets	2	265	364
Property, plant and equipment	3	104	106
Subsidiaries	4	958,785	942,898
Other financial fixed assets	5	530	2,698
Deferred tax assets	6	9,508	10,079
Financial fixed assets		968,823	955,675
Non-current assets		969,192	956,145
Other current receivables	7	30,426	2,317
Current tax receivables	8	9,395	9,643
Cash and cash equivalents		10	10
Current assets		39,831	11,970
TOTAL ASSETS		1,009,023	968,115
EQUITY AND LIABILITIES			
Paid-up and called-up capital		40,559	40,479
Share premium		365,921	365,921
Legal reserves		10,309	13,407
Other reserves		48,144	31,442
Net income for the financial year		19,845	25,855
Equity	9	484,778	477,104
Provisions	10	3,221	1,432
Non-current liabilities	11	457,647	379,222
Current liabilities	12	63,377	110,357
Liabilities		524,245	491,011
TOTAL EQUITY AND LIABILITIES		1,009,023	968,115

NOTES TO THE COMPANY INCOME STATEMENT AND BALANCE SHEET

01 | ACCOUNTING POLICIES

The company financial statements of USG People N.V. are prepared in accordance with the legal regulations of Part 9, Book 2 of the Dutch Civil Code. In this context the group makes use of the option provided under article 362 section 8 Book 2 of the Dutch Civil Code to apply the same principles of valuation and determination of results in the company financial statements (including the principles for presenting financial instruments as equity or liabilities) as those applied in the consolidated financial statements. A condensed version of the company income statement is presented in accordance with article 402 Part 9 Book 2 of the Dutch Civil Code.

Participating interests in subsidiaries and other associates over which USG People N.V. is able to exercise dominant control or which it manages centrally are presented according to the equity method as set out by the Dutch Accounting Standards Board.

02 | INTANGIBLE ASSETS

	2015	2014
Acquisition price	4,251	4,526
Accumulated amortisation and impairment	-3,887	-3,876
Carrying amount as at 1 January	364	650
Investments during the year	-	12
Divestments during the year	-	-143
Amortisation during the year	-99	-155
Carrying amount as at 31 December	265	364
Breakdown of carrying amount		
Acquisition price	4,251	4,251
Accumulated amortisation and impairment	-3,986	-3,887
CARRYING AMOUNT AS AT 31 DECEMBER	265	364

03 | PROPERTY, PLANT AND EQUIPMENT

	2015	2014
Acquisition price	270	213
Accumulated depreciation and impairment	-164	-211
Carrying amount as at 1 January	106	2
Investments during the year	-	105
Depreciation during the year	-2	-1
Carrying amount as at 31 December	104	106
Breakdown of carrying amount		
Acquisition price	270	270
Accumulated depreciation and impairment	-166	-164
CARRYING AMOUNT AS AT 31 DECEMBER	104	106

04 | SUBSIDIARIES

	2015	2014
Balance as at 1 January	942,898	924,753
Acquisition of subsidiaries	-	9,261
Capital contribution to subsidiaries	3,600	-
Result from subsidiaries	37,732	42,457
Remeasurement of pension liability in subsidiary	411	-566
Dividend received	-25,900	-33,000
Currency translation differences	44	-7
BALANCE AS AT 31 DECEMBER	958,785	942,898

The acquisition of subsidiaries relates to the acquisition of Netwerven B.V. and BC Beheer B.V. in 2014 (note 4 of the consolidated financial statements). The capital contribution to subsidiaries in 2015 relates to increases in the capital of subsidiaries. Please refer to note 29 of the consolidated financial statements for a list of the main subsidiaries.

05 | OTHER FINANCIAL FIXED ASSETS

	2015	2014
Receivables from group companies	-	2,000
Other	530	698
BALANCE AS AT 31 DECEMBER	530	2,698

The movement of receivables from group companies is as disclosed below:

	2015	2014
Balance as at 1 January	2,000	2,000
Reclassification to short term	-2,000	-
Balance as at 31 December	-	2,000

The loan issued has a term of less than 1 year and an annual interest rate of 1.091%.

06 | DEFERRED TAX ASSETS

The movement of the deferred tax assets is as disclosed below:

	2015	2014
Balance as at 1 January	10,079	8,585
To income statement	-537	1,387
Cash flow hedge in equity	-34	107
BALANCE AS AT 31 DECEMBER	9,508	10,079

The deferred tax assets consists of:

	2015	2014
Tax losses carried forward	1,287	5,497
Other	8,221	4,582
	9,508	10,079

07 | OTHER CURRENT RECEIVABLES

	2015	2014
Receivables from group companies	30,074	2,193
Other receivables	352	124
BALANCE AS AT 31 DECEMBER	30,426	2,317

Receivables from group companies relates to current account balances with group companies.

08 | CURRENT INCOME TAX RECEIVABLES

Of the current income tax receivables of € 9,395 an amount of € 139 relates to receivables from the tax authority and € 9,256 which is to be settled with the Dutch operating companies belonging to the fiscal unity.

09 | EQUITY

Paid-up and called-up capital

The authorised capital at both 31 December 2015 and 31 December 2014 stood at € 100 million, consisting of 200,000,000 shares with a nominal value of € 0.50 each.

	PAID-UP AND CALLED-UP CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVES	OTHER RESERVES	RESULT FOR THE YEAR	TOTAL
Balance as at 1 January 2014	40,242	366,148	1,229	76,774	-26,058	458,335
Net income	-	-	-	-	25,855	25,855
Remeasurement of pension liabilities	-	-	-	-566	-	-566
Change from settlement of share plan	10	-	-	-	-	10
Change share plan	-	-	-	89	-	89
Cash flow hedge	-	-	-356	34	-	-322
Software development costs	-	-	12,541	-12,541	-	-
Stock dividend 2013	227	-227	-	-	-	-
Cash dividend 2013	-	-	-	-6,290	-	-6,290
Net income deducted from other reserves	-	-	-	-26,058	26,058	-
Currency translation differences	-	-	-7	-	-	-7
Balance as at 31 December 2014	40,479	365,921	13,407	31,442	25,855	477,104
Balance as at 1 January 2015	40,479	365,921	13,407	31,442	25,855	477,104
Net income	-	-	-	-	19,845	19,845
Remeasurement of pension liabilities	-	-	-	411	-	411
Change from settlement of share plan	80	-	-	-	-	80
Change share plan	-	-	-	145	-	145
Cash flow hedge	-	-	102	-	-	102
Software development costs	-	-	-1,986	1,986	-	-
Release of revaluation reserve	-	-	-1,258	1,258	-	-
Cash dividend 2014	-	-	-	-12,953	-	-12,953
Net income added to other reserves	-	-	-	25,855	-25,855	-
Currency translation differences	-	-	44	-	-	44
BALANCE AS AT 31 DECEMBER 2015	40,559	365,921	10,309	48,144	19,845	484,778

The revaluation reserve was released due to the transfer of activities of a subsidiary and the associated impairment of goodwill.

The following breakdown of the legal reserves applies:

	2015	2014
Revaluation reserve	-	1,258
Currency translation differences	7	-36
Cash flow hedge	-254	-356
Software development costs	10,556	12,541
BALANCE AS AT 31 DECEMBER	10,309	13,407

The provisions of Part 9, Book 2 of the Dutch Civil Code limit the distribution of dividend and repayment of capital due to the establishment of legal reserves.

10 | PROVISIONS

	2015	2014
Deferred tax liabilities	261	422
Personnel-related provisions	2,960	1,010
BALANCE AS AT 31 DECEMBER	3,221	1,432

Personnel-related provisions mainly relate to share-based remuneration to be settled in cash. An amount of € 2,764 of the entire provision has a term of less than one year and the term of the remaining € 457 exceeds one year.

11 | NON-CURRENT LIABILITIES

	2015	2014
Carrying amount of non-current interest-bearing borrowings	515,612	485,269
Current portion of non-current borrowings	-57,965	-106,047
BALANCE AS AT 31 DECEMBER	457,647	379,222

The non-current liabilities are categorised based on maturity as disclosed below:

	TOTAL	< 1 YEAR	1-2 YEARS	2-5 YEARS
Syndicated credit facility	208,458	-	-	208,458
Acquisition related contingent considerations	4,870	-	-	4,870
Derivative financial instruments	567	-	340	227
Group company loans	301,717	57,965	243,752	-
	515,612	57,965	244,092	213,555

The credit facility and acquisition related contingent considerations are disclosed in the consolidated financial statements (notes 3 and 18). Group company loans are provided at an annual interest rate of between 1.091% and 2.388%.

12 | CURRENT LIABILITIES

	2015	2014
Current portion of non-current borrowings	57,965	106,047
Trade and other payables	5,190	4,180
Debts to group companies	222	130
BALANCE AS AT 31 DECEMBER	63,377	110,357

13 | EMPLOYEES

At the end of 2015 USG People N.V. employed 26 people (2014: 29), all in the Netherlands.

14 | LIABILITY

The company and a major part of its Dutch operating companies together form a fiscal unity for VAT and income tax purposes. Each of the companies is jointly and severally liable for tax payable by all companies belonging to the fiscal unity. The company settles the amount of income tax with the respective companies based on income before tax.

The company has issued a notice of liability as referred to in Section 403, Title 9, Book 2 of the Dutch Civil Code for a number of Dutch subsidiaries. USG People N.V. guarantees the commercial paper programmes with respect to USG People Interservices NV (note 18 of the consolidated financial statements).

15 | FEES INDEPENDENT EXTERNAL AUDITORS

The fees of PricewaterhouseCoopers Accountants N.V. and its affiliates in the countries where the group is active are specified as disclosed below for the financial years:

	2015	2014
Audit of the financial statements	1,283	1,260
Other audit procedures	39	17
Other non-audit services	-	17
	1,322	1,294

The above fees relate to activities performed for the company and consolidated operating companies by audit organisations and independent external auditors, as referred to in Art. 1, sub 1 of the Dutch Act on the supervision of audit firms (Wet toezicht accountantsorganisaties), and the fees charged by the entire network to which the audit organisation belongs. An amount of € 695 of the € 1,322 (2014: € 658 of the € 1,294) was charged by PricewaterhouseCoopers Accountants N.V. Other non-audit services are permitted under the Dutch regulation governing the independence of auditors regarding assurance services (Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten).

16 | REMUNERATION OF THE EXECUTIVE BOARD AND SUPERVISORY BOARD

Please refer to note 25 of the consolidated financial statements for information about the remuneration of the Executive Board and Supervisory Board. This information is deemed to have been included and repeated here through this referral.

Almere, 24 February 2016

Supervisory Board

Cees Veerman (voorzitter)

Rinse de Jong

Willemijn Maas

Alex Mulder

Johnny Thijs

Executive Board

Rob Zandbergen (CEO)

Leen Geirnaerd (CFO)

OTHER DATA

EVENTS AFTER BALANCE SHEET DATE

No events of interest to the group as a whole took place after the balance sheet date.

PROVISIONS IN THE ARTICLES OF ASSOCIATION REGARDING PROFIT APPROPRIATION

Article 29 Profit and contributions

29.1 Profit distributions can only be made to the extent the company's equity exceeds the amount of the paid-up and called-up part of the capital plus the reserves that are to be maintained pursuant to the law or these Articles of Association.

29.2 The first distribution on the preference shares to be made from the profit as shown in the profit and loss account for the most recently ended financial year shall be, where possible, the percentage referred to below of the amount that was mandatorily paid on those shares. The percentage referred to above shall be equal to the average of the base refinancing rate of the European Central Bank – weighted according to the number of days this interest rate applied – during the financial year or part of the financial year for which the distribution is made, plus an allowance set by the Executive Board and approved by the Supervisory Board in the amount of at least one and a half (1.5) percentage points and with a maximum of four (4) percentage points, depending on the situation at such time. If, in the financial year in which the distribution referred to above is made, the amount mandatorily paid up on the Preference Shares is reduced or, pursuant to a resolution for an additional payment, is increased, the distribution shall be reduced or, if possible, raised, respectively, by an amount equal to said percentage of the amount of the reduction or increase, respectively, calculated as from the time the additional payment became mandatory.

29.3 If and to the extent that the profit is insufficient to make the distribution referred to in Article 29.2 above, the deficit shall be distributed and charged to the reserves, to the extent this does not involve any actions contrary to the provisions of article 29.1. If and to the extent such a distribution cannot be charged to the reserves, such a distribution shall first be made to the holders of preference shares from the profits earned in subsequent years that the deficit is fully cleared, before the provisions of the next paragraphs of this article 29 can be applied.

29.4 If the profit of a financial year is determined and one or more preference shares were redeemed in that financial year, the parties that were holders of preference shares as shown in the register of holders of preference shares referred to in article 5.2 at the time of said redemption shall have an inalienable right to profit distribution as described below. The profit that is distributed to said holder(s) if possible shall be equal to the amount of the distribution, to which he would be entitled pursuant to the right determined above in this article 29, if he had been a holder of the preference shares referred to above at the time the profit was determined, to be calculated time-proportionately for the period that he was a holder of these preference shares in said financial year, which distribution shall be reduced by the amount of the distribution that was made in accordance with the provisions of article 29.10.

If, in the course of any financial year, preference shares were issued, the dividend on the relevant preference shares for that financial year shall be reduced proportionately until the relevant day of issue.

29.5 No distributions shall be made on the preference shares other than as provided for in this article 29 and in article 37.

29.6 Subject to the approval of the Supervisory Board, the Executive Board shall determine what part of the profit remaining after application of the provisions of the preceding paragraphs of this article 29 is to be reserved.

29.7 The remaining profit shall be at the disposal of the General Meeting of Shareholders.

29.8 Provided that an interim statement of assets and liabilities signed by the Executive Board evidences that the requirement referred to in article 29.1 concerning the capital position has been satisfied, the Executive Board may make one or more interim distributions to the holders of ordinary shares and/or the holders of preference shares with the approval of the Supervisory Board, with due observance, however, of the maximum referred to in articles 29.2, 29.3 and 29.4.

29.9 Subject to the approval of the Supervisory Board, the Executive Board is authorised to determine that a distribution on ordinary shares will not be made in cash but in the form of ordinary shares, or to determine that holders of ordinary shares may choose to accept the distribution in cash and/or in

OTHER DATA

the form of ordinary shares, all this from the profit and/or from a reserve and all this to the extent the Executive Board has been designated by the General Meeting in accordance with articles 7.1 and 7.3. Subject to the approval of the Supervisory Board, the Executive Board shall set the conditions under which such a choice may be made.

29.10 In the event that preference shares are redeemed, a distribution shall be made on the cancelled preference shares on the day of redemption, which distribution shall be calculated as much as possible in accordance with the provisions of articles 29.2, 29.3 and 29.4, on the period for which no distribution referred to in article 29.2, first sentence, has yet been made until the day of redemption, all this provided that the requirement in article 29.1 has been satisfied, which must be evidenced by an (interim) statement of assets and liabilities drawn up in accordance with the provisions prescribed by law.

Article 30 Release for payment. Entitlement

30.1 Dividends and other distributions shall be made payable within four weeks after adoption, unless the General Meeting determines another date at the proposal of the Executive Board. Different payment release dates may be designated for the ordinary shares and the preference shares.

30.2 A deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

PROFIT APPROPRIATION

The merger protocol agreed with Recruit Holdings Co., Ltd. on 22 December 2015 stipulates that no dividend (or interim dividend) will be declared or distributed, nor any payment in kind. Therefore the Executive Board will not propose to distribute a dividend for 2015. The net profit of € 19,845 will be added to the reserves.

INDEPENDENT AUDITOR'S REPORT

To: the general meeting and supervisory board of USG People N.V.

REPORT ON THE FINANCIAL STATEMENTS 2015

Our opinion

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of USG People N.V. as at 31 December 2015 and of its result and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code;
- the accompanying company financial statements give a true and fair view of the financial position of USG People N.V. as at 31 December 2015 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2015 of USG People N.V., Almere ('the company'). The financial statements include the consolidated financial statements of USG People N.V. and its subsidiaries (together: 'the Group') and the company financial statements.

The consolidated financial statements comprise:

- the consolidated balance sheet as at 31 December 2015;
- the following statements for 2015: the consolidated income statement and the consolidated statements of comprehensive income, changes in equity and cash flows; and
- the notes, comprising a summary of significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company balance sheet as at 31 December 2015;
- the company profit and loss account for the year then ended; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is EU-IFRS and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code for the consolidated financial statements and Part 9 of Book 2 of the Dutch Civil Code for the company financial statements.

The basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the section 'Our responsibilities for the audit of the financial statements' of our report.

We are independent of USG People N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO) and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA).

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach

Overview and context

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where executive board made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the executive board that may represent a risk of material misstatement due to fraud. Based on the public offer announced by Recruit Holdings Co. Ltd. concerning all outstanding shares of USG People N.V. we paid specific attention to the impact of this offer on the 2015 financial statements.

We ensured that the audit teams, both at group, and at component levels included the appropriate skills and competences which are needed for the audit of a professional temping and secondment company. We therefore included specialists in the areas of wage tax and social securities in our team. Based on the nature of the organisation we tested the reconciliation of hours paid (payroll) and hours billed for all entities including the analysis of differences.



Materiality

- Overall materiality: € 2,660,000, which represents 2.5% (2014: 2.5%) of the adjusted profit before interest, taxes, depreciation and amortisation.

Audit scope

- We conducted audit work for sixteen components of which four are significant. In addition we performed specified audit procedures for a further four components. Compared to last year the number of components in scope decreased due to mergers of entities within the Group.
- The company uses shared service centres based in the Netherlands and Belgium, and as a consequence we audited a number of processes in these countries centrally for a number of entities.
- We visited the auditors and local management in the Netherlands, Belgium and France this year. Furthermore, we had several conference calls during our audit with local management and the auditors in Germany.
- The audit coverage can be explained as follows: 89% of consolidated revenue, 81% of profit before interest, tax, depreciation and amortisation and 93% of consolidated total assets.

Key audit matters

- Impact of public offer by Recruit Holdings Co. Ltd on all outstanding shares of USG People N.V.
- Valuation of goodwill
- Valuation of deferred tax assets
- Recognition of URSSAF claim
- Compliance with laws and regulations relating to salaries of direct employees

Materiality

The scope of our audit is influenced by the application of materiality which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements on our opinion.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall group materiality	€ 2,660,000 (2014: € 2,000,000).
How we determined it	2.5% of profit before interest, tax, depreciation and amortisation. Given the incidental nature we adjusted this profit for the cost of € 15.7 million (excluding finance costs) recognised as a result of the assessment received relating to the URSSAF claim as disclosed in note 6 and 7 of the financial statements, in determining the materiality. We audited these costs in detail. We refer to the key audit matter below for more details.
Rationale for benchmark applied	We have applied this benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of users of the financial statements. On this basis we believe that profit before interest, tax, depreciation and amortisation is an important metric for the financial performance of the company.
Component materiality	To each component in our audit scope, we, based on our judgement, allocate materiality that is less than our overall group materiality. The range of materiality allocated across components varied between €147,500 and €1,585,000.

We also take (possible) misstatements into account that, in our judgement, are material for qualitative reasons, for example the disclosure of remuneration of the executive board.

We agreed with the audit committee that we would report to them misstatements identified during our audit above €122,500 (2014: €100,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

USG People N.V. is the parent company of a group of entities. The financial information of this group is included in the consolidated financial statements of USG People N.V.

The group audit focused on the significant components in the Netherlands, Belgium, France and Germany. We consider these components as significant due to the size of the business USG People N.V. conducts in these countries.

Four components were subjected to audits of their complete financial information as those components are individually significant to the group. Additionally, twelve components were selected for audit procedures to achieve appropriate coverage on financial line items in the consolidated financial statements. We performed specified audit procedures on financial statement line items for four components to obtain sufficient coverage for the applicable financial statement line items as a whole. The company uses shared service centres in the Netherlands and Belgium, and therefore as a consequence, we audited a number of processes in these countries centrally for a number of entities.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Revenue	89%
Total assets	93%
Profit before interest, tax, depreciation and amortisation	81%

None of the remaining components individually represented more than 2% of total group revenue or total group assets. For those remaining components we performed, amongst others, analytical procedures to corroborate our assessment that there were no significant risks of material misstatements within those components. For all components we used component auditors from PwC Netherlands and other PwC network firms who undertook their work based on instructions from the group engagement team.

Where the work was performed by component auditors, we determined the level of involvement we needed to have in their audit work to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. In the current year the group engagement team visited the components in the Netherlands, France and Belgium. Furthermore, we had several conference calls during our audit with local management and the auditors in Germany. For all components we discussed the audit approach and audit findings during the audit on several instances with our colleagues and we reviewed working papers of several specific parts of the audit executed locally.

The group consolidation, financial statements disclosures and a number of items are audited by the group engagement team at the head office. These include the valuation of goodwill, the valuation of the deferred tax assets, the recognition of the sale of the CICE receivable, the recognition of business combinations and share based payments.

By performing the procedures above at components, combined with additional procedures at the group level, we have obtained sufficient and appropriate audit evidence regarding the financial information of the group as a whole to provide a basis for our opinion on the consolidated financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the key audit matters to the supervisory board, but they are not a comprehensive reflection of all matters that were identified by our audit and that we discussed. We described the key audit matters and included a summary of the audit procedures we performed on those matters.

The key audit matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon. We do not provide a separate opinion on these matters or on specific elements of the financial statements. Any comments we make on the results of our procedures should be read in this context.

Compared to last year the key audit matter "The recognition and presentation of claims and legal cases" is no longer included, except for the recognition of the URSSAF claim. Due to developments in 2015 with respect to outstanding claims and legal cases the uncertainty decreased. Hence we consider this no longer a key audit matter. The impact of the public offer announced by Recruit Holding Co. Ltd. on the outstanding shares of USG People N.V. on the (disclosure) of the financial statements and therefore on our audit is a new key audit matter in our auditor's report.

Key audit matter	How our audit addressed the matter
<p>Impact of public offer by Recruit Holdings Co. Ltd. on all outstanding shares of USG People</p> <p><i>Refer to note 2.1 in the Financial Statements</i></p> <p>USG People N.V. received a public offer from Recruit Holdings Co. Ltd. ('Recruit') on all outstanding shares on 22 December 2015. This is a key audit matter given the impact of this offer and the possible acquisition, including the expected 'change of control', on among others, the valuation of goodwill, the future valuation of fiscal losses, the recognized consultancy fees and the contingent liability relating to consultancy fees, the recognition and disclosure of share based payments, the disclosure on existing borrowing agreements and the report of the executive board.</p>	<p>We performed, among others, the following audit procedures in response to the impact of the public offer by Recruit on the financial statements 2015:</p> <ul style="list-style-type: none"> • We verified the accuracy and completeness of the impact of the offer by Recruit on the 2015 financial statements as disclosed in note 2.1 by means of the information obtained during our audit; • We verified that the valuation of the company based on the public offer is adequately taken into account in the impairment test (refer to the following key audit matter); • We verified the disclosure of the impact on the settlement of fiscal losses in Germany if the offer is accepted by the shareholders of USG People N.V. based on applicable laws and regulations and IAS 12; • We substantively tested the accuracy of the consultancy fees as included in the exceptional other costs; • We verified the accuracy and completeness of the contingent liability relating to the consultancy fees to be paid if the offer is accepted by the shareholders of USG People N.V.; • We verified the accuracy and completeness of the contingent liability and asset relating to the termination fee of € 10.5 million in the event of irregular termination of the merger protocol by USG People N.V. or Recruit; • We verified the additional costs incurred of € 1.9 million for the share based payments as a result of the public offer with the agreements as described in the 'merger protocol' and the applicable financial reporting requirements; • We verified the accuracy and completeness of the disclosure in note 3.1.3 relating to the impact of the offer on the existing borrowing agreements with the so called "change of control" definitions in the borrowing agreements; • We determined that the disclosure on the public offer in the report of the executive board is complete and consistent with the financial statements.
<p>Valuation of goodwill</p> <p><i>Refer to note 11 in the financial statements</i></p> <p>The goodwill recognised on the balance sheet of € 679 million is the largest asset of USG People N.V. In performing the annual goodwill impairment test the recoverable amount is the highest of the fair value less costs of disposal and its value in use. The value in use is to a large extent based on estimates of the executive board of assumptions underlying the forecast cash flows. Those assumptions include, among others, the expectation of future revenues, development of gross margins, development of productivity and the general development of markets and economic circumstances in the countries in which USG People N.V. has operations.</p>	<p>Our audit procedures on the value in use included, among others, verifying the mathematical accuracy of the calculations and the basis of the assumptions, including the discount rate applied. We used PwC valuation specialists for this purpose. The examination of the assumptions with respect to the expected development in revenues, gross margins and operating costs were part of our audit procedures. We tested the assumptions among others by means of considering developments in the past and the growth expectation of external parties for the countries in which USG People N.V. has operations.</p> <p>Our audit procedures on the fair value less costs of disposal included the reconciliation of the offer received from Recruit with the "merger protocol", substantive testing on the costs of disposal and the method of allocating the public offer to the cash generating units. We also determined the mathematical accuracy of this allocation.</p> <p>We also verified the completeness of the disclosures of the assumptions in note 11 of the financial statements.</p>
<p>In determining the goodwill's fair value less costs of disposal the executive board used the public offer of Recruit Holdings Co., Ltd on all outstanding shares, as received on 22 December 2015.</p> <p>Because of the above mentioned the valuation of the goodwill is a key audit matter in our audit. Based on the goodwill impairment test the executive board concluded that no impairment is necessary. The most</p>	

Key audit matter**How our audit addressed the matter**

important assumptions are disclosed in note 11 of the financial statements.

Valuation of deferred tax assets

Refer to note 9 in the financial statements

The executive board made an estimate of the recoverability of the deferred tax assets recognised in regard to past fiscal losses incurred, based on the forecasted taxable profits for the next years and taking into account the period in which past losses can be claimed in the various jurisdictions. Based on this estimate, deferred tax assets of € 31 million relating to fiscal losses have been recognised. The valuation of the deferred tax assets is a key audit matter because it is material to the financial statements and is based on estimates and assumptions about future profitability that may differ in reality.

We verified the consistency of the underlying forecasts with the annual goodwill impairment test. In addition we performed procedures on, among others, the completeness and accuracy of the fiscal losses per group entity, the settlement terms in the various tax jurisdictions and the completeness of the disclosures in the financial statements. We paid specific attention to the deferred tax assets of € 16.6 million in Germany, given its magnitude and the sensitivity of the underlying forecasts.

Recognition of the URSSAF claim

Refer to notes 6, 7 and 8 in the financial statements

USG People N.V. received an assessment from the French social security authority (URSSAF) concerning the outcome of a social security investigation at Start People SAS in France in 2011. USG People N.V. lodged an appeal relating to this assessment in 2012 and in 2014 the court ruled in favour of USG People N.V. As a consequence of this ruling and other factors, the assessment was recognized as a contingent liability in the 2014 financial statements. In December 2015 the higher court ruled in favour of URSSAF based on their subsequent appeal. As a result, a liability and relating costs of € 20.3 million have been recognized in the financial statements. This is a key audit matter in our audit because of the change in nature from contingent liability to a liability recognized on the balance sheet, the separate presentation in the income statement, the materiality of the costs and the related disclosures.

We verified the accuracy and completeness of the costs presented separately and the liability including the disclosure note in the financial statements on the basis of the ruling of the French court and the subsequent payment on 8 January 2016.

Furthermore we verified in our audit procedures of prior years that the cause of the assessment in 2011 did not have an impact on the accuracy and/or completeness of social charges in the following years.

Compliance with laws and regulations relating the salaries of direct employees

Due to the number of applicable laws and regulations and the yearly changes in the countries in which USG People N.V. operates, compliance with laws and regulations relating to wage tax, subsidies on wage tax, social security charges and compliance with collective labour agreements is complex. Minor errors in the calculation of expenses and payments of wage tax and other payroll related charges may have a subsequent material impact on the financial statements. Compliance with laws and regulations relating to the salaries of direct employees is therefore a key audit matter in our audit.

We performed controls testing and substantive testing regarding the timely and accurate processing of changes in laws and regulations, the accuracy of the net salary calculations and the accuracy and completeness of fiscal tax returns relating to wage tax and social security charges. We used specialists within PwC to support our performance of these procedures. We also obtained and reviewed correspondence with fiscal authorities in the different countries and tested the reconciliation between the salary administration and the finance administration.

OTHER DATA

Responsibilities of the executive board and the supervisory board

The executive board is responsible for:

- the preparation and fair presentation of the financial statements in accordance with EU-IFRS and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the executive board in accordance with Part 9 of Book 2 of the Dutch Civil Code; and for
- such internal control as executive board determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the executive board is responsible for assessing the company's ability to continue as a going-concern. Based on the financial reporting frameworks mentioned, the executive board should prepare the financial statements using the going-concern basis of accounting unless executive board either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so. The executive board should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going-concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our audit opinion aims to provide reasonable assurance about whether the financial statements are free from material misstatement. Reasonable assurance is a high but not absolute level of assurance which makes it possible that we may not detect all misstatements. Misstatements may arise due to fraud or error. They are considered to be material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A more detailed description of our responsibilities is set out in the appendix to our report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Our report on the annual report and the other information

Persuant to the legal requirements of Part 9 of Book 2 of the Dutch Civil Code (concerning our obligation to report about the annual report and the other information):

- We have no deficiencies to report as a result of our examination whether the annual report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this code, and whether the information as required by Part 9 of Book 2 of the Dutch Civil Code has been annexed.
- We report that the annual report, to the extent we can assess, is consistent with the financial statements.

Our appointment

We were appointed as auditors of USG People N.V. on 8 May 2013 by the supervisory board following the passing of a resolution by the shareholders at the annual meeting held on 8 May 2013 and has been renewed annually by the shareholders. PwC is now auditor representing a total period of uninterrupted engagement of more than 10 years. The most recent rotation of the signing external auditor was in 2014. Rotation of the signing external auditor is one of our safeguards to maintain our audit independence. As of 2016 the financial statements of USG People N.V. will be audited by another external audit firm.

Amsterdam, 24 February 2016
PricewaterhouseCoopers Accountants N.V.

Original Dutch version signed by drs. E. Hartkamp RA

The above independent auditor's report is the original independent auditor's report that was issued on 24 February 2016 with respect to the financial statements for the period ending 31 December 2015. These financial statements are part of the annual report 2015. For purposes of the Offer Memorandum the full annual report has not been included. These financial statements are set forth on pages 94 to 159 in this Offer Memorandum.

Appendix to our auditor's report on the financial statements 2015 of USG People N.V.

In addition to what is included in our auditor's report we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

The auditor's responsibilities for the audit of the financial statements

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Our audit consisted, among others of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by executive board.
- Concluding on the appropriateness of executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the company's ability to continue as a going-concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the company to cease to continue as a going-concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Considering our ultimate responsibility for the opinion on the company's consolidated financial statements we are responsible for the direction, supervision and performance of the group audit. In this context, we have determined the nature and extent of the audit procedures for components of the group to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole. Determining factors are the geographic structure of the group, the significance and/or risk profile of group entities or activities, the accounting processes and controls, and the industry in which the group operates. On this basis, we selected group entities for which an audit or review of financial information or specific balances was considered necessary.

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We provide the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

13.6 Independent auditor's report relating to the financial statements for the Financial Year 2015

Reference is made to Section 13.5 (*Financial statements for the Financial Year 2015, including explanatory notes*).

14 Advisers

14.1 Advisers to Recruit

Financial advisers

Nomura International plc
Amstelplein 1, Rembrandt Tower, 19/F
1096 HA Amsterdam
The Netherlands

Legal advisers

Linklaters LLP, Amsterdam office
World Trade Centre Amsterdam
Tower H, 22nd Floor
Zuidplein 180
1077 XV Amsterdam
The Netherlands

14.2 Advisers to USG People

Financial advisers

Bank of America Merrill Lynch International Limited, Amsterdam Branch
Rembrandt Tower
Amstelplein 1
1096 HA Amsterdam
The Netherlands

Legal advisers

Allen & Overy LLP, Amsterdam office
Apollolaan 15
1077 AB Amsterdam
The Netherlands

Part B – Articles of Association

1 Amended Articles of Association after Settlement

Note about translation:

This document is an English unofficial translation of the full text of the articles of association of USG People N.V. as they will read as per the execution of the deed of amendment of the articles of association, to be executed before G.M. Portier, civil law notary in Amsterdam, the Netherlands, or his deputy or successor, on [●] 2016. In preparing this document, an attempt has been made to translate as literally as possible without jeopardising the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. The definitions in article 1.1 referred to in this translation are listed in the English alphabetical order which may differ from the Dutch alphabetical order.

In this translation, Dutch legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

Articles of association:

CHAPTER I.

Article 1. Definitions.

1.1 In these Articles of Association, the following terms are defined as follows:

“**auditor**” means a chartered accountant or other accountant as referred to in Section 2:393 of the Dutch Civil Code, or an organisation within which such accountants practice.

“**Board**” means the board of directors of the Company.

“**Chairman**” has the meaning attributed thereto in Article 15.1.

“**Chief Executive Officer**” or “**CEO**” has the meaning attributed thereto in Article 13.3.

“**Chief Financial Officer**” or “**CFO**” has the meaning attributed thereto in Article 13.3.

“**Collective Depot**” means a collective depot within the meaning of the GSTA.

“**Company**” means the Company, the internal organisation of which is governed by these Articles of Association.

“**depository receipts**” means depository receipts for Shares. Unless the contrary is evident, these include depository receipts issued without the cooperation of the Company.

“**Director**” means a member of the Board; unless the contrary is apparent, this shall include each Executive Director and each Non-Executive Director.

“**Euroclear global certificate**” has the meaning attributed thereto in Article 6.1.

“**Euroclear Netherlands**” has the meaning attributed thereto in Article 6.2.

“**Executive Director**” means a Director appointed as Executive Director in accordance with Article 14.1.

“**General Meeting**” or “**General Meeting of Shareholders**” means the body of the Company consisting of the Shareholders or (as the case may be) a meeting of Shareholders (or their representatives) and other persons entitled to attend such meetings.

“**Giro Depot**” means a giro depot within the meaning of the GSTA.

“**Group Company**” means a group company of the Company.

“**GSTA**” means the Netherlands Giro Securities Transactions Act (*Wet giraal effectenverkeer*).

“**holders of depository receipts**” means holders of depository receipts issued with the cooperation of the Company. Unless the contrary is evident, these holders include the persons

who have the rights granted by law to holders of depositary receipts issued with the cooperation of the Company as a result of a usufruct or pledge created on Shares.

“in writing” means a message which is transmitted by letter, fax, e-mail, or any other electronic means of communication, provided the message is legible and can be reproduced, to the extent the law or these Articles of Association do not prescribe otherwise.

“Intermediary” an intermediary (*intermediair*) within the meaning of the GSTA.

“Non-Executive Director” means a Director appointed as Non-Executive Director in accordance with Article 14.1.

“Official List” means the Official List of the public company Euronext Amsterdam N.V. or an official publication taking its place.

“Share” means a share in the capital of the Company.

“Shareholder” means a holder of one or more Shares.

“Subsidiary” means a subsidiary of the Company.

“Vice-Chairman” has the meaning attributed thereto in Article 15.2.

- 1.2 References to **Articles** are references to Articles of these Articles of Association, unless explicitly stated otherwise.
- 1.3 Unless the context requires otherwise, words and expressions contained and not otherwise defined in these Articles of Association bear the same meaning as in the Dutch Civil Code. References in these Articles of Association to the law are references to provisions of the laws of the Netherlands as amended from time to time.
- 1.4 The definitions of the terms in these Articles of Association shall apply equally to the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

CHAPTER II. NAME, SEAT AND OBJECTS.

Article 2. Name and seat.

- 2.1 The name of the Company is: **USG People N.V.**
- 2.2 The Company has its registered office in Almere, the Netherlands.

Article 3. Objects.

The objects of the Company are to participate in and manage other companies regardless of their nature, to finance and provide guarantees on behalf of subsidiaries, to guarantee the debts of third parties, as well as anything that is related to or may be conducive to the above.

CHAPTER III. AUTHORISED CAPITAL AND SHARES.

Article 4. Authorised capital and Shares. Depositary receipts for Shares.

- 4.1 The Company's authorised capital amounts to fifty million euro (EUR 50,000,000), divided into one hundred million (100,000,000) Shares, with a nominal value of fifty eurocents (EUR 0.50) each.
- 4.2 The Shares shall be registered Shares or bearer Shares, such at the discretion of the holder of such Shares.
- 4.3 The Company may cooperate in the issue of depositary receipts. Holders of depositary receipts shall have the rights granted to them under the law, also where these Articles of Association do not explicitly state these rights.

Article 5. Shares. Register of Shareholders.

- 5.1 No certificates shall be issued for registered Shares.

- 5.2 The Company shall keep a register, in which the names and addresses of all holders of registered Shares are recorded, showing the date on which they acquired the Shares, the date of acknowledgement or service, and the amount paid on each Share. The register shall also record the names and addresses of those who have a right of usufruct or right of pledge on registered Shares, showing the date on which they acquired the right, the date of acknowledgement or service, and which rights attaching to these Shares are vested in them in accordance with paragraphs 2 and 4 of Sections 2:88 and 2:89 of the Dutch Civil Code. If the registered Shares belong to a Collective Depot or the Giro Depot, the register shall include the name and the address of the Intermediary respectively Euroclear Netherlands, stating the date on which the Shares became part of a Collective Depot respectively the Giro Depot and the date of acknowledgement or service.
- 5.3 Each Shareholder, usufructuary and pledgee of a registered Share is required to inform the Company of his address and any change of address.
- 5.4 Upon request, the Company shall provide a holder of registered Shares which do not form part of a Collectively Depot or the Giro Depot, a usufructuary and a pledgee of such Shares with an extract from the register of Shareholders relating to his right to such Shares at no cost. If a right of usufruct or a pledge has been created on a registered Share, the extract shall state who is entitled to the rights referred to in paragraphs 2 and 4 of Sections 2:88 and 2:89 of the Dutch Civil Code. The extract shall not be negotiable.
- 5.5 All entries and notes in the register of Shareholders shall be signed by an Executive Director or a person authorised to do so as referred to in Article 20.2.
- 5.6 The registers shall, moreover, be subject to Section 2:85 of the Dutch Civil Code.

Article 6. Global certificate. Transfer of Shares.

- 6.1 All bearer Shares issued shall be securitised in one Share certificate (the “**Euroclear global certificate**”).
- 6.2 On behalf of the entitled party/parties, the Company shall have the Euroclear global certificate retained by the central institute within the meaning of the GSTA: Nederlands Centraal Instituut voor Giraal Effectenverkeer B.V. (“**Euroclear Netherlands**”).
- 6.3 Each transfer of a Share which does not form part of a Collective Depot or Giro Depot or the transfer or creation of a right of pledge or usufruct on a Share shall be registered in the register.
- 6.4 (a) The transfer of a Share which forms part of a Collective Depot or the Giro Depot or the transfer or creation of a right of pledge or usufruct on a Share shall be effected in accordance with the relevant provisions of the GSTA.
- (b) The transfer of a Share which does not form part of a Collective Depot or the Giro Depot, or the transfer or creation of a right of pledge or usufruct on a Share shall require a deed drawn up for that purpose and, unless the Company itself is a party to that deed, written acknowledgment of the transfer or creation by the Company. Acknowledgment shall be effected in the deed, or by an officially dated statement of acknowledgment on the deed or on a copy or extract certified by a civil law notary or by the transferor. Official service of said deed or said copy or extract on the Company shall constitute acknowledgment.
- (c) A right of pledge on a Share which does not form part of a Collective Depot or Giro Depot may be created also without acknowledgment by or service of the deed on the Company. Section 3:239 of the Dutch Civil Code shall correspondingly apply, whereby the notice of the pledge as referred to in paragraph 3 of Section 3:239 of the Dutch Civil Code, shall be replaced by acknowledgment by or service of the deed on the Company.

CHAPTER IV. ISSUE OF SHARES.

Article 7. Issue of Shares.

- 7.1 The General Meeting, or the Board, if designated by the General Meeting, shall pass a resolution to issue Shares; if the Board has been designated to do so, the General Meeting may not pass resolutions to issue, as long as the designation is in force.

- 7.2 The General Meeting or the Board, as the case may be, shall determine the price and other conditions of the issue, with due observance of the other relevant provisions in these Articles of Association.
- 7.3 If the Board is designated as being the authorised body to resolve on the issue of Shares, it shall be determined along with such designation how many Shares may be issued. This can be expressed in a percentage of the issued capital. Simultaneously with such a designation, the term of the designation shall be determined, which may be five years at most. The designation may be applied for no longer than five years at a time. Unless specified otherwise at the time of the designation, the designation cannot be revoked.
- 7.4 Within eight days of a resolution of the General Meeting to issue Shares or to designate the Board, as referred to above, the Board shall file a full text thereof at the Dutch Trade Register.
Within eight days after each issue of Shares, the Board shall so notify the Dutch Trade Register, stating the number of Shares.
- 7.5 The provisions of Articles 7.1 through 7.4, shall apply by analogy to the granting of rights to subscribe for Shares, but shall not apply – with the exception of the final sentence of Article 7.4 – to the issue of Shares to a person that exercises a previously granted right to subscribe for Shares.

Article 8. Payment.

- 8.1 Without prejudice to Section 2:80 paragraph 2 of the Dutch Civil Code, Shares shall be issued only upon payment in full.
- 8.2 Payment on Shares shall be made in cash to the extent no other manner of contribution has been agreed. Payment in cash can be made in foreign currency if the Company consents and with due observance of the provisions of Section 2:93a of the Dutch Civil Code.
- 8.3 The Board is authorised to enter into legal acts as referred to in Section 2:94 paragraph 1 of the Dutch Civil Code without the approval of the General Meeting.

Article 9. Pre-emptive right.

- 9.1 Notwithstanding the provisions of Section 2:96a paragraph 1 of the Dutch Civil Code, upon the issue of Shares, every holder of Shares has a pre-emptive right to Shares issued in proportion to the aggregate amount of his Shareholding.
- 9.2 With due observance of the provisions of this Article 9, the General Meeting or the Board, if designated by a resolution of the General Meeting, shall, at the time of the resolution to issue Shares, determine the manner in which and the period during which the pre-emptive right may be exercised.
- 9.3 The Company must announce the issue with pre-emptive rights, and the period in which it can be exercised, in the Government Gazette and in a national daily newspaper, to the extent not otherwise allowed by law. The pre-emptive right can be exercised during at least two weeks after the announcement was made in the Government Gazette, to the extent required.
- 9.4 The pre-emptive right may be limited or excluded pursuant to a resolution of the General Meeting. The appropriate motion shall explain in writing the reasons for the motion and the choice of the proposed issue price.

The pre-emptive right may also be limited or excluded by the Board if designated by a resolution of the General Meeting as being authorised to limit or exclude the pre-emptive right for a specified period not exceeding five years; such designation can only be effected if the Board has also been, or is simultaneously, designated as referred to in Article 7.1.

The designation may be extended for no longer than five years at a time. The designation only applies as long as a designation, as referred to in Article 7.1, is in force.

Unless specified otherwise at the time of the designation, the designation cannot be revoked.

- 9.5 A resolution of the General Meeting to restrict the pre-emptive right or to designate, as referred to in Article 9.4, shall require a majority of at least two-thirds of the votes cast, if less than half of the issued capital is represented at the meeting. Within eight days of such resolution, the Board shall file a full text thereof with the offices of the Dutch Trade Register.
- 9.6 When granting rights to subscribe for Shares, the Shareholders shall have a pre-emptive right; the provisions above in this Article 9 shall apply by analogy. Shareholders shall not have a pre-emptive right on Shares issued to an individual exercising a previously granted right to subscribe for Shares.

CHAPTER V. OWN SHARES AND DEPOSITARY RECEIPTS. CAPITAL REDUCTION.

Article 10. Purchase of own Shares. Right of pledge on own Shares.

- 10.1 The Board may, subject to authorisation by the General Meeting and without prejudice to the provisions of Section 2:98d of the Dutch Civil Code, have the Company acquire fully paid-up Shares in its own capital for valuable consideration.

However, such acquisition is only permitted if:

- (a) the Company's equity minus the acquisition price of the Shares is not less than the paid and called-up portion of the capital plus the reserves to be maintained pursuant to the law and/or these Articles of Association; and
- (b) the Company and its Subsidiaries would not, as a consequence, hold Shares with an aggregate nominal value exceeding half of the issued capital.

The requirement referred to under (a) is determined by the amount of the Company's equity according to the most recently adopted balance sheet, less the acquisition price for Shares, the amount of loans as referred to in Section 2:98c paragraph 2 of the Dutch Civil Code, and distributions to other persons from the profits or reserves which the Company and its Subsidiaries first became due after the balance sheet date.

If more than six months of a financial year have elapsed without the financial statements having been adopted, acquisition in accordance with the provisions in this Article 10.1 is not permitted.

Along with the authorisation, which shall be valid for at most eighteen months, the General Meeting shall determine the number of Shares that may be acquired, how they must be acquired as well as the applicable price range to be observed.

- 10.2 Subject to the approval of the General Meeting, the Board shall resolve to alienate Shares acquired by the Company. No pre-emptive right shall exist in respect of such alienation.
- 10.3 If depositary receipts have been issued, such depositary receipts shall be equated with Shares for the application of the provisions of the previous paragraphs.
- 10.4 The Company cannot derive any right to any distribution from Shares in its own capital; nor shall it derive any right to such distribution from Shares for which it holds the depositary receipts.

The Shares referred to in the previous sentence shall not be included in the calculation of the profit appropriation, unless such Shares or the depositary receipts are subject to a usufruct for the benefit of a party other than the Company.

- 10.5 No voting rights may be exercised for any Share held by the Company or a Subsidiary, unless the Shares are subject to the right of usufruct or a pledge for use by a party other than the Company or a Subsidiary, the other party is entitled to the voting rights on the Shares and the right of pledge has been created by a party other than the Company or a Subsidiary.

Nor may the Company or a Subsidiary exercise voting rights for Shares in respect of which the Company or a Subsidiary has a right of usufruct or a pledge.

No voting rights can be exercised for Shares for which the Company or a Subsidiary holds the depositary receipts.

For the purposes of determining whether a specific part of the capital is represented at the meeting or whether a majority represents a specific part of the capital, the capital shall be reduced by the value of the Shares for which no voting rights can be exercised.

- 10.6 The Company may only take in pledge its own Shares or depositary receipts if:
- (a) the relevant Shares have been fully paid up;
 - (b) the nominal value of its own Shares and depositary receipts to be taken in pledge and those already held or already taken in pledge does not exceed one-tenth of the issued capital; and
 - (c) the General Meeting has approved the pledge agreement.

Article 11. Capital reduction.

- 11.1 The General Meeting may resolve to reduce the issued capital, but only if the Board has proposed to do so, by:
- (a) cancelling Shares held by the Company or for which the Company holds the depositary receipts; or
 - (b) reducing the nominal value of the Shares by amending these Articles of Association.
- 11.2 Partial repayment on Shares or exemption from the obligation to pay up is only possible for the implementation of a resolution to reduce the value of the Shares. Such repayment or exemption shall be effected in proportion to all Shares. The requirement of proportional repayment or exemption may be deviated from with the consent of all Shareholders concerned.
- 11.3 The General Meeting may only adopt a resolution to reduce the capital by a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented.
- 11.4 Furthermore, the provisions of Sections 2:99 and 2:100 of the Dutch Civil Code shall also apply to capital reduction.

CHAPTER VI. CONVENING NOTICES AND NOTIFICATIONS.

Article 12. Convening notices, notifications and announcements.

Without prejudice to the provisions of Article 9.3, all convening notices for the General Meetings of Shareholders, all announcements regarding dividends and other distributions and all other notifications to Shareholders and holders of depositary receipts shall be effected only on the website of the Company and/or by an announcement made public by other electronic means, which is permanently and directly accessible until the day of the meeting.

CHAPTER VII. THE BOARD.

Article 13. Composition of the Board.

- 13.1 The Board shall consist of one or more Executive Directors and two or more Non-Executive Directors. The majority of the Directors shall be Non-Executive Directors. With due observance of the foregoing sentences, the Board shall determine the exact number of Executive Directors and Non-Executive Directors. If there is no Executive Director in office or if the number of Non-Executive Directors in office is less than two, the authorities of the Board and of the Directors shall continue to apply in full. The Non-Executive Directors will then forthwith take measures to increase the number of Executive Directors or Non-Executive Directors, as the case may be.
- 13.2 Legal entities and individuals can be Executive Directors. Only individuals can be Non-Executive Directors.
- 13.3 The General Meeting may designate, for a term to be determined by the General Meeting, one of the Executive Directors as chief executive officer (“**Chief Executive Officer**” or “**CEO**”) and one of the Executive Directors as chief financial officer (“**Chief Financial Officer**” or “**CFO**”), or grant other titles to an Executive Director. An Executive Director can have more than one title.

- 13.4 The Non-Executive Directors shall adopt a profile for the Non-Executive Directors, taking into account the size and composition of the Board, the character of the business, its activities and the desired expertise and background of the Non-Executive Directors.

Article 14. Appointment, suspension and dismissal. Remuneration.

- 14.1 Directors are appointed by the General Meeting. A Director shall be appointed by the General Meeting either as an Executive Director or as a Non-Executive Director. Each Director will be appointed for a term of not more than four years.
- 14.2 The Board may nominate one or more candidates for each vacancy to the General Meeting. The Executive Directors shall not take part in the discussions and decision-making by the Board on making nominations for the appointment of Directors. A nomination for appointment of a Director shall state the candidate's age and the positions he holds or has held, insofar as these are relevant for the performance of the duties of a Director. A nomination for appointment must be accounted for by giving reasons for it.
- 14.3 A resolution of the General Meeting to appoint a Director other than in accordance with a nomination by the Board, may only be adopted by an absolute majority of the votes cast, representing more than one-third of the Company's issued capital. A second meeting as referred to in Section 2:120 paragraph 3 of the Dutch Civil Code cannot be convened.
- 14.4 At the General Meeting only candidates whose names are stated on the agenda of the meeting can be voted on for appointment as Director. If no appointment is made of a candidate nominated by the Board, the Board has the right to nominate a new candidate at a next meeting.
- 14.5 A Director may be suspended or removed by the General Meeting at any time. An Executive Director may also be suspended by the Board. Any suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end. A suspension may at any time be discontinued by the General Meeting.
- 14.6 A resolution of the General Meeting to suspend or remove a Director other than on the proposal of the Board, may only be adopted by an absolute majority of the votes cast, representing more than one-third of the Company's issued capital. The Executive Directors shall not take part in the discussions and decision-making by the Board on making a proposal for suspension or removal of a Director.
- 14.7 On re-appointment of a Director the provisions of this Article 14 regarding appointment of a Director shall apply accordingly.
- 14.8 The Company shall have a policy on remuneration of the Board. This policy shall be adopted by the General Meeting, on a proposal of the Board. The policy on remuneration shall in any case include the subjects described in Sections 2:383c through 2:283e of the Dutch Civil Code, insofar as these relate to the Board. The Executive Directors shall not take part in the discussions and decision-making by the Board on this.
- 14.9 With due observance of the policy referred to in Article 14.8, the authority to establish remuneration and other terms of service for Executive Directors is vested in the Board. The Executive Directors shall not take part in the discussions and decision-making by the Board on this.
- 14.10 With due observance of the policy referred to in Article 14.8, the authority to establish remuneration for Non-Executive Directors is vested in the General Meeting.
- 14.11 Proposals concerning remuneration of Executive Directors in the form of Shares or rights to subscribe for Shares, shall be submitted by the Board to the General Meeting for its approval. Such proposals must, at a minimum, state the number of Shares or rights to subscribe for Shares that may be granted and the criteria that apply to the granting of such Shares or rights to subscribe for Shares or the alteration of such arrangements.

Article 15. Chairman of the Board.

- 15.1 The General Meeting shall designate one of the Non-Executive Directors as chairman of the Board (the “**Chairman**”) for a term to be determined by the General Meeting.
- 15.2 The General Meeting may designate one or more of the other Non-Executive Directors as vice-chairman of the Board (a “**Vice-Chairman**”) for a term to be determined by the General Meeting.

Article 16. Duties and powers of the Board and allocation of duties.

- 16.1 The Board shall be entrusted with the management of the Company. In performing their duties, the Directors shall act in accordance with the interests of the Company and the business connected with it. Each Director is responsible for the general course of affairs.
- 16.2 The Executive Directors are charged with the daily management of the business connected with the Company.
- 16.3 The Non-Executive Directors are charged with the supervision of the performance of duties by the Executive Directors as well as the general course of affairs of the Company and the business connected with it. They will also be charged with the duties assigned to them pursuant to these Articles of Association, the rules referred to in Articles 16.6 and 17.9, or a resolution of the Board.
- 16.4 The Board shall appoint a company secretary and is authorised to replace him at any time. In absence of the secretary, its duties and powers are exercised by his deputy, to be designated by the Board.
- 16.5 The Board shall have an audit committee, a remuneration committee and a nominations committee. The Board may establish such other committees as it may deem necessary. The Board appoints the members of each committee and determines the tasks of each committee. The Board may, at any time, change the duties and the composition of each committee.
- 16.6 In addition to Articles 16.2 through 16.5 the Board may assign duties and powers to individual Directors and/or committees that are composed of two or more Directors. This may also include a delegation of decision-making power, provided this is laid down in writing. A Director to whom and a committee to which powers of the Board are delegated, must comply with the rules set in relation thereto by the Board.

Article 17. Meetings and decision-making process of the Board.

- 17.1 The Board shall meet as often as deemed necessary by the Chairman or a Vice-Chairman. Meetings of the Board shall be presided over by the Chairman or, in his absence, a Vice-Chairman. If both are absent, one of the other Directors, designated by a simple majority of the votes cast by the Directors present at the meeting, shall preside. Minutes will be kept of the proceedings at the meeting. The chairman of the meeting shall appoint a secretary for the meeting.
- 17.2 Except as provided otherwise in these Articles of Association or in the rules as referred to in Article 17.9, resolutions of the Board are adopted by a simple majority of the votes cast. Each Director has one vote. If there is a tie in voting, the Chairman, if present, has a decisive vote; if the Chairman is not present, the proposal shall be deemed to have been rejected.
- 17.3 An Executive Director may be represented in a meeting by another Executive Director authorised in writing. A Non-Executive Director may be represented in a meeting by another Non-Executive Director authorised in writing.
- 17.4 Resolutions of the Board can be adopted either in or outside a meeting.
- 17.5 Meetings of the Board may be held by means of an assembly of Directors in a formal meeting or by conference call, video conference or by any other means of communication, provided that all Directors participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.

- 17.6 A resolution of the Board can be adopted other than at a meeting, provided that the proposal concerned is submitted to all Directors and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all Directors. In the next meeting of the Board held after such consultation of Directors, the chairman of that meeting shall set out the results of the consultation.
- 17.7 Third parties may rely on a declaration in writing by the Chairman or a Vice-Chairman, concerning resolutions adopted by the Board or a committee thereof. Where it concerns a resolution adopted by a committee, third parties may also rely on a declaration in writing by the chairman of such committee.
- 17.8 The Board may designate specific resolutions which are subject to a requirement deviating from the provisions of Article 17.2. These resolutions must be clearly specified and laid down in writing.
- 17.9 The Board may adopt additional rules regarding its working methods and decision-making process.

Article 18. Meetings and decision-making process of the Non-Executive Directors.

- 18.1 The Non-Executive Directors shall meet as often as deemed necessary by the Chairman, a Vice-Chairman or at least one-third of the Non-Executive Directors. Meetings of the Non-Executive Directors shall be presided over by the Chairman or, in his absence, a Vice-Chairman. If both are absent, one of the other Non-Executive Directors, designated by a simple majority of the votes cast by the Non-Executive Directors present at the meeting, shall preside. Minutes will be kept of the proceedings at the meeting. The chairman of the meeting shall appoint a secretary for the meeting.
- 18.2 Resolutions of the Non-Executive Directors are adopted by a simple majority of the votes cast. Each Non-Executive Director has one vote. If there is a tie in voting, the Chairman, if present, has a decisive vote; if the Chairman is not present, the proposal shall be deemed to have been rejected.
- 18.3 A Non-Executive Director may be represented in a meeting of Non-Executive Directors by another Non-Executive Director authorised in writing.
- 18.4 Resolutions of the Non-Executive Directors can be adopted either in or outside a meeting.
- 18.5 Meetings of the Non-Executive Directors may be held by means of an assembly of Non-Executive Directors in a formal meeting or by conference call, video conference or by any other means of communication, provided that all Non-Executive Directors participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.
- 18.6 A resolution of the Non-Executive Directors can be adopted other than at a meeting, provided that the proposal concerned is submitted to all Non-Executive Directors and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all Non-Executive Directors. In the next meeting of the Non-Executive Directors held after such consultation of the Non-Executive Directors, the chairman of that meeting shall set out the results of the consultation.

Article 19. Conflicts of interests of Directors.

- 19.1 A Director having a conflict of interests as referred to in Article 19.2 must declare the nature and extent of that interest to the other Directors.
- 19.2 A Director shall not take part in the discussions and decision-making by the Board if he has a direct or indirect personal interest therein that conflicts with the interests of the Company or the business connected with it. If as a result no resolution can be adopted, the resolution shall be adopted by the Board subject to approval of the General Meeting.

Article 20. Representation.

- 20.1 The Company shall be represented by the Board. Any two Executive Directors acting jointly shall also be authorised to represent the Company.
- 20.2 The Board may appoint officers with general or limited power to represent the Company. Each officer shall be competent to represent the Company, subject to the restrictions imposed on him. The Board shall determine each officer's title.

Article 21. Approval of Board resolutions.

- 21.1 Resolutions by the Board related to a significant change in the identity or character of the Company or its business shall be subject to the approval of the General Meeting, which shall include, in any event:
- (a) the transfer of (nearly) the entire business of the Company to a third party;
 - (b) entering into or breaking off long-term co-operations of the Company or a Subsidiary with an other legal entity or company or as fully liable partner in a limited partnership or general partnership, if this co-operation or termination is of major significance for the Company;
 - (c) acquiring or disposing of participating interests in the capital of a company of at least one third of the sum of the assets of the Company as shown on its balance sheet plus explanatory notes or, if the Company prepares a consolidated balance sheet, its consolidated balance sheet plus explanatory notes according to the last adopted annual accounts of the Company, by the Company or a Subsidiary.

To the extent applicable, the works council shall timely, and prior to the date of convocation as referred to in Article 29.2, be given the opportunity to determine a position as referred to and with due observance of the provisions of Section 2:107a paragraph 3 of the Dutch Civil Code.

- 21.2 The absence of approval of the General Meeting of a resolution as referred to in this Article 21 shall not affect the representative authority of the Board or the Executive Directors.

Article 22. Vacancy or inability to act.

- 22.1 If a seat on the Board is vacant or a Director is unable to perform his duties, the remaining Directors or Director shall be temporarily entrusted with the management of the Company.
- 22.2 If the seats of one or more Executive Directors are vacant or one or more Executive Directors are unable to perform their duties, the Non-Executive Directors may temporarily entrust duties and powers of the relevant Executive Director to another Executive Director (if any is remaining) or another person.
- 22.3 If all seats of the Non-Executive Directors are vacant or no Non-Executive Director is able to perform his duties, one or more persons to be designated for that purpose by the General Meeting shall be temporarily entrusted with (i) the duties and powers of a Non-Executive Director or, (ii) if no Executive Director is in office or able to perform his duties and no other person is designated in accordance with Article 22.2, with the management of the Company.
- 22.4 When determining to which extent Directors are present or represented, consent to a manner of adopting resolutions, or vote, no account shall be taken of vacant Board seats and Directors who are unable to perform their duties.

CHAPTER VIII. INDEMNIFICATION.

Article 23. Indemnification.

- 23.1 The Company indemnifies every Director and holds them harmless from and against any liability and all claims, decisions, penalties and loss (the "**Claims**") that the Director suffered in connection with imminent, pending or terminated actions, investigations or other civil, criminal or administrative proceedings (the "**Proceedings**") initiated by a party not being the Company itself or its Group Companies, as a result of acts or omissions in his capacity as Director or a related capacity. Claims shall be understood to also include derivative proceedings against the Director,

which were initiated on behalf of the Company or its Group Companies and claims of the Company (or one of its Group Companies) to compensate claims of third parties that arose because the Director was jointly and severally liable towards such third party in addition to the Company.

- 23.2 The Director is not indemnified from and against Claims to the extent they relate to personal gain, benefits or fees to which he was not entitled under the law, or if the Director's liability on account of gross negligence, wilful misconduct or deliberate recklessness has been established at law.
- 23.3 The Company shall reimburse all costs (including reasonable attorney's fees and procedural costs) (jointly the "**Costs**") that the Director had to bear in connection with Proceedings, but only after receipt of a written undertaking of the Director that he will repay such Costs if a competent court establishes that he was not entitled to be reimbursed in this manner. Costs are also understood to mean any taxes payable by the Director on the basis of the indemnification granted to him.
- 23.4 Even in the event of Proceedings against the Director that were initiated by the Company or its Group Companies, the Company shall reimburse reasonable attorney's fees and procedural costs to the Director, but only after receipt of a written undertaking of the Director that he will repay such fees and costs if a competent court rules in favour of the Company or its Group Companies.
- 23.5 The Director shall not accept any personal financial liability *vis-à-vis* third parties and not enter into any advance pricing agreement in this respect without the Company's prior written permission. The Company and the Director shall make reasonable efforts to cooperate in order to reach agreement on the manner of defence for any Claim. If, however, the Company and the Director fail to reach agreement, the Director shall follow all instructions given by the Company at its own discretion.
- 23.6 The provisions of this Article 23 shall apply to acts or omissions of the Director in the period on or after the nineteenth day of May two thousand and five.
- 23.7 If this Article 23 is amended, the indemnification given herein shall nevertheless continue to be valid with regard to all Claims and/or Costs that have arisen from acts or omissions of the Director in the period in which this provision was in force.

CHAPTER IX. FINANCIAL YEAR AND ANNUAL ACCOUNTS.

Article 24. Financial year. Annual accounts.

- 24.1 The Company's financial year shall be the calendar year.
- 24.2 Annually, within four months after the end of the financial year, the Board shall prepare annual accounts and the management report.
- 24.3 The annual account shall be signed by the Directors; if the signature of one or more of them is missing, this shall be stated and reasons of this omission shall be given.
- 24.4 The annual accounts and the management report shall furthermore be subject to the provisions of Book 2, Title 9 of the Dutch Civil Code.
- 24.5 Within four months after the end of the financial year, the Company shall make the annual financial reporting, as referred to in Section 5:25c paragraph 2 of the Dutch Financial Supervision Act, publicly available. This annual financial reporting shall be held available to the public for the period prescribed by law.
- 24.6 The Company shall ensure that the annual accounts, the management report and other information to be added pursuant to Section 2:392 paragraph 1 of the Dutch Civil Code and by virtue of the law are present at the offices of the Company and at such locations as stated in the convening notice as referred to in Article 12, as from the day the General Meeting is convened until the day of the General Meeting in which they will be discussed.

The Shareholders and holders of depositary receipts may inspect those documents there and obtain a copy free of charge.

- 24.7 The General Meeting shall adopt the annual accounts. Within five days after the adoption of the annual accounts, the Company shall send the adopted annual accounts to the Netherlands Authority for the Financial Markets. If the annual accounts are not adopted within six months after the end of the financial year, the Company shall inform the Netherlands Authority for the Financial Markets.
- 24.8 At the General Meeting of Shareholders at which it is resolved to adopt the annual accounts, a proposal concerning release of the Directors from liability for the exercise of their respective duties, insofar as the exercise of their duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts, shall be brought up separately for discussion.

Article 25. Auditor.

- 25.1 The General Meeting or, if it fails to do so, the Board, shall instruct an auditor to audit the annual accounts drawn up by the Board in accordance with the provisions of Section 2:393 paragraph 3 of the Dutch Civil Code. The auditor shall report to the Board with regard to his audit and present the result of his audit in an opinion.
- The General Meeting and the party that granted the assignment to an auditor can withdraw the assignment at any time.
- 25.2 The Board may grant assignments to the auditor referred to in Article 25.1 or another auditor at the Company's expense.

Article 26. Profit and distributions.

- 26.1 The Board may resolve that the profits realised during a financial year will fully or partially be appropriated to increase and/or form reserves.
- 26.2 The allocation of profits remaining after application of Article 26.1 shall be determined by the General Meeting. The Board shall make a proposal for that purpose. A proposal to make a distribution of profits shall be dealt with as a separate agenda item at the General Meeting.
- 26.3 Distribution of profits shall be made after adoption of the annual accounts if permitted under the law given the contents of the annual accounts.
- 26.4 The Board may resolve to make interim distributions and/or to make distributions at the expense of any reserve of the Company.
- 26.5 Distributions on Shares may only be made to the extent the Company's equity exceeds the amount of the paid-up and called-up part of the capital plus the reserves that are to be maintained pursuant to the law or these Articles of Association. If it concerns an interim distribution, the compliance with this requirement must be evidenced by an interim statement of assets and liabilities as referred to in Section 2:105 paragraph 4 of the Dutch Civil Code. The Company shall deposit the statement of assets and liabilities at the Dutch Trade Register within eight days after the day on which the resolution to make the distribution is published.
- 26.6 The Board is authorised to determine that a distribution on Shares will not be made in cash but in the form of Shares, or to determine that holders of Shares may choose to accept the distribution in cash and/or in the form of Shares, all this from the profit and/or from a reserve and all this to the extent the Board has been designated by the General Meeting in accordance with Articles 7.1 and 7.3. The Board shall set the conditions under which such a choice may be made.

Article 27. Release for payment; entitlement.

- 27.1 Distributions of profits and other distributions shall be made payable four weeks after adoption, unless the General Meeting determines another date at the proposal of the Board.
- 27.2 A deficit may only be offset against the reserves prescribed by law to the extent this is permitted by law.

CHAPTER X. GENERAL MEETINGS OF SHAREHOLDERS.

Article 28. Annual General Meeting of Shareholders.

- 28.1 The annual General Meeting of Shareholders shall be held within six months after the end of the financial year.
- 28.2 The agenda for this annual General Meeting of Shareholders shall include the following items for discussion:
- (a) the management report;
 - (b) adoption of the annual accounts;
 - (c) allocation of profits;
 - (d) release from liability of the Directors for the exercise of their respective duties during the financial year concerned;
 - (e) any announcements on intended appointments of Directors;
 - (f) any announcements on intended granting of titles to Directors;
 - (g) any other proposals brought up for discussion by the Board and announced with due observance of Article 12, such as proposals to designate a body authorised to issue Shares and to authorise the Board to procure the Company's acquisition of Shares in its own capital; and
 - (h) any topics proposed by Shareholders with due observance of the provisions in these Articles of Association.
- 28.3 Extraordinary General Meetings of Shareholders shall be held as often as the Board or any persons to whom voting rights to Shares accrue, alone or jointly representing at least half of the Company's issued capital, deem such necessary.
- 28.4 Within three months of it becoming apparent to the Board that the equity of the Company has decreased to an amount equal to or lower than half of the paid-up part of the capital, a General Meeting of Shareholders shall be held to discuss any requisite measures.

Article 29. Location. Convening notice. Attendance.

- 29.1 The General Meetings of Shareholders shall be held in Almere or Amsterdam.
- 29.2 Shareholders and holders of depositary receipts are sent a convening notice for the General Meeting of Shareholders by a Director or by persons to whom voting rights to Shares accrue, alone or jointly representing at least half of the Company's issued capital. The convening notice must be sent no later than the forty-second day prior to the meeting or at a shorter term at the discretion of the Board if permitted by law, and in the manner stipulated in Article 12.
- 29.3 The convening notice must specify the location, the time, the topics to be discussed, the procedure for participation in the meeting through a written proxy, the procedure for participation in the meeting and the exercise of voting rights by means of an electronic means of communication, if this right can be exercised in accordance with Article 29.10, and the address of the website of the Company. A proposal to amend these Articles of Association or to reduce the capital must always be announced in the convening notice.

The notice convening a meeting containing a proposal to reduce the capital always states the reason for the capital reduction and the means of execution.

If it concerns a proposal to amend these Articles of Association or reduce the capital, a copy of the proposal containing the verbatim text of the proposed amendments to these Articles of Association, and the reasons for the capital reduction and the means of execution, shall be made available at the offices of the Company and at such locations as stated in the convening notice as referred to in Article 12, for the inspection of the Shareholders and holders of depositary receipts at the same time as the convening notice, until the end of the General Meeting of Shareholders. The copies must be available free of charge to Shareholders and holders of depositary receipts at the above locations.

No valid resolutions can be made with regard to topics in respect of which the provisions of this Article 29.3 above have not been met and the discussion of which has not yet been announced in a similar manner and with due observance of the period set for convening.

- 29.4 Items, for which a written request has been filed with the Board to discuss them, by one or more Shareholders and/or holders of depositary receipts, who, alone or jointly satisfy the requirements set in Section 2:114a paragraph 1 of the Dutch Civil Code, are included in the convening notice or have been announced in the same manner, provided the Board has received the reasons for the request or a proposal for a resolution in writing no later than on the sixtieth day prior to that of the meeting.
- 29.5 Each Shareholder entitled to vote and each usufructuary and pledgee to whom the right to vote accrues, shall be authorised to attend the General Meeting of Shareholders, to address the meeting and to exercise his voting right. Each Shareholder who is not entitled to vote and each holder of depositary receipts is authorised to attend the General Meeting of Shareholders and to address the meeting, but not to vote, it being understood that the latter provision with regard to holders of depositary receipts does not apply to usufructuaries and holders of a right to pledge who are entitled to vote on the Shares encumbered with usufruct and pledge respectively. Furthermore, the auditor as referred to in Article 25.1 is authorised to attend the General Meeting of Shareholders and to address the meeting.
- 29.6 Those entitled to attend the meeting may be represented at a meeting by a proxy authorised in writing.
- 29.7 Before being admitted to a meeting, a Shareholder, a holder of depositary receipts or his proxy must sign an attendance list, write his name and the number of votes he may cast, if any. If it concerns the proxy of a Shareholder or a holder of depositary receipts, the name (names) shall also be given of the person(s) on behalf of whom the proxy is acting. The names of the persons who, pursuant to Article 29.10, participate in the meeting or have voted in the manner referred to in Article 31.3 shall be added to the attendance list.
- 29.8 Holders of registered Shares must inform the Board in writing of their intention to attend the meeting. This information must be received by the Board at the latest on the date to be announced in the convening notice. This date can be no earlier than the seventh day before the date of the meeting.
- 29.9 With regard to the voting rights and/or meeting rights, the Company will also regard as a Shareholder, with the provisions in Sections 2:88 and 2:89 of the Dutch Civil Code applying *mutatis mutandis*, those listed by name in a written statement from an Intermediary to the effect that the number of Shares quoted in the statement belong to its collective depot and that such person named in the statement participates in the collective depot for the number of Shares quoted in the statement on the record date, provided that the statement in question has been filed on time at the location announced in the convening notice, such on receipt of proof of receipt, which will serve as an admission pass to the meeting. The convening notice to the meeting must state the latest date by which this must be done.
- 29.10 For the application of Articles 29.5 and 29.6, those who, on the twenty-eighth day prior to the meeting, have those rights and are registered as such in the register designated by the Board (or part of it) are entitled to vote and attend the meeting.
- The convening notice of the meeting must state the record date and how those holding voting rights and rights to attend the meeting can register and how they can exercise their rights.
- 29.11 The Board may decide that the right to attend the meeting referred to in Article 29.5 can be exercised using any electronic means of communication. To do so, it must always be possible that the person entitled to attend the meeting can be identified through the electronic means of communication, that he must be able to hear/keep informed of the business transacted at the meeting live and that he can exercise his right to vote, if entitled to do so. Moreover, the Board may also decide that the person entitled to attend the meeting can participate in the discussion via the electronic means of communication.
- 29.12 The Board may give further requirements with respect to the use of electronic means of communication as referred to in Article 29.11, provided these conditions are reasonable and

necessary for the identification of a Shareholder and for the reliability and safety of the communication. These requirements must be announced in the convening notice.

- 29.13 The convening notice will state the requirements for admission to the meeting as described above in this Article 29.

Article 30. Chairmanship of the Meeting. Minutes.

- 30.1 The General Meeting of Shareholders shall be presided over by the Chairman who, however, even if present at the meeting, may appoint someone else to chair the meeting in his stead.

Without the Chairman having appointed someone else to chair the meeting in his absence, the Directors present will appoint one of their members as chairman. In the absence of all Directors, the meeting itself shall appoint its chairman. The chairman shall appoint the secretary.

- 30.2 Minutes of the meeting shall be taken, unless a notarial record is made of the proceedings at the meeting. The (draft) minutes shall be provided upon request to those present at the meeting no later than three months after the meeting, after which they have three month's time to respond to the report. Minutes shall be adopted, as is evidenced by the signatures of the chairman and the secretary of that meeting or adopted by a subsequent meeting. In the latter case, the adoption shall be evidenced by the signatures of the chairman and secretary of that subsequent meeting.

Based on the attendance list referred to in Article 29.7, the notarial record or minutes shall state the number of Shares represented in the meeting and the number of potential votes; the attendance list referred to in Article 29.7 is not part of the notarial record nor the minutes and will not be disclosed to the Shareholders unless a Shareholder can prove that in viewing the list, he has a reasonable interest in the correct proceeding of the meeting in question.

After execution of the notarial deed of proceedings at the meeting or after adoption of the minutes by the chairman and the secretary of that meeting, copies of the notarial record or the minutes shall be available for inspection by the Shareholders and any holders of depositary receipts at the offices of the Company.

- 30.3 The chairman of the meeting and every Director can, at any time, order the preparation of a notarial record at the Company's expense.

- 30.4 Without prejudice to the provisions of Article 30.2, for each resolution adopted the Company shall determine:

- (a) the number of Shares for which valid votes have been cast;
- (b) the percentage of Shares that the number referred to under (a) represents in the issued capital;
- (c) the total number of valid votes cast; and
- (d) the number of votes cast in favour of and against the proposal, as well as the number of abstentions.

- 30.5 All matters concerning admission to the General Meeting, exercising the voting rights and the results of the votes, as well as all other matters related to the meeting proceedings are decided by the chairman of the meeting in question, without prejudice to the provisions in Section 2:13 paragraph 4 of the Dutch Civil Code.

- 30.6 The chairman of the meeting in question is authorised to admit persons to the meeting other than Shareholders, holders of depositary receipts and their representatives.

Article 31. Voting rights.

- 31.1 In the General Meeting of Shareholders, each Share confers the right to cast one vote.

- 31.2 Blank votes and invalid votes are deemed not to have been cast.

- 31.3 The Board may decide that votes that are cast before the General Meeting of Shareholders via an electronic means of communication or by letter are the equivalent of votes that are cast during the meeting. These votes cannot be cast before the record date announced in the convening notice

as referred to in Article 29.10. Without prejudice to the other provisions in Article 29, the convening notice announces the manner in which those entitled to vote and attend the meeting can exercise their rights prior to the meeting.

Article 32. Decision-making and votes.

- 32.1 Resolutions shall be passed by an absolute majority of the votes, unless the law or these Articles of Association explicitly prescribe a larger majority.
- 32.2 The chairman shall determine the method of voting, it being understood that, if any of the persons entitled to vote so desires, voting on appointing, suspending and dismissing persons will be done by sealed, unsigned ballot.
- 32.3 If a majority of the votes cast is not obtained in an election of a person, a second free vote shall be taken.
- If again no absolute majority is reached, another vote shall be held to decide between the two persons who received the most votes in the second free vote.
- If two or more persons have received the same number of votes and therefore more than two people are eligible for the revote, an interim vote shall be held between the person who received the highest number of votes in the second free vote – and did so after the person who received the highest number of votes – and the person who received the second-highest number of votes.
- Should an interim vote or revote fail to lead to a decision because of a tie in voting, then no decision shall be taken.
- 32.4 In the event of a tie in voting on topics other than the election of persons, the proposal shall be rejected.

CHAPTER XI. AMENDMENT OF THESE ARTICLES OF ASSOCIATION AND DISSOLUTION.

Article 33. Amendment of these Articles of Association. Dissolution.

- 33.1 A resolution to amend these Articles of Association or to dissolve the Company can only be passed on the proposal of the Board.
- 33.2 When a proposal to amend these Articles of Association or to dissolve the Company is to be made to the General Meeting, the notice convening the General Meeting must state so and, at the same time, if it concerns an amendment of these Articles of Association, a copy of the proposal including the verbatim text thereof, must be deposited and kept available at the Company's offices for inspection by the Shareholders and holders of usufruct or pledge with voting rights and free of charge, until the conclusion of the meeting.

Article 34. Liquidation.

- 34.1 If the Company is dissolved due to a resolution of the General Meeting, liquidation will take place in accordance with the statutory provisions.
- 34.2 To the extent possible, these Articles of Association shall remain in full force and effect during the liquidation.
- 34.3 If, during liquidation and after all debts have been paid including the costs of the liquidation, there remains a surplus balance, it will be distributed evenly on the Shares.
- The liquidators are authorised to pay out the surplus balance or any part thereof in advance, if the statement of assets indicates there is reason to do so.
- 34.4 After liquidation, the Company's books and documents shall remain in the possession of the person designated for this purpose by the General Meeting for the period prescribed by law.

Transitional provision.

Article 35. Conversion of bearer Shares.

- 35.1 The bearer Shares that were issued on the first day of January two thousand and one shall be added to the Euroclear global certificate on receipt of the Share certificates (K-certificates) with the corresponding dividend coupons and talons that have not yet matured and on receipt of the Share certificates (CF-certificates) with the corresponding summarised dividend coupon sheets. Entitlement to dividends and other distributions connected with bearer Shares that were outstanding on the thirty-first day of December two thousand, can only be exercised if the bearer Shares in question have been received in accordance with the provisions above in this Article 35.1.
- 35.2 With respect to the documents to be received as referred to in Article 35.1 that have been lost or gone missing, the Board may allow the Shares in question to be added in accordance with the provisions in Article 35.1.
- 35.3 This Article 35, including the heading, shall lapse on the day following the date on which all bearer Shares as referred to in Article 35.1 have been received in accordance with the provisions in Article 35.1.

2 Amended Articles of Association after delisting and pursuant to conversion into a Dutch private limited liability company

Note about translation:

This document is an English unofficial translation of the full text of the articles of association of USG People B.V. as they will read as per the execution of the deed of amendment of the articles of association and conversion of the legal form into a private company with limited liability (besloten vennootschap met beperkte aansprakelijkheid), to be executed before G.M. Portier, civil law notary in Amsterdam, the Netherlands, or his deputy or successor, on [●] 2016. In preparing this document, an attempt has been made to translate as literally as possible without jeopardising the overall continuity of the text. Inevitably, however, differences may occur in translation and if they do, the Dutch text will govern by law. The definitions in article 1.1 referred to in this translation are listed in the English alphabetical order which may differ from the Dutch alphabetical order.

In this translation, Dutch legal concepts are expressed in English terms and not in their original Dutch terms. The concepts concerned may not be identical to concepts described by the English terms as such terms may be understood under the laws of other jurisdictions.

Articles of association:

1 Definitions and interpretation

1.1 In these articles of association, the following terms shall have the following meanings:

“**Board**” means the board of directors of the Company.

“**Chairman**” has the meaning attributed thereto in article 14.1.

“**Chief Executive Officer**” or “**CEO**” has the meaning attributed thereto in article 12.3.

“**Chief Financial Officer**” or “**CFO**” has the meaning attributed thereto in article 12.3.

“**Company**” means the company the internal organisation of which is governed by these articles of association.

“**Director**” means a member of the Board; unless the contrary is apparent, this shall include each Executive Director and each Non-Executive Director.

“**Distributable Equity**” means the part of the Company’s equity which exceeds the aggregate of the reserves which must be maintained pursuant to the laws of the Netherlands.

“**Executive Director**” means a Director appointed as Executive Director in accordance with article 13.1.

“**General Meeting**” means the body of the Company consisting of the person or persons to whom, as a Shareholder or otherwise, voting rights attached to Shares accrue, or (as the case may be) a meeting of such persons (or their representatives) and other Persons with Meeting Rights.

“**Group Company**” means a group company of the Company.

“**in writing**” means transmitted by letter, telecopier or e-mail, or any other electronic means of communication, provided the relevant message is legible and reproducible.

“**Meeting Rights**” means the right to attend the General Meeting and to speak therein, as referred to in Section 2:227, subsection 1, of the Dutch Civil Code.

“**Non-Executive Director**” means a Director appointed as Non-Executive Director in accordance with article 13.1.

“**Person with Meeting Rights**” means a person to whom the Meeting Rights accrue.

“**Share**” means a share in the capital of the Company.

“**Shareholder**” means a holder of one or more Shares.

“**Subsidiary**” means a subsidiary of the Company.

“Vice-Chairman” has the meaning attributed thereto in article 14.2.

- 1.2** References to “articles” refer to articles that are part of these articles of association, except where expressly indicated otherwise.
- 1.3** Unless the context requires otherwise, words and expressions contained and not otherwise defined in these articles of association bear the same meaning as in the Dutch Civil Code. References in these articles of association to the law are references to provisions of the laws of the Netherlands as amended from time to time.
- 1.4** The definitions of the terms in these articles of association shall apply equally to the singular and the plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms.

2 Name and official seat

- 2.1** The Company’s name is:
USG People B.V.
- 2.2** The Company has its official seat in Almere, the Netherlands.

3 Objects

The objects of the Company are to participate in and manage other companies regardless of their nature, to finance and provide guarantees on behalf of its own obligations and its subsidiaries, to guarantee the debts of third parties, as well as anything that is related to or may be conducive to the above.

4 Share capital

- 4.1** The share capital of the Company is divided into Shares with a nominal value of fifty euro cents (EUR 0.50) each, numbered from 1 onward.
- 4.2** All Shares shall be registered. No share certificates shall be issued.
- 4.3** At least one Share shall be held by a person other than the Company or one of its Subsidiaries and other than for the account of the Company or one of its Subsidiaries.

5 Register of Shareholders

The Board shall keep a register in which the names and addresses of all Shareholders are recorded, showing the date on which they acquired the Shares, the date of acknowledgement by or serving upon the Company, and the nominal value paid up on each Share. The names and addresses of pledgees and usufructuaries of Shares shall also be entered in the register.

6 Issuance of Shares

- 6.1** Shares may be issued pursuant to a resolution of the General Meeting. The General Meeting may transfer this authority to another body of the Company and may also revoke such transfer.
- 6.2** A resolution to issue Shares shall stipulate the issue price and the other conditions.
- 6.3** The issuance of a Share shall require a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the issuance shall be parties.
- 6.4** Upon issuance of Shares, each Shareholder shall have a right of pre-emption in proportion to the aggregate nominal value of his Shares, subject to the limitations prescribed by the laws of the Netherlands and article 6.5.
- 6.5** Prior to each single issuance of Shares, the right of pre-emption may be limited or excluded pursuant to a resolution of the body of the Company authorised to issue such Shares.
- 6.6** Rights of pre-emption may not be separately disposed of.

- 6.7** The articles 6.1, 6.2, 6.4, 6.5 and 6.6 shall apply by analogy to the granting of rights to subscribe for Shares, but do not apply to the issuance of Shares to a person exercising a right to subscribe for Shares previously granted.
- 6.8** The nominal value of each Share must be paid upon subscription. It can be stipulated that the nominal value or part thereof will only have to be paid on the expiry of a certain period or after the Company has requested that such payment be made.
- 6.9** The Board shall be authorised to perform legal acts relating to non-cash contributions on Shares and other legal acts as referred to in Section 2:204 of the Dutch Civil Code, without prior approval of the General Meeting.
- 7 Own Shares and reduction of the issued capital**
- 7.1** The Company and its Subsidiaries may acquire fully paid up Shares or depositary receipts thereof, with due observance of the limitations prescribed by the laws of the Netherlands.
- 7.2** The General Meeting may resolve to reduce the Company's issued capital in accordance with the laws of the Netherlands. A resolution to reduce the Company's issued capital with repayment will have no effect for as long as the Board has not granted its approval thereto.
- 8 Transfer of Shares**
- 8.1** The transfer of a Share shall require a notarial deed, to be executed for that purpose before a civil law notary registered in the Netherlands, to which deed those involved in the transfer shall be parties.
- 8.2** Unless the Company itself is party to the legal act, the rights attached to the Share can only be exercised after the Company has acknowledged said legal act or said deed has been served upon it, with due observance of the laws of the Netherlands.
- 9 Free transferability**
- No restrictions shall apply to a transfer of Shares.
- 10 Pledging of Shares and usufruct on Shares**
- 10.1** Article 8 shall apply by analogy to the pledging of Shares and to the creation or transfer of a usufruct on Shares.
- 10.2** The voting rights attached to Shares may be assigned to the pledgee, with due observance of the laws of the Netherlands.
- 10.3** Both the Shareholder without voting rights and the pledgee with voting rights shall have the Meeting Rights. The Meeting Rights may also be granted to the pledgee without voting rights, with due observance of the laws of the Netherlands.
- 10.4** The voting rights attached to Shares may not be assigned to the usufructuary.
- 11 Depositary receipts for Shares**
- The Meeting Rights shall not be attached to depositary receipts for Shares.
- 12 Composition of the Board**
- 12.1** The Board shall consist of one or more Executive Directors and one or more Non-Executive Directors. With due observance of the foregoing sentence, the General Meeting shall determine the exact number of Executive Directors and Non-Executive Directors. If there is no Executive Director in office or if there is no Non-Executive Director in office, the authorities of the Board and of the Directors shall continue to apply in full. The remaining Directors or Director will then forthwith take measures to increase the number of Executive Directors or Non-Executive Directors, as the case may be.
- 12.2** Legal entities and individuals can be Executive Directors. Only individuals can be Non-Executive Directors.

- 12.3** The General Meeting may designate, for a term to be determined by the General Meeting, one of the Executive Directors as chief executive officer (“**Chief Executive Officer**” or “**CEO**”) and one of the Executive Directors as chief financial officer (“**Chief Financial Officer**” or “**CFO**”), or grant other titles to an Executive Director. An Executive Director can have more than one title.

13 Appointment, removal and suspension of Directors

- 13.1** Directors are appointed by the General Meeting. A Director shall be appointed by the General Meeting either as an Executive Director or as a Non-Executive Director.
- 13.2** The Board may recommend one or more candidates for each vacancy to the General Meeting. The Executive Directors shall not take part in the discussions and decision-making by the Board on making recommendations for the appointment of Directors.
- 13.3** When a recommendation for appointment of a Non-Executive Director is made, the following particulars of the candidate shall be stated: his age, his profession, the amount of the Shares he holds and the positions he holds or has held insofar as these are relevant for the performance of the duties of a Non-Executive Director. Furthermore, the names of the legal entities of which he is already a supervisory director or non-executive director shall be indicated; if those include legal entities which belong to the same group, a reference to that group will be sufficient. The recommendation for appointment or re-appointment must state the reasons on which it is based. At re-appointment the way the candidate has fulfilled his duties as a Non-Executive Director will be taken into account.
- 13.4** A Director may be suspended or removed by the General Meeting at any time. An Executive Director may also be suspended by the Board. Any suspension may be extended one or more times, but may not last longer than three months in aggregate. If, at the end of that period, no decision has been taken on termination of the suspension or on removal, the suspension shall end. A suspension may at any time be discontinued by the General Meeting.

14 Chairman of the Board

- 14.1** The General Meeting shall designate one of the Non-Executive Directors as chairman of the Board (the “**Chairman**”) for a term to be determined by the General Meeting.
- 14.2** The General Meeting may designate one or more of the other Non-Executive Directors as vice-chairman of the Board (a “**Vice-Chairman**”) for a term to be determined by the General Meeting.

15 Duties and powers of the Board and allocation of duties

- 15.1** The Board shall be entrusted with the management of the Company. In performing their duties, the Directors shall act in accordance with the interests of the Company and the business connected with it. Each Director is responsible for the general course of affairs.
- 15.2** The Executive Directors are charged with the daily management of the business connected with the Company.
- 15.3** The Non-Executive Directors are charged with the supervision of the performance of duties by the Executive Directors as well as the general course of affairs of the Company and the business connected with it. They will also be charged with the duties assigned to them pursuant to these articles of association, the rules referred to in articles 15.6 and 16.9, or a resolution of the Board.
- 15.4** With reference to Section 2:239, subsection 4, of the Dutch Civil Code, the Board shall comply with instructions given by the General Meeting, provided that no such instruction shall conflict with the interest of the Company or its business.
- 15.5** The Board may establish committees as it may deem necessary. The Board appoints the members of each committee and determines the tasks of each committee. The Board may, at any time, change the duties and the composition of each committee.
- 15.6** In addition to articles 15.2, 15.3 and 15.5, the Board may assign duties and powers to individual Directors and/or committees that are composed of two or more Directors. This may also include a delegation of decision-making power, provided this is laid down in writing. A Director to whom

and a committee to which powers of the Board are delegated, must comply with the rules set in relation thereto by the Board.

16 Meetings and decision-making process of the Board

- 16.1** The Board shall meet as often as deemed necessary by the Chairman or a Vice-Chairman. Meetings of the Board shall be presided over by the Chairman or, in his absence, a Vice-Chairman. If both are absent, one of the other Directors, designated by a simple majority of the votes cast by the Directors present at the meeting, shall preside. Minutes will be kept of the proceedings at the meeting. The chairman of the meeting shall appoint a secretary for the meeting.
- 16.2** Except as provided otherwise in these articles of association or in the rules as referred to in article 16.9, resolutions of the Board are adopted by a simple majority of the votes cast. Each Director has one vote. If there is a tie in voting, the Chairman, if present, has a decisive vote; if the Chairman is not present, the proposal shall be deemed to have been rejected.
- 16.3** An Executive Director may be represented in a meeting by another Executive Director authorised in writing. A Non-Executive Director may be represented in a meeting by another Non-Executive Director authorised in writing.
- 16.4** Resolutions of the Board can be adopted either in or outside a meeting.
- 16.5** Meetings of the Board may be held by means of an assembly of Directors in a formal meeting or by conference call, video conference or by any other means of communication, provided that all Directors participating in such meeting are able to communicate with each other simultaneously. Participation in a meeting held in any of the above ways shall constitute presence at such meeting.
- 16.6** A resolution of the Board can be adopted other than at a meeting, provided that the proposal concerned is submitted to all Directors and none of them has objected to the relevant manner of adopting resolutions, as evidenced by written statements from all Directors. In the next meeting of the Board held after such consultation of Directors, the chairman of that meeting shall set out the results of the consultation.
- 16.7** Third parties may rely on a declaration in writing by the Chairman or a Vice-Chairman, concerning resolutions adopted by the Board or a committee thereof. Where it concerns a resolution adopted by a committee, third parties may also rely on a declaration in writing by the chairman of such committee.
- 16.8** The Board may designate specific resolutions which are subject to a requirement deviating from the provisions of article 16.2. These resolutions must be clearly specified and laid down in writing.
- 16.9** The Board may adopt additional rules regarding its working methods and decision-making process.

17 Conflicts of interests of Directors

- 17.1** A Director having a conflict of interests as referred to in article 17.2 must declare the nature and extent of that interest to the other Directors.
- 17.2** A Director shall not take part in the discussions and decision-making by the Board if he has a direct or indirect personal interest therein that conflicts with the interests of the Company or the business connected with it. If as a result no resolution can be adopted, the resolution shall be adopted by the Board subject to approval of the General Meeting.

18 Representation

- 18.1** The Company shall be represented by the Board. Any two Executive Directors acting jointly shall also be authorised to represent the Company.
- 18.2** The Board may appoint officers with general or limited power to represent the Company. Each officer shall be competent to represent the Company, subject to the restrictions imposed on him. The Board shall determine each officer's title.

19 Approval of Board resolutions

- 19.1** The General Meeting may require Board resolutions to be subject to its approval. The Board shall be notified in writing of such resolutions, which shall be clearly specified.
- 19.2** The absence of approval by the General Meeting of a resolution as referred to in this article 19 shall not affect the authority of the Board or the Executive Directors to represent the Company.

20 Vacancy or inability to act

- 20.1** If a seat on the Board is vacant or a Director is unable to perform his duties, the remaining Directors or Director shall be temporarily entrusted with the management of the Company.
- 20.2** If the seats of one or more Executive Directors are vacant or one or more Executive Directors are unable to perform their duties, the majority of the Non-Executive Directors may temporarily entrust duties and powers of the relevant Executive Director to another Executive Director (if any is remaining) or another person.
- 20.3** If all seats of the Non-Executive Directors are vacant or no Non-Executive Director is able to perform his duties, one or more persons to be designated for that purpose by the General Meeting shall be temporarily entrusted with (i) the duties and powers of a Non-Executive Director or, (ii) if no Executive Director is in office or able to perform his duties and no other person is designated in accordance with article 20.2, with the management of the Company.
- 20.4** When determining to which extent Directors are present or represented, consent to a manner of adopting resolutions, or vote, no account shall be taken of vacant Board seats and Directors who are unable to perform their duties.

21 Remuneration of Directors

The authority to establish remuneration for Directors is vested in the General Meeting.

22 Financial year and annual accounts

- 22.1** The Company's financial year shall be the calendar year.
- 22.2** Annually, not later than five months after the end of the financial year, save where this period is extended by the General Meeting by not more than five months by reason of special circumstances, the Board shall prepare annual accounts, and shall deposit the same for inspection by the Shareholders and the other Persons with Meeting Rights at the Company's office.
- 22.3** Within the same period, the Board shall also deposit the management report at the Company's office for inspection by the Shareholders and the other Persons with Meeting Rights, unless Section 2:396, subsection 7, or Section 2:403 of the Dutch Civil Code applies to the Company.
- 22.4** The annual accounts shall consist of a balance sheet, a profit and loss account and explanatory notes.
- 22.5** The annual accounts shall be signed by the Directors. If the signature of one or more of them is missing, this shall be stated and reasons for this omission shall be given.
- 22.6** The Company may, and if the laws of the Netherlands so require shall, appoint an auditor to audit the annual accounts. Such appointment shall be made by the General Meeting.

23 Adoption of the annual accounts and release from liability

- 23.1** The General Meeting shall adopt the annual accounts.
- 23.2** At the General Meeting at which it is resolved to adopt the annual accounts, a proposal concerning release of the Directors from liability for the exercise of their respective duties, insofar as the exercise of their duties is reflected in the annual accounts or otherwise disclosed to the General Meeting prior to the adoption of the annual accounts, shall be brought up for discussion separately.

- 23.3** If all Shareholders are also Directors, signing of the annual accounts by all Directors shall not be considered as adoption of the annual accounts within the meaning of article 23.1.
- 24 Profits and distributions**
- 24.1** The General Meeting is authorised to allocate the profits as determined by the adoption of the annual accounts and to declare distributions.
- 24.2** A resolution to make a distribution on Shares will have no effect for as long as the Board has not granted its approval thereto. The Board shall only refuse to grant the approval if it knows or should reasonably foresee that the Company shall, after the distribution, no longer continue to be able to satisfy its claimable debts.
- 24.3** If the Company must maintain reserves pursuant to the laws of the Netherlands, distributions on Shares may be made only up to an amount which does not exceed the amount of the Distributable Equity.
- 24.4** A claim of a Shareholder for payment of a distribution on Shares shall be barred after five years have elapsed.
- 24.5** No distributions shall be made on Shares held by the Company in its own capital, unless these Shares were pledged or a usufruct was created on these Shares prior to the acquisition of these Shares by the Company and the authority to collect distributions or the right to receive distributions respectively accrues to the pledgee or the usufructuary respectively. For the computation of distributions, the Shares on which no distributions shall be made pursuant to this article 24.5, shall not be taken into account.
- 25 Annual General Meeting**
- During each financial year at least one General Meeting shall be held or at least one resolution shall be adopted in accordance with article 32.
- 26 General Meetings**
- 26.1** General Meetings may be convened by the Board, the Chairman or two Non-Executive Directors or by persons to whom voting rights to Shares accrue, alone or jointly representing at least half of the voting rights that can be cast in a General Meeting where the entire issued capital of the Company is represented.
- 26.2** Shareholders and/or other Persons with Meeting Rights alone or jointly representing in the aggregate at least one-hundredth of the Company's issued capital may request the Board in writing to convene a General Meeting, stating specifically the business to be discussed. If the Board has not given proper notice of a General Meeting within two weeks following receipt of such request such that the meeting can be held within four weeks after receipt of the request, the applicants shall be authorised to convene a meeting themselves, provided that no important interests of the Company dictate otherwise.
- 27 General Meeting: notice, agenda and venue**
- 27.1** Notice of General Meetings may be given by those entitled to convene the General Meeting pursuant to articles 26.1 or 26.2.
- 27.2** Notice of the meeting shall be given no later than on the eighth day prior to the day of the meeting.
- 27.3** The notice convening the meeting shall specify the business to be discussed. Other business not specified in such notice may be announced at a later date, with due observance of the term referred to in article 27.2.
- 27.4** Items, for which a written request has been filed to discuss them, by one or more Shareholders and/or other Persons with Meeting Rights, alone or jointly representing at least one-hundredth of the Company's issued capital, shall be included in the notice or announced in the same manner, provided that the Company received the request no later than on the thirtieth day before the date of the meeting and provided that no important interests of the Company dictate otherwise.

- 27.5** The notice convening the meeting shall be sent to the addresses of the Shareholders and the other Persons with Meeting Rights shown in the register referred to in article 5. With the consent of a Shareholder or another Person with Meeting Rights, notice of the meeting may also be given by a legible and reproducible message sent through electronic means of communication to the address provided for the purposes hereof by the Shareholder or the other Person with Meeting Rights to the Company.
- 27.6** General Meetings are held in the municipality in which, according to these articles of association, the Company has its official seat or at Schiphol airport (municipality of Haarlemmermeer, the Netherlands). General Meetings may also be held elsewhere, provided that all Persons with Meeting Rights have consented to the place of the meeting and the Directors have been given the opportunity to give advice prior to the decision-making.
- 28 General Meeting: admittance, Meeting Rights and voting rights**
- 28.1** The Meeting Rights accrue to each Shareholder and each other Person with Meeting Rights. Each Shareholder and each pledgee to whom the voting rights accrue shall be entitled to exercise the voting rights in the General Meeting. Shareholders and other Persons with Meeting Rights may be represented in a meeting by a proxy authorised in writing.
- 28.2** The Board may determine that the Meeting Rights and the voting rights may be exercised by electronic means of communication, either in person or by a proxy authorised in writing. In order to do so, a Person with Meeting Rights, or his proxy authorised in writing, must, through the electronic means of communication, be identifiable, be able to directly observe the proceedings at the meeting, be able to participate in the discussions and, if the voting rights accrue to him, be able to exercise the voting rights. The Board may attach conditions to the use of the electronic means of communication, which conditions shall be announced with the notice of the meeting.
- 28.3** At a meeting, each person present with voting rights, or his proxy authorised in writing, must sign the attendance list. The chairman of the meeting may decide that the attendance list must also be signed by other persons present at the meeting. The names of the persons who participate in the meeting pursuant to article 28.2 or who have cast their votes in the manner referred to in article 31.6 shall be added to the attendance list.
- 28.4** The Directors shall have the right to cast an advisory vote in the General Meetings.
- 28.5** The chairman of the meeting shall decide on the admittance of other persons to the meeting.
- 29 General Meeting: chairman and secretary**
- 29.1** The General Meetings shall be presided over by the Chairman or, in his absence, a Vice-Chairman. In their absence, the Directors present at the meeting shall appoint a chairman of the meeting from among their midst.
- 29.2** If the chairmanship of a meeting is not provided in accordance with article 29.1, the chairman of the meeting shall be appointed by the persons with voting rights present or represented at the meeting, by a simple majority of the votes cast. Until such appointment is made, a Director shall act as chairman, or, if no Director is present at the meeting, the eldest person present at the meeting shall act as chairman.
- 29.3** The chairman of the meeting shall appoint a secretary for the meeting.
- 30 Minutes and recording of Shareholders' resolutions**
- 30.1** The secretary of a General Meeting shall keep minutes of the proceedings at the meeting. The minutes shall be adopted by the chairman of the meeting and the secretary of the meeting and as evidence thereof shall be signed by them.
- 30.2** The Board shall keep record of all resolutions adopted by the General Meeting. If the Board is not represented at a meeting, the chairman of the meeting shall ensure that the Board is provided with a transcript of the resolutions adopted, as soon as possible after the meeting. The records shall be deposited at the Company's office for inspection by the Shareholders and the other

Persons with Meeting Rights. On application, each of them shall be provided with a copy of or an extract from the records, at not more than cost price.

31 Adoption of resolutions in a General Meeting

- 31.1** Each Share confers the right to cast one vote.
- 31.2** In the General Meeting, no voting rights may be exercised for Shares held by the Company or a Subsidiary, nor for Shares for which the Company or a Subsidiary holds the depositary receipts. However, pledgees of Shares owned by the Company or a Subsidiary are not excluded from exercising voting rights if the right of pledge was created before the Share was owned by the Company or such Subsidiary. The Company or a Subsidiary may not exercise voting rights for a Share in which it holds a right of pledge or a usufruct.
- 31.3** To the extent that the laws of the Netherlands or these articles of association do not provide otherwise, all resolutions of the General Meeting shall be adopted by a simple majority of the votes cast, without a quorum being required.
- 31.4** If there is a tie in voting, the proposal shall be deemed to have been rejected.
- 31.5** If the formalities for convening and holding of General Meetings, as prescribed by the laws of the Netherlands or these articles of association, have not been complied with, valid resolutions of the General Meeting may only be adopted in a meeting, if all Persons with Meeting Rights have consented to the decision-making taking place and the Directors have been given the opportunity to give advice prior to the decision-making.
- 31.6** The Board may determine that votes cast by electronic means of communication prior to the General Meeting shall be treated equally to votes cast during the meeting. The Board shall determine the period of time during which votes may be cast in the manner provided in the preceding

32 Adoption of resolutions without holding a General Meeting

- 32.1** Shareholders may adopt resolutions of the General Meeting other than in a meeting, provided that all Persons with Meeting Rights have consented to this manner to adopt a resolution. In case of adoption of resolutions other than in a meeting, the votes shall be cast in writing. The requirement that votes must be cast in writing shall have been met if the resolutions have been put in writing specifying the way in which each Shareholder has cast his vote. The Directors shall be given the opportunity to give advice prior to the decision-making.
- 32.2** Each Shareholder must ensure that the Board is informed of the resolutions thus adopted as soon as possible in writing. The Board shall keep record of the resolutions adopted and it shall add such records to those referred to in article 30.2.

33 Amendment of the articles of association

- 33.1** The General Meeting may resolve to amend these articles of association.
- 33.2** A resolution to amend these articles of association as a result of which the voting rights will be amended can only be adopted by unanimous vote in a meeting where the entire issued capital of the Company is represented.
- 33.3** A resolution to amend these articles of association as a result of which a place outside the Netherlands will be designated as place where General Meetings will be held, can only be adopted by unanimous vote in a meeting where the entire issued capital of the Company is represented and provided that all Persons with Meeting Rights have consented to the amendment of the articles of association.
- 33.4** When a proposal to amend these articles of association is to be made to the General Meeting, the notice convening the General Meeting must state so and a copy of the proposal, including the verbatim text thereof, shall be deposited and kept available at the Company's office for inspection by the Shareholders and the other Persons with Meeting Rights, until the conclusion of the meeting.

34 Dissolution and liquidation

- 34.1** The Company may be dissolved pursuant to a resolution to that effect by the General Meeting. When a proposal to dissolve the Company is to be made to the General Meeting, this must be stated in the notice convening the General Meeting.
- 34.2** If the Company is dissolved pursuant to a resolution of the General Meeting, the Executive Directors shall become liquidators of the dissolved Company's assets, unless the General Meeting resolves to appoint one or more other persons as liquidator and the Non-Executive Directors shall be charged with the supervision thereof.
- 34.3** During liquidation, the provisions of these articles of association shall remain in force to the extent possible.
- 34.4** The balance remaining after payment of the debts of the dissolved Company shall be transferred to the Shareholders in proportion to the aggregate paid up nominal value of the Shares held by each.
- 34.5** After the end of the liquidation, the books, records and other data carriers of the dissolved Company shall remain in the custody of the person designated for that purpose by the General Meeting, and in the absence thereof the person designated for that purpose by the liquidators, for such period as prescribed by the laws of the Netherlands.

35 Conversion of bearer Shares

Upon the foregoing amendment of the articles of association taking effect, the bearer shares in the capital of the Company in issue immediately prior thereto, being ● (●) bearer shares, with a nominal value of fifty euro cents (EUR 0.50) each, shall be converted into ● (●) registered shares, with a nominal value of fifty euro cents (EUR 0.50) each.

After the foregoing amendment of the articles of association and conversion of bearer shares into registered shares taking effect, the holders of bearer share certificates or usufructuaries or pledgees of such shares may not exercise their rights attached to such shares until they have been registered in the Company's register of shareholders. To the extent that share certificates have been issued for such shares, the aforementioned registration in the Company's register of shareholders shall not be made unless such share certificates have been handed over to the Company.

With respect to share certificates that have been lost or gone missing, the Board (as defined in the articles of association) may, at the expense of the requesting party, take any such measures as it deems necessary to locate the share certificates in question and may, at its sole discretion, allow the aforementioned registration in the Company's register of shareholders.

The person appearing has declared:

Issued capital

Upon the foregoing amendment of the articles of association taking effect and immediately following the foregoing conversion of bearer shares into registered shares, the issued capital of the Company amounts to [● euro (EUR ●), divided into ● (●) registered shares without further specification, with a nominal value of fifty euro cents (EUR 0.50) each.

[Finally, the person appearing has declared:

Effective date of amendment of the articles of association

The foregoing amendment of the articles of association will take effect on the ● day of ● two thousand and sixteen.]