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**Right Management Nordic  
Holding A/S**  
Oldenburg Alle 3, 2. tv.  
2630 Taastrup  
Central Business Registration No  
14801979

**Annual report 2016**

The Annual General Meeting adopted the annual report on 09.06.2017

**Chairman of the General Meeting**

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Name: Line Sandström

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## Entity details

### Entity

Right Management Nordic Holding A/S  
Oldenburg Alle 3, 2. tv.  
2630 Taastrup

Central Business Registration No: 14801979  
Registered in: Copenhagen  
Financial year: 01.01.2016 - 31.12.2016

### Board of Directors

Anders Bergqvist  
Lars Bertil Forseth

### Executive Board

Lars Bertil Forseth, Managing Director

### Auditors

Deloitte Statsautoriseret Revisionspartnerselskab  
Weidekampsgade 6  
Postboks 1600  
0900 København C

## Statement by Management on the annual report

The Board of Directors and the Executive Board have today considered and approved the annual report of Right Management Nordic Holding A/S for the financial year 01.01.2016 - 31.12.2016.

The annual report is presented in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016.

We believe that the management commentary contains a fair review of the affairs and conditions referred to therein.

We recommend the annual report for adoption at the Annual General Meeting.

Copenhagen, 09.06.2017

### Executive Board

Lars Bertil Forseth  
Managing Director

### Board of Directors

Anders Bergqvist

Lars Bertil Forseth

# Independent auditor's report

## To the shareholder of Right Management Nordic Holding A/S

### Opinion

We have audited the financial statements of Right Management Nordic Holding A/S for the financial year 01.01.2016 - 31.12.2016, which comprise the income statement, balance sheet, statement of changes in equity and notes, including a summary of significant accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the Entity's financial position at 31.12.2016 and of the results of its operations for the financial year 01.01.2016 - 31.12.2016 in accordance with the Danish Financial Statements Act.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's responsibilities for the audit of the financial statements section of this auditor's report. We are independent of the Entity in accordance with the International Ethics Standards Board of Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Entity's ability to continue as a going concern, for disclosing, as applicable, matters related to going concern, and for using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

## Independent auditor's report

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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 override of internal control.
- Obtain 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity'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. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures in the notes, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

We communicate with those charged with governance 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.

### **Statement on the management commentary**

Management is responsible for the management commentary.

Our opinion on the financial statements does not cover the management commentary, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the management commentary and, in doing so, consider whether the management commentary is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the management commentary provides the information required under the Danish Financial Statements Act.

## **Independent auditor's report**

Based on the work we have performed, we conclude that the management commentary is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the management commentary.

Copenhagen, 09.06.2017

### **Deloitte**

Statsautoriseret Revisionspartnerselskab

Central Business Registration No: 33963556

Kim Takata Mücke

State Authorised Public Accountant

## Management commentary

### Primary activities

Right Management Nordic Holding A/S is parent company for the Danish career and consultancy group under New York Stock Exchange listed Manpower Inc., USA. Group activities consists of consultancy including development of individuals, organizations, leadership and business, outplacement and arrangement of seminars and training. The subsidiary in Denmark is without activities.

### Development in activities and finances

The result for the year is due to losses in Right Management Denmark A/S and financial costs. The result for the year is regarded as unsatisfactory.

### Outlook

A loss is expected in the coming year. The Company's negative equity at t.DKK - 143.210 has no impact on the going concern principle as the US parent company is making the necessary and needed funding available.

### Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

### Capital position

As the Company has significant negative equity, ManpowerGroup Inc. is committed to provide the necessary financial support and other support to Right Management Denmark A/S, enabling the Company to continue to operate and meet its obligations. Based on this, management has concluded that the Company is a going concern.



## Income statement for 2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Income from investments in group enterprises	2	(471.934)	(1.072.928)
Other financial expenses	3	<u>(877.408)</u>	<u>(894.248)</u>
<b>Profit/loss for the year</b>		<b><u>(1.349.342)</u></b>	<b><u>(1.967.176)</u></b>
<b>Proposed distribution of profit/loss</b>			
Retained earnings		<u>(1.349.342)</u>	<u>(1.967.176)</u>
		<b><u>(1.349.342)</u></b>	<b><u>(1.967.176)</u></b>

**Balance sheet at 31.12.2016**

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Investments in group enterprises		0	0
<b>Fixed asset investments</b>	4	<u>0</u>	<u>0</u>
<b>Fixed assets</b>		<u>0</u>	<u>0</u>
Cash		<u>4.408</u>	<u>12.710</u>
<b>Current assets</b>		<u>4.408</u>	<u>12.710</u>
<b>Assets</b>		<u>4.408</u>	<u>12.710</u>

## Balance sheet at 31.12.2016

	<u>Notes</u>	<u>2016 DKK</u>	<u>2015 DKK</u>
Contributed capital		750.000	750.000
Other statutory reserves		115.739	115.739
Retained earnings		<u>(144.076.028)</u>	<u>(142.726.695)</u>
<b>Equity</b>		<b><u>(143.210.289)</u></b>	<b><u>(141.860.956)</u></b>
Provisions for investments in group enterprises		<u>38.475.699</u>	<u>38.003.765</u>
<b>Provisions</b>		<b><u>38.475.699</u></b>	<b><u>38.003.765</u></b>
Payables to group enterprises		104.725.574	103.865.798
Other payables		<u>13.424</u>	<u>4.103</u>
<b>Current liabilities other than provisions</b>		<b><u>104.738.998</u></b>	<b><u>103.869.901</u></b>
<b>Liabilities other than provisions</b>		<b><u>104.738.998</u></b>	<b><u>103.869.901</u></b>
<b>Equity and liabilities</b>		<b><u>4.408</u></b>	<b><u>12.710</u></b>
Going concern	1		
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## Statement of changes in equity for 2016

	<b>Contributed capital DKK</b>	<b>Other statutory reserves DKK</b>	<b>Retained earnings DKK</b>	<b>Total DKK</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Equity beginning of year	750.000	115.739	(142.726.695)	(141.860.956)
Profit/loss for the year	0	0	(1.349.333)	(1.349.333)
<b>Equity end of year</b>	<b>750.000</b>	<b>115.739</b>	<b>(144.076.028)</b>	<b>(143.210.289)</b>

The share capital consists of 750.000 shares, each with nominal value of DKK 1. No shares hold particular rights

## Notes

### 1. Going concern

As the Company has significant negative equity, ManpowerGroup Inc. is committed to provide the necessary financial support and other support to Right Management Denmark A/S, enabling the Company to continue to operate and meet its obligations. Based on this, management has concluded that the Company is a going concern.

### 2. Income from investments in group enterprises

	<b>2016</b>	<b>2015</b>
	<b>DKK</b>	<b>DKK</b>
<b>3. Other financial expenses</b>		
Financial expenses from group enterprises	680.065	699.543
Interest expenses	197.343	194.705
	<b>877.408</b>	<b>894.248</b>

	<b>Investments in group enterprises DKK</b>
<b>4. Fixed asset investments</b>	
Cost beginning of year	1.100.000
<b>Cost end of year</b>	<b>1.100.000</b>
Impairment losses beginning of year	(39.103.765)
Share of profit/loss for the year	(471.934)
Investments with negative equity transferred to provisions	38.475.699
<b>Impairment losses end of year</b>	<b>(1.100.000)</b>
<b>Carrying amount end of year</b>	<b>0</b>

	<b>Registered in</b>	<b>Corpo- rate form</b>	<b>Equity inte- rest %</b>	<b>Equity DKK</b>	<b>Profit/loss DKK</b>
Investments in group enterprises comprise:					
Right Management Denmark	Denmark	A/S	100,0	(38.475.699)	(471.934)

## Notes

Investments in group enterprises are valued at DKK 0 under financial assets and DKK 38.475.690 under provisions covering the negative equity.

### 5. Contingent liabilities

The Company is part of a joint taxation with Manpower Europe Holding ApS as administration company. From the 1<sup>st</sup> of July 2012 the Company has been jointly liable with entities within the tax consolidation for withholding tax, interest, royalties and dividend for the jointly taxed companies. From the 1<sup>st</sup> of January 2013 the joint liability also includes the income taxes.

### 6. Group relations

Name and registered office of the Parent preparing consolidated financial statements for the smallest group:  
Right Management Consultants Inc., 1818 Market Street, 33. Floor PA 19103-3616

The consolidated financial statements may be ordered by contacting the parent company.

### 6. Tax on ordinary results

The Management has not recognized deferred tax asset in the balance sheet. Management estimates that it is uncertain whether the Company within the next 2-3 years will generate a positive taxable income, which can absorb the deferred tax asset.

## Accounting policies

### Reporting class

The financial statements for Right Management Nordic Holding A/S is represented in accordance with the Danish Financial Statements Act concerning companies identified as class B enterprises with additions of certain provisions for reporting class C.

The accounting policies used are unchanged compared to last year.

No consolidated financial statements have been prepared, cf. section 112(1) of the Danish Financial Statements Act. The financial statements of Right Management Nordic Holding A/S and its group enterprises are included in the consolidated financial statements for the ultimate parent in USA, who presents audited consolidated financial statements according to accepted accounting principles (US-GAAP).

### Recognition and measurement

Income is recognised in the profit and loss account when earned. Likewise, all costs, are recognised by the amounts attributable to the financial year.

Assets are recognised in the balance sheet when the Company is liable to achieve future, financial benefits and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when the Company is liable to lose future, financial benefits and the value of the liability can be measured reliably.

As the recognition, assets and liabilities are measured at cost. Later, assets and liabilities are measured as described below for each individual accounting item.

### Foreign currency translation

Transactions in foreign currency are translated by using the exchange rate prevailing at the date of the transaction. Differences in the rate of exchange arising between the rate at the date of transaction and the rate at the date of payment are recognised in the profit and loss account as an item under net financials.

Debtors, creditors and other monetary items in foreign currency, which are not settled at the date of the balance sheet, are translated by using the closing rate. The difference between the closing rate and the rate at the time of establishment of the receivable or the payment is recognised in the profit and loss account under financial income and financial costs.

### Income statement

#### Income from investments in group enterprises

To the profit and loss account, a proportional share of the group enterprises' results after tax are presented.

#### Other financial expenses

Financial expenses are recognised in the profit and loss account with the amount concerning the financial year.

## Accounting policies

### Balance sheet

#### Investments in group enterprises

Investments in group enterprises are recognised in the balance sheet with a proportional share according to the equity method.

Group enterprises with negative equity are recognised without any value, and to the extent they are considered irrevocable, amounts owed by these companies are written down by the parent's share of the equity. If the negative equity exceeds any outstanding amounts, the residual amount is recognised as provisions to the extent the parent has a legal or constructive liability to cover the negative equity of the subsidiary.

To the extent the equity exceeds the cost less amortization of goodwill, the excess value is transferred to reserve for revaluation under the equity method.

Gain or loss in connection with the sale of group enterprises are stated as the difference between the sales amount and the book value of assets at the time of the sale, inclusive of remaining consolidated goodwill and expected costs for sale and closing. Gains and loss are recognised in the profit and loss account under net financials.

#### Cash

Cash comprise cash at bank.

#### Other provisions

Other provisions comprise provisions covering negative equities in subsidiaries.

#### Other financial liabilities

Other financial liabilities are measured at amortised cost, which usually corresponds to nominal value.