Corporate Governance

General

Corporate governance is an important subject for Wolters Kluwer. The Executive Board and the Supervisory Board are responsible for the corporate governance structure of the company. A significant step that has been taken in 2006 was the termination of the issuance of depositary receipts by the Wolters Kluwer Trust Office. This decision was made in order to bring corporate governance at Wolters Kluwer even further in line with what is currently considered desirable in this area.

Wolters Kluwer complies with all of the principles and Best Practice Provisions of the Dutch Corporate Governance Code (the "Code"), unless stipulated otherwise in this chapter. Furthermore, material future corporate developments might justify deviances at the moment of occurrence. An outline of the broad corporate governance structure and an explanation of deviances from the Code will be provided in this chapter.

Executive Board

The Executive Board is responsible for the strategy, policy, aims, and results of the company. The members of the Executive Board are appointed by the General Meeting of Shareholders. The full procedure of appointment and dismissal of members of the Executive Board is explained in article 15 of the company's Articles of Association. The remuneration of the members of the Executive Board is determined by the Supervisory Board, based on the advice of the Selection and Remuneration Committee of the Supervisory Board. In line with the Code, the remuneration policy and the Long-Term Incentive Plan (LTIP) for the Executive Board were adopted and approved by the Annual General Meeting of Shareholders in 2004. In connection with a number of changes to the remuneration policy and to the LTIP, these subjects will be submitted to the Annual General Meeting of Shareholders again in 2007.

Long-Term Incentive Plan

Under the LTIP, Executive Board Members can earn ordinary shares after a period of three years. Granting of the ordinary shares is subject to clear and objective three-year performance criteria established in advance. After earning ordinary shares, the Executive Board Members are not restricted from selling them for a period of five years or until the end of their employment, as recommended in the Code (Best Practice Provision II.2.3). Wolters Kluwer sees no reason to require the Executive Board Members to hold their ordinary shares for five years, because under the plan, grants recur on an annual basis and as such the Executive Board Members will always have a strong incentive to pursue the long-term interests of the company. A five-year holding period will have no added value in this respect.

Term of appointment
In relation to Best Practice Provision II.1.1 (appointment of Executive Board Members for a term of four years), the existing contracts with current Executive Board Members will be honored. However, with respect to the nomination of Mr. J.J. Lynch, Jr. as a new member of the Executive Board, an appointment for a term of four years, in line with the Code, will be proposed.

Severance arrangements
Because the company is acting in a competitive international environment, it is of crucial importance to have enough flexibility with respect to remuneration and terms of employment when new Executive Board Members are appointed. For that reason the company does not commit to the Best Practice Provision in the Code regarding the maximum remuneration in the event of involuntary dismissal (Best Practice Provision II.2.7). Especially in an international context, such maximum remuneration is usually not in conformity with market practice, and could restrict the company in attracting and retaining the best executive management.

Code of Conduct on Insider Trading
Wolters Kluwer has a very strict Code of Conduct on Insider Trading. The Executive Board Members are only allowed to trade in Wolters Kluwer securities during four open periods of two weeks each, after publication of the annual, half-year, and quarterly results. There also are restrictions on trading in securities of peer group companies. Under the Wolters Kluwer Code of Conduct on Insider Trading, Executive Board Members are not compelled, however, to periodically notify the compliance officer of changes of their holdings in other Dutch listed companies as recommended in the Code (Best Practice Provision II.2.6). In the industry in which Wolters Kluwer operates, board members generally do not receive sensitive information about other Dutch listed companies in the ordinary course of business. Therefore, the Supervisory Board and the Executive Board see no added value for the company to monitor trading in securities of all Dutch listed companies by members of the Executive Board.

Supervisory Board

Wolters Kluwer has a two-tier board structure. The Executive Board Members are responsible for the day-to-day operations of the company. The role of the Supervisory Board is to supervise the policies of the Executive Board and the general affairs of the company and its affiliated companies, and to assist the Executive Board by providing advice.

Appointment
The General Meeting of Shareholders appoints the members of the Supervisory Board. The full procedure of appointment and dismissal of members of the Supervisory Board is explained in article 21 of the company's Articles of Association. At present, all Supervisory Board Members are independent from the company. The number of supervisory board memberships of all Supervisory Board Members is limited to such extent that the proper performance of their duties is assured. None of the Supervisory Board Members is a member of more than five supervisory boards of Dutch listed companies, with any chairmanships counting as two memberships.

Provision of information
Wolters Kluwer considers it important that the Supervisory Board Members are well-informed about the business and operations of the company. Towards this end, operating managers, including divisional CEOs, hold presentations on their businesses on a regular basis. In addition, the company facilitates visits to operating companies and individual meetings with staff and line managers.

Remuneration and Code of Conduct on Insider Trading
The Annual General Meeting of Shareholders shall determine the remuneration of the Supervisory Board Members. The remuneration shall not depend on the results of the company. The Supervisory Board Members do not receive shares or stock options by way of remuneration, nor shall they be granted loans. They are bound by the same Code of Conduct on Insider Trading as the Executive Board Members. They are not compelled to periodically notify the compliance officer of changes of their holdings in other Dutch listed companies as recommended in the Code (Best Practice Provision III.7.3), for the same reason as explained in the paragraph about the Executive Board. At present, none of the Supervisory Board Members own any securities in Wolters Kluwer.

Committees

As part of its responsibilities, the Audit Committee focuses on the operation of internal risk management and control systems, and on the role and functioning of the internal audit department and external auditors. The Audit Committee consists of at least three people. In line with the Code, the Terms of Reference of the Audit Committee determine that at least one member of the Audit Committee shall be a financial expert. In the current composition both Mr. Scheffers (Chairman of the Audit Committee) and Mr. Forman are financial experts.

The Supervisory Board also has installed a Selection and Remuneration Committee. Because appointments and remuneration are often closely related, the Supervisory Board sees no advantages in two separate committees. Installing two separate committees consisting of the same members would only increase the administrative burden. In line with the Code, the Chairman of the Supervisory Board will not be the Chairman of the Selection and Remuneration Committee. The Selection and Remuneration Committee shall in any event be responsible for drafting policies associated with remuneration within the company and for a proposal to the Supervisory Board regarding the specific remuneration of individual Executive Board Members. The Selection and Remuneration Committee also is responsible for drawing up selection criteria and appointment procedures for Supervisory Board Members and Executive Board Members.

Shareholders and the General Meeting of Shareholders

At least once a year, a General Meeting of Shareholders will be held.
The agenda of the Annual General Meeting of Shareholders shall in each case contain the report of the Executive Board, the adoption of the financial statements, the report of the Supervisory Board, and the proposal to distribute dividends or other distributions. Resolutions to release the members of the Executive and Supervisory Boards from liability for their respective duties shall be voted on separately. Shareholders who alone or jointly represent at least half a percent (0.5%) of the issued capital of Wolters Kluwer or who alone or jointly represent a block of shares worth at least €50 million, shall have the right to request the Executive Board or Supervisory Board that items be put on the agenda of the Annual General Meeting of Shareholders.

Amendment Articles of Association
A resolution to amend the Articles of Association may only be passed on the proposal of the Executive Board subject to the approval of the Supervisory Board.

Issuance of shares
The Articles of Association of the company determine that shares shall be issued on the proposal of the Executive Board and by virtue of a resolution of the General Meeting of Shareholders, subject to designation of the Executive Board by the General Meeting of Shareholders. At the Annual General Meeting of Shareholders of April 26, 2006, the Executive Board has been granted the authority for a period of 18 months to issue new shares, with exclusion of pre-emptive rights, subject to approval of the Supervisory Board.

Acquisition of own shares
Acquisition of own shares may only be effected if the General Meeting of Shareholders has authorized the Executive Board for the purpose, and while respecting the restrictions imposed by the Articles of Associations of the company. At the Annual General Meeting of Shareholders of April 26, 2006, the authorization to acquire own shares has been granted to the Executive Board for a period of 18 months.

Depositary receipts
Until May 2006, depositary receipts for ordinary shares (Depositary Receipts) were traded on the Euronext Amsterdam Stock Exchange. The Depositary Receipts had been issued by the Wolters Kluwer Trust Office, which held the underlying ordinary shares in the company. The purpose of the issuance of Depositary Receipts was to prevent a (chance) minority of shareholders from controlling the decision-making process as a result of absenteeism at an Annual General Meeting of Shareholders. Although the holders of Depositary Receipts could exchange their Depositary Receipts into ordinary shares under all circumstances and without limitations and under all circumstances had the right to vote, the termination of the issuance of Depositary Receipts is considered as a further improvement of Wolters Kluwer's corporate governance. Therefore, the Executive Board put forward, with approval of the Supervisory Board, a proposal to the Annual General Meeting of Shareholders that was held on April 26, 2006, to terminate the issuance of Depositary Receipts. This proposal was approved. This led to conversion of Depositary Receipts into ordinary shares by the end of May 2006. Consequently, at present ordinary shares are traded on the stock exchange of Euronext Amsterdam.

For the avoidance of doubt it is noted that the issuance of "American Depositary Receipts" is not linked to the issuance of Depositary Receipts of ordinary shares, as described above. The American Depositary Receipt Program will continue to exist.

Audit functions

The Executive Board is responsible for the quality and completeness of publicly disclosed financial reports. The Supervisory Board shall see to it that this responsibility is fulfilled.

External auditor
The external auditor is appointed by the General Meeting of Shareholders. Wolters Kluwer intends to have the external auditor appointed by the

General Meeting of Shareholders every four years, after a thorough assessment of the performance of the external auditor. This happened at the Annual General Meeting of Shareholders of April 14, 2005. In addition to this thorough assessment, the Executive Board and the Audit Committee shall report their dealings with the external auditor to the Supervisory Board on an annual basis. The Supervisory Board also has the discretion to put the appointment of the external auditor on the agenda of the General Meeting of Shareholders before the lapse of a four-year period, if so warranted. The external auditor may be questioned by the General Meeting of Shareholders in relation to his auditor's opinion on the financial statements. The external auditor shall therefore attend and be entitled to address the General Meeting of Shareholders. The company has a policy on auditor independence in place, which has been published on the company's website, www.wolterskluwer.com.

Internal auditor

The internal auditor operates under the responsibility of the Executive Board. The external auditor and the Audit Committee are involved in drawing up the work schedule of the internal auditor. The findings of the internal auditor will be presented to the external auditor and the Audit Committee.

Preference Shares

Wolters Kluwer and the Wolters Kluwer Preference Shares Foundation have concluded an agreement based on which the Foundation can take preference shares. This option on preference shares is at present a measure that could be considered as a potential protection at Wolters Kluwer against exercising influence by a third party on the policy of the company without the consent of the Executive Board and Supervisory Board, including events that could threaten the continuity, independence, identity, or coherence between the activities of the company. The Foundation is entitled to exercise the option on preference shares in such a way that the number of preference shares taken will be no more than 100% of the number of issued and outstanding ordinary shares at the time of exercise. Among others by the exercise of the option on the preference shares by the Foundation, the Executive Board and the Supervisory Board will have the possibility to determine their position with respect to, for example, a party making a bid on the shares of Wolters Kluwer and its plans, or with respect to a third party that otherwise wishes to exercise decisive influence, and enables the Boards to examine and implement alternatives. All members of the Wolters Kluwer Preference Shares Foundation are independent of the company.

Severance arrangements in case of a public bid

The employment contracts of two Executive Board Members and two other senior executives contain stipulations that give those persons the right to compensation if their employment contract would end following a public bid on the shares of the company.

Information pursuant to Decree Clause 10 Take-over Directive

The information specified in clause 10 of both the Take-over Directive and the Decree, which came into force on December 31, 2006 (Decree Clause 10 Take-over Directive), can be found in this chapter and in the → Information for Shareholders and Investors.

Legal structure

The ultimate parent company of the Wolters Kluwer group is Wolters Kluwer nv. In 2002, Wolters Kluwer nv abolished the voluntary application of the structure regime ("structuurregeling"). As a consequence, the structure regime became applicable to Wolters Kluwer Nederland bv, which is the parent company of the Dutch operating subsidiaries. Wolters Kluwer International Holding bv is the direct or indirect parent company of the operating subsidiaries outside the Netherlands.

Amsterdam, February 27, 2007

Executive Board
N. McKinstry, *Chairman*
B.L.J.M. Beerkens
J.M. Detailleur