

Remuneration Report

Introduction

During the Annual General Meeting of Shareholders of April 21, 2004, the current Remuneration Policy for members of the Executive Board for 2004 and subsequent years was adopted and the Long-Term Incentive Plan approved. In accordance with the recommendations of the Dutch Corporate Governance Code, any material changes to Wolters Kluwer's Remuneration Policy for members of the Executive Board and major changes to the Long-Term Incentive Plan will be submitted to the General Meeting of Shareholders for approval and adoption respectively.

The Supervisory Board proposes to make various changes with respect to the remuneration policy and the Long-Term Incentive Plan for the Executive Board for 2007 and subsequent years. Although it is debatable whether these changes qualify as material or major, the Supervisory Board is of the opinion that it is good corporate governance to submit these proposed changes to the Annual General Meeting of Shareholders that will be held on April 20, 2007.

Current remuneration policy

The goals of Executive Board remuneration are to align individual and company performance, strengthen long-term commitment to the company, and attract and retain the best executive management talent.

The remuneration of Executive Board Members is based on surveys and analysis by internationally recognized firms specializing in executive compensation. Because Wolters Kluwer is a global organization and its Executive Board represents diverse nationalities, remuneration is benchmarked individually against surveys from European and U.S. companies, taking into consideration geographic locations where Executive Board Members might be recruited to and where new members might be recruited from in the future.

Remuneration for the Executive Board consists of three elements: a base salary, a Short-Term Incentive Plan (STIP) on which a cash bonus can be earned, and a Long-Term Incentive Plan (LTIP) on which performance shares can be earned. The base salary is determined annually. The Supervisory Board, based on recommendations from its Selection and Remuneration Committee, determines the base salary of individual Executive Board Members.

Both the short-term and long-term incentives vary according to performance. Variable elements of the remuneration package make up the largest portion of the Executive Board's total compensation, reflecting the philoso-

phy that all senior executive compensation is linked to shareholder value.

Executive Board Members participate in pension schemes of their home countries, except in the Netherlands where an individually defined contribution plan is used. All current Executive Board Members have (leaving aside retirement due to age) employment contracts for an indefinite period of time. Periods of notice vary between 30 and 90 days.

Severance arrangements with Executive Board Members are either specifically determined in employment contracts or will be determined based on local laws. As explained in → Corporate Governance, the company does not comply with the provision of the Dutch Corporate Governance Code that Executive Board Members are not allowed to receive more than one year's salary in the event of involuntary dismissal.

Executive Board remuneration 2006 and 2007

Fixed and variable compensation and other considerations for members of the Executive Board in 2006 are detailed in → note 27 of the Financial Statements.

In 2006, base salaries for Executive Board Members were increased by 2%. For 2007, taking into account the individual approach to benchmarking, the Supervisory Board has decided to increase base salaries by 3.3% (Ms. McKinstry) and 3.2% (Mr. Beerkens). These increases are in accordance with the existing Remuneration Policy.

The Wolters Kluwer STIP grants Executive Board Members a cash bonus if specific objective, quantitative business targets are met. STIP targets are based on financial criteria determined to create value, such as revenue performance and free cash flow.

The STIP bonus for performance in 2006 (payout in 2007) for members of the Executive Board was based on the achievement of targets with respect to free cash flow (50%), revenue performance (25%), and ordinary net income (25%), with a payout of 70% of base salary for performance on target and a maximum payout of 90% of base salary for performance above target. The percentage, earned in 2006 and payable in March 2007, will be 80%. Since this bonus is related to 2006 performance, this amount is included in the total remuneration for 2006 as shown in → note 27 of the Financial Statements.

Proposed amendments to the Short-Term Incentive Plan for 2007 and subsequent years

For 2007 and subsequent years, the Supervisory Board proposes to revise the prior STIP payout targets to better reflect the market midpoints for each of the Executive Board Members. In prior years, payout targets were the same for each Executive Board Member. The Selection and Remuneration Committee believes that this is not consistent with Wolters Kluwer's philosophy of remuneration based on individual benchmarking and that it also does not provide adequate consideration for different Executive Board functions or levels of experience. As a result, the payouts for performance on target will be 125% of the base salary for Ms. McKinstry, 95% of the base salary for Mr. Beerkens, and 75% of the base salary for Mr. Lynch, the proposed new member of Executive Board. The maximum achievable payouts will be 175% (Ms. McKinstry), 145% (Mr. Beerkens), and 125% (Mr. Lynch); these amounts would only be payable if the actual performance exceeds 110% of target. There is no payout for results below 90% of target. For 2007 (payout in 2008) the Supervisory Board has decided to base the STIP targets on free cash flow (33.3%), revenue performance (33.3%), and ordinary net income (33.3%).

Long-Term Incentive Plan

At the Annual General Meeting of Shareholders on April 21, 2004, implementation of a new Long-Term Incentive Plan (LTIP) for Executive Board Members was approved. The LTIP aligns the organization and its management with the strategic goals of the company, thus rewarding the creation of shareholder value. The plan uses performance shares and at the beginning of a three-year period a conditional award of shares is established. The total number of shares that the Executive Board Members will actually receive at the end of the three-year performance period depends on the achievement of predetermined performance conditions.

Rewards are based on Wolters Kluwer's Total Shareholder Return (TSR) in relation to a group of peer companies. TSR is calculated as the share price appreciation over a three-year period including dividend reinvestment. By using a three-year performance period, based on TSR, there is a clear relation between remuneration and long-term value creation.

The peer group consists of the following companies: Arnoldo Mondadori, Dow Jones & Company, Emap, Grupo PRISA, John Wiley & Sons, Lagardère, McGraw-Hill, Pearson, Reed Elsevier, Reuters, T&F Informa, Thomson, and United Business Media. Knight Ridder and VNU, which were included in the peer group in 2006, have been delisted and were replaced by McClatchy and Dun & Bradstreet, respectively. This peer group, with the exception of Dun & Bradstreet, represents the media companies from the Morgan Stanley Capital Index (MSCI), the index most widely used by media analysts. The Supervisory Board has established a secondary tier of companies that can be used to substitute for any of the current media peers should they delist during the term of the LTIP. These companies include Reader's Digest, Axel Springer, and Trinity Mirror.

The Executive Board can earn 0-150% of the number of conditionally awarded shares at the end of the three-year period depending on Wolters Kluwer's TSR performance compared to the peer group.

For the performance periods 2004-06, 2005-07, and 2006-08, the plan pays out 100% of the number of conditionally awarded shares if Wolters Kluwer reaches a position in the second quartile (fifth to eighth position) of the TSR ranking, 150% for first or second position, 125% for third or fourth position, 75% for ninth or tenth position, 40% for eleventh or twelfth position, and 0% for thirteenth to sixteenth position. The company's external auditor or an independent expert, appointed by the Supervisory Board, will verify the ranking.

Wolters Kluwer has reached the fourth position in the TSR ranking with respect to the first three-year performance period (2004-06). This means that the participants will receive 125% of the number of conditional rights on shares that were awarded in 2004.

The conditional share awards for the Executive Board are determined by the comparable market information from European and U.S. companies. The actual number of conditionally awarded shares over the performance periods 2004-06, 2005-07, and 2006-08 can be found in → note 27 of the Financial Statements.

The Supervisory Board proposes that for LTIP with a performance period of 2007-09, as well as for future plans, there will be no payout below eighth position, 150% for first or second position, 125% for third or fourth position, 100% for fifth or sixth position, and 75% payout for seventh or eighth position. This change recognizes the increased value of Wolters Kluwer stock since the original plan was introduced in 2004 and is in line with best

Proposed amendments to the Long-Term Incentive Plan for 2007 and subsequent years

practice recommendations for the governance of long-term incentive plans. As explained above, shares are conditionally awarded at the beginning of a three-year performance period. For future performance periods, starting with the performance period 2007-09, the Supervisory Board proposes to change the means by which the conditional award is determined, moving from a fixed number of shares, which was used from 2004 to 2006, to a fixed percentage of base salary determined by individual benchmarking. For the 2007-09 performance period, these amounts are determined to be 285% (Ms. McKinstry), 175% (Mr. Beerkens), and 170% (Mr. Lynch). These amounts are determined through an annual benchmarking process. The number of shares that is conditionally awarded at the start of the performance period is computed by dividing the amount, as calculated above, by the fair value of a conditionally awarded share at the start of the vesting period. The actual amount granted can vary from year to year, depending upon benchmark salary reviews. This approach, for 2007, results in a lower conditional share award at target than in prior years.

Senior management remuneration

Senior management remuneration consists of a base salary, STIP, and LTIP. The senior management STIP is based on the achievement of specific objective targets that are linked to creating value for shareholders, such as revenue performance and cash flow. The LTIP targets of senior management are the same as those of Executive Board Members, but with incentive zones that provide more opportunity than is provided to the Executive Board.

Amsterdam, February 27, 2007

Selection and Remuneration Committee

J.V.H. Pennings, *Chairman*

A. Baan

L.P. Forman