

KORN FERRY INTERNATIONAL  
Form DEF 14A  
August 26, 2016  
**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the Securities  
Exchange Act of 1934**

Filed by the Registrant    Filed by a Party other than the Registrant

**Check the appropriate box:**

Preliminary Proxy Statement

CONFIDENTIAL, FOR USE OF THE COMMISSION ONLY (AS PERMITTED BY RULE 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

**Korn/Ferry International**

*(Name of Registrant as Specified In Its Charter)*

*(Name of Person(s) Filing Proxy Statement, if other than the Registrant)*

**Payment of Filing Fee (Check the appropriate box):**

**No fee required.**

**Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.**

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
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**Fee paid previously with preliminary materials.**

**Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.**

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

NOTICE OF 2016  
ANNUAL  
STOCKHOLDERS'  
MEETING  
AND PROXY  
STATEMENT

October 6, 2016  
8:00 a.m. Pacific Time  
InterContinental  
2151 Avenue of the Stars  
Los Angeles, CA 90067

## Table of contents

### 01

## GOVERNANCE

### **PROPOSAL No. 1 ELECTION OF DIRECTORS** **8**

#### **THE BOARD OF DIRECTORS** **9**

Director Qualifications 9

Board Diversity 10

Director Tenure 10

Background Information Regarding Director Nominees 11

#### **CORPORATE GOVERNANCE** **15**

Director Independence 16

Board Leadership Structure 16

Board's Oversight of Enterprise Risk and Risk Management 17

Board Committees 18

### **TOTAL APPROACH TO TALENT** **22**

### 02

## COMPENSATION

### **PROPOSAL No. 2 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION** **24**

#### **COMPENSATION DISCUSSION AND ANALYSIS** **25**

Executive Summary: Focus on Pay-for-Performance 25

Executive Compensation Philosophy and Oversight 28

Our Process: From Strategy to Compensation-Related Metrics 29

Elements of Compensation & Compensation Decisions and Actions 31

Compensation and Personnel Committee Report on Executive Compensation 40

Compensation Committee Interlocks and Insider Participation 40

#### **COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS** **41**

Fiscal Year 2016 Compensation of Directors 53

### 03

## STOCK INCENTIVE PLAN

### **PROPOSAL No. 3 APPROVAL OF THIRD AMENDED AND RESTATED 2008 STOCK INCENTIVE PLAN** **56**

### 04

## AUDIT MATTERS

<b><u>PROPOSAL No. 4 RATIFICATION OF THE APPOINTMENT OF ERNST &amp; YOUNG LLP AS INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM</u></b>	<b><u>66</u></b>
<b><u>AUDIT COMMITTEE MATTERS</u></b>	<b><u>67</u></b>
<u>Fees Paid to Ernst &amp; Young LLP</u>	<u>67</u>
<u>Recommendation to Appoint Ernst &amp; Young LLP as Independent Registered Public Accounting Firm</u>	<u>67</u>
<u>Audit Committee Pre-Approval Policies and Procedures</u>	<u>68</u>
<u>Report of the Audit Committee</u>	<u>69</u>
<b><u>05</u></b>	
<b>GENERAL INFORMATION</b>	
<b><u>SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT</u></b>	<b><u>72</u></b>
<b><u>QUESTIONS AND ANSWERS ABOUT THE PROXY MATERIALS AND THE ANNUAL MEETING</u></b>	<b><u>73</u></b>
<b><u>OTHER MATTERS</u></b>	<b><u>76</u></b>
<u>Certain Relationships and Related Transactions</u>	<u>76</u>
<u>Related Person Transaction Approval Policy</u>	<u>76</u>
<u>Section 16(a) Beneficial Ownership Reporting Compliance</u>	<u>76</u>
<b><u>APPENDIX A – KORN/FERRY INTERNATIONAL THIRD AMENDED AND RESTATED 2008 STOCK INCENTIVE PLAN</u></b>	<b><u>A-1</u></b>

[Back to Contents](#)

## DEAR FELLOW STOCKHOLDERS

**2016 was a year of investment for Korn Ferry. The Company's Board of Directors helped to facilitate and oversee a dramatic transformation. In December 2015, Korn Ferry completed the acquisition of legacy Hay Group, a global leader in people strategy and organizational performance. The addition of legacy Hay Group enhanced the Company's already growing and complementary organizational advisory services. Now, with Hay Group as part of the Korn Ferry organization, we are proud to say that Korn Ferry has a total approach to talent – where Korn Ferry can help its clients attract, develop, engage and reward their employees.**

### **FY 2016 Financial Accomplishments and Stockholder Value**

We are proud of the results that we delivered in fiscal year 2016, including:

- Consummated the transformational acquisition of legacy Hay Group, which has strengthened our intellectual property, enhanced our geographic presence, added complementary capabilities to further leverage our search relationships and broadened our capabilities in assessment and development;
- Generated record fee revenue of \$1.3 billion (inclusive of Hay Group acquisition for 5 months);
- Paid a quarterly cash dividend of \$0.10 per share during each quarter of fiscal year 2016 as a way of returning value to our stockholders; and
- #2 ranking (out of 15) amongst our peers in 3 year Total Stockholder Return.

**We are the new Korn Ferry.**

**On December 1, 2015, Korn Ferry welcomed the addition of Hay Group.**

**The combination of Korn Ferry, Hay Group and Futurestep unites three world-class brands with a rich heritage and more than a century of combined success. We aim to be nothing less than the preeminent global people and organizational advisory firm.**

**Korn Ferry Executive Search helps you attract the best executive talent with the right fit.**

**Korn Ferry Hay Group helps you align your organization and people; developing, engaging and rewarding them to achieve business success.**

**Korn Ferry Futurestep delivers professional talent with impact.**

## **Continued Alignment of Compensation and Performance**

Our compensation philosophy includes a strong commitment to provide market-based competitive compensation programs that enables Korn Ferry to attract and retain the best talent with pay that is directly linked to performance. In recent years, we devoted significant time and resources to discussing and reviewing our executive compensation program with independent experts and our stockholders in our continuing effort to achieve an appropriate alignment of compensation with performance. For instance, approximately 87% of actual CEO pay was performance-based, variable or “at-risk” for fiscal year 2016.

## **Leading Corporate Governance Practices**

Complementing our financial performance is our organization’s commitment to corporate governance, including:

- ♣ Majority voting for directors in uncontested elections;
- ♣ Declassified board;
- ♣ Independent chair and independent board members (except for CEO);
- ♣ Annual election of directors; and
- ♣ Maintenance of the highest possible ISS Governance QuickScore of 1.

We strongly encourage all of our stockholders to convey their views and vote promptly. On behalf of our Board, Senior Management and the Company, thank you for your investment and support of Korn Ferry.

Sincerely,

**George T. Shaheen**  
*Chair of the Board*  
August 26, 2016

[Back to Contents](#)

## NOTICE OF 2016 ANNUAL MEETING

### MEETING INFORMATION

**Date:** October 6, 2016

**Time:** 8:00 a.m. Pacific Time

**Location:** InterContinental, 2151 Avenue of the Stars, Los Angeles, CA 90067

**Record Date:** August 17, 2016

### MEETING AGENDA

To the Stockholders:

On October 6, 2016, Korn/Ferry International (the “Company”, “Korn Ferry”, “we”, “its” and “our”) will hold its 2016 Annual Meeting of Stockholders (the “Annual Meeting”) at the InterContinental located at 2151 Avenue of the Stars, Los Angeles, California 90067. The Annual Meeting will begin at 8:00 a.m. Pacific Time.

Only stockholders who owned our common stock as of the close of business on August 17, 2016 (the “Record Date”) can vote at the Annual Meeting or any adjournments or postponements thereof. The purposes of the Annual Meeting are to:

- Elect the seven directors nominated by our Board of Directors and named in the Proxy Statement accompanying
1. this notice to serve on the Board of Directors until the 2017 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, subject to their earlier death, resignation or removal;
  2. Vote on a non-binding advisory resolution regarding the Company’s executive compensation;

- Approve our Third Amended and Restated 2008 Stock Incentive Plan (the “2008 Plan”) to, among other things,
3. increase the number of shares of common stock that may be delivered pursuant to awards granted under the 2008 Plan by 5,500,000 shares;



4. Ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for the Company's 2017 fiscal year; and
5. Transact any other business that may be properly presented at the Annual Meeting.

RECOMMENDATION OF THE BOARD

**THE BOARD UNANIMOUSLY RECOMMENDS THAT YOU VOTE YOUR SHARES "FOR" THE ELECTION OF EACH OF THE NOMINEES NAMED IN THE PROXY STATEMENT AND "FOR" EACH OF THE OTHER ABOVE PROPOSALS.**

Please read the proxy materials carefully.

Your **vote is important** and we appreciate your cooperation in considering and acting on the matters presented. See page 73 for a description of the ways by which you may cast your vote on the matters being considered at the Annual Meeting.

August 26, 2016  
Los Angeles, California  
By Order of the Board of Directors,

**Jonathan Kuai**  
*General Counsel and Corporate Secretary*

The Proxy Statement and accompanying Annual Report to Stockholders are available at **[www.proxyvote.com](http://www.proxyvote.com)**.

[Back to Contents](#)

## PROXY SUMMARY

**This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. Page references are supplied to help you find further information in this Proxy Statement.**

### **Annual Meeting of Stockholders (page 73)**

**Date and Time:** October 6, 2016 at 8:00 a.m. Pacific Time.

**Place:** InterContinental, 2151 Avenue of the Stars, Los Angeles, California 90067.

**Admission:** To be admitted to the 2016 Annual Meeting of Stockholders (the “Annual Meeting”) you must present valid photo identification and, if your shares are held by a bank, broker or other nominee, proof of beneficial ownership of the shares.

**Eligibility to Vote:** You can vote if you were a holder of Korn Ferry’s common stock at the close of business on August 17, 2016.

### **Voting Matters (page 73)**

#### **1 Election of Directors**

*Page Reference (for more detail) page 8*

Board Vote Recommendation  
**FOR each Director Nominee**

#### **2 Advisory Resolution on Executive Compensation**

*Page Reference (for more detail) page 24*

Board Vote Recommendation  
**FOR**

#### **3 Approval of Third Amended and Restated 2008 Stock Incentive Plan**

*Page Reference (for more detail) page 56*

Board Vote Recommendation  
**FOR**

#### **4 Ratification of Independent Registered Public Accounting Firm**

*Page Reference (for more detail) page 66*

Board Vote Recommendation  
**FOR**

**How to Cast Your Vote (page 73 – 74)**

On or about August 26, 2016, we will mail a Notice of Internet Availability of Proxy Materials to stockholders of our common stock as of August 17, 2016, other than those stockholders who previously requested electronic or paper delivery of communications from us.

Stockholders of record can vote by any of the following methods:

Via **telephone** by calling **1-800-690-6903**;

Via **Internet** by visiting **www.proxyvote.com**;

Via **mail** (if you received your proxy materials by mail) by signing, dating and mailing the enclosed proxy card; or

In **person**, at the Annual Meeting. You must present valid photo identification to be admitted to the Annual Meeting.

• If you vote via telephone or the Internet, you must vote no later than 11:59 p.m. Eastern time on October 5, 2016. If you return a proxy card by mail, it must be received before the polls close at the Annual Meeting.

• If your shares are held in the name of a bank, broker or other nominee, you must follow the voting instructions provided to you by your bank, broker or nominee in order for your shares to be voted.

[Back to Contents](#)

## BUSINESS HIGHLIGHTS FOR FISCAL YEAR 2016

**Transformational acquisition of legacy Hay Group**, which has:

- Fee Revenue (in millions)**
- strengthened our intellectual property;
  - enhanced our geographic presence;
  - added complementary capabilities to further leverage our search relationships; and
  - broadened our capabilities in assessment, development and reward strategies

Our **TSR rated #2** among

**\$21.8 Million dollars returned to stockholders** in FY '16 via quarterly dividends

our 15 peer group companies

## Governance of the Company (page 15)

Board Structure	Committees and Attendance	Stockholder Engagement	Recent Corporate Governance Enhancements
<ul style="list-style-type: none"> <li>• Independent Chair of the Board.</li> <li>• 7 of the 8 Directors on the Board are Independent.</li> <li>• Independent Directors Meet in Regular Executive Sessions.</li> </ul>	<ul style="list-style-type: none"> <li>• Independent Audit, Compensation and Nominating Committees.</li> <li>• All Directors Attended at Least 75% of Board and Their Respective Committee Meetings.</li> </ul>	<ul style="list-style-type: none"> <li>• Stockholder Communication Process for Communicating with the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Replaced Classified Board Structure with Annual Director Elections.</li> <li>• Implemented Majority Voting in Uncontested Elections.</li> </ul>

**Governance Insights (pages 15, 32, and 68)**

Each of the Company's standing Board committees is committed to staying abreast of the latest issues impacting good corporate governance. The Company has included three sets of Questions & Answers ("Q&As"), one with the chair of each of the Company's standing committees. These Q&As are meant to provide stockholders with insight into committee-level priorities and perspectives on Board Education, Impact of Hay Group Acquisition on Executive Compensation, and Oversight of Compliance and Acquisition Integration.

**AGEFY '16 TENUREDIRECTOR INDEPENDENCE**

2016 Proxy Statement 2

[Back to Contents](#)

BOARD NOMINEES (PAGES 11 – 14)

Doyle N. **BENEBY**

**Director**

Age: **56**

Director Since: **2015**

Independent: **Yes**

Committee Memberships:

**Nominating and Corporate Governance**

Experience/Qualification:

**Former CEO of New Generation Power International.**

**Former President and CEO of CPS Energy.**

**Brings extensive executive management experience in the energy industry.**

Gary D. **BURNISON**

**Director and President/CEO, of Korn Ferry**

Age: **55**

Director Since: **2007**

Independent: **No**

Committee Memberships: –  
Experience/Qualification:

**President and CEO of the Company.**

**Brings in-depth knowledge of the Company's business, operations, employees and strategic opportunities.**

William R. **FLOYD**

**Director**

Age: **71**

Director Since: **2012**

Independent: **Yes**

Committee Memberships:

**Compensation and Personnel**

**Nominating and Corporate Governance**

Experience/Qualification:

**Former Chairman of the Board of Buffet Holdings, Inc.**

**Brings extensive executive management experience in the service industry.**

Christina A. **GOLD**

**Director**

Age: **68**

Director Since: **2014**

Independent: **Yes**

Committee Memberships:

**Compensation and Personnel**

Experience/Qualification:

- **Former President, CEO and Director of the Western Union Company.**
- **Brings executive management and board experience.**

Jerry P. **LEAMON**

**Director**

Age: **65**

Director Since: **2012**

Independent: **Yes**

Committee Memberships:

**Compensation and Personnel (Chair)**

**Audit**

Experience/Qualification:

**Former Global Managing Director of Deloitte & Touche.**

**Brings financial accounting expertise and extensive global professional services experience.**

Debra J. **PERRY**

**Director**



Age: **65**

Director Since: **2008**

Independent: **Yes**

Committee Memberships:

**Audit (Chair)**

**Nominating and Corporate Governance**

Experience/Qualification:

**Former senior managing director in the Global Ratings and Research Unit of Moody's Investors Service, Inc. Brings executive management, corporate governance, finance and analytical expertise and board and committee experience.**

George T. **SHAHEEN**

**Director and Non-Executive Chair of the Board of Korn Ferry**

Age: **72**

Director Since: **2009**

Independent: **Yes**

Committee Memberships:

**Nominating and Corporate Governance (Chair)**

Experience/Qualification:

- **Chair of the Board of the Company.**
- **Brings executive management, consulting, board and advisory experience.**

[Back to Contents](#)**2016 Executive Compensation Summary (page 41)\***

Name and Principal Position	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Gary D. Burnison, President and Chief Executive Officer	910,000	—	5,007,588	1,669,850	19,508	27,306	7,634,252
Robert P. Rozek, Executive Vice-President, Chief Financial Officer and Chief Corporate Officer	516,667	—	2,367,371	1,055,125	—	22,871	3,962,035
Byrne Mulrooney, Chief Executive Officer of Korn/Ferry International Futurestep, Inc.	450,000	—	683,758	950,000	—	20,361	2,104,119
Matthew Reilly, Former Chief Executive Officer of Korn/Ferry Leadership and Talent Consulting business unit	336,057	1,450,000	1,482,668	50,000	—	490,044	3,808,769
Stephen Kaye, Chief Executive Officer of Korn/Ferry Hay Group	187,500	312,500	1,705,052	—	—	35,639	2,240,691

\* See footnote disclosure to table on page 41.

**2016 Executive Total Compensation Mix (page 29)****CEO COMPENSATION MIX\* OTHER NEO COMPENSATION MIX\***

*\* Equity awards based upon grant date value. Excludes Mr. Reilly, whose employment terminated during the fiscal year.*

2016 Proxy Statement **4**

[Back to Contents](#)

## Compensation Process Highlights (pages 19 and 28 – 31)

- Our Compensation and Personnel Committee receives advice from its independent compensation consultant.

We review total direct compensation and the mix of the compensation components for the named executive officers relative to our peer group as one of the factors in determining if compensation is adequate to attract and retain executive officers with the unique set of skills necessary to manage and motivate our global people and organizational advisory firm.

## Best Practices (page 28)

Our Board has adopted a clawback policy applicable to all cash incentive payments and performance-based equity awards granted to executive officers.

Our named executive officers are not entitled to any “single trigger” equity acceleration in connection with a change in control.

We have adopted policies prohibiting hedging, speculative trading or pledging of Company stock.

All named executive officers are required to own three times their annual base salary in Company common stock.

We do not provide excise tax gross-ups to any of our executive officers.

## Elements of Compensation (pages 31 – 38)

Element	Purpose	Determination
Base Salary	Compensate for services rendered during the fiscal year and provide sufficient fixed cash income for retention and recruiting purposes.	Reviewed on an annual basis by the Compensation and Personnel Committee taking into account competitive data from our peer group, input from our compensation consultant and the executive’s individual performance.
Annual Cash Incentives	Motivate and reward named executive officers for achieving financial and strategy execution goals over a one-year period.	Determined by the Compensation and Personnel Committee based upon performance goals, strategic objectives, competitive data and individual performance.
Long-Term Incentives	Align the named executive officers’ interests with those of stockholders, encourage the achievement of the long-term goals of the Company and motivate and retain top talent.	Determined by the Compensation and Personnel Committee based upon a number of factors including competitive data, total overall compensation provided to each named executive officer and historic grants.

## Forward-Looking Statements

This Proxy Statement contains “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as “anticipate”, “believe”, “expect”, “estimate”, “plan”, “outlook”, and “project” and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. Such forward-looking statements include, but are not limited to, the expected benefits from Korn Ferry’s acquisition of Hay Group, including the combined company’s plans, objectives, expectations and intentions. Such statements are based on current expectations and are subject to numerous risks and uncertainties, many of which are outside of the control of Korn Ferry. Actual results may differ materially from those indicated by such forward-looking statements as a result of risks and uncertainties, including those factors discussed or referenced in our most recent annual report on Form 10-K filed with the SEC, under the heading “Risk Factors,” a copy of which is being mailed with this Proxy Statement.

[Back to Contents](#)

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[Back to Contents](#)

**01**

**GOVERNANCE**

<b><u>PROPOSAL No. 1 ELECTION OF DIRECTORS</u></b>	<b><u>8</u></b>
<u>Required Vote</u>	<u>8</u>
<u>Recommendation of the Board</u>	<u>8</u>
 <b><u>THE BOARD OF DIRECTORS</u></b>	 <b><u>9</u></b>
<u>Director Qualifications</u>	<u>9</u>
<u>Board Diversity</u>	<u>10</u>
<u>Director Tenure</u>	<u>10</u>
<u>Background Information Regarding Director Nominees</u>	<u>11</u>
 <b><u>CORPORATE GOVERNANCE</u></b>	 <b><u>15</u></b>
<u>Director Independence</u>	<u>16</u>
<u>Board Leadership Structure</u>	<u>16</u>
<u>Board's Oversight of Enterprise Risk and Risk Management</u>	<u>17</u>
<u>Board Committees</u>	<u>18</u>
<u>Code of Business Conduct and Ethics</u>	<u>21</u>
<u>Corporate Governance Guidelines</u>	<u>21</u>
 <b><u>TOTAL APPROACH TO TALENT</u></b>	 <b><u>22</u></b>

2016 Proxy Statement 7

[Back to Contents](#)

Proposal No. 1

## ELECTION OF DIRECTORS

Our stockholders will be asked to consider seven nominees for election to our Board of Directors to serve for a one-year term until the 2017 Annual Meeting of Stockholders and until their successors have been duly elected and qualified, subject to their earlier death, resignation or removal.

The names of the seven nominees for director and their current position with the Company are set forth below. Detailed biographical information regarding each of these nominees is provided in this Proxy Statement under the heading “The Board of Directors.” All of the nominees, with the exception of Mr. Burnison, have been determined by the Board to be independent under the rules of The New York Stock Exchange. Our Nominating and Corporate Governance Committee has reviewed the qualifications of each of the nominees and has recommended to the Board that each nominee be submitted to a vote at the Annual Meeting.

All of the nominees have indicated their willingness to serve, if elected, but if any should be unable or unwilling to serve, proxies may be voted for a substitute nominee designated by the Board. The Company did not receive any stockholder nominations for director. Proxies cannot be voted for more than the number of nominees named in this Proxy Statement.

<b>Name</b>	<b>Position with Korn Ferry</b>
Doyle N. Beneby	Director
Gary D. Burnison	Director and Chief Executive Officer
William R. Floyd	Director
Christina A. Gold	Director
Jerry P. Leamon	Director
Debra J. Perry	Director
George T. Shaheen	Director and Non-Executive Chair of the Board

## REQUIRED VOTE

In uncontested elections, director nominees are elected by a majority of the votes cast, meaning that each director nominee must receive a greater number of shares voted “for” such director than the shares voted “against” such director. If an incumbent director does not receive a greater number of shares voted “for” such director than shares voted “against” such director, then such director must tender his or her resignation to the Board. In that situation, the Company’s Nominating and Corporate Governance Committee would make a recommendation to the Board about whether to accept or reject the resignation, or whether to take other action. Within 90 days from the date the election results were



certified, the Board would act on the Nominating and Corporate Governance Committee's recommendation and publicly disclose its decision and rationale behind it.

In a contested election—a circumstance we do not anticipate at the Annual Meeting—director nominees are elected by a plurality vote.

#### RECOMMENDATION OF THE BOARD

**The Board unanimously recommends that you vote “FOR” each of the nominees named above for election as a director.**

[Back to Contents](#)

## THE BOARD OF DIRECTORS

The Company's Restated Certificate of Incorporation provides that the number of directors shall not be fewer than eight nor more than fifteen, with the exact number of directors within such limits to be determined by the Board. Currently, the Board is comprised of eight directors. Mr. Harry You will not be standing for re-election at the Annual Meeting and thus, immediately following the Annual Meeting, the Board will be comprised of seven directors with one vacancy on the Board. The Board thanks Mr. You for his many years of service on the Board. Upon the recommendation of the Company's Nominating and Corporate Governance Committee, the Board has nominated the following persons to serve as directors until the 2017 Annual Meeting of Stockholders or their earlier resignation or removal:

Doyle N. Beneby   Jerry P. Leamon  
Gary D. Burnison   Debra J. Perry  
William R. Floyd   George T. Shaheen  
Christina A. Gold

Each of the named nominees are independent under The New York Stock Exchange (the "NYSE") rules, except for Mr. Burnison. If reelected, Mr. Shaheen will continue to serve as the Company's independent Chair of the Board.

The Board held nine meetings during fiscal year 2016. Each of the directors attended at least 75% of the Board meetings and the meetings of committees of which they were members in fiscal 2016. Directors are expected to attend each annual meeting of stockholders. All directors attended the 2015 Annual Meeting of Stockholders in person.

## DIRECTOR QUALIFICATIONS

The Board believes that the Board, as a whole, should possess a combination of skills, professional experience and diversity of backgrounds necessary to oversee the Company's business. In addition, the Board believes there are certain attributes every director should possess, as reflected in the Board's membership criteria discussed below. Accordingly, the Board and the Nominating and Corporate Governance Committee consider the qualifications of directors and director candidates individually and in the broader context of the Board's overall composition and the Company's current and future needs.

The Nominating and Corporate Governance Committee is responsible for developing and recommending Board membership criteria to the full Board for approval. The criteria, which are set forth in the Company's Corporate Governance Guidelines, include:

- a reputation for integrity,
- honesty and adherence to high ethical standards,
- strong management experience,
- current knowledge and contact in the Company's industry or other industries relevant to the Company's business,
- the ability to commit sufficient time and attention to Board and Committee activities, and
- the fit of the individual's skills and personality with those of other directors in building a Board that is effective, collegial, diverse and responsive to the needs of the Company.

The Nominating and Corporate Governance Committee seeks a variety of occupational, educational and personal backgrounds on the Board in order to obtain a range of viewpoints and perspectives and to enhance the diversity of the Board in such areas as professional experience, geography, race, gender, ethnicity and age. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity, the Nominating and Corporate Governance Committee does believe it is essential that Board members represent diverse viewpoints and backgrounds. The Nominating and Corporate Governance Committee periodically evaluates the composition of the Board to assess the skills and experience that are currently represented on the Board, as well as the skills and experience that the Board will find valuable in the future, given the Company's current situation and strategic plans. This periodic assessment enables the Board to update the skills and experience it seeks in the Board as a whole, and in individual directors, as the Company's needs evolve and change over time and to assess effectiveness of efforts at pursuing diversity. In identifying director candidates from time to time, the Nominating and Corporate Governance Committee may establish specific skills and experience that it believes the Company should seek in order to constitute a balanced and effective board.

In evaluating director candidates, and considering incumbent directors for renomination to the Board, the Nominating and Corporate Governance Committee takes into account a variety of factors. These include each nominee's independence, financial literacy, personal and professional accomplishments, and experience, each in light of the composition of the Board as a whole and the needs of the Company in general, and for incumbent directors, past performance on the Board.

[Back to Contents](#)

## BOARD DIVERSITY

The Board and Company are focused on ensuring the Board reflects a wide range of backgrounds, experiences and cultures. Fifty percent of our directors during fiscal year 2016 were women or racially diverse individuals.

## BOARD DIVERSITY

### DIRECTOR TENURE

The Company believes that a variety of tenures on our Board helps to provide an effective mix of deep knowledge and new perspectives. As of April 30, 2016, the tenure of our Board was as follows:

### FY '16 TENURE

[Back to Contents](#)

The biographies below set forth information about each of the nominees for director, including each such person's specific experience, qualifications, attributes and skills that led our Board to conclude that such nominee/director should serve on our Board. The process undertaken by the Nominating and Corporate Governance Committee in recommending qualified director candidates is described below under "Corporate Governance—Board Committees—Nominating and Corporate Governance Committee".

BACKGROUND INFORMATION REGARDING DIRECTOR NOMINEES

**Board Qualifications and Skills:**

<p>Doyle N. <b>BENEBY</b></p> <p><b>Director Since:</b> <b>2015</b></p> <p><b>Former Chief Executive Officer - CPS Energy</b></p> <p><b>Age: 56</b></p>	<p><b>Extensive Senior Leadership/Executive Officer Experience:</b> Previously served in a multitude of senior leadership positions, including as former Chief Executive Officer of New Generation Power International, as President and Chief Executive Officer of CPS Energy, and various leadership roles at PECO Energy and Exelon Power, where he served as President.</p> <p><b>Broad Energy Industry Experience:</b> Over 30 years of experience in the energy industry, with expertise in many facets of the electric &amp; gas utility industry.</p> <p><b>Other Directorships:</b></p> <p>Capital Power Corporation, Quanta Services, University of Texas Energy Institute, Argonne National Laboratory and University of Miami (Trustee).</p>
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Mr. Beneby is currently an independent consultant. Mr. Beneby served as Chief Executive Officer of New Generation Power International, a start up international renewable energy company, based in Chicago, Illinois, from November 2015 until May 2016. Prior to that, Mr. Beneby served as President and Chief Executive Officer of CPS Energy, the largest municipal electric and gas utility in the nation, from July 2010 to November 2015. Prior to joining CPS Energy, Mr. Beneby served at Exelon Corporation from 2003 to 2010 in various roles, most recently, as President of Exelon Power and Senior Vice President of Exelon Generation from 2009 to 2010. From 2008 to 2009, Mr. Beneby served as Vice President, Generation Operations for Exelon Power. From 2005 to 2008, Mr. Beneby served as Vice President, Electric Operations for PECO Energy, a subsidiary of Exelon Corporation. Mr. Beneby serves on the boards of numerous energy industry organizations such as Capital Power Corporation, Argonne National Laboratory, Keystone Center & Energy Board (Trustee) and University of Texas Energy Institute. Mr. Beneby also serves as a Trustee for his alma mater, the University of Miami.

**Board Qualifications and Skills:**

<p>Gary D. <b>BURNISON</b></p>	<p><b>High Level of Financial Experience:</b> Substantial financial experience gained in roles as President, Chief Executive Officer and as former Chief Financial Officer and Chief Operating Officer of the Company, as Chief Financial Officer of Guidance Solutions, as an executive</p>
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**Director Since:** officer of Jefferies and Company, Inc. and as a partner at KPMG Peat Warwick.  
**2007**

**President and** **Senior Leadership/Executive Officer Experience:** In addition to serving as the Company's  
**Chief Executive** President and Chief Executive Officer, served as Chief Financial Officer of Guidance Solutions.  
**Officer**

**Extensive Knowledge of the Company's Business and Industry:** Over 14 years of service with the Company, including as President and Chief Executive Officer of the Company since July 2007 and Chief Operating Officer of the Company from October 2003 until June 2007.

Age: 55

**Other Directorships:**

N/A

Mr. Burnison has served as President and Chief Executive Officer of the Company since July 2007. He was the Executive Vice President and Chief Financial Officer of the Company from March 2002 until June 30, 2007. He also served as Chief Operating Officer of the Company from October 2003 until June 30, 2007. From 1999 to 2001, Mr. Burnison was Principal and Chief Financial Officer of Guidance Solutions and from 1995 to 1999 he served as an executive officer and member of the board of directors of Jefferies and Company, Inc., the principal operating subsidiary of Jefferies Group, Inc. Prior to that, Mr. Burnison was a partner at KPMG Peat Marwick.

[Back to Contents](#)

## Board Qualifications and Skills:

**High Level of Financial Experience:** Significant financial experience gained through senior leadership roles over the past 30-plus years.

William R. **FLOYD**

**Director Since:**  
**2012**

**Former Chairman  
of the Board Buffet  
Holdings, Inc.**

**Extensive Senior Leadership/Executive Officer Experience:** Previously served in a multitude of senior leadership positions, including as Chairman of the Board of Buffet Holdings, Inc., Chairman and Chief Executive Officer of Physiotherapy Associates, Chairman and Chief Executive Officer of Beverly Enterprises, Inc., and various executive positions with PepsiCo Inc.'s restaurant group.

**Broad Service Industry Experience:** Over 30 years of experience in service industries, including restaurants, lodging and healthcare.

## Other Directorships:

Age: **71**

El Pollo Loco Holdings, Inc., Muzinich Capital LLC, Pivot Physical Therapy, Chairman of the Board of Trustees of Valley Forge Military Academy and College, Board of Overseers at the University of Pennsylvania School of Nursing, and Member of Union League of Philadelphia.

Mr. Floyd served as Chairman of the Board of Buffet Holdings, Inc., which through its subsidiaries owns and operates a chain of restaurants in the United States, from June 2009 to July 2012. He has over 30 years of experience in service industries, including restaurants, lodging and healthcare. His prior positions include, among others, Chairman and Chief Executive Officer of Physiotherapy Associates (which was formed by the merger of Benchmark Medical, Inc. and Physiotherapy Corporation), a provider of outpatient physical rehabilitation services in the United States, from June 2007 to February 2009; Chairman and Chief Executive Officer of Benchmark Medical, Inc. from November 2006 to June 2007; Chairman and Chief Executive Officer of Beverly Enterprises, Inc. from December 2001 to March 2006 (he joined Beverly Enterprises in April 2000 as President and Chief Operating Officer), President and Chief Executive Officer of Choice Hotels International from October 1996 to May 1998; and various executive positions within PepsiCo Inc.'s restaurant group from December 1989 to September 1996, including as Chief Operating Officer of Kentucky Fried Chicken from August 1994 through July 1995 and as Chief Operating Officer of Taco Bell Corp. from July 1995 until September 1996. Mr. Floyd currently serves on the board of El Pollo Loco Holdings, Inc., Muzinich Capital LLC, Pivot Physical Therapy, a private equity-owned physical therapy business, as Chairman of the Board of Trustees of Valley Forge Military Academy and College, is on the Board of Overseers at the University of Pennsylvania School of Nursing and is a member of the Union League of Philadelphia. Mr. Floyd received a BA degree from the University of Pennsylvania and a MBA from the Wharton School.

## Board Qualifications and Skills:

**High Level of Financial Experience:** Substantial financial experience gained from a ten-year career with The Western Union Company and its former parent company.

Christina A. **GOLD**

**Director Since: 2014**

**Extensive Senior Leadership/Executive Officer Experience:** Served in numerous senior leadership positions, including as Chief Executive Officer and President of The Western Union Company, President of Western Union Financial Services, Vice Chairman and Chief

**Former Chief  
Executive Officer,  
The Western Union  
Company**

Executive Officer of Excel Communications and President and CEO of Beaconsfield Group, Inc.

**Broad International Experience:** Significant international experience from 28 year career at Avon Products, Inc., including as Senior Vice President & President of Avon North America.

Age: 68

**Significant Public Company Board Experience:** Over 15 years of public company board experience, including as a director of ITT Corporation since 1997, International Flavors & Fragrances, Inc. since 2013, Exelis Inc. from 2011 to 2013 and The Western Union Company from 2006 to 2010.

**Other Directorships:**

ITT Corporation, International Flavors & Fragrances, Inc., New York Life Insurance and Safe Water Network.

From September 2006 until September 2010, Ms. Gold was Chief Executive Officer, President and a director of The Western Union Company, a leading company in global money transfer. Ms. Gold was President of Western Union Financial Services, Inc. and Senior Executive Vice President of First Data Corporation, former parent company of The Western Union Company and provider of electronic commerce and payment solutions, from May 2002 to September 2006. Prior to that, Ms. Gold served as Vice Chairman and Chief Executive Officer of Excel Communications, Inc., a former telecommunications and e-commerce services provider, from October 1999 to May 2002. From 1998 to 1999, Ms. Gold served as President and CEO of Beaconsfield Group, Inc., a direct selling advisory firm that she founded. Prior to founding Beaconsfield Group, Ms. Gold spent 28 years (from 1970 to 1998) with Avon Products, Inc., in a variety of positions, including as Executive Vice President, Global Direct Selling Development, Senior Vice President and President of Avon North America, and Senior Vice President & CEO of Avon Canada. Ms. Gold is currently a director of ITT Corporation, International Flavors & Fragrances, Inc. and New York Life Insurance. From October 2011 to May 2013, Ms. Gold was a director of Exelis, Inc. She also sits on the board of Safe Water Network, a non-profit organization working to develop locally owned, sustainable solutions to provide safe drinking water.



[Back to Contents](#)

## Board Qualifications and Skills:

**High Level of Financial Experience:** Substantial financial experience gained from almost 40-year career with Deloitte & Touche, including as leader of the tax practice and as leader of the M&A practice for more than ten years.

Jerry P.  
LEAMON

**Accounting Expertise:** In addition to an almost 40-year career with Deloitte & Touche LLP, Mr. Leamon is a certified public accountant.

**Director Since:**  
2012

**Broad International Experience:** Served as leader of Deloitte & Touche's tax practice, both in the U.S. and globally and was Global Managing Director for all client programs.

**Former Global  
Managing  
Director Deloitte**

**Service Industry Experience:** Deep understanding of operational and leadership responsibilities within the professional services industry having held senior leadership positions at Deloitte while serving some of their largest clients.

Age: 65

## Other Directorships:

Credit Suisse USA, Geller & Company, G3, Americares Foundation, member of University of Cincinnati Foundation and Board, and member of Business Advisory Council of the Carl H. Lindner School of Business.

Mr. Leamon served as Global Managing Director for Deloitte & Touche until 2012, having responsibility for all of Deloitte's businesses at a global level. In a career of almost 40 years, 31 of which as a partner, he held numerous roles of increasing responsibility. Previously, he served as the leader of the tax practice, both in the U.S. and globally, and had responsibility as Global Managing Director for all client programs including industry programs, marketing communication and business development. In addition, he was leader of the M&A practice for more than ten years. Throughout his career he served some of Deloitte's largest clients. Mr. Leamon serves on a number of boards of public, privately held and non-profit organizations, including Credit Suisse USA where he chairs the Audit Committee, Geller & Company and G3, and serves as the Chairman of the Americares Foundation. Mr. Leamon is also a Senior Advisor to Lead Edge Investments. He is also a member of the University of Cincinnati Foundation and Board and serves as a member of the Business Advisory Council of the Carl H. Lindner School of Business. Mr. Leamon is also a certified public accountant.

## Board Qualifications and Skills:

**High Level of Financial Experience:** Substantial financial experience gained from 23 years of professional experience in financial services, including a 12-year career at Moody's Corporation, where among other things, Ms. Perry oversaw the Americas Corporate Finance, Leverage Finance and Public Finance departments.

Debra J. PERRY

**Director Since: 2008**

**Former senior  
managing director in  
the Global Ratings  
and Research Unit of**

**Significant Audit Committee Experience:** Over 11 years of public company audit committee service, including as a member of MBIA Inc.'s audit committee (2004 to 2008), PartnerRe's audit committee (from June 2013 to March 2016, including as chair of the audit committee from January 2015 to March 2016) and Korn Ferry's audit committee (since 2008);

**Moody's Investors Service, Inc.**

appointed chair of audit committee in 2010).

Age: 65

**Significant Public Company Board and Corporate Governance Experience:** Previously served as a director (June 2013 to March 2016) and chair of the audit committee (January 2015 to March 2016) of PartnerRe, as a director of MBIA Inc. (2004 to 2008) and CNO Financial Group, Inc. (2004 to 2011). Actively involved in corporate governance organizations, including the National Association of Corporate Directors ("NACD") and the Shareholder-Director Exchange working group. Named in 2014 to NACD's Directorship 100, which recognizes the most influential people in the boardroom and corporate governance community.

**Other Directorships:**

Sanford C. Bernstein Fund, Inc., and member of the Committee for Economic Development of the Conference Board.

Ms. Perry currently serves on the boards of directors of the Sanford C. Bernstein Fund, Inc. (elected July 2011). She was a member of the board (from June 2013) and chair of the Audit Committee (from January 2015) of PartnerRe, a Bermuda-based reinsurance company, until the sale of the company to a European investment holding company in March 2016. She was also a trustee of the Bank of America Funds from June 2011 until April 2016. Ms. Perry served on the board of directors and chair of the human resources and compensation committee of CNO Financial Group, Inc., from 2004 to 2011. In 2014, Ms. Perry was named to NACD's Directorship 100, which recognizes the most influential people in the boardroom and corporate governance community. From September 2012 to December 2014, Ms. Perry served as a member of the Executive Committee of the Committee for Economic Development ("CED") in Washington, D.C. a non-partisan, business-led public policy organization, until its merger with the Conference Board, and she continues as a member of CED. She worked at Moody's Corporation from 1992 to 2004. From 2001 to 2004, Ms. Perry was a senior managing director in the Global Ratings and Research Unit of Moody's Investors Service, Inc. where she oversaw the Americas Corporate Finance, Leverage Finance Public Finance and Financial Institutions departments. From 1999 to 2001, Ms. Perry served as Chief Administrative Officer and Chief Credit Officer, and from 1996 to 1999, she was a group managing director for the Finance, Securities and Insurance Rating Groups of Moody's Corporation. Ms. Perry has also been a managing member of Perry Consulting LLC, an advisory firm specializing in credit risk management and governance within the financial industry since 2008.

[Back to Contents](#)

**Board Qualifications and Skills:**

George T.  
**SHAHEEN**

**Extensive Senior Leadership/Executive Officer Experience:** Previously served as Chief Executive Officer of Siebel Systems, Inc., Chief Executive Officer and Global Managing Partner of Andersen Consulting and CEO of Webvan Group, Inc.

**Director Since:**  
**2009**

**Significant Public Company Board Experience:** 12 years of public company board experience, including as a director of NetApp (since 2004), Marcus & Millichap (since 2013), and Green Dot Corporation (since 2013).

**Chair of the  
Board**

**Service Industry Experience:** Former Chief Executive Officer of Andersen Consulting.

**Other Directorships:**

Age: **71**

NetApp, 24/7 Customer, Marcus & Millichap, and Green Dot Corporation.

Mr. Shaheen was Chief Executive Officer of Siebel Systems, Inc., a CRM software company, which was purchased by Oracle in January 2006, from April 2005 to January 2006. He was Chief Executive Officer and Global Managing Partner of Andersen Consulting, which later became Accenture, from 1989 to 1999. He then became CEO and Chairman of the Board of Webvan Group, Inc. from 1999 to 2001. Mr. Shaheen serves on the boards of NetApp, 24/7 Customer, Marcus & Millichap, and Green Dot Corporation. He also served on the Strategic Advisory Board of Genstar Capital. He has served as IT Governor of the World Economic Forum, and was a member of the Board of Advisors for the Northwestern University Kellogg Graduate School of Management. He has also served on the Board of Trustees of Bradley University. Mr. Shaheen received a BS degree and a MBA from Bradley University.

[Back to Contents](#)

## CORPORATE GOVERNANCE

The Board oversees the business and affairs of the Company and believes good corporate governance is a critical factor in our continued success and also aligns management and stockholder interests. Through our website, at [www.kornferry.com](http://www.kornferry.com), our stockholders have access to key governing documents such as our Code of Business Conduct and Ethics, Corporate Governance Guidelines and charters of each committee of the Board. The highlights of our corporate governance program are included below:

### **Board Structure**

- 87.5% of the Board consists of Independent Directors
- Independent Chair of the Board
- Independent Audit, Compensation and Nominating Committees
- Regular Executive Sessions of Independent Directors
- Annual Board and Committee Self-Evaluations
- 50% Diverse Board Members
- Annual Strategic Off-Site Meeting

### **Stockholder Rights**

- Annual Election of Directors
- Majority Voting for Directors in Uncontested Elections
- No Poison Pill in Effect
- Stockholder Communication Process for Communicating with the Board

### **Other Highlights**

- Clawback Policy
- Stock Ownership Guidelines
- Pay-for-Performance Philosophy
- Policies Prohibiting Hedging, Pledging and Short-Sales
- No Excise Tax Gross-Ups
- Quarterly Education on Latest Corporate Governance Developments

## **GOVERNANCE INSIGHTS: BOARD EDUCATION**

### **Q & A WITH GEORGE SHAHEEN, CHAIR OF THE NOMINATING AND CORPORATE GOVERNANCE COMMITTEE**

#### **Question: How important is Board education to the Company?**

Board education is a very high priority at Korn Ferry, especially in today's constantly evolving corporate governance landscape. In order to achieve best-in-class corporate governance, it is critical that the Company's directors are

abreast of the latest emerging trends in corporate governance.

**Question: How does the Company educate Board members on the latest corporate governance trends?**

The Company, with the assistance of its outside advisors, provides quarterly (or more frequently, as necessary) updates to all Board members on the latest developments in corporate governance. The Company often invites preeminent members of the legal community to present such updates at Board meetings. Recent topics discussed with the Board include: latest trends in board tenure and retirement policies, proxy access, board diversity, and the SEC's Regulation S-K concept release.

The Company also encourages directors to attend continuing education programs. In an effort to promote attendance at such programs, the Company recently revised its reimbursement policy to provide for reimbursement of up to \$6,000 annually with the ability to be reimbursed beyond such amount if reviewed and approved by the Chair of the Nominating and Corporate Governance Committee.

[Back to Contents](#)

DIRECTOR INDEPENDENCE

The Board has determined that as of the date hereof a majority of the Board is “independent” under the independence standards of the NYSE. The Board has determined that the following directors are “independent” under the independence standards of the NYSE: Doyle N. Beneby, William R. Floyd, Christina A. Gold, Jerry P. Leamon, Debra J. Perry, Harry L. You, and George T. Shaheen. In addition, during his term of service, director Edward Miller was determined to be “independent” under the NYSE standards.

For a director to be “independent”, the Board must affirmatively determine that such director does not have any material relationship with the Company. To assist the Board in its determination, the Board reviews director independence in light of the categorical standards set forth in the NYSE’s Listed Company Manual. Under these standards, a director cannot be deemed “independent” if, among other things:

- the director is, or has been within the last three years, an employee of the Company, or an immediate family member is, or has been within the last three years, an executive officer of the Company;

- the director has received, or has an immediate family member who received, during any 12-month period within the last three years, more than \$120,000 in direct compensation from the Company, other than director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service);

- (1) the director or an immediate family member is a current partner of a firm that is the Company’s internal or external auditor, (2) the director is a current employee of such a firm, (3) the director has an immediate family member who is a current employee of such a firm and personally works on the Company’s audit, or (4) the director or an immediate family member was within the last three years a partner or employee of such firm and personally worked on the Company’s audit within that time;

- the director or an immediate family member is, or has been within the last three years, employed as an executive officer of another company where any of the Company’s present executive officers at the same time serve or served on that company’s compensation committee; or

- the director is a current employee, or an immediate family member is a current executive officer, of a company that has made payments to, or received payments from, the Company for property or services in an amount which, in any of the last three fiscal years, exceeds the greater of \$1 million or 2% of the other company’s consolidated gross revenues.

The independent directors of the Board meet regularly in executive sessions outside the presence of management. Mr. George Shaheen, as Chair of the Board, currently presides at all executive sessions of the independent directors. Subject to his reelection at the Annual Meeting, Mr. Shaheen will continue in this role following the Annual Meeting.

All current members of the Board, with the exception of our CEO, Mr. Burnison, are independent. Further, all members of our Audit Committee, Compensation and Personnel Committee and Nominating and Corporate Governance Committee are independent.

## **DIRECTOR INDEPENDENCE**

## **BOARD LEADERSHIP STRUCTURE**

The Company's Corporate Governance Guidelines provide that the Board is free to select its Chair and CEO in the manner it considers to be in the best interests of the Company and that the role of Chair and CEO may be filled by a single individual or two different persons. This provides the Board with flexibility to decide what leadership structure is in the best interests of the Company at any point in time. Currently, the Board is led by an independent, non-executive Chair, Mr. George Shaheen. Mr. Shaheen will continue to serve as Chair of the Board, subject to his reelection as a director at the Annual Meeting. The Board has determined that having an independent director serve as Chair of the Board is in the best interests of the Company at this time as it allows the Chair to focus on the effectiveness and independence of the Board while the CEO focuses on executing the Company's strategy and managing the Company's business. In the future, the Board may determine that it is in the best interests of the Company to combine the role of Chair and CEO.

[Back to Contents](#)

## BOARD'S OVERSIGHT OF ENTERPRISE RISK AND RISK MANAGEMENT

The Board plays an active role, both as a whole and also at the committee level, in overseeing management of the Company's risks. Management is responsible for the Company's day-to-day risk management activities. The Company has established an enterprise risk framework for identifying, aggregating and evaluating risk across the enterprise. The risk framework is integrated with the Company's annual planning, audit scoping and control evaluation management by its internal auditor. The review of risk management is a dedicated periodic agenda item for the Audit Committee, whose responsibilities include periodically reviewing management's financial and operational risk assessment and risk management policies, the Company's major financial risk exposures, and the steps management has taken to monitor and control such exposures. The Company's other Board committees also consider and address risk during the course of their performance of their committee responsibilities. Specifically, the Compensation and Personnel Committee reviews the risks related to the Company's compensation programs for senior management, discussed in more detail below, and the Nominating and Corporate Governance Committee oversees risks associated with operations of the Board and its governance structure. Further, the General Counsel periodically reports to the Board on litigation and other legal risks that may affect the Company. The full Board monitors risks through regular reports from each of the Committee chairs and the General Counsel, and is apprised of particular risk management matters in connection with its general oversight and approval of corporate matters. We believe the division of risk management responsibilities described above provides an effective framework for evaluating and addressing the risks facing the Company, and that our Board leadership structure supports this approach because it allows our independent directors, through the independent committees and non-executive Chair, to exercise effective oversight of the actions of management.

### **Assessment of Risk Related to Compensation Programs**

During fiscal 2016, the Company completed its annual review of executive and non-executive compensation programs globally, with particular emphasis on incentive compensation plans and programs. Based on this review, the Company evaluated the primary components of its compensation plans and practices to identify whether those components, either alone or in combination, properly balanced compensation opportunities and risk. As part of this inventory, several factors were noted that reduce the likelihood of excessive risk taking. These factors include: balancing performance focus between near-term objectives and strategic initiatives; issuing equity awards that vest over multi-year time horizons; and maintaining stock ownership guidelines and a clawback policy applicable to our executive officers. Furthermore, the Compensation and Personnel Committee retains its own independent compensation consultant to provide input on executive pay matters, meets regularly, and approves all performance goals, award vehicles, and pay opportunity levels for named executive officers. As a result of this evaluation, the Company concluded that risks arising from the Company's compensation policies and practices are not reasonably likely to have a material adverse impact on the Company.



[Back to Contents](#)

## BOARD COMMITTEES

Although the full Board considers all major decisions, the Company's Bylaws permit the Board to have the following standing committees to more fully address certain areas of importance: (1) an Audit Committee, (2) a Compensation and Personnel Committee, and (3) a Nominating and Corporate Governance Committee. The members of the standing committees as of the date hereof are set forth in the tables below.

### Audit Committee

Debra J. **PERRY** Jerry P. **LEAMON** Harry L. **YOU**

#### Chair

Among other things, the Audit Committee:

- Is directly responsible for appointment,
- compensation, retention and oversight of the independent registered public accounting firm;
- Reviews the independent registered public accounting firm's qualifications and independence;
- Reviews the plans and results of the audit
- engagement with the independent registered public accounting firm;
- Approves financial reporting principles and policies;
- Considers the range of audit and non-audit fees;
- Reviews the adequacy of the Company's internal accounting controls;
- Oversees the Company's internal audit function, including annually reviewing and discussing the performance and effectiveness of the Internal Audit Department; and
- Works to ensure the integrity of financial information supplied to stockholders.

The Audit Committee is also available to receive reports, suggestions, questions and recommendations from the Company's independent registered public accounting firm, Internal Audit Department, the Chief Financial Officer and the General Counsel. It also confers with these parties in order to help assure the sufficiency and effectiveness of the programs being followed by corporate officers in the area of compliance with legal and regulatory requirements, business conduct and conflicts of interest. The Audit Committee is composed entirely of non-employee directors whom the Board has determined are "independent directors" under the applicable listing standards of the NYSE and the applicable rules of the Securities and Exchange Commission (the "SEC"). The Board, in its business judgment, has determined that Ms. Perry and Messrs. Leamon and You are "financially literate," under the NYSE rules, and that Messrs. Leamon and You qualify as "audit committee financial experts" as such term is defined in Item 407(d)(5) of Regulation S-K under the Exchange Act. The Audit Committee met eleven times in fiscal 2016. The Audit Committee

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operates pursuant to a written charter adopted by the Board, which is available on the Company's website and in print to any stockholder that requests it. To access the charter from the Company's website, go to [www.kornferry.com](http://www.kornferry.com), select "Investor Relations" from the drop-down menu, then click on the "Corporate Governance" link under "Company Information". Requests for a printed copy should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

2016 Proxy Statement **18**

[Back to Contents](#)

## **Compensation and Personnel Committee**

Jerry P. **LEAMON** William R. **FLOYD** Christina A. **GOLD**  
**Chair**

Among other things, the Compensation and Personnel Committee:

- Approves and oversees the Company's compensation programs, including cash and equity-based incentive programs provided to members of the Company's senior management group, including the Company's Chief Executive Officer, Chief Financial Officer and other named executive officers;
- Reviews the compensation of directors for service on the Board and its committees; and
- Approves or recommends to the Board, as required, specific compensation actions, including salary adjustments, annual cash incentives, stock option grants and employment and severance arrangements for the Chief Executive Officer and other executive officers.

The Compensation and Personnel Committee may, in its discretion, delegate all or a portion of its duties and responsibilities to a subcommittee consisting solely of members of the Compensation and Personnel Committee who are non-employee directors and outside directors. The Board has determined that all members of the Compensation and Personnel Committee are "independent directors" under the applicable listing standards of the NYSE. The Compensation and Personnel Committee met eleven times during fiscal 2016. The Compensation and Personnel Committee operates pursuant to a written charter adopted by the Board, which is available on the Company's website and in print to any stockholder that requests it. To access the charter from the Company's website, go to [www.kornferry.com](http://www.kornferry.com), select "Investor Relations" from the drop-down menu, then click on the "Corporate Governance" link under "Company Information". Requests for a printed copy should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

[Back to Contents](#)

## Nominating and Corporate Governance Committee

George T. **SHAHEEN** Doyle N. **BENEBY** William R. **FLOYD** Debra J. **PERRY**

### Chair

Among other things, the Nominating and Corporate Governance Committee:

- Recommends criteria to the Board for the selection of nominees to the Board;
- Evaluates all proposed nominees;
- Recommends nominees to the Board to fill vacancies on the Board; and
- Prior to each annual meeting of stockholders, recommends to the Board a slate of nominees for election to the Board by the stockholders at the annual meeting.

In evaluating nominations, the Nominating and Corporate Governance Committee considers a variety of criteria, including business experience and skills, independence, judgment, integrity, the ability to commit sufficient time and attention to Board activities and the absence of potential conflicts with the Company's interests. Any stockholder recommendations for director are evaluated in the same manner as all other candidates considered by the Nominating and Corporate Governance Committee. While the Nominating and Corporate Governance Committee does not have a formal policy with respect to diversity, it also takes into account the diversity of the Board when considering director nominees. The Board has determined that all members of the Nominating and Corporate Governance Committee are "independent directors" under the applicable listing standards of the NYSE. The Nominating and Corporate Governance Committee met six times in fiscal 2016. The Nominating and Corporate Governance Committee operates pursuant to a written charter adopted by the Board, which is available on the Company's website and in print to any stockholder that requests it. To access the charter from the Company's website, go to *www.kornferry.com*, select "Investor Relations" from the drop-down menu, then click on the "Corporate Governance" link under "Company Information". Requests for a printed copy should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary. Stockholders may recommend director nominees by mailing submissions to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

[Back to Contents](#)

## CODE OF BUSINESS CONDUCT AND ETHICS

The Board has adopted a Code of Business Conduct and Ethics that is applicable to all directors, employees and officers (including the Company's Chief Executive Officer, Chief Financial Officer and Principal Accounting Officer). Among other things, the Code of Business Conduct and Ethics requires directors, employees and officers to maintain the confidentiality of all information entrusted to them (except when disclosure is authorized or legally mandated); to deal fairly with the Company's clients, service providers, suppliers, competitors and employees; to protect Company assets; and for those who have a role in the preparation and/or review of information included in the Company's public filings, to report such information accurately and honestly. It also prohibits directors, employees and officers from using or attempting to use their position at the Company to obtain an improper personal benefit. The Code of Business Conduct and Ethics is available on the Company's website and in print to any stockholder that requests it. To access the Code of Business Conduct and Ethics from the Company's website, go to [www.kornferry.com](http://www.kornferry.com), select "Investor Relations" from the drop-down menu, then click on the "Corporate Governance" link under "Company Information". Requests for a printed copy should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary. We intend to post on the Company's website amendments, if any, to the Code of Business Conduct and Ethics, as well as any waivers thereunder, with respect to our officers and directors as required to be disclosed by the SEC and NYSE rules.

## CORPORATE GOVERNANCE GUIDELINES

The Board has adopted Corporate Governance Guidelines, which among other things, impose limits on the number of directorships each member of the Board may hold (the Chief Executive Officer of the Company may not sit on more than two boards of directors of public companies (including the Company), while all other directors may not sit on more than five boards of directors of public companies (including the Company)); specifies the criteria to be considered for director candidates; and requires non-management directors to meet periodically without management. Additionally, the guidelines require that, when a director's principal occupation or business association changes substantially during his or her tenure as a director, that director is required to provide written notice of such change to the chair of the Nominating and Corporate Governance Committee, and agree to resign from the Board if the Board determines to accept such resignation. The Nominating and Corporate Governance Committee must then review and assess the circumstances surrounding such change, and recommend to the Board any appropriate action to be taken. The Corporate Governance Guidelines are available on the Company's website and in print to any stockholder that requests it. To access the Corporate Governance Guidelines from the Company's website, go to [www.kornferry.com](http://www.kornferry.com), select "Investor Relations" from the drop-down menu, then click on the "Corporate Governance" link under "Company Information". Requests for a printed copy should be addressed to Korn/Ferry International, 1900 Avenue of the Stars, Suite 2600, Los Angeles, California 90067, Attention: Corporate Secretary.

[Back to Contents](#)

## **The addition of Hay Group:**

### TOTAL APPROACH TO TALENT

Executive Search Hay Group Futurestep

Korn Ferry provides our clients a broad range of talent advisory services to improve their business performance through their people.

Korn Ferry has a strong and storied history in executive search, the service offering which formed the foundation of our company. With regard to building enterprise effectiveness, much has transpired in organizational development methodologies, talent identification and assessment and high-impact technologies that affect employee performance. To retain Korn Ferry's leadership position in the expanding world of talent development, we made a strategic determination to expand our company to include complimentary capabilities beyond executive recruitment.

We undertook a transformation of Korn Ferry into a full service organizational advisory firm, and have been adding services and personnel to achieve that. During fiscal year 2016, we seized an opportunity to further execute on this strategy with our acquisition of Hay Group in December 2015.

The addition of the Hay Group was the next logical step in that transformation—a bold move that affirms the critical role that people and leadership play in driving business performance.

Founded in 1943, Hay Group is a global leader in people strategy and organizational performance. Hay Group brings an additional portfolio of intellectual property (including several of the world's most comprehensive management databases) and over 70 years' experience advising on all aspects of people strategy, compensation/ rewards and organizational design and performance.

**“The addition of the Hay Group was the next logical step in that transformation—a bold move that affirms the critical role that people and leadership play in driving business performance.”**

**Hay Group is an attractive fit with Korn Ferry in a number of areas:**

- Intellectual Property, Products and Solution Sets Around Organizational Design and Performance, Roles Responsibilities and Compensation and Rewards (All Incremental to Korn Ferry)

- Strong Client Base (very little overlap with legacy Korn Ferry clients)

Formidable geographic footprint, which provides meaningful international scale to Korn Ferry's legacy leadership and talent consulting segment (Legacy Hay Group revenue was approximately 80% International and 20% North America focused, while Korn Ferry's legacy leadership and talent consulting segment was 30% International and 70% North America focused)

**Strategically, the acquisition brings significant scale to our legacy leadership and talent advisory segment.** It has transformed our overall mix of revenue. We now anticipate our annual revenues to be evenly split, with 50% recruitment related and 50% advisory service and products. We also believe that leadership and talent advisory services have historically been less cyclical than traditional recruitment services through the peaks and troughs of economic cycles. We believe that this new mix of revenue should help to temper volatility. Over time, we anticipate this will lead to more stable financial results during future economic cycles and, potentially, higher valuation multiples.

**The acquisition also offers Korn Ferry a unique opportunity to create additional stockholder value through both revenue and cost synergies:**

Revenue Synergies – We anticipate revenues will be increased by introducing Hay Group's solution sets to legacy Korn Ferry customer base and vice-versa; and by gaining larger market share of current client spend on recruiting and advisory consulting.

Significant Cost Synergies and Operating Efficiencies – In the first 7 months since the acquisition, the Company has moved quickly to achieve cost reductions through the elimination of redundant back-office support activities, the consolidation of office space and the reduction of other G&A spend.

**Today, Korn Ferry is a category leader in the talent identification and advisory space—capable of helping our clients attract, develop, engage and reward their greatest assets—their people.**

[Back to Contents](#)

## 02

### COMPENSATION

<b><u>PROPOSAL No. 2 ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION</u></b>	<b><u>24</u></b>
<u>Recommendation of the Board</u>	<u>24</u>
<b><u>COMPENSATION DISCUSSION AND ANALYSIS</u></b>	<b><u>25</u></b>
<u>Executive Summary: Focus on Pay-for-Performance</u>	<u>25</u>
<u>Executive Compensation Philosophy and Oversight</u>	<u>28</u>
<u>Our Process: From Strategy to Compensation-Related Metrics</u>	<u>29</u>
<u>Elements of Compensation &amp; Compensation Decisions and Actions</u>	<u>31</u>
<u>Other Compensation Elements</u>	<u>38</u>
<u>Other Policies</u>	<u>39</u>
<u>Compensation and Personnel Committee Report on Executive Compensation</u>	<u>40</u>
<u>Compensation Committee Interlocks and Insider Participation</u>	<u>40</u>
<b><u>COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS</u></b>	<b><u>41</u></b>
<u>Fiscal Year 2016, 2015 and 2014 Summary Compensation Table</u>	<u>41</u>
<u>Fiscal Year 2016 Grants of Plan-Based Awards</u>	<u>43</u>
<u>Employment Agreements</u>	<u>43</u>
<u>Fiscal Year 2016 Outstanding Equity Awards at Fiscal Year-End</u>	<u>45</u>
<u>Stock Vested in Fiscal Year 2016</u>	<u>46</u>
<u>Fiscal Year 2016 Pension Benefits</u>	<u>47</u>
<u>Fiscal Year 2016 Nonqualified Deferred Compensation</u>	<u>47</u>
<u>Potential Payments Upon Termination or Change of Control</u>	<u>48</u>
<u>Fiscal Year 2016 Compensation of Directors</u>	<u>53</u>

2016 Proxy Statement **23**



[Back to Contents](#)

Proposal No. 2

## ADVISORY RESOLUTION ON EXECUTIVE COMPENSATION

In accordance with the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and more specifically, Section 14A of the Exchange Act which was added under the Dodd-Frank Wall Street Reform and Consumer Protection Act, we are asking stockholders to approve an advisory resolution on the Company’s executive compensation as reported in this Proxy Statement. Our executive compensation program is designed to support the Company’s long-term success. As described below in the “Compensation Discussion and Analysis” section of this Proxy Statement, the Compensation and Personnel Committee has structured our executive compensation program to achieve the following key objectives:

- provide compensation packages to our executives that are competitive with other major executive recruitment firms, a broader group of human capital companies and similarly-sized publicly traded companies;
- closely tie individual annual cash incentive and equity-based awards to the performance of the Company as a whole, or one or more of its divisions or business units as well as to the team and individual performance of the named executive officer; and
- align the interests of senior management with those of our stockholders through direct ownership of Company common stock and by providing a portion of each named executive officer’s direct total compensation in the form of equity-based incentives.

We urge stockholders to read the “Compensation Discussion and Analysis” section below, which describes in more detail how our executive compensation policies and procedures operate and are designed to achieve our compensation objectives, as well as the Summary Compensation Table and related compensation tables and narrative below which provide detailed information on the compensation of our named executive officers. The Compensation and Personnel Committee and the Board believe that the policies and procedures articulated in the “Compensation Discussion and Analysis” section are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement has supported and contributed to the Company’s success.

We are asking stockholders to approve the following advisory resolution at the 2016 Annual Meeting of Stockholders:

***RESOLVED, that the stockholders of Korn/Ferry International (the “Company”) approve, on an advisory basis, the compensation of the Company’s named executive officers set forth in the Compensation Discussion and Analysis, the Summary Compensation Table and the related compensation tables and narrative in the Proxy Statement for the Company’s 2016 Annual Meeting of Stockholders.***

This advisory resolution, commonly referred to as a “say-on-pay” resolution, is non-binding on the Board. Although non-binding, the Board and the Compensation and Personnel Committee will carefully review and consider the voting results when evaluating our executive compensation program. Taking into account the advisory vote of stockholders regarding the frequency of future advisory votes to approve executive compensation at our 2011 Annual Meeting of Stockholders, the Board’s current policy is to include an advisory resolution regarding approval of the compensation of our named executive officers annually. Accordingly, unless the Board modifies its policy on the frequency of future votes, the next advisory vote to approve our executive compensation will occur at the 2017 Annual Meeting of Stockholders.

#### RECOMMENDATION OF THE BOARD

**The Board unanimously recommends that you vote “FOR” the Company’s advisory resolution on executive compensation.**

[Back to Contents](#)

## COMPENSATION DISCUSSION AND ANALYSIS

### EXECUTIVE SUMMARY: FOCUS ON PAY-FOR-PERFORMANCE

This Compensation Discussion and Analysis section provides a detailed description of our compensation philosophy, practices and the factors and process used in making compensation decisions with respect to our fiscal 2016 named executive officers, namely:

Name	Title
Gary D. Burnison	President and Chief Executive Officer
Robert P. Rozek	Executive Vice President, Chief Financial Officer and Chief Corporate Officer
Byrne Mulrooney	Chief Executive Officer of Korn Ferry Futurestep
Stephen D. Kaye	Chief Executive Officer of Korn Ferry Hay Group
Matthew P. Reilly*	Former Chief Executive Officer of Leadership Talent and Consulting (LTC)

*\*Mr. Reilly separated from the Company effective January 31, 2016, following the acquisition of the Hay Group.*

### Selected Performance Highlights

The Company had strong financial and operating performance during fiscal 2016. Below are a few performance highlights:

Achieved record Fee Revenue of **\$1.3 Billion** (inclusive of Hay Group acquisition for 5 months) representing a **25.7% increase** year over year and the highest annual Fee Revenue for the Company in its 46-year history

Maintained **#1 position** as largest search firm among the “Big 5” International search firms (based upon a third party revenue study)

Completed the transformational **acquisition of the Hay Group** and made significant progress on Hay Group integration

Successfully rolled-out the **Korn Ferry Four Dimensions of Leadership**, an industry-leading assessment protocol

**\$21.8 Million returned to stockholders** through quarterly dividend payments made in FY '16

The following charts graphically display the Company's Fee Revenue performance for the last three fiscal years

**Fee Revenue (in millions)**

2016 Proxy Statement **25**

[Back to Contents](#)

## **Stockholder Value Delivered**

The Company delivered outstanding three year total shareholder return (TSR) within our peer group (calculated in accordance with the Relative TSR Units, as defined herein), ranking number 2 out of 15 peer group companies.

### **OUT OF 15 PEER GROUP COMPANIES**

In addition, the chart below illustrates the Company's 3 year TSR compared with the TSR of the S&P 500 and the Company's fiscal 2016 peer group (in the case of the Company and the peer group based upon average closing price for the 20 days ending prior to the end of each of the Company's fiscal years in the 3-year period, assuming \$100 was invested on April 30, 2013 in the Company's stock, the S&P 500 and an index comprised of the Company's 2016 peer group).

### **3 YEAR TSR**

KF vs S&P 500 vs Proxy Peer Group

2016 Proxy Statement **26**

[Back to Contents](#)

## Spotlight on CEO Pay Alignment

The Company achieved strong fiscal year 2016 Fee Revenue (on both a GAAP and adjusted basis) and accomplished a number of other strategic objectives such as the acquisition of the Hay Group and the roll-out of the Korn Ferry Four Dimensions of Leadership, an industry-leading assessment protocol. The Compensation and Personnel Committee (the “Committee”) considered in its compensation discussions the operational and strategic activities and actions undertaken by Mr. Burnison and the enhanced competitive position of the Company within the human talent consulting marketplace as a result of those actions.

The chart below shows the components of Mr. Burnison’s total direct compensation composed of his base salary, annual cash incentive award and long-term incentive award(s) for the past three fiscal years overlaid with the Company’s Fee revenue (used as a metric for the Company’s fiscal year 2016 annual cash incentive program and adjusted in fiscal year 2016 as described on pages 32 and 33). The fiscal year 2016 compensation figures for Mr. Burnison include an estimate—based upon valuation models of the grant date fair value (as required by SEC rules for purposes of the executive compensation tables)—of the value of his one-time grant of Synergy RSUs, as discussed on pages 36 and 37. This performance-based award was granted specifically in connection with the acquisition of the Hay Group. This one time performance-based equity award, as more fully described in this Proxy Statement, is earned based upon the achievement of certain cost savings and TSR performance and, assuming continued employment, vests on December 1, 2018.

### CEO DIRECT COMPENSATION VS. FEE REVENUE

*(in millions)*

*Represents the estimated value of the one-time Synergy RSU award based upon valuation models of the grant date fair value as required by SEC rules. The actual value, if any, that Mr. Burnison will realize from his Synergy RSUs will not be known until the time that the award vests.*

As illustrated by the chart above, a significant portion of the CEO’s fiscal 2016 compensation package is tied to the financial performance of the Company and total direct compensation aligns to increases in the Company’s performance in Fee Revenue.

[Back to Contents](#)

## Stockholder Engagement and Consideration of Last Year's Say on Pay Vote

Korn Ferry interacts with its stockholders to obtain stockholder views on various topics from our Company strategy to capital allocation and executive compensation. Taking into account the strong stockholder support for the 2015 advisory vote to approve executive compensation, the Committee determined to maintain our executive compensation programs for 2016. The Company will continue to engage our stockholders this year and in future years and consider their input in all facets of our business, including executive compensation.

**99%** At the 2015 Annual Meeting, approximately 99% of the votes cast were in favor of the advisory vote to approve executive compensation.

### Best Practice Highlights:

**Use of Independent Compensation Consultant.** *The Committee receives objective advice from its independent compensation consultant*

**Modest Perquisites.** *Named executive officers receive only modest perquisites*

**Clawback Policy.** *The Board has adopted a clawback policy applicable to all incentive payments and performance-based equity awards granted to executive officers*

**No Single Trigger Equity Payments.** *The named executive officers are not entitled to any "single trigger" equity acceleration in connection with a change in control*

**Stock Ownership Guidelines.** *Named executive officers are required to hold three times their base salary in Company common stock*

**Peer Group Analysis.** *The Company reviews total direct compensation (base salary, annual cash incentive and long-term incentive payments) and the mix of the compensation components for the named executive officers relative to the peer group as one of the factors in determining if compensation is adequate to attract and retain executive officers with the unique set of skills necessary to manage and motivate our global human capital management firm*

**No Hedging; No Speculative Trading; No Pledging.** *The Company has adopted policies prohibiting hedging, speculative trading or pledging of Company stock*

**No Excise Tax Gross-Ups.** *Our named executive officers are not entitled to any such gross-up*

## EXECUTIVE COMPENSATION PHILOSOPHY AND OVERSIGHT

### Philosophy

The Company is a premier global provider of talent management solutions including executive recruitment, leadership consulting services and high impact recruitment solutions. The Company is uniquely positioned to help its clients with their human capital needs by assisting our clients to design, build and attract talent. The Company's unique global positioning allows it to maintain enhanced brand visibility and to attract and retain high-caliber consultants. The

Company provides its services to a broad range of clients through the expertise of approximately 488 Executive Recruitment, 562 Hay Group (formerly known as LTC and which was combined with HG (Luxembourg) S.à.r.l in December 2015) and 114 Futurestep consultants who are primarily responsible for client services and who are located in 52 countries throughout the world. Accordingly, the Company's executive officers must have the skills and experience to manage and motivate an organization spread over a large number of countries with varying business and regulatory environments. The market for these talented individuals is highly competitive. The Company's compensation philosophy focuses on attracting, retaining and properly rewarding the right candidates for their contributions.

The Committee is diligent about establishing an executive compensation program offering competitive total direct compensation opportunities, which are aligned to stockholder return through established performance criteria grounded in the Company's Strategic Plan and Annual Operating Plan ("AOP").

2016 Proxy Statement **28**



[Back to Contents](#)

The Committee is guided by the following principles in establishing and assessing compensation programs and policies for the named executive officers:

Individual annual cash incentive and equity-based awards should be closely tied to the performance of the Company as a whole or one or more of its divisions or business units, as well as to the team and individual performance of the named executive officer;

The interests of senior management and the Company's stockholders should be aligned through direct ownership of Company common stock and by providing a portion of each named executive officer's total direct compensation in the form of equity-based incentives; and

Total direct compensation must be competitive with our peer group, a broader group of human capital companies and similarly sized publicly traded companies.

*\*Equity awards based upon grant date value. Excludes Mr. Reilly, whose employment terminated during the fiscal year.*

## OUR PROCESS: FROM STRATEGY TO COMPENSATION-RELATED METRICS

The process for setting annual compensation-related metrics begins at an annual off-site meeting where the Company reviews with the Board its Strategic Plan (including goals and objectives). As part of the Strategic Plan, the Company establishes a Strategy Execution Framework ("SEF") to drive performance and achievement of its strategic goals. That framework is represented by the five pillars below; each of which is comprised of detailed activities which, when executed, are designed to drive financial performance goals set within the Company's Strategic Plan:

*integrated, solutions-based go-to-market strategy,  
extend and elevate the brand,  
unparalleled client excellence,  
premier career destination, and  
non-executive search solutions.*

In setting the financial goals that underlie the Strategic Plan, the Company considers a number of internal and external factors such as:

*revenue growth in excess of GDP expectations,  
projected macro-economic data such as employment trends,  
forecasted GDP in the countries where the Company has significant operations,  
internal investment activities,  
market expectations for revenue and earnings growth for recruiting and staffing industry public companies,  
recent and expected levels of new business activity,  
increased productivity of fee earners,  
focus on increasing Executive Recruitment, Futurestep and Hay Group (formerly LTC) collaboration efforts, and  
leveraging the executive search relationships to drive cross line-of-business revenue growth.*

Then, during an end of fiscal year process, the Board approves an AOP for the upcoming fiscal year. For the named executive officers, the Committee establishes annual bonus plan targets with financial and strategic execution Key Performance Indicators (KPIs) that are derived from the SEF and AOP.

[Back to Contents](#)

Such financial targets and strategic execution KPIs form the basis for each named executive officer's annual cash incentives and are tracked and measured during the course of the year with the year-end results reported to the Committee for determining year-end annual cash bonus awards.

As discussed in more detail below, as a part of the process for fiscal 2016 and in light of the Hay Group acquisition, the Committee made certain adjustments to the financial targets during the fiscal year.

### **Use of Independent Advisor**

The Committee retains compensation consultants to assist it in assessing the competitiveness of the named executive officers' compensation. In fiscal 2016, the Committee retained Frederic W. Cook & Co., Inc. for a portion of the year and Pearl Meyer & Partners, LLC for a portion of the year. Pursuant to the factors set forth in Item 407 of Regulation S-K of the Exchange Act, the Committee has reviewed the independence of Frederic W. Cook & Co. and Pearl Meyer & Partners, LLC and conducted a conflicts of interest assessment (taking into consideration factors specified in the NYSE listing standards) and has concluded that Frederic W. Cook & Co. and Pearl Meyer & Partners, LLC are independent and their work for the Committee has not raised any conflicts of interest. No other fees were paid to Frederic W. Cook & Co. or Pearl Meyer & Partners, LLC except fees related to their services to the Committee.

### **Use of a Peer Group**

The Company does not target or position named executive officer pay levels at a specific percentile level relative to a peer group. Rather, the Company reviews total direct compensation and the mix of the compensation components relative to the peer group as one of the factors in determining if compensation is adequate to attract and retain executive officers with the unique set of skills necessary to manage and motivate our global human capital management firm.

Because a number of the Company's peer organizations are privately-held, precise information regarding executive officer compensation practices among the Company's competitor group is difficult to obtain. In addition, even when such data is available, meaningful differences in size, complexity and organizational structure among the Company's peer group make direct comparisons of compensation practices challenging and require exercise of judgment. In assessing the competitiveness of the Company's named executive officer compensation, the Committee relies on information obtained from the proxy statements of publicly-traded competitors, information derived from data obtained from other public sources with respect to competitor organizations, and the general knowledge of the Committee and its compensation consultant with regard to the market for senior management positions.

During fiscal 2016, the Committee continued to use the following companies as a peer group:

CBIZ, Inc.	Navigant Consulting, Inc.
FTI Consulting, Inc.	Resources Connection, Inc.
Heidrick & Struggles International, Inc.	Robert Half International Inc.
Huron Consulting Group Inc.	The Corporate Executive Board Company
ICF International, Inc.	The Dun & Bradstreet Corporation
Inspirity, Inc.	Willis Towers Watson
Kelly Services, Inc.	TrueBlue, Inc.
Kforce Inc.	

This peer group was primarily selected based upon criteria such as business lines, operating model, customer base, revenue, market capitalization and entities with which the Company competes for stockholder investment. The Committee reviews the peer group on an annual basis. Revenue and market capitalization data for this peer group and the Company are as follows:

	<b>Market capitalization (as of August 5, 2016)</b>	<b>Revenues*</b>
Fiscal 2016 Peer Group Median	\$ 1,310 million	\$ 1,333 million
Korn Ferry**	\$ 1,350 million	\$ 1,347 million

\* *Peer company revenues computed for 12 months ending as of the applicable company's most recent annual report (as of August 5, 2016).*

\*\**As of the Company's fiscal year ended April 30, 2016.*

[Back to Contents](#)

While the Committee does not target a particular position relative to its peer group in determining the salary, annual cash incentive and long-term incentive levels for each named executive officer, the Committee does consider the range of salary, annual cash incentive and long-term incentive levels that the peer group provides to similarly situated executives and intends that the levels provided to each named executive officer fall within that range. The salary, annual cash incentive and long-term incentive levels for fiscal 2016 generally fell within this range and are generally intended to be within the 25<sup>th</sup> to 75<sup>th</sup> percentile of the range.

## ELEMENTS OF COMPENSATION & COMPENSATION DECISIONS AND ACTIONS

### **Base Salary**

Base salary is intended to compensate named executive officers for services rendered during the fiscal year and to provide sufficient fixed cash income for retention and recruiting purposes. Named executive officer base salary levels are reviewed on an annual basis by the Committee. In addition to competitive data from the peer group, data is also obtained from other sources with respect to non-public competitor organizations. The Committee also incorporates its perspective and the market knowledge of its compensation consultant related to senior management positions in assessing base salary levels. Further, the Committee takes into consideration individual performance of each named executive officer and, with respect to the named executive officers other than the Chief Executive Officer, input from the Chief Executive Officer.

Effective December 1, 2015, Mr. Rozek's salary was increased from \$475,000 to \$575,000. The increase was in connection with the augmentation of Mr. Rozek's job responsibilities; he was named Chief Corporate Officer, in addition to his existing title of Executive Vice President, Chief Financial Officer. Mr. Rozek's revised salary level is slightly below the median in relation to the Company's peer group.

There were no changes to the base salaries of Messrs. Burnison and Mulrooney. Mr. Reilly and Mr. Kaye were employed by the Company for only a portion of fiscal year 2016 and neither participated in the Company's annual cash incentive or equity program; rather each received off-cycle compensation in connection with their commencement of employment with the Company. Thus, Mr. Reilly and Mr. Kaye's fiscal year 2016 compensation is addressed separately on pages 37 and 38.

### **Annual Cash Incentives**

Annual cash incentives are intended to motivate and reward named executive officers for achieving financial and strategy execution goals over a one-year period. The Committee determines annual cash incentive amounts based upon a number of factors including financial goals, strategy execution objectives, competitive data, and individual

performance, as described in more detail below. While the Committee does primarily base annual cash incentive awards on performance against these objectives for the year, it retains discretion in determining actual bonus payouts. Annual cash incentives are typically paid in cash, but the Committee has discretion to pay a portion of the annual cash incentive in equity or other long-term incentives.

2016 Proxy Statement **31**

[Back to Contents](#)

## ***Governance Insights: Impact of Hay Group Acquisition on Executive Compensation***

Q & A WITH JERRY LEAMON, CHAIR OF THE COMPENSATION AND PERSONNEL COMMITTEE

### **Question: How did the Hay Group acquisition impact compensation decisions for fiscal year 2016?**

Our executive compensation program is designed to align the interests of our named executive officers with the interests of our stockholders. We believe this alignment is achieved through both long term total stockholder return goals and short term execution and financial goals that are incorporated into the compensation program. Upon the consummation of the acquisition of Hay Group, the Committee reviewed and discussed if and how the compensation program should be modified so that it continues to appropriately incentivize participants and align pay with performance. In light of such review and discussion, the Committee approved: one-time, performance Synergy RSUs, as discussed in more detail on pages 36 and 37, and KPI adjustments, as discussed in more detail on page 33.

### **Question: How will the Hay Group acquisition impact compensation decisions for fiscal 2017 and future years?**

The Committee continues to believe that the Company's executive compensation program is consistent with the Company's strong pay-for-performance philosophy. This thinking is supported by the Company's stockholders, who, at the Company's 2015 Annual Meeting, voted approximately 99% (of the votes cast) in favor of the advisory vote to approve executive compensation. In light of the foregoing, the Committee does not intend to make any changes to the Company's executive compensation program as a direct result of the Hay Group acquisition other than the one-time Synergy RSUs. The executive compensation program for fiscal 2017 is structurally similar to the fiscal 2016 program. As has always been the case, the Committee will continue to make thoughtful compensation decisions focused on attracting, retaining and properly rewarding outstanding talent for their contributions.

## **Our Metrics: Measuring Performance**

As discussed earlier in the section entitled "*Our Process: From Strategy to Compensation-Related Metrics*", the Committee, using the Company's strategic plan, SEF and AOP as a basis, sets performance metrics and associated targets for our named executive officers. These performance metrics typically are separated into two categories: financial metrics and strategy execution KPIs.

For fiscal year 2016, the Committee selected the following financial performance metrics:

### **Financial Metric**

#### **Adjusted Fee Revenue**

Fee revenue as reported in the Company's Annual Report on Form 10-K filed on June 28, 2016 ("Form 10-K") adjusted to include the deferred revenue adjustment related to the Hay Group acquisition and further adjusted to eliminate the

effect of currency fluctuations based upon constant currency rates used in the establishment of the Company's Annual Operating Plan (i.e. currency rates as of the beginning of the fiscal year).

#### **Adjusted Diluted EPS**

Diluted earnings per share as reported in the Company's Form 10-K adjusted to include the deferred revenue adjustment related to the Hay Group acquisition, adjusted to exclude the effect of restructuring charges, integration/acquisition costs and Venezuelan foreign currency loss (on an after tax basis) and to eliminate the effect of currency fluctuations based upon constant currency rates used in the establishment of the Company's Annual Operating Plan (i.e. currency rates as of the beginning of the fiscal year).

#### **Adjusted EBITDA Margin**

GAAP net income plus interest, tax, depreciation and amortization expense adjusted to include the deferred revenue adjustment related to the Hay Group acquisition and further adjusted exclude the effects of any restructuring charges, integration/acquisition costs and Venezuelan foreign currency loss divided by Adjusted Fee Revenue.

#### **Adjusted Return on Invested Capital**

GAAP net income adjusted to include the deferred revenue adjustment related to the Hay Group acquisition and further adjusted exclude the effects of restructuring charges, integration/acquisition costs and Venezuelan foreign currency loss (on an after tax basis), divided by average stockholders' equity (plus debt), all adjusted to include the deferred revenue adjustment related to the Hay Group acquisition.



[Back to Contents](#)

Strategy execution KPIs constitute the other group of performance metrics. Grounded in the Company's Strategic Plan, SEF and AOP, the inclusion and use of these KPIs are designed with the intent of aligning compensation with the achievement of the Company's strategic long-term goals, namely efforts to expand its service offerings. While these KPIs are strategic in nature, each KPI does have identified metrics and measurements assigned to it; some of which tie back to specific financial metrics.

Strategy Execution KPIs	Purpose	How the Target Was Established
<b>Strategic Account Development.</b> (measured by Fee Revenue from clients designated as Premier Client Partnership and Investment Accounts divided by total Fee Revenue)*	Linked to the Company's integrated solutions drive "go-to market" strategy of building deeper, multi-service line relationships with clients.	Target set based upon targeted revenues from an agreed-upon list of clients.
<b>Top Rated Performers Retention.</b> (based upon the percentage of highly rated executive search senior client partners and LTC senior partners/ managing directors which are retained throughout the fiscal year)	Linked to the Company's strategic goal of being a premier career destination.	Target set by Committee derived from the SEF and AOP.
<b>Futurestep Revenue % from Global Strategic Accounts.</b> (measured by Futurestep's Fee Revenue divided by the Fee Revenue of a specific group of key client accounts identified by management)	Linked to the Company's integrated solutions drive "go-to market" strategy of building deeper, multi service line relationships with clients.	Target based upon targeted revenues from an agreed upon list of clients.

*Adjusted to include the deferred revenue adjustment related to the Hay Group acquisition, and further adjusted to eliminate the effect of currency fluctuations based upon constant currency rates used in the establishment of the Company's AOP (i.e. currency rates as of the beginning of the fiscal year).*

The Board, Committee and Company believe they have set targets with appropriate rigor. During fiscal year 2016, the Company acquired the Hay Group. As discussed in the Governance Insights Q&A on page 32, in the footnotes to the table below and in the narrative following the table, certain of the targets for the fiscal year were adjusted to reflect the economics of the combined company based on the operating plan for the combined company. In all cases, when the targets were originally set, the targets were more challenging than both target and actual performance for fiscal year 2015. The table below discusses target and actual results for fiscal year 2015 and fiscal year 2016.

Financial Metric / KPI	FY 15 Target	FY 15 Actual*	FY 16 Target	FY 16 Actual*
Adjusted Fee Revenue (\$M)	\$1,008.8	\$1,057.1	\$1,289**	\$1,326
Adjusted EBITDA Margin	15.50%	15.60%	13.8%**	14.6%
Adjusted Diluted EPS (\$)**	\$1.71	\$1.96	\$1.90**	\$2.14
Adjusted ROIC	10.80%	12.50%	10.6%**	11.3%
Futurestep Fee Revenue (\$M)	\$146	\$170	\$185	\$204
Strategic Account Development	23%	24%	24.5%	24.0%

- \* *Adjusted to eliminate the effect of currency fluctuations based upon constant currency rates used in the establishment of the Company's AOP (i.e. currency rates as of the beginning of the fiscal year).*
- Adjusted to reflect to reflect the Hay Group Acquisition. Prior to such adjustments the targets for Fiscal Year*
- \*\* *2016 were as follows: Adjusted Fee Revenue (\$1,086 million), Adjusted EBITDA Margin (15.8%), Adjusted Diluted EPS (\$2.00), and Adjusted ROIC (12.7%). In all cases, when the targets were originally set, the targets were more challenging than both target and actual performance for fiscal year 2015.*
- Actual results represent diluted EPS adjusted to include the deferred revenue adjustment related to the Hay Group*
- \*\*\* *acquisition, adjusted to exclude the effect of restructuring charges, separation costs, integration/acquisition costs and Venezuelan foreign currency loss (on an after tax basis) and adjusted to eliminate the effect of currency fluctuations based upon a constant currency rate.*

The Hay Group acquisition was transformative for Korn Ferry. The acquisition results in the addition of intellectual property, including extensive information databases, and of course valuable human talent to Korn Ferry – just to name a few items. It also transforms the mix of Korn Ferry's revenues by volume, geographies, lines of business, etc. When the Committee set the financial metrics for the annual cash incentive plan, it recognized that acquisitions and divestitures made during the fiscal year could have a significant impact on the continued effectiveness and suitability of the financial metrics. Accordingly, the Committee retained the discretion to adjust the financial metrics and to reflect such transactions. As so contemplated, the adjusted Fee Revenue target was adjusted upward to reflect the addition of the Hay Group business, the adjusted EBITDA Margin target was adjusted to reflect the lower margin business of legacy Hay Group and its anticipated impact, the adjusted Diluted EPS metric was adjusted to reflect the additional shares that were issued in connection with the acquisition and for acquisition-related financing and accounting matters (such as purchase accounting) arising from the acquisition, and the adjusted Return on Invested Capital metric was adjusted to reflect the acquisition-related financing.

[Back to Contents](#)**Determinations and Results:**

After the end of the fiscal year the Committee evaluated each named executive officer's achievements against the financial and strategy execution targets. Notwithstanding the structure outlined above, while the Committee primarily bases its determination of annual cash incentives on the metrics discussed herein, the Committee retains discretion in determining actual annual cash incentive awards.

For fiscal year 2016, the weightings and results for our named executive officers were as follows:

**Financial Metrics**

	<b>Target*</b>	<b>Actual**</b>	<b>Weighting</b>	
			<b>Burnison</b>	<b>Mulrooney</b>
Adjusted Fee Revenue (\$M)	\$ 1,289	<b>\$ 1,326</b>	17.5%	—
Adjusted EBITDA Margin	13.8%	<b>14.6%</b>	17.5%	15.0%
Adjusted Diluted EPS (\$)**	\$ 1.90	<b>\$ 2.14</b>	17.5%	—
Adjusted ROIC	10.6%	<b>11.3%</b>	17.5%	—
Futurestep Fee Revenue (\$M)****	\$ 185	<b>\$ 204</b>	—	30.0%
Futurestep EBITDA Margin	****	<b>1.02x Target</b>	—	15.0%

**Strategy Execution KPIs**

	<b>Target</b>	<b>Actual</b>	<b>Weighting</b>	
			<b>Burnison</b>	<b>Mulrooney</b>
Strategic Account Development	24.5%	24.0%	15.0%	15.0%
Top Rated Performers Retention	****	<b>1.05x Target</b>	15.0%	—
Futurestep Rev. % from Global Strategic Accounts	****	<b>1.02x Target</b>	—	15.0%
Individual Performance	*****	<b>2.00x Target</b>	—	10.0%

*Other than with respect to the Futurestep Fee Revenue goal, adjusted to reflect to reflect the Hay Group Acquisition. Prior to such adjustments the targets for Fiscal Year 2016 were as follows: Adjusted Fee Revenue (\$1,086 million), Adjusted EBITDA Margin (15.8%), Adjusted Diluted EPS (\$2.00), and Adjusted ROIC (12.7%). In all cases, when the targets were originally set, the targets were more challenging than target or actual performance for fiscal year 2015.*

*\*\* Adjusted to eliminate the effect of currency fluctuations based upon constant currency rates used in the establishment of the Company's AOP (i.e. currency rates as of the beginning of the fiscal year).*

*\*\*\* Actual results represent diluted EPS adjusted to include the deferred revenue write-off related to the Hay Group acquisition, adjusted to exclude the effect of restructuring charges, separation costs and integration/acquisition costs (on an after tax basis) and adjusted to eliminate the effect of currency fluctuations based upon a constant currency rate.*

*\*\*\*\* Target not disclosed due to potential competitive harm, but, where applicable, it was set above both target and actual results for fiscal year 2015.*

*\*\*\*\*\* For Mr. Mulrooney, where individual performance served as a KPI, the Committee noted the following: Futurestep business grew organically 28% based upon constant currency during the fiscal year, secured a*

*record level of RPO assignments and accounted for approximately 15.3% of the Company's business.*

In keeping with our efforts to reflect stockholder feedback, the table above incorporates detailed disclosure with either actual results or relative results to target. For competitive advantage and confidentiality reasons, we do not disclose the target and actual results for all our strategy execution KPIs. However, when the goals were established the financial metrics and the strategy execution KPIs were considered challenging to achieve given the continuing uncertain economic environment and targets were set above both targets and results for fiscal year 2015.

For each of Mr. Burnison and Mr. Rozek, the target bonus is equal to 100% of his base salary and the maximum bonus is equal to 200% of his base salary. Mr. Mulrooney had a target of \$650,000 for his annual cash and long-term incentives, in the aggregate.

For Messrs. Burnison and Rozek, the Committee awarded annual cash incentive amounts as follows: Mr. Burnison-\$1,669,850 and Mr. Rozek-\$1,055,125 (which amounts represent 183.5% of their respective target bonuses for the year). This amount reflects their performance against the financial metrics and strategy execution KPI targets established at the beginning of the fiscal year, with adjustments reflecting the Hay Group acquisition.

The Committee reviewed performance against the financial performance goals and strategy execution objectives described above in determining a total dollar value for Mr. Mulrooney's combined annual cash incentive and long-term equity awards. A portion of this value was provided to Mr. Mulrooney in early fiscal year 2016 as an annual cash incentive (\$950,000).

Mr. Reilly and Mr. Kaye's fiscal year 2016 compensation is addressed separately on pages 37 and 38.

[Back to Contents](#)

## **Long-Term Equity Incentives**

Long-term incentives are intended to align the named executive officers' interests with those of stockholders and encourage the achievement of the long-term goals of the Company. Long-term incentives are also designed to motivate and help retain top talent. To accomplish these objectives the Committee has discretion to make grants of options, time-based restricted stock and/or performance-based awards, as well as contributions to the Company's non-qualified deferred compensation plans (described below) that vest over time.

The Committee determines long-term incentive award amounts based upon a number of factors including competitive data, total overall compensation provided to each named executive officer, Company performance during the fiscal year preceding the year of grant, and historic grants. The various factors are not given specific weights; the Committee retains discretion to consider items as it deems appropriate.

In fiscal year 2016 our Chief Executive Officer received annual equity grants comprised of 40% time-based restricted stock units and 60% performance restricted stock units (discussed in further detail below). The Committee has determined that this amount falls within the range of long-term incentives provided by the peer group companies and that this was an appropriate level of equity grant and equity mix to properly align the interests of our Chief Executive Officer with the Company's long-term goals, taking into account his individual performance and market compensation levels. In fiscal 2016 our Chief Financial Officer received annual equity grants comprised of 40% time-based restricted stock units and 60% performance restricted stock units (discussed in further detail below).

As described above, Mr. Mulrooney had an aggregate target of \$650,000 for his target annual cash and long-term incentives. When determining the allocation between cash and long-term equity incentives with respect to Mr. Mulrooney, the Committee primarily reviewed historical pay practices, internal equity and what it considered to be an appropriate balance between short-term and long-term pay elements.

Below we discuss equity grants made during fiscal year 2016, including certain one-time special equity grants, the payout of the performance awards granted in 2014 for which the three-year performance period ended in fiscal year 2016, and the equity grants made during fiscal year 2017. Mr. Reilly and Mr. Kaye's fiscal year 2016 compensation is addressed separately on pages 37 and 38.

## **Fiscal Year 2016 Equity Awards**

In fiscal year 2016, 60% (based on the number of units/shares granted) of the annual equity awards granted to the named executive officers were comprised of performance-based awards tied to three-year relative TSR ("Relative TSR Units"). As in previous years (excluding fiscal year 2014), the named executive officers received a portion of their

equity awards in the form of time-based restricted stock awards. As discussed further below, certain NEOs received off-cycle, sign-on and/or special equity grants during fiscal year 2016.

#### **Performance-Based Equity: Relative TSR Units**

Mr. Burnison was awarded Relative TSR Units with a target amount of 35,260 units, a maximum amount of 70,520 units, and a minimum amount of zero. These Relative TSR Units have a three-year performance period after which the number of units that vest will depend upon the Company's TSR over the three-year performance period relative to the fiscal 2016 peer group of companies listed above. If the Company's TSR is less than zero, the payouts will be modified to reduce the payout as a percentage of the target.

Relative TSR Units were also granted to Mr. Rozek, with a target amount of 15,430 units (maximum of 30,860 units and minimum of zero); and Mr. Mulrooney with a target amount of 11,020 units (maximum of 22,040 units and minimum of zero).

The table below outlines the potential vesting of the percentages of the Relative TSR Units granted in fiscal year 2016 resulting from the Company's TSR over the three-year performance period relative to the TSR of the fiscal year 2016 peer group.

[Back to Contents](#)

Relative TSR Percentile Ranking	Payout as a % Target	
	Absolute TSR > 0%	Absolute TSR < 0%
>90P	200%	100%
90P	200%	100%
85P	183%	100%
80P	167%	100%
75P	150%	100%
70P	133%	100%
65P	117%	100%
60P	100%	100%
55P	92%	88%
50P	83%	75%
45P	75%	63%
40P	67%	50%
35P	58%	38%
30P	50%	25%
<30P	0%	0%

**Time-Based Restricted Stock**

Messrs. Burnison, Rozek and Mulrooney received a time-based restricted stock award that vests in four equal annual installments beginning on July 8, 2016. Mr. Burnison received 23,510 shares, Mr. Rozek received 10,290 shares and Mr. Mulrooney received 7,350 shares.

**Relative TSR Units for the Three-Year Performance Cycle Ending April 30, 2016**

April 30, 2016 marked the end of the three-year performance cycle for the performance-based restricted stock units granted to Mr. Burnison and Mr. Rozek in fiscal year 2014 (and discussed in further detail in the Company's proxy statement for fiscal year 2014). The Company's relative total stockholder return over the three-year performance period resulted in the Company ranking second out of a 15 company peer group. This second place ranking translates into 185% of the award (i.e. 66,690 and 22,630 shares, respectively) vesting. Mr. Mulrooney was not granted this type of equity grant in fiscal year 2014.

**LTC/FS Units for the Three-Year Performance Cycle Ending April 30, 2016**

April 30, 2016 marked the end of the three-year performance cycle for the performance-based restricted stock units granted to Messrs. Burnison, Rozek and Mulrooney in fiscal 2014 (and discussed in further detail in the Company's proxy statement for fiscal year 2014). LTC and Futurestep performance against the Revenue and adjusted EBITDA Margin CAGR targets for each of the three years in the performance period resulted in 155% of the award (i.e. 55,240,

18,740 and 10,520 shares, respectively) vesting. The actual Revenue and EBITDA results for LTC were adjusted to eliminate the effects of the Pivot acquisition, severance to NEOs, non-cash charges determined to be extraordinary or unusual in nature, and currency fluctuations. The actual Revenue and EBITDA results for Futurestep were adjusted to eliminate the effects of currency fluctuations.

### **Synergy RSU Awards**

On December 23, 2015, the Company adopted a synergy incentive program intended to reward participants, including certain of the NEOs, for capturing annualized cost reductions in connection with the Company's acquisition of the Hay Group and delivering on TSR. The awards to the participating NEOs were in the form of performance-based restricted stock units (the "Synergy RSUs") that are eligible to vest based on achievement of cost reduction goals, as described below, tested over a performance period, with an interim measurement period, and continued employment through December 1, 2018. The number of Synergy RSUs earned for the performance period and the interim measurement period will be adjusted up or down based on the Company's TSR in relation to the Company's 2016 peer group over the applicable period, as described below, in order to align management's cost reduction actions with long-term stockholder value creation.

The performance period began on September 30, 2015, the last day of the month during which the acquisition was announced, and it will end on April 30, 2017. There will be an interim measurement period that began on September 30, 2015 and will end on September 30, 2016. The number of Synergy RSUs earned will be tested separately for the performance period and the interim measurement period, but the number of shares earned for the performance period will be reduced (but not below zero) by the amount earned for the interim measurement period.

For purposes of the Synergy RSUs, the cost reductions will be the annualized ongoing cost savings relating to the acquisition that are achieved during the performance period or interim measurement period, as applicable, including cost savings from restructuring programs, optimization of benefit programs, consolidation of facilities, elimination of redundant marketing and professional



Back to Contents

expenses, reduced general and administrative expenses from conforming policies and consolidating administrative functions, and consolidation of information technology systems and data centers. In the event expenses associated with the cost saving actions in the performance period or measurement period, in the aggregate, exceed the amount of the annualized ongoing cost savings resulting from the actions in the applicable period, then the cost reductions for the applicable period will be reduced by such excess.

Mr. Burnison's target number of Synergy RSUs is 60,078 and Mr. Rozek's target number of Synergy RSUs is 30,039. The target number of shares will be earned if cost reductions for the performance period or the interim measurement period equal \$25 million and relative TSR performance is 50th percentile for the performance period or the interim measurement period, as applicable. The threshold for earning any shares is cost reductions of at least \$20 million, which would result in from 40% to 60% of target shares being earned, depending on the Company's relative TSR performance ranking. The maximum amount of cost reductions taken into account will be \$60 million, which would result in a number of shares being earned equal to target plus from 1.67 to 3 times target, depending on the Company's relative TSR performance ranking.

As discussed below on page 38, Mr. Kaye also received a grant of Synergy RSUs. Mr. Mulrooney did not receive a grant of Synergy RSUs because he does not have responsibilities related to the business of the Hay Group.

**Fiscal Year 2017 Equity Awards**

At the beginning of fiscal year 2017 and as will be described in more detail in the proxy statement for fiscal year 2017, the Company granted regular cycle long term incentive grants in the form of time-based restricted stock and Relative TSR Units to the named executive officers. Similar to the regular cycle long term incentive awards granted in fiscal year 2016, including with respect to structure, the Company granted 40% in time-based restricted stock and 60% in Relative TSR Units (based on the number of units/shares granted). For the fiscal year 2017 regular cycle grants, each of the NEOs received the following:

NEO*	Time-Based Restricted Stock	Value of Time-Based Restricted Stock (Based Upon Grant Date Closing Stock Price)	Relative TSR Units Target	Value of Relative TSR Units Target (Based Upon Grant Date Closing Stock Price)
Gary D. Burnison	45,070	\$ 960,000	67,610	\$1,440,000

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Robert P. Rozek	21,600	\$ 460,000	32,390	\$690,000
Byrne Mulrooney**	37,560	\$ 800,000	56,340	\$1,200,000
Stephen D. Kaye***	—	—	—	—

- \* *Mr. Reilly separated from the Company effective January 31, 2016, following the acquisition of the Hay Group.*
- \*\* *As will be discussed in further detail in the fiscal year 2017 proxy statement, Mr. Mulrooney received an increased equity grant relative to prior years. The Committee determined this was appropriate in light of peer group practices and for retention purposes. Mr. Mulrooney's time-based RSUs will vest over a 5-year period, rather than a 4-year period. In addition to the equity grants above, Mr. Mulrooney was also granted cash-based units in the Company's new Long Term Performance Unit Plan. See discussion below for further detail.*
- \*\*\* *In light of his equity grants in December 2015, Mr. Kaye did not receive equity grants as a part of the regular grant cycle in July 2016.*

### Fiscal 2016 Compensation for Mr. Reilly and Mr. Kaye

Mr. Reilly and Mr. Kaye were employed by the Company for only a portion of fiscal year 2016. Both of them commenced employment with the Company during fiscal year 2016 (Mr. Reilly in May and Mr. Kaye in December) and Mr. Reilly separated from the Company effective January 31, 2016, following the acquisition of the Hay Group.

#### Base Salary

On May 4, 2015, the Company entered into an employment letter agreement with Mr. Reilly and on September 25, 2015, the Company entered into an employment letter with Mr. Kaye. In connection with the negotiation of these agreements, the annual base salaries for each of Mr. Reilly and Mr. Kaye were set at \$450,000.

#### Cash Incentives and Bonuses

Mr. Kaye had a target of \$850,000 for his annual cash and long-term incentives, in the aggregate; provided that, for the first twelve months of his employment only, Mr. Kaye was guaranteed a minimum cash payment equal to \$750,000. In light of the Company's performance (as discussed above) and Mr. Kaye's guaranteed bonus amount, the Committee determined that it was appropriate for Mr. Kaye to receive a pro-rata payment of the \$750,000 (with the balance to be a guaranteed amount in fiscal 2017) for fiscal year 2016 (\$312,500).

In connection with his hire and the integration of the Hay Group with and into the Company, Mr. Kaye was granted a potential cash award of \$1,000,000 (the "Retention Bonus"). 50% of the Retention Bonus is payable on (or within 45 days following) December 1, 2017, and 50% of the Retention Bonus is payable on (or within 45 days following) December 1, 2018, contingent upon his continuous, uninterrupted regular employment through such dates.

2016 Proxy Statement **37**

[Back to Contents](#)

Mr. Reilly had a target of \$850,000 for his annual cash and long-term incentives, in the aggregate; provided that, for fiscal year 2016 only, Mr. Reilly was guaranteed a minimum cash payment equal to \$750,000. Mr. Reilly was no longer employed by the Company when determinations were made with respect to annual cash incentive payout amounts. In addition, in connection with his separation, the Committee approved an additional payment to Mr. Reilly of \$50,000, equal to the pro-rata portion of the annual cash incentive in excess of \$750,000 that Mr. Reilly would have received for fiscal year 2016 (based on the Company's performance through the date of his separation agreement, and the number of days in the fiscal year Mr. Reilly was employed prior to such date).

In connection with the negotiation of his offer letter during fiscal year 2016, and in recognition of amounts he forfeited from his previous employer, Mr. Reilly was paid a sign-on bonus equal to \$700,000, which was subject to repayment obligations if Mr. Reilly's employment was terminated by Mr. Reilly without "Good Reason" or by the Company without "Cause" during the four-year period following his start date.

Mr. Reilly's separation-related payments are discussed below under the section entitled "Potential Payments Upon Termination or Change of Control."

### **Long-Term Equity Incentives**

Each of Messrs. Kaye and Reilly had an aggregate target of \$850,000 for his target annual cash and long-term incentives, however, each of them received sign-on grants during fiscal year 2016, rather than participating in the ordinary annual grant cycle. In connection with the negotiation of their offer letters during fiscal year 2016, Messrs. Kaye and Reilly each received a time-based restricted stock award that vests in four equal annual installments beginning on December 1, 2016, for Mr. Kaye and May 4, 2016, for Mr. Reilly. Mr. Kaye received 26,110 shares and Mr. Reilly received 43,970 shares.

Mr. Kaye also received a grant of Synergy RSUs which are subject to the same terms and conditions as the Synergy RSUs granted to Messrs. Burnison and Rozek, as described above on pages 36 and 37. Mr. Kaye's target number of Synergy RSUs is 15,020.

Mr. Reilly's separation-related payments, including the treatment of his restricted stock award, are discussed below under the section entitled "Potential Payments Upon Termination or Change of Control."

### **OTHER COMPENSATION ELEMENTS**

## **Generally Available Benefits and Perquisites**

The Company provides named executive officers the same benefits that are provided to all employees, including medical, dental and vision benefits, group term life insurance and participation in the Company's 401(k) plan. In addition, the named executive officers receive the benefits provided to all employees at the level of vice president and above including an automobile allowance and participation in the Company's nonqualified deferred compensation plan (described below).

## **Nonqualified Deferred Compensation Plan**

The Company maintains a nonqualified deferred compensation plan, known as the Korn/Ferry International Executive Capital Accumulation Plan ("ECAP"). Pursuant to the ECAP, the named executive officers, along with all other U.S.-based vice presidents, may defer up to 80% of their salary and/or up to 100% of their annual incentive award into the ECAP. Participants in the ECAP make elections on how they would like their deemed account "invested" from a set line up of 17 pre-determined mutual funds. At its discretion, the Company may make contributions to the ECAP on behalf of a participant. All Company matching and performance contributions to the ECAP are approved by the Committee. During fiscal year 2016, no Company contributions were made to the ECAP on behalf of the named executive officers. Participants in the ECAP may elect to receive distributions (in lump sum) while employed by the Company (and after such amounts have become vested) or upon termination of their employment with the Company.

## **Long Term Performance Unit Plan**

After the end of the fiscal year, the Committee approved the Korn/Ferry International Long Term Performance Unit Plan (the "LTPU Plan"). The Company's named executive officers are eligible to participate in the LTPU Plan; currently Mr. Mulrooney is the only named executive officer that participates. The purpose of the LTPU Plan is to promote the success of the Company by providing a select group of management and highly compensated employees with nonqualified supplemental retirement benefits as an additional means to attract, motivate and retain such employees. Pursuant to the LTPU Plan, the Committee may grant cash-based unit awards (the "Unit Awards"). Unless a participant dies or becomes disabled, or makes an election in accordance with the LTPU Plan, each vested Unit Award will pay out an annual benefit of \$25,000 (subject to a potential performance adjustment) for each of five years commencing on the seventh anniversary of the grant date. Subject to the terms

[Back to Contents](#)

of the LTPU Plan, participants may elect to have their annual benefits start on a later date and/or pay out in a lower annual amount over a greater number of years. The Unit Award granted to Mr. Mulrooney vests upon the following circumstances: (i) the fourth anniversary of the grant date, subject to his continued service as of such date; (ii) the later of his 65th birthday and the second anniversary of the grant date, subject to his continued services as of each such date; (iii) his death or disability, or (iv) a change of control event (as defined in the LTPU Plan).

## **Employment Agreements**

Each of the Company's named executive officers is covered by an employment contract or letter agreement that provides for a minimum annual level of salary, target incentives, eligibility for long-term incentives and benefit eligibility. The agreements also provide for a severance benefit in the event of a termination of employment without "cause" or for "good reason," as such terms are defined in the agreements. It is the Committee's belief that such agreements are necessary from a competitive perspective and also contribute to the stability of the management team.

Please refer to the sections entitled "Employment Agreements" and "Potential Payments Upon Termination or Change of Control" below for further discussion of these agreements.

## **OTHER POLICIES**

### **Stock Ownership Guidelines**

The Company's amended and restated stock ownership guidelines provide that all named executive officers are required to own three times their annual base salary in Company common stock. In addition, such guidelines require non-employee directors to hold three times their annual cash retainer in Company common stock. Stock ownership includes direct stock ownership but does not include unvested stock awards. Pursuant to the stock ownership guidelines, the stock ownership level will be calculated annually on the day of the Company's annual meeting of stockholders based on the prior thirty-day average closing stock price as reported by the NYSE. Until the stock ownership level is met, each executive officer and non-employee director must retain at least 75% of the net shares received upon vesting of restricted stock awards and 50% of the net shares received upon exercise of stock options. When an executive officer's stock ownership requirement increases as a result of an increase in the officer's annual salary, the officer will become subject to such higher stock ownership level over a five-year proportional phase-in period. All of our named executive officers are in compliance with the stock ownership guidelines (either because they meet the applicable stock ownership level or because they are in compliance with the applicable retention ratios in instances where the applicable stock ownership level has not been met).

### **Clawback Policy**

On July 12, 2011, the Board adopted a clawback policy applicable to all incentive payments and performance-based equity awards granted to executive officers or the principal accounting officer after July 12, 2011. Pursuant to the policy, in the event that the Board determines there has been an accounting restatement due to material noncompliance with any financial reporting requirement under the securities laws, the Board will review all applicable incentive payments and if such payments would have been lower had they been calculated based on such restated results, the Board may, to the extent permitted by governing law, seek to recoup for the benefit of the Company such payments to and/or equity awards held by executive officers or the principal accounting officer who are found personally responsible for the material restatement, as determined by the Board.

### **Policies Prohibiting Hedging, Speculative Trading and Pledging**

The Company has adopted policies prohibiting officers, directors and employees from engaging in speculative transactions (such as puts, calls, short sales) or in any type of hedging transaction (such as zero cost collars and forward sale contracts) in Company securities. Further, directors and officers are expressly prohibited from margining Company securities or pledging Company securities as collateral for a loan.

[Back to Contents](#)

## **Internal Revenue Code Section 162(m)**

As one of the factors in the review of compensation matters, the Committee considers the anticipated tax treatment to the Company. The deductibility of some types of compensation for named executive officers (other than the chief financial officer) depends upon the timing of a named executive officer's vesting or exercise of previously granted rights or on whether such plans qualify as "performance-based" plans under the provisions of the tax laws. The Committee usually seeks to satisfy the requirements necessary to allow the compensation of its named executive officers to be deductible under Section 162(m) of the Internal Revenue Code, but may also approve compensation that is not deductible under Section 162(m). For example, for fiscal 2016 no annual bonuses would have been paid, and no equity awards would have been granted in fiscal year 2016, to any of the named executive officers if the Company had not achieved at least 9.5% ROIC or \$1.40 of adjusted diluted EPS.

## **COMPENSATION AND PERSONNEL COMMITTEE REPORT ON EXECUTIVE COMPENSATION**

The Compensation and Personnel Committee has reviewed and discussed the Compensation Discussion and Analysis (the "CD&A") for the fiscal year ended April 30, 2016 with management. In reliance on the reviews and discussions with management relating to the CD&A, the Compensation and Personnel Committee has recommended to the Board, and the Board has approved, that the CD&A be included in this Proxy Statement.

### **Compensation and Personnel Committee**

Jerry P. Leamon, Chair  
Christina A. Gold  
William R. Floyd

## **COMPENSATION COMMITTEE INTERLOCKS AND INSIDER PARTICIPATION**

During fiscal 2016, at all times, all members of the Compensation and Personnel Committee were "independent"; none were employees or former employees of the Company and none had any relationship with the Company requiring disclosure under Item 404 of Regulation S-K. None of our executive officers served on the compensation committee or board of directors of another entity whose executive officer(s) served on our Compensation and Personnel Committee or Board.



2016 Proxy Statement **40**

[Back to Contents](#)

## COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

## FISCAL YEAR 2016, 2015 AND 2014 SUMMARY COMPENSATION TABLE

The following table sets forth information with respect to the total compensation paid to or earned by each of the named executive officers in fiscal 2016, 2015 and 2014.

Name and Principal Position	Fiscal Year	Salary (\$)	Bonus (\$)	Stock Awards (\$) <sup>(1)</sup>	Non-Equity Incentive Plan Compensation (\$) <sup>(2)</sup>	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Gary D. Burnison, President and Chief Executive Officer	2016	910,000	—	5,007,588	1,669,850	19,508	<sup>(4)</sup> 27,306	<sup>(5)</sup> 7,634,2
	2015	861,538 <sup>(3)</sup>	—	1,515,819	1,654,148	26,594	<sup>(4)</sup> 19,227	<sup>(6)</sup> 4,077,3
	2014	700,000	—	1,749,826	1,303,650	—	14,815	<sup>(6)</sup> 3,768,2
Robert P. Rozek, Executive Vice-President, Chief Financial Officer and Chief Corporate Officer	2016	516,667 <sup>(7)</sup>	—	2,367,371	1,055,125	—	22,871	<sup>(8)</sup> 3,962,0
	2015	475,000	—	514,386	863,429	—	16,977	<sup>(6)</sup> 1,869,7
	2014	475,000	—	593,607	884,620	—	12,692	<sup>(6)</sup> 1,965,9
Byrne Mulrooney, Chief Executive Officer of Korn/Ferry International Futurestep, Inc.	2016	450,000	—	683,758	950,000	—	20,361	<sup>(10)</sup> 2,104,1
	2015	426,154 <sup>(9)</sup>	—	433,225	808,700	—	32,200	<sup>(6)</sup> 1,700,2
	2014	300,000	—	440,461	722,643	—	113,059	<sup>(6)</sup> 1,576,1
Matthew P. Reilly, Former Chief Executive Officer of Leadership and	2016	336,057	1,450,000 <sup>(11)</sup>	1,482,668	50,000	<sup>(12)</sup> —	490,044	<sup>(13)</sup> 3,808,7
	2015	—	—	—	—	—	—	—
	2014	—	—	—	—	—	—	—

Talent

Consulting

Stephen D.

Kaye,

Chief Executive

Officer

of Korn/Ferry

International,

The Hay Group

2016	187,500 <sup>(14)</sup>	312,500	<sup>(15)</sup>	1,705,052	—	—	35,639	<sup>(16)</sup>	2,240,6
2015	—	—	—	—	—	—	—	—	—
2014	—	—	—	—	—	—	—	—	—

*Represents the aggregate grant date fair value of awards granted during the fiscal year, calculated in accordance with Accounting Standards Codification, 718, Compensation-Stock Compensation. Certain assumptions used to calculate the valuation of the awards are set forth in Note 4 to the notes to consolidated financial statements in our Annual Report on Form 10-K for the fiscal year ended April 30, 2016. For the 2016 grants, the value of the maximum number of shares that could be earned as Relative TSR Units granted to each named executive officer is as follows: Mr. Burnison, \$2,774,962, Mr. Rozek, \$1,214,341 and Mr. Mulrooney, \$867,274. For the Relative TSR Units, the grant date fair value is measured using a Monte Carlo simulation valuation model. The simulation model applies a risk-free interest rate and an expected volatility assumption. The risk-free rate is assumed to equal the yield on a three-year Treasury bond on the grant date. Volatility is based on historical volatility for the 36-month period preceding the grant date. For Mr. Burnison and Mr. Rozek the assumed per-share value of the Relative TSR Units for the July 8, 2015 annual grant was \$39.35, for the July 25, 2014 annual grant was \$33.85, (1) and for the July 9, 2013 annual grant was \$23.23. For Mr. Mulrooney, the assumed per-share value of the Relative TSR Units for the July 25, 2014 annual grant was \$33.85, and for the July 9, 2013 annual grant was \$23.23. For performance-based shares (the performance units granted in fiscal 2014 tied to fee revenue and EBITDA margin CAGR of the LTC and Futurestep service offerings (the "LTC/FS Units")), fair value is determined by the closing share price on the grant date and the outcome is determined based upon company performance measured by the compounded annual growth rate of segment revenue and EBITDA margin compared to target levels. The per-share value of the LTC/FS Units granted on December 18, 2013 for Mr. Burnison, Mr. Rozek and Mr. Mulrooney was \$25.60. For the 2016 grants, the value of the maximum number of shares that could be earned as Synergy RSUs granted to each named executive officer is as follows: Mr. Burnison, \$8,000,000, Mr. Rozek, \$4,000,000 and Mr. Kaye, \$2,000,000. During fiscal year 2016, Mr. Reilly received a time-based restricted stock award on his hire date that was accelerated in connection with his later termination of employment. The incremental cost associated with the award's modification (\$82,668) is included above (as well as the grant date fair value of 1,400,000).*

Back to Contents

- (2) *Reflects cash incentive compensation earned in the applicable fiscal year and paid in the following fiscal year.*
- (3) *Mr. Burnison's base annual salary from May 1, 2014 to June 25, 2014 was \$700,000, at which time his employment agreement was amended and restated increasing Mr. Burnison's base annual salary to \$910,000. The values in the table represent, for each applicable fiscal year, the aggregate change in the actuarial present value of Mr. Burnison's accumulated benefit under the Enhanced Wealth Accumulation Plan (the "EWAP") from the pension plan measurement date used for financial statement reporting purposes with respect to the Company's audited financial statements for the prior completed fiscal year to the pension plan measurement date used for financial reporting purposes with respect to the Company's audited financial statements for the covered fiscal year. As discussed under "Fiscal 2016 Pension Benefits," participants in the EWAP elected to participate in a "deferral unit" that required the participant to contribute a portion of their compensation for an eight year period, or in some cases, make an after tax contribution, in return for defined benefit payments from the Company over a*
- (4) *fifteen year period generally at retirement age of 65 or later. Mr. Burnison is the only named executive officer that participates in the EWAP. To date, Mr. Burnison has contributed \$55,200 to the EWAP. In June 2003, the Company amended the EWAP plan, so as not to allow new participants or the purchase of additional deferral units by existing participants. The aggregate change in the actuarial present value of Mr. Burnison's accumulated benefit under the EWAP from the pension plan measurement date used for financial statement reporting purpose with respect to the Company's audited financial statements for fiscal year 2013 to the pension plan measurement date used for financial reporting purposes with respect to the Company's audited financial statements for fiscal year 2014 was (\$16,954). Represents an auto allowance of \$5,400, executive long-term disability insurance premium and/or imputed*
- (5) *income of \$1,095, executive short-term life insurance premium and/or imputed income of \$4,140, 401(k) employer matching contribution of \$3,600 and dividends on unvested restricted stock of \$13,071. Reflects increase to amounts reported in prior year proxy statements due to inadvertent omission of 401(k)*
- (6) *matching contributions as follows: Mr. Burnison (2014), \$3,025, Mr. Burnison (2015), \$3,500, Mr. Rozek (2014), \$2,479, Mr. Rozek (2015), \$3,499, Mr. Mulrooney (2014), \$3,500, Mr. Mulrooney (2015), \$3,534.*
- (7) *Mr. Rozek's base annual salary from May 1, 2015 to December 28, 2015 was \$475,000, at which time his offer letter was amended increasing Mr. Rozek's base annual salary to \$575,000. Represents an auto allowance of \$5,400, executive long-term disability insurance premium and/or imputed*
- (8) *income of \$1,095, executive short-term life insurance premium and/or imputed income of \$3,933, 401(k) employer matching contribution of \$3,499 and dividends on unvested restricted stock of \$8,944.*
- (9) *Mr. Mulrooney's base annual salary from May 1, 2014 to June 26, 2014 was \$300,000, at which time his offer letter was amended increasing Mr. Mulrooney's base annual salary to \$450,000. Represents an auto allowance of \$5,400, executive long-term disability insurance premium and/or imputed*
- (10) *income of \$1,095, executive short-term life insurance premium and/or imputed income of \$2,851, 401(k) employer matching contribution of \$3,600 and dividends on unvested restricted stock of \$7,415. In connection with the negotiation of his offer letter during fiscal 2016, and in recognition of amounts he forfeited from his previous employer, Mr. Reilly was paid a sign-on bonus equal to \$700,000, which was subject to*
- (11) *repayment obligations if Mr. Reilly's employment was terminated by Mr. Reilly without "Good Reason" or by the Company without "Cause" during the four-year period following his start date. Mr. Reilly had a target of \$850,000 for his annual cash and long-term incentives, in the aggregate; provided that, for fiscal 2016 only, Mr. Reilly was guaranteed a minimum cash payment equal to \$750,000. Reflects payment to Mr. Reilly of \$50,000, equal to the pro-rata portion of the annual cash incentive in excess of*
- (12) *\$750,000 that Mr. Reilly would have received for fiscal year 2016 (based on the Company's performance through the date of his separation agreement, and the number of days in the fiscal year Mr. Reilly was employed prior to such date). Represents an auto allowance of \$4,050, executive long-term disability insurance premium and/or imputed*
- (13) *income of \$46, executive short-term life insurance premium and/or imputed income of \$907, severance benefits of \$450,000 and 18 months of continuation health coverage under COBRA of \$35,041.*
- (14) *Mr. Kaye's base annual salary is \$450,000. Mr. Kaye joined the Company on December 1, 2015.*
- (15)

*Mr. Kaye had a target of \$850,000 for his annual cash and long-term incentives, in the aggregate; provided that, for the first twelve months of his employment only, Mr. Kaye was guaranteed a minimum cash payment equal to \$750,000. In light of the Company's performance and Mr. Kaye's guaranteed bonus amount, the Committee determined that it was appropriate for Mr. Kaye to receive a pro-rata payment of the \$750,000 (with the balance to be a guaranteed amount in fiscal 2017) for fiscal year 2016 (\$312,500).*

*(16) Represents an auto allowance of \$2,250, executive short-term life insurance premium and/or imputed income of \$585 and a one-time make-whole award of \$32,804 upon closing of the Hay Group 401(k) plan.*

[Back to Contents](#)

## FISCAL YEAR 2016 GRANTS OF PLAN-BASED AWARDS

The following table sets forth information with respect to non-equity incentive plan compensation and equity awards granted in fiscal 2016 to the named executive officers, in the case of equity awards, under the 2008 Plan.

Name	Grant Date	Estimate Future Payments Under Non-Equity Incentive Plan Awards			Estimate Future Payments Under Equity Incentive Plan Awards			All Other Stock Awards: Number of Shares of Stock and Grant Date Fair Value of Option Awards	
		Threshold (\$)	Target (\$)	Maximum (\$) <sup>(1)</sup>	Threshold (#)	Target (#)	Maximum (#)	Stock (#)	Option Awards
Gary D. Burnison	7/8/2015	—	—	—	—	—	—	23,510	800,045
	7/8/2015	—	—	—	8,815	35,260	70,520	—	1,387,481
	12/23/2015	—	—	—	24,031	60,078	240,312	—	2,820,062
	—	—	910,000 <sup>(2)</sup>	2,730,000	—	—	—	—	—
Robert P. Rozek	7/8/2015	—	—	—	—	—	—	10,290	350,169
	7/8/2015	—	—	—	3,858	15,430	30,860	—	607,171
	12/23/2015	—	—	—	12,016	30,039	120,156	—	1,410,031
	—	—	575,000 <sup>(3)</sup>	1,875,000	—	—	—	—	—
Byrne Mulrooney	7/8/2015	—	—	—	—	—	—	7,350	250,121
	7/8/2015	—	—	—	2,755	11,020	22,040	—	433,637
	—	—	—	<sup>(4)</sup> 1,875,000	—	—	—	—	—
Stephen D. Kaye	12/1/2015	—	—	—	—	—	—	26,110	1,000,013
	12/23/2015	—	—	—	6,008	15,020	60,080	—	705,039
	—	—	—	<sup>(5)</sup> —	—	—	—	—	—
Matthew P. Reilly	5/4/2015	—	—	—	—	—	—	43,970	1,482,668 <sup>(6)</sup>
	—	—	—	<sup>(5)</sup> 1,875,000	—	—	—	—	—

<sup>(1)</sup> Maximum potential payout under section 162(m) compliant plan; Committee retains complete negative discretion to award lesser amount.

<sup>(2)</sup> Mr. Burnison has an annual target incentive award equal to 100% of his base salary.

<sup>(3)</sup> Mr. Rozek has an annual target incentive award equal to 100% of his base salary.

<sup>(4)</sup> For fiscal year 2016, Mr. Mulrooney had an annual target incentive award (cash incentive and long-term equity) of \$650,000.

<sup>(5)</sup> Mr. Kaye and Mr. Reilly have (or had) an annual target incentive award (cash incentive and long-term equity) of \$850,000.

<sup>(6)</sup> Mr. Reilly's received a time-based restricted stock award on his hire date that had a grant date fair value of \$1,400,000. The award was accelerated in connection with his separation, resulting in incremental cost of

\$82,668.

## EMPLOYMENT AGREEMENTS

Certain elements of compensation set forth in the “Summary Compensation Table” and “Grants of Plan-Based Awards Table” reflect the terms of employment or letter agreements entered into between the Company and each of the named executive officers that were in effect as of April 30, 2016.

**Gary D. Burnison.** We entered into an amended and restated employment agreement with Mr. Burnison dated July 25, 2014 (the “Burnison Employment Agreement”) pursuant to which Mr. Burnison serves as Chief Executive Officer. Pursuant to the Burnison Employment Agreement, we agreed to provide Mr. Burnison with the following annual compensation: (1) an annual base salary of \$910,000; (2) participation in the Company’s annual cash incentive plan with an annual target award of 100% of annual base salary and the ability to earn additional amounts up to a maximum cash award of 200% of annual base salary; and (3) subject to approval of the Board, participation in the Company’s equity incentive program. In addition, Mr. Burnison is eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

[Back to Contents](#)

**Robert P. Rozek.** We entered into an employment agreement with Robert Rozek on February 6, 2012 and an amendment thereto on December 28, 2015 (collectively, the “Rozek Employment Agreement”) pursuant to which Mr. Rozek serves as Executive Vice President, Chief Financial Officer and Chief Corporate Officer of the Company. The Rozek Employment Agreement provided for an initial term ending on April 30, 2015 that is automatically renewed for successive terms of one year unless sooner terminated. Pursuant to the terms of the Rozek Employment Agreement, Mr. Rozek received an annual base salary of \$475,000 through November 30, 2015 and currently receives an annual base salary of \$575,000. Mr. Rozek is eligible for an annual target cash incentive award equal to 100% of his annual base salary with the ability to earn additional amounts up to a maximum cash award equal to 200% of his annual base salary. In addition, Mr. Rozek is eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

**Byrne Mulrooney.** We entered into a letter agreement with Byrne Mulrooney dated June 26, 2014, (the “Mulrooney Letter Agreement”) pursuant to which Mr. Mulrooney serves as the Chief Executive Officer of Futurestep, Inc. The Mulrooney Letter Agreement provides for (1) an annual base salary of \$450,000; and (2) an annual target incentive award (cash and long-term equity) with a value of \$650,000 and a maximum of \$1,350,000 (increased to an annual target incentive award (cash and long-term equity) with a value of \$1,150,000 and a maximum of \$2,300,000 pursuant to a July 2016 amendment). In addition, Mr. Mulrooney is eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

**Stephen Kaye.** We entered into a letter agreement with Stephen Kaye dated September 23, 2015 (the “Kaye Letter Agreement”) pursuant to which he serves as the Chief Executive Officer of the Hay Group. The Kaye Letter Agreement provides for (1) an annual base salary of \$450,000; and (2) an annual target incentive award (cash and long-term equity) with a target value of \$850,000 and a maximum of \$1,550,000; provided, however, that during Mr. Kaye’s first twelve months of employment, he is guaranteed minimum total cash compensation (consisting of base salary and annual incentive award) of \$1,200,000 (of which the annual incentive portion is \$750,000 (the “First Year Minimum Incentive”). The Kaye Letter Agreement also provides for a sign-on award of restricted stock units with a grant date fair value of \$1,000,000 (the “Sign On Award”) that vest in four equal annual installments on each of the first four anniversaries of Mr. Kaye’s start date subject to continued employment through each such date as well as the Retention Bonus. In addition, Mr. Kaye is eligible to participate in employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives.

**Matthew Reilly.** We entered into a letter agreement with Matthew Reilly dated May 4, 2015 (the “Reilly Letter Agreement”) that governed Mr. Reilly’s employment as the Chief Executive Officer of the Company’s Leadership and Talent Consulting business unit prior to his termination. The Reilly Letter Agreement provided for (1) an annual base salary of \$450,000; and (2) an annual target incentive award (cash and long-term equity) with a target value of \$850,000 and a maximum of \$1,550,000; provided, however, that Mr. Reilly was guaranteed a minimum incentive award of \$750,000 for fiscal 2016. Mr. Reilly also received a sign-on cash award equal to \$700,000 and an award of restricted stock units (the “Reilly Sign On RSUs”) with a grant date fair value of \$1,400,000 that were scheduled to vest in four equal annual installments on each anniversary of the grant date. In addition, Mr. Reilly was eligible to participate in the employee benefit plans, arrangements and programs maintained from time to time by the Company for the benefit of senior executives. The Reilly Letter Agreement also provided for a grant of performance shares that had not yet been granted as of the date of his termination of employment and were forfeited in connection with such termination. See below for additional information regarding Mr. Reilly’s termination.



2016 Proxy Statement **44**

[Back to Contents](#)

## FISCAL YEAR 2016 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table sets forth information with respect to options to purchase shares of the Company's common stock, restricted stock and restricted stock unit grants to the named executive officers outstanding as of April 30, 2016.

Name	Option Awards			Stock Awards			Equity Incentive Plan Awards: Number of Unearned Shares or Other Rights that Have Not Vested (#)		
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Not Exercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares of Stock that Have Not Vested (#)	Market Value of Shares of Stock that Have Not Vested (\$)		
Gary D. Burnison	—	—	—	—	—	12,368	(1) 335,668	—	
	—	—	—	—	—	14,115	(2) 383,081	—	
	—	—	—	—	—	23,510	(3) 638,061	—	
	—	—	—	—	—	—	—	66,690	(4)
	—	—	—	—	—	—	—	28,240	(5)
	—	—	—	—	—	—	—	8,815	(6)
	—	—	—	—	—	—	—	55,240	(7)
	—	—	—	—	—	—	—	240,312	(8)
Robert P. Rozek	—	—	—	—	—	4,195	(1) 113,852	—	
	—	—	—	—	—	4,793	(2) 130,082	—	
	—	—	—	—	—	10,290	(3) 279,271	—	
	—	—	—	—	—	—	—	22,630	(9)
	—	—	—	—	—	—	—	9,580	(10)
	—	—	—	—	—	—	—	3,858	(11)
	—	—	—	—	—	—	—	18,740	(12)
	—	—	—	—	—	—	—	120,156	(13)
Byrne Mulrooney	—	—	—	—	—	4,713	(1) 127,911	—	
	—	—	—	—	—	6,865	(14) 186,316	—	
	—	—	—	—	—	4,035	(2) 109,510	—	
	—	—	—	—	—	7,350	(3) 199,479	—	
	—	—	—	—	—	—	—	8,070	(15)
	—	—	—	—	—	—	—	2,755	(16)
	—	—	—	—	—	—	—	10,520	(17)
	—	—	—	—	—	26,110	(18) 708,625	—	

**Stephen D.  
Kaye**

60,080

(19)

(1) *The time-based restricted stock grant was made on June 11, 2012 and vests in four equal annual installments beginning on June 11, 2013.*

(2) *The time-based restricted stock grant was made on July 25, 2014 and vests in four equal annual installments beginning on July 25, 2015.*

(3) *The time-based restricted stock grant was made on July 8, 2015 and vests in four equal annual installments beginning on July 8, 2016.*

(4) *This grant of Relative TSR Units was made on July 9, 2013. The award has a three-year vesting period after which between 0 and 72,100 shares may vest depending upon the Company's total stockholder return over the three-year vesting period relative to a peer group of companies. On July 9, 2016, 66,690 shares vested based upon the Company's total stockholder return over the three-year performance period relative to a peer group of companies.*

(5) *This grant of Relative TSR Units was made on July 25, 2014. The award has a three-year vesting period after which between 0 and 56,480 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 100% of target.*

(6) *This grant of Relative TSR Units was made on July 8, 2015. The award has a three-year vesting period after which between 0 and 70,520 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 25% of target.*

2016 Proxy Statement **45**

Back to Contents

(7) *This grant of LTC/FS Units was made on December 18, 2013. The award has a three-year vesting period beginning on July 12, 2013, the approval date, after which between 0 and 71,280 shares may vest depending upon company performance measured by the compounded annual growth rate of segment revenue and EBITDA margin compared to target levels. On July 12, 2016, 55,240 shares vested based on the compounded annual growth rate of segment revenue and EBITDA margin realized over the three-year period compared to target levels.*

(8) *This grant of Synergy RSUs was made on December 23, 2015 and has characteristics of both market-based and performance-based restricted stock. The award has a three-year vesting period after which between 0 and 240,312 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies and contingent on the level of cost reduction goals achieved over the performance period. Calculated using the maximum outcome of 400% of target.*

(9) *This grant of Relative TSR Units was made on July 9, 2013. The award has a three-year vesting period after which between 0 and 24,460 shares may vest depending upon the Company's total stockholder return over the three-year vesting period relative to a peer group of companies. On July 9, 2016, 22,630 shares vested based upon the Company's total stockholder return over the three-year performance period relative to a peer group of companies.*

(10) *This grant of Relative TSR Units was made on July 25, 2014. The award has a three-year vesting period after which between 0 and 19,160 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 100% of target.*

(11) *This grant of Relative TSR Units was made on July 8, 2015. The award has a three-year vesting period after which between 0 and 30,860 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 25% of target.*

(12) *This grant of LTC/FS Units was made on December 18, 2013. The award has a three-year vesting period beginning on July 12, 2013, the approval date, after which between 0 and 24,180 shares may vest depending upon company performance measured by the compounded annual growth rate of segment revenue and EBITDA margin compared to target levels. On July 12, 2016, 18,740 shares vested based on the compounded annual growth rate of segment revenue and EBITDA margin realized over the three-year period compared to target levels.*

(13) *This grant of Synergy RSUs was made on December 23, 2015 and has characteristics of both market-based and performance-based restricted stock. The award has a three-year vesting period after which between 0 and 120,156 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies and contingent on the level of cost reduction goals achieved over the performance period. Calculated using the maximum outcome of 400% of target.*

(14) *The time-based restricted stock grant was made on June 9, 2013 and vests in four equal annual installments beginning on June 9, 2014.*

(15) *This grant of Relative TSR Units was made on July 25, 2014. The award has a three-year vesting period after which between 0 and 16,140 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 100% of target.*

(16) *This grant of Relative TSR Units was made on July 8, 2015. The award has a three-year vesting period after which between 0 and 22,040 shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies. Calculated using the probable outcome of 25% of target.*

*This grant of LTC/FS Units was made on December 18, 2013. The award has a three-year vesting period beginning on July 12, 2013, the approval date, after which between 0 and 13,580 shares may vest depending upon (17) company performance measured by the compounded annual growth rate of segment revenue and EBITDA margin compared to target levels. On July 12, 2016, 10,520 shares vested based on the compounded annual growth rate of segment revenue and EBITDA margin realized over the three-year period compared to target levels.*

*(18) The time-based restricted stock grant was made on December 1, 2015 and vests in four equal annual installments beginning on December 1, 2016.*

*This grant of Synergy RSUs was made on December 23, 2015 and has characteristics of both market-based and performance-based restricted stock. The award has a three-year vesting period after which between 0 and 60,080 (19) shares may vest depending upon the Company's total stockholder return over the three-year period relative to a peer group of companies and contingent on the level of cost reduction goals achieved over the performance period. Calculated using the maximum outcome of 400% of target.*

## STOCK VESTED IN FISCAL YEAR 2016

The following table sets forth information with respect to and the vesting of stock awards for each of the named executive officers during the fiscal year ended April 30, 2016.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Gary D. Burnison	—	—	116,297	4,076,117
Robert P. Rozek	—	—	52,732	1,738,171
Byrne Mulrooney	—	—	29,123	1,016,429
Matthew P. Reilly	—	—	43,970	1,354,716

[Back to Contents](#)

## FISCAL YEAR 2016 PENSION BENEFITS

The following table sets forth the pension benefits of the named executive officers as of April 30, 2016.

Name	Plan Name	Number of Years Credited Service or Number of Units Earned (#)	Present Value of Accumulated Benefit (\$)	Payments During Last Fiscal Year (\$)
Gary D. Burnison	Executive Wealth Accumulation Plan ("EWAP")	12	308,604	—

**Enhanced Wealth Accumulation Plan**

The EWAP was established in fiscal 1994. Certain vice presidents elected to participate in a "deferral unit" that required the participant to contribute a portion of their compensation for an eight year period, or in some cases, make an after-tax contribution, in return for defined benefit payments from the Company over a fifteen year period generally at retirement age of 65 or later. Participants were able to acquire additional "deferral units" every five years.

In June 2003, the Company amended the EWAP so as not to allow new participants or the purchase of additional deferral units by existing participants. The assumptions used to calculate the present value of the accumulated benefit under the EWAP are set forth in Note 6 to the notes to consolidated financial statements in our Annual Report on Form 10-K for the year ended April 30, 2016.

## FISCAL YEAR 2016 NONQUALIFIED DEFERRED COMPENSATION

The nonqualified deferred compensation plan earnings and withdrawals of the named executive officers as of April 30, 2016 are set forth in the table below.

Name	Executive Contributions in Last FY (\$)	Registrant Contributions in Last FY (\$)	Aggregate Earnings/loss in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE \$(1)
Gary D. Burnison	—	—	(81,042)	—	992,674
Robert P. Rozek	—	—	—	—	—

Byrne Mulrooney	—	—	—	—	—
Stephen D. Kaye	—	—	—	—	—

*The “Aggregate Balance at Last FYE” is comprised of contributions made by both Mr. Burnison and the Company of which \$209,000 was reported as contributions in Summary Compensation Tables in prior-year proxy statements beginning with the fiscal 2007 proxy statement. The information in this footnote is provided to clarify the extent to which amounts payable as deferred compensation represent compensation reported in our prior proxy statements, rather than additional currently earned compensation.*

Please see the “Other Compensation Elements” section on page 38 for further discussion of the Company’s nonqualified deferred compensation plan.

2016 Proxy Statement **47**

[Back to Contents](#)

## POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE OF CONTROL

The tables below reflect the amount of compensation that would become payable to each of the named executive officers (other than Mr. Reilly) under existing plans and arrangements if that named executive officer's employment had terminated on April 30, 2016 (pursuant to his employment agreement then in effect), given the named executive officer's compensation and service levels as of such date and, if applicable, based on the Company's closing stock price on that date. The information presented below with respect to Mr. Reilly, however, reflects actual amounts received in connection with his termination of employment in January of 2016. These benefits are in addition to benefits available prior to the occurrence of any termination of employment, including benefits generally available to salaried employees, such as distributions under the Company's 401(k) plan and EWAP, and previously accrued and vested benefits under the Company's nonqualified deferred compensation plan, as described in the tables above. In addition, in connection with any actual termination of employment, the Company may determine to enter into an agreement or to establish an arrangement providing additional benefits or amounts, or altering the terms of benefits described below, as the Committee determines appropriate. The actual amounts that would be paid upon a named executive officer's termination of employment can be determined only at the time of such named executive officer's separation from the Company. Due to the number of factors that affect the nature and amount of any benefits provided upon the events discussed below, any actual amounts paid or distributed may be higher or lower than reported below. Factors that could affect these amounts include the timing during the year of any such event, the Company's stock price and the named executive officer's age. References to "performance shares" mean any outstanding Relative TSR Units or Synergy RSUs.

**Gary D. Burnison.** Under the Burnison Employment Agreement, if Mr. Burnison's employment terminated due to death or disability, then he, or his legal representatives, would receive: (1) all accrued compensation as of the date of termination; (2) full vesting of all outstanding stock options, other equity-type incentives (excluding performance shares) and benefits under the ECAP; (3) a pro rata portion of his target annual cash incentive award for the fiscal year in which his employment terminated; (4) the number of performance shares that would have been earned if he had served the Company for the entire performance period and the target performance had been achieved (provided, however, that with respect to Mr. Burnison's Synergy RSUs, he would receive the number of shares actually earned in the performance period and interim measurement period based on Company performance over the entire performance period and interim measurement period); and (5) reimbursement of COBRA coverage premiums for Mr. Burnison and his dependents for as long as such coverage was available under COBRA.

If we terminated Mr. Burnison's employment for cause or he voluntarily terminated his employment without good reason, then we would pay him accrued compensation through the date of termination.

Under the Burnison Employment Agreement, prior to a change in control or more than 12 months after a change in control, if Mr. Burnison's employment was terminated by us without cause or by Mr. Burnison for good reason, then we would provide him with the following: (1) his accrued compensation; (2) a pro rata portion of his annual cash incentive award, based on actual Company performance, for the year in which his employment terminated; (3) cash payments equal to one and one-half times his then current annual base salary and one and one-half times his target bonus; (4) for up to 18 months after termination, reimbursement of COBRA coverage premiums for him and his dependents for as long as such coverage was available under COBRA; (5) vesting on the date of termination of all



outstanding stock options, other equity-type incentives, and all benefits held under the ECAP (excluding performance shares) that would have vested within 12 months of his termination; and (6) for performance shares, a pro rata award of performance shares based on actual performance and the number of days Mr. Burnison was employed during the performance period plus an additional year (provided this number of days does not exceed the number of days in the performance period).

The Burnison Employment Agreement provides that if there was a change of control and within 12 months Mr. Burnison's employment was terminated by us without cause or by Mr. Burnison for good reason, then we would provide him with the following: (1) his accrued compensation; (2) a pro rata portion of his target annual cash incentive award; (3) cash payments equal to the sum of two times his current annual base salary and two times his target bonus; (4) for up to 18 months after termination, reimbursement of COBRA coverage premiums for him and his dependents for so long as such coverage is available under COBRA and for six months thereafter, reimbursement of a portion of the cost of healthcare coverage for him and his dependents; (5) vesting on the date of termination of all outstanding stock options, other equity-type incentives, and all benefits under the ECAP (excluding performance shares); (6) a pro rata award of performance shares (other than Synergy RSUs) based on the greater of the Company's actual performance and target performance and the number of days in the performance period prior to the change in control; (7) a pro rata award of performance shares (other than Synergy RSUs) based on target performance and the number of days remaining in the performance period after a change in control; and (8) for Synergy RSUs, a pro rata award based on actual performance and the number of days Mr. Burnison was employed during the performance period plus an additional year (provided the number of days does not exceed the number of days in the performance period).

[Back to Contents](#)

Under the Burnison Employment Agreement, the severance benefits described above are conditioned on Mr. Burnison's execution and delivery of a general release and compliance with covenants relating to confidentiality, nonsolicitation and noncompetition.

	Prior to a Change in Control or More than 12 Months after a Change in Control and Termination Without Cause or With Good Reason	<b>Within 12 Months after a Change in Control and Termination Without Cause or With Good Reason</b>	<b>Death or Disability</b>
Gary D. Burnison			
Equity/ECAP (excluding performance shares)	\$622,863	\$1,356,796	\$1,356,796
Performance Shares <sup>(1)</sup>	5,465,357	5,784,052	6,663,074
Base Salary	1,365,000	1,820,000	—
Bonus	3,034,850	2,730,000	910,000
Health Benefits	35,742	47,656	71,484 <sup>(2)</sup>
<b>TOTAL</b>	<b>\$10,523,812</b>	<b>\$11,738,504</b>	<b>\$9,001,354</b>

*For the calculations above, if performance shares would vest based on actual Company performance, to the extent the applicable vesting period was still ongoing as of the end of fiscal 2016, it was assumed that the Company achieved target performance. With respect to Mr. Burnison's grants of performance shares for which the (1) measurement period ended on April 30, 2016 (and vested on July 9, 2016), actual results were used in the calculations. With respect to Mr. Burnison's grant of performance shares for which the measurement period ended on April 30, 2016, the measurement period was assumed to have concluded prior to his termination for purposes of the table.*

*Where Mr. Burnison or his dependents are entitled to COBRA for as long as COBRA is available, we have (2) assumed entitlement to 36 months of COBRA as that is the maximum length of time for which such benefits may be available.*

**Robert P. Rozek.** Under the Rozek Employment Agreement, if Mr. Rozek's employment terminates due to death or disability, then he, or his legal representatives, would receive: (1) all accrued compensation as of the date of termination; (2) full vesting of all outstanding stock options, other equity-type incentives (excluding performance shares and benefits under the ECAP); (3) a pro rata portion of his target annual cash incentive award for the fiscal year in which his employment is terminated; (4) the number of performance shares that would have been earned if he had served the Company for the entire performance period and the target performance had been achieved (provided, however, that with respect to Mr. Rozek's Synergy RSUs, he would receive the number of shares actually earned in the performance period and interim measurement period based on Company performance over the entire performance period and interim measurement period); and (5) reimbursement of COBRA coverage premiums for him and his

dependents for as long as such coverage is available under COBRA.

If we terminate Mr. Rozek's employment for cause or he voluntarily terminates his employment without good reason, then we will pay him accrued compensation through the date of termination.

In the event that Mr. Rozek's employment is terminated by the Company without cause or by Mr. Rozek for good reason prior to a change in control and more than 12 months after his start date or more than 12 months after a change in control occurs, the Company will pay Mr. Rozek the following severance payments: (1) his accrued compensation; (2) a pro-rata portion of his annual cash incentive award, based on actual Company performance, for the year in which his employment terminated; (3) a cash payment equal to one time his then current annual base salary to be paid over 12 months; (4) reimbursement of COBRA coverage premiums for Mr. Rozek and his covered dependents for up to 18 months; (5) the equity awards initially granted to Mr. Rozek in connection with his employment agreement will become fully vested based on target performance; (6) all outstanding equity incentive awards (other than the equity awards initially granted to Mr. Rozek in connection with his employment agreement and any other performance shares), held by Mr. Rozek and all benefits under the Company's ECAP at the time of termination that would have vested in the 12 months following the date of termination will become fully vested as of the date of termination; and (7) a pro rata award of performance shares based on actual performance and the number of days Mr. Rozek was employed during the performance period plus an additional year (provided this number of days does not exceed the number of days in the performance period).

In the event that Mr. Rozek's employment is terminated by the Company without cause or by Mr. Rozek for good reason within 12 months following a change in control, the Company will pay Mr. Rozek the following severance payments: (1) his accrued compensation; (2) a pro-rata portion of his target annual cash incentive award; (3) a cash payment equal to the sum of one time his current annual base salary and one time his target bonus to be paid over 12 months; (4) reimbursement of COBRA coverage premiums for Mr. Rozek and his covered dependents for up to 18 months, plus an additional 6 months of health plan premium reimbursement; (5) all outstanding stock options and other equity type incentives held by Mr. Rozek and all benefits under the ECAP at the time of termination, except for performance shares, will become fully vested as of the date of termination; (6) a pro-rata number of performance shares (other than Synergy RSUs) and/or a payout under any long-term performance-based cash incentive program based on actual performance and the number of days in the performance period prior to the change in control; (7) a pro-rata number of performance shares (other than Synergy RSUs) and/or a payout under any long-term performance-based cash incentive program based on target performance and the number of days remaining in the performance period after the change in control; and (8) for Synergy RSUs, a pro rata award based on actual performance and the number of days Mr. Rozek was employed during the performance period plus an additional year (provided the number of days does not exceed the number of days in the performance period).

In the event Mr. Rozek's employment is terminated by the Company without cause upon the expiration of any one-year term of the Rozek Employment Agreement, the Company will pay Mr. Rozek his accrued compensation and, subject to Mr. Rozek's provision of transition services to the Company for a



[Back to Contents](#)

period of three months (during which time Mr. Rozek would be entitled to continued pay at his then current annual base salary rate and participation in the Company's welfare benefit plans, but no additional bonus or equity compensation), (1) a cash payment equal to one time his then current annual base salary to be paid in equal monthly installments over 12 months, (2) reimbursement of COBRA coverage premiums for Mr. Rozek and his covered dependents for up to 18 months following termination, (3) the equity awards initially granted to Mr. Rozek in connection with his employment agreement will become fully vested (assuming the target performance), (4) all outstanding equity incentive awards (the equity awards initially granted to Mr. Rozek in connection with his employment agreement and any other performance shares) held by Mr. Rozek and all benefits under the ECAP at the time of termination that would have vested in the 12 months following the date of termination will become fully vested as of the date of termination, and (5) a pro rata award of performance shares based on actual performance and the number of days Mr. Rozek was employed during the performance period plus an additional year (provided this number of days does not exceed the number of days in the performance period).

The severance benefits described above are conditioned on Mr. Rozek's execution and delivery of a general release and compliance with covenants relating to confidentiality, non-solicitation and non-competition.

	Prior to a Change in Control or More than 12 Months after a Change in Control and Termination Without Cause or With Good Reason	Within 12 Months after a Change in Control and Termination Without Cause or With Good Reason	Death or Disability
Robert P. Rozek			
Equity (excluding performance shares)	\$ 227,026	\$523,191	\$523,191
Performance Shares <sup>(1)</sup>	2,037,811	2,177,274	2,616,785
Base Salary	475,000	475,000	—
Bonus	1,055,125	950,000	475,000
Health Benefits	35,742	47,656	71,484
TOTAL	\$ 3,830,704	\$4,173,121	\$3,686,460

*For the calculations above, if performance shares would vest based on actual Company performance, to the extent the applicable vesting period was still ongoing as of the end of fiscal 2016, it was assumed that the Company achieved target performance. With respect to Mr. Rozek's grants of performance shares for which the measurement period ended on April 30, 2016 (and vested on July 9, 2016), actual results were used in the calculations. With respect to Mr. Rozek's grant of performance shares for which the measurement period ended on April 30, 2016, the measurement period was assumed to have concluded prior to his termination for purposes of the table.*

(2)

*Where Mr. Rozek or his dependents are entitled to COBRA for as long as COBRA is available, we have assumed entitlement to 36 months of COBRA as that is the maximum length of time for which such benefits may be available.*

**Byrne Mulrooney.** Under the Mulrooney Letter Agreement, in the event that Mr. Mulrooney's employment is terminated by the Company for any reason other than cause or due to Mr. Mulrooney's death or disability or by Mr. Mulrooney for good reason, and such termination occurs prior to or more than 12 months following the occurrence of a change in control, the Company will pay Mr. Mulrooney the following severance payments subject to his execution and delivery of a general release and compliance with the restrictive covenants set forth in the agreement: (1) his accrued compensation; (2) a pro-rata portion of his annual cash incentive award, based on actual company performance, for the year in which his employment terminated; (3) a cash payment equal to one time his then current annual base salary to be paid in equal monthly installments over 12 months; (4) reimbursement of COBRA coverage premiums for Mr. Mulrooney and his covered dependents for up to 18 months following termination; (5) all outstanding equity incentive awards (other than any performance shares) held by Mr. Mulrooney and all benefits under the Company's ECAP at the time of termination that would have vested in the 12 months following the date of termination will become fully vested as of the date of termination; and (6) a pro rata award of performance shares based on actual performance and the number of days Mr. Mulrooney was employed during the performance period plus an additional year (provided this number of days does not exceed the number of days in the performance period).

In the event that Mr. Mulrooney's employment is terminated by the Company for any reason other than cause or due to Mr. Mulrooney's death or disability or by Mr. Mulrooney for good reason and such termination occurs within 12 months following the occurrence of a change in control, then Mr. Mulrooney will be entitled to receive the same severance benefits as described above (subject to the execution and delivery of a general release and compliance with the restrictive covenants in the agreement) except that the cash payment described in (3) above will equal one time Mr. Mulrooney's then current annual base salary plus his then current target annual incentive award and Mr. Mulrooney will be entitled to full vesting of his outstanding equity awards and all benefits under the ECAP; provided, however, that with respect to performance shares, such vesting will be based on actual performance through the date of the change in control.

[Back to Contents](#)

	<b>Prior to a Change in Control or More than 12 Months after a Change in Control and Termination Without Cause or With Good Reason</b>	<b>Within 12 Months after a Change in Control and Termination Without Cause or With Good Reason</b>	<b>Death or Disability</b>
Byrne Mulrooney			
Equity (excluding performance shares)	\$ 307,428	\$ 623,202	\$—
Performance Shares <sup>(1)</sup>	704,134	803,738	—
Base Salary	450,000	450,000	—
Bonus	950,000	1,600,000	—
Health Benefits	35,742	35,742	—
TOTAL	\$ 2,447,305	\$ 3,512,682	\$—

*For the calculations above, if performance shares would vest based on actual Company performance, to the extent the applicable vesting period was still ongoing as of the end of fiscal 2016, it was assumed that the Company achieved target performance. With respect to Mr. Mulrooney's grants of performance shares for which the (1) measurement period ended on April 30, 2016 (and vested on July 9, 2016), actual results were used in the calculations. With respect to Mr. Mulrooney's grant of performance shares for which the measurement period ended on April 30, 2016, the measurement period was assumed to have concluded prior to his termination for purposes of the table.*

**Stephen Kaye.** Under the Kaye Letter Agreement, if Mr. Kaye's employment terminates due to death or disability, then he, or his legal representatives, would receive: (1) all accrued compensation as of the date of termination; (2) with respect to his Synergy RSUs, the number of shares actually earned in the performance period and interim measurement period based on Company performance over the entire performance period and interim measurement period; and (3) full vesting of the Retention Bonus. Under the Kaye Letter Agreement, in the event that Mr. Kaye's employment is terminated by the Company for any reason other than cause (and not due to Mr. Kaye's death or disability) or by Mr. Kaye for good reason, and such termination occurs prior to or more than 12 months following the occurrence of a change in control, Mr. Kaye will become entitled to the following payments and benefits subject to his execution and delivery of a general release and compliance with the restrictive covenants set forth in the agreement: (1) his accrued compensation; (2) a pro-rata portion of his annual cash incentive award, based on actual company performance, for the year in which his employment terminated; (3) a cash payment equal to one time his then current annual base salary to be paid in equal monthly installments over 12 months; (4) any portion of the First Year Minimum Incentive that has not already been paid as of the date of termination; (5) reimbursement of COBRA coverage premiums for Mr. Kaye and his covered dependents for up to 18 months following termination; (6) full vesting of the Retention Bonus and Sign On Award to the extent then outstanding and unvested; (7) all outstanding equity incentive awards (other than the Sign On Award and any performance shares) held by Mr. Kaye and all benefits under the Company's ECAP at the time of termination that would have vested in the 12 months following the date of termination will become fully vested as of the date of termination; and (8) a pro rata award of performance shares based on actual performance and the number of days Mr. Kaye was employed during the performance period plus an

additional year (provided this number of days does not exceed the number of days in the performance period).

In addition, in the event that Mr. Kaye's employment is terminated by the Company for any reason other than cause (and not due to death or disability) or by Mr. Kaye for good reason and such termination occurs within 12 months following the occurrence of a change in control, then Mr. Kaye will be entitled to receive the same severance benefits as described above (subject to the execution and delivery of a general release and compliance with the restrictive covenants in the agreement) except that the cash payment described in (3) above will equal one time Mr. Kaye's then current annual base salary plus his then current target annual incentive award and Mr. Kaye will be entitled to full vesting of his outstanding equity awards (other than the Synergy RSUs) and all benefits under the ECAP; provided, however, that with respect to performance shares, such vesting will be based on actual performance through the date of the change in control.

	Prior to a Change in Control or More than 12 Months after a Change in Control and Termination Without Cause or With Good Reason		
		Within 12 Months after a Change in Control and Termination Without Cause or With Good Reason	Death or Disability
Stephen Kaye			
Equity (excluding performance shares)	\$ 708,625	\$708,625	