

# Stock Ownership Policy

(Updated Effective December 4, 2014)

## KORN/FERRY INTERNATIONAL STOCK OWNERSHIP POLICY

The Nominating and Corporate Governance Committee (the "**Committee**") of the Board of Directors of Korn/Ferry International (the "**Company**") has determined that in order to further align the long-term interests of the Company's stockholders and its non-employee directors ("**Directors**") and executive officers ("**Officers**") it is in the best interest of the Company to require the Directors and Officers to have direct ownership in the common stock of the Company. As a result of such determination, and in accordance with the Company's Corporate Governance Guidelines, the Committee and the Board have adopted this Stock Ownership Policy (this "**Policy**") to provide direction to the Directors and Officers as to the level and amounts of ownership considered satisfactory in meeting the ownership requirements.

### Ownership Levels

The Committee requires that Directors and Officers have direct ownership of the Company's common stock in at least the following amounts:

<b>Positions</b>	<b>Stock Ownership Level</b>
Chief Executive Officer	3x annual base salary
Chief Financial Officer	3x annual base salary
Other Officers Named in the Proxy	3x annual base salary
Non-Employee Directors	3x annual cash retainer

The required number of shares of common stock (the "**Stock Ownership Level**") will be calculated annually on the day of the Company's annual meeting of stockholders (the "**Calculation Date**") based on the prior thirty-day average closing stock price as reported by the New York Stock Exchange. The prior thirty-day average closing stock price and the resulting Stock Ownership Level determined on any given Calculation Date will apply until the next Calculation Date, such that any subsequent change in the value of the shares during the year will not affect the number of shares Directors and Officers should hold during the year. Although the Stock Ownership Level is only calculated on the Calculation Date, Directors and Officers are required to own a number of shares sufficient to meet the most recently determined Stock Ownership Level at all times during the year until the next Calculation Date. Further, for purposes of calculating the Stock Ownership Level, in the case of Officers, the salary level shall be based on the Officer's base salary as of the Calculation Date, and in the case of Directors, the cash retainer amount shall be based on the Director's cash retainer level as of the Calculation Date.

## **Counting Shares Owned**

Common stock that counts towards the Stock Ownership Level includes all stock beneficially owned by a Director or Officer, including stock owned jointly with, or separately by a spouse and/or minor children but excluding unvested restricted stock awards.

## **Phase-In Period for Salary Increases**

If an Officer's Stock Ownership Level increases as a result of receiving an increase in salary, the Officer will become subject to the higher expected Stock Ownership Level over a five-year phase-in period (the "**Phase-In Period**"), with the minimum Stock Ownership Level during the Phase-In Period increasing by 20% of the difference between the higher expected Stock Ownership Level and the prior Stock Ownership Level at each anniversary of the increase in salary. (By way of example, if the CFO's salary increases from \$100,000 to \$200,000 after Calculation Date 0 and before Calculation Date 1, his minimum Stock Ownership Level during the Phase-In Period will be a number of shares equal to: \$300,000 for the year following Calculation Date 0; \$360,000 for the year following Calculation Date 1; \$420,000 for the year following Calculation Date 2; \$480,000 for the year following Calculation Date 3; \$540,000 for the year following Calculation Date 4; and \$600,000 beginning on Calculation Date 5 and going forward.)

## **Retention Ratios**

Until the applicable Stock Ownership Level is met (and at any subsequent time when a Director or Officer is not in compliance with the applicable Stock Ownership Level), Directors and Officers must comply with the retention ratios set forth below and are not permitted to sell or transfer shares other than to the extent permitted below.

Restricted Stock Awards - Upon vesting of a restricted stock award and after the payment of the taxes due as a result of vesting, the Director or Officer is required to hold seventy-five percent (75%) of the net shares. Net shares refer to the shares remaining after payment of transaction costs and applicable taxes owed as a result of vesting of the restricted stock.

Exercise of Stock Options - Upon exercise of a stock option, the Director or Officer is required to hold fifty percent (50%) of the net shares. Net shares refer to the shares remaining after payment of transactions costs, applicable taxes owed and the exercise price of the option as a result of the exercise of the option.

## **Hardship**

The Board of Directors understands that there may be instances where this policy would place a hardship on a Director or Officer. In these instances, the Director or Officer must submit a request in writing to the Chairman of the Committee (or, if such chairman is the affected Director, the Chairman of the Compensation and Personnel Committee) that summarizes the circumstances and describes the extent to which an exemption is being requested. The Chairman of the Committee (or the Chairman of the Compensation and Personnel Committee, as outlined above) will make the final decision as to an alternative stock ownership plan for the Director or Officer that balances the goals of this policy and the affected Director's or Officer's personal circumstances.

**Annual Review**

The Committee will review the Stock Ownership Levels of the Directors and Officers covered by the Policy on an annual basis. From time to time the Committee may recommend changes to the Policy for approval by the Board.